



**Ministry of National
Food Security & Research**
Government of Pakistan



Pakistan National Olive Value Chain Policy



Along with
**The Implementation Strategy and
Road Map for 2024 - 2030**

FOREWARD

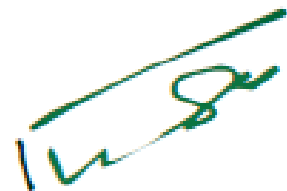
It is a matter of great satisfaction to present the Olive Value Chain Policy, a strategic framework designed to harness Pakistan's vast potential in olive cultivation and to promote a competitive, sustainable, and investment-friendly olive industry.

This policy is the outcome of extensive consultations and collaborative efforts of Government of Italy and Pakistan involving provincial governments, research institutions, development partners, private sector stakeholders, and farming communities. I extend my sincere appreciation to all those who contributed their expertise, experience, and valuable insights into shaping this important document.

I particularly acknowledge the efforts of CIHEAM Bari, Italy, Ministry of National Food Security & Research, the Pakistan Oilseed Department, technical experts, and development partners whose commitment has been instrumental in advancing the olive sector in Pakistan. Their contributions have helped establish a strong foundation for transforming olive cultivation into a driver of economic growth, rural development, and edible oil self-reliance.

The Olive Value Chain Policy reflects the vision of reducing the national edible oil import bill, enhancing farmers' incomes, promoting value addition, attracting investment, and positioning Pakistan as an emerging player in the global olive industry.

I am confident that with continued cooperation among all stakeholders, this policy will serve as a catalyst for the sustainable growth of the olive sector and contribute meaningfully to the prosperity of our farming communities and the national economy.



H.E Rana Tanveer Hussain
Federal Minister

Ministry of National Food Security & Research
Government of Pakistan

Executive Summary

Introduction

Pakistan has significant potential to become a key player in the global olive industry due to its suitable conditions and increasing demand for olive oil. The "Pakistan National Olive Value Chain Policy, along with the Implementation Strategy and Road Map for 2024 - 2030" (PNOVCP) builds upon existing government initiatives outlining a comprehensive approach to developing the Olive Value Chain to create a structured and solid Olive Sector. It aims to increase olive production, enhance the quality of processing and human resources, attract the private sector industry, facilitate stakeholders in managing the olive chain, promote domestic consumption, and compete on the national and international markets. The Road Map spans from 2024 to 2030 and provides indications for synergizing a sustainable implementation and economic viability.

Despite agriculture being one of the Government's top priorities, Pakistan spent approximately \$ 7.57 billion during the financial year 2023-24 on food imports, out of which about \$3.33 billion was spent on edible oils, as 90 percent of the requirements are met through imports. The imports included approximately 4,000 tons of olive oil for \$19 million and approximately 500 tons of olive products for about \$ 3million.

Major and minor constraints affect oilseed production, which discourage farmers from growing these crops: aleatory marketing, low economic returns, inadequate support for essential production inputs, including credit, quality seed, and fertilizer, inadequate production technology, and lack of appropriate farm machinery for harvesting and post-harvest processing. Ultimately, the oilseed crops also suffer the status of being considered "minor crops".

The introduction and promotion of Olive as an alternative crop in the predominantly rural context of Pakistan have the potential to generate significant socio-economic rewards and benefits for the country and contribute to minimizing the import bill of edible oils. It is believed that Olive has no competitors in utilizing marginal lands and is better suited to meet the increasing requirements for planting low-delta crops. As a long-term strategy, Pakistan needs to focus on high-value and better-yielding crops, which are stress-resistant and suitable for cultivation across many Agro-climatic zones of the country.

The Olive Value Chain is sustainable from the health-nutritional, economic, social, and environmental dimensions:

- **Health-Nutritional**, as the extra virgin olive oil possess highly valuable natural properties of both nutrient and therapeutic effects.
- **Economic**, as a lot of investment opportunities exist in the chain with a satisfactory Internal Rate of Return.
- **Social**, as Pakistan's agriculture sector is a major source of employment for a significant proportion of the Pakistani labour force, and the olive value chain can offer to farmer communities, youth, women, and labourers extensive working opportunities. Also, several SDGs will be attained.
- **Environmental**, as olive plants are naturally endowed with a structure that makes them resistant to harsh weather and changing climatic patterns. Also, as a great source of carbon absorption, olive plantations are eligible for Carbon Credit schemes, besides contributing to the achievement of a clean and green ecology. Moreover, the role of the olive trees is significant in safeguarding biodiversity, improving soil, and acting as a barrier to desertification.

It has been ascertained that there is a local high consumer demand for olive products, primarily driven by their recognized health benefits, with substantial preference for imported olive products over local ones, highlighting the perception that imported goods offer superior flavour and variety, but above all, the lack of quality certifications on local products has a significant negative impact. This indicates a substantial potential for growth in the local olive product market and export.

Approximately 5,5 million olive trees have been planted so far by the farmers, mainly in Balochistan, Khyber Pakhtunkhwa, and Punjab. The first significant investment in modern olive plantation dates back from 2012 to 2016 through the Pakistan-Italian Debt Swap Agreement/PIDSA, followed by the PSDP "PakOlive" Phase I, both initiatives managed by the Pakistan Agriculture Research Council (PARC).

Despite the promising results achieved and some excellence attained by olive growers, it has been assessed that the average olive yield is about 30% of the optimal, as serious problems and bottlenecks are hindering the smooth development of the value chain in all its segments: production of olive crop; harvesting, processing, and post-processing of olive fruits and olive oil; marketing of olive oil and olive products; policies, legislation, and certification; research, extension services, education, and training; women and youth.

Given the structural evolution, the vibrant Olive Sector requires concerted efforts to shift from the current "amateurish" approach to an industrial and commercial reality. The relevant contribution from the Public Sector Development Programs, provinces, and donors, who have paved the way for the introduction and promotion of modern olive cultivation, will continue to refine the development of the Olive Value Chain, to be progressively handled by the Private Sector. Still, much better coordination and integration must occur at all levels.

The Pakistan National Olive Value Chain Policy

The NOVCP/Policy is the result of the assessments and analyses done on the achievements, positive results, lessons learnt, and critical issues, depicting the current situation, corroborated by the experience acquired from three years of field activities of the Italian OliveCulture Project (2022- 2024), implemented under the Ministry of National Food Security & Research (MNFS&R) and in close partnerships with the provinces, the leading institutions, the olive growers, the communities, and the social sector.

The Policy represents an essential tool for the Decision Makers in evaluating the status of affairs and, accordingly, to decide the course of action. It is a programmatic document that analyses the situation, defines strategic objectives, and proposes actions in the short, medium, and long-term, defining stakeholders' roles and responsibilities.

The Road Map, which is suggested for the period till the Year 2030, has been formulated on the grounds of the following principles: (a) phasing budgeted investment mechanisms and financial incentives, (b) monitoring the policy effectiveness, allowing for adaptive measures. The Road Map is the result of the technical outcomes of the proposed policy document and of ongoing and approved initiatives, along with suggestions that need political and decision-making involvement. For the effective implementation, the Ministry of NFS&R shall develop, in consultation with the provinces and relevant stakeholders, the Action Plan, committing specific responsibilities with quantifiable targets to be achieved within the given timeframe.

The NOVCP Process, Vision, Goals, and Objectives

The Policy was developed through extensive dialogue with federal and provincial authorities.

The vision, mission, goals, and key objectives are presented below:

VISION	The new and growing businesses of the Olive Sector are significantly contributing to a vibrant rural economy in the country.
MISSION	Help the existing business to expand and build a solid structure on the passionate development made in creating the Olive Value Chain.
GOAL	Creating a sustainable Olive Oil Value Chain and delivering quality olive oil and olive products to customers.

The development of the Olive Sector is consistent and aligned with the plans and strategies formulated and adopted by the Government, including: Uraan Pakistan: 5Es National Economic Transformation Plan 2024-2029 (13th Five-Year Plan); Sustainable Development Goals, Agenda 2030, and National Adaptation Plan (NAP), Pakistan 2023.

Priority initiatives will focus on achieving the following key objectives:

Production and Processing:

- Expand olive growing under suitable climatic conditions in marginal and wasteland areas, and in cultivated lands where olive is more favourable than other cash crops, in all the provinces.
- Develop and implement the "Cluster approach".
- Enhance knowledge, expertise, know-how, and adoption of GAP regarding olive oil and table olives at both the farm and processing levels.
- Improve and modernize mechanization with the appropriate equipment for more effectiveness and competitiveness in farming, processing, transport, storage, packaging, and marketing.
- Increase the utilization of new and more efficient water irrigation methods (smart irrigation systems), considering water to be an increasingly scarce and expensive input to production.
- Improve farmers' profitability and their income, and curtail the migration from rural to urban areas and/or other countries.
- Promote cooperation among farmers to improve the business in the form of village organizations/ community organizations/ associations, clusters, etc.
- Encourage cooperation among operators in the supply chain to improve management and competitiveness.
- Establish a viable and efficient national data collection system for olive oil and olive products.

Marketing:

- Increase consumption, through communication, education, and promotion, of olive oil and table olives, in line with the increase in cultivation and production, and a positive trend of consumer demand for healthier foods.
- Improve the quality of olive oil through certification and standardization at the farm and olive mill levels, to respond to the demand for a healthier diet, and to be competitive with the imported olive oil and seed oils, through the Consortium/Association managing the PakOlive Brand.

- Promote the locally developed Pakistani brand "PakOlive" and improve the quality standards for fair competition with imported olive oil in the market, as well as for export.
- Develop and promote new recipes of value-added products to enhance consumers' demands.
- Modernize the marketing techniques and strategies, develop communication tools for the local products, and use electronic and social media to expand the market.

Policies, Legislation, and Certification:

- Adopt the "National Olive Value Chain Policy" along with the "Implementation Strategy and Road Map for 2024-2030" as a strategic tool for the development of the Olive sector on a sustainable basis.
- Improve the regulatory framework for plant propagating material (i.e., seedlings), certification system (genetic and sanitary plant, and quality products), quality standards, food safety, traceability, import, and export.
- Establish the Pakistan Olive and Olive Oil Council (POOC) to address the regulatory, certification, and policy matters about the olive sector.
- Establish the Consortium/Association for the Protection and Regulation of Olive Oils and Table Olives produced under the "PakOlive" brand name.
- Establish a National Observatory of Prices of the olives, olive oils, and table olives produced and traded on the entire national territory, to monitor the market.
- Develop a joint approach bringing together the MNFS&R, Ministry of Planning, Development & Special Initiatives (MoPD), Ministry of Commerce (MoCom), Ministry of Climate Change and Environmental Coordination (MoCC), and the Ministry of Federal Education and Professional Training (FE&PT) to chalk out development programs and financial resources for the development of the Value Chain and Supply Chain in the olive sector. A National Olive Oil Policy Implementation Unit (NOOPIU) may be established for Coordination and Monitoring.
- Increase and ensure public subsidies to the needed actors of the olive value chain and incentivize the constitution of cooperatives and associations of farmers.
- Mobilize financial resources from local public and private banking systems, international organizations, and foreign countries, for local investments in the olive sector at public and private levels.
- Update the legislation and implement an efficient national framework for the organic sector (e.g. National Action Plan for Organic Agriculture).
- Pakistan to join, as a full Member from the current Observer status, the International Olive Council (IOC), the intergovernmental organization that promotes olive oil and table olives in the world.

Research, Extension Services, Education, and Training

- Establish and enhance working partnerships among national and international research organizations for capacity building, sharing information and material on the olive sector.
- Boost research, based on new and efficient structures (i.e. the laboratories), with emphasis on human resource development.
- Strengthen the Extension services both financially and in manpower, to transfer knowledge and information to operators along the supply chain, also using new ITC systems.
- Avail in full the strength of the TVET project (Professional Capacity Building and Extension in Agriculture - TVET National Reform Programme), financed by the Italian Government. It will enable conducting specialized training and granting certified titles for technicians to be employed by the olive private sector.
- Avail the opportunities offered by the Pakistan Education Endowment Fund (PEEF) in financing scholarships in Agriculture & Climate Change, in close coordination with the MNFS&R and the provinces.

Institutional arrangements

Governance and implementation of the NOVCP will involve Federal and provincial setups, as well as the Pakistan Olive and Olive Oil Council (POOC), a new body to be established.

The constitution of a National Olive Oil Policy Implementation Unit (NOOPIU) will boost synergies and integration of resources among Ministries.

MNFS&R

The MNFS&R will continue to play a central role in the development of the Olive Value Chain, as per the federal mandate on policy formulation, planning, Research and Development, and economic coordination in respect of food grain and agriculture, pursuing the significant efforts exerted since the olive crop was launched in the country.

Provinces

The provinces will play a primary role in the olive oil value chain, in close coordination with the MNFS&R. The bodies to be established at the national level, i.e., the POOC and the Consortium/Association for managing the PakOlive Brand, will be mainly constituted by relevant provincial stakeholders.

Research & Development

Extensive R&D activities are the need of the time. Agriculture Research Centres (provincial ARIs and NARC) and specialized centres such as CEFORT shall be entrusted with research activities on olive and shall be accordingly equipped.

Agriculture Universities

To be significant, serious programs must introduce courses on olive with relevant syllabi, conduct seminars/workshops, distribute publications, and coordinate in organizing PhDs on olive-specific research by providing support to institutions and indigenous scholarships.

Pakistan Olive and Olive Oil Council (POOC)

The POOC will act as an apex statutory body under the MNFSR and shall oversee the Olive Sector, supporting the implementation of the policy and devising strategies to tackle the present and future challenges faced by the sector. It includes representation from public and private sectors: growers, researchers, the processing industry, the food industry, distributors, and importers.

Private Sector

It is a primary task of the public sector to inform, communicate, promote, and create a friendly environment to facilitate the involvement of the private sector in the following areas of business: olive cultivation; olive nursery industry (plant production business & plant nutrients); olive farm management (inputs, tools business); orchard management service providers; olive oil industry (oil extraction units, branding, marketing); olive food industry (pickles, tea, vinegar, etc.); olive bakery (biscuits, jam, bread, cakes, etc.); olive cosmetics (soaps, cosmetics, creams, lotions, shampoos, etc.); olive pharmaceuticals (olive leaf extracts, tablets & capsules, olive fruit extracts, olive toothpaste); olive restaurants (olive Biryani & Halwa, steam roast, olive roti, salad and olive tea); olive animal feeds (poultry & cattle feed), etc.

Farmers (individual) – Medium and large olive farms are mostly self-financed; with careful investments, they can afford the olive production cycle without major financial constraints. The fragmentation of small farmers represents a major hindrance to the expansion of olive cultivation. The future development may be based on the following cropping patterns: (a) mixed marginal plantations of less than 4 acres of land, (b) smallholders and family producers, having up to 10 acres of land, and (c) medium and large-scale farms (above 11 acres).

Farmers (associated) - As the cooperative model has failed in too many cases, it is essential to find ways and means to support small farmers to access olive cultivation, through new models such as: (a) "Contract farming", based on the scheme of merging several smallholder farms attached to the Hub farm, constituted by a solid entrepreneurial group; (b) "Olive Producers' Organization" (c) other potential models of small farmer aggregations, such as "Professional Farmers Organizations".

Processors - The olive industrial private sector has tremendous potential for expansion in the country; however, it is hesitant to enter the olive business of processing, handling, and commercialization, as olive oil and olive products still have a meagre share of the market. Therefore, not only for domestic use but also for export, the private sector can be encouraged to play a primary role in this vibrant olive economy. Replacing the imports is not only a matter of immediate savings but of circular benefits to the entire nation. Entering the olive sector through the "contract farming" model could facilitate the entire process.

Consortium/Association - To be created for the protection and enhancement of olives and olive oils produced under the "PakOlive" brand name as a "not-for-profit" inter-professional trade and supply chain organization, acting under the custodian role of the MNFS&R. It will help consumers in their choice in purchasing quality products, encouraging and assisting growers, processors, distributors, and retailers of olive oils and table olives in the local and foreign markets.

Public-Private Partnership (PPP) - Agreements between government agencies and private firms can perfectly work in the current scenario of the Olive sector.

Potential Role of SMEDA - Support from the Small & Medium Enterprise Development Authority may be sought in organizing activities and initiatives to support the creation of olive SMEs nationwide.

Enhancing Inclusivity (Support to Women & Youth) – Based on the successful experience of the Italian project, which had successfully established a comprehensive pilot program to create a sustainable model where women and youth could generate income through olive value addition including soap, cosmetics, olive leaf tea, and pickle production, thus actively contributing to the socio-economic development in their communities, gender-sensitive policies need to be formulated, which should specifically address the needs and challenges faced by women in the olive value chain and ensure that gender considerations are integrated into the Policy development implementation. To expand the pilot initiative of the Italian project at the national level, support must be provided with suitable modalities and identified needs.



**Ministry of National
Food Security & Research**
Government of Pakistan