



**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**

Executive Summary

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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 “National Olive Value Chain Policy along with the Implementation Strategy and Road Map for 2024 -2030” (NOVCP) 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 the 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 \$ 3 million.

Major and minor constraints affect oilseed production, which discourage farmers from growing these crops: aleatory marketing, low economic returns, inadequate support on 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, as well as can better match the increasing requirement of 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.

The development of the Olive Sector is consistent and aligned with the plans and strategies formulated and adopted by the Government:

- **Uraan Pakistan:** 5Es National Economic Transformation Plan 2024-2029 (13th Five-Year Plan). Within “Agriculture”, the Olive Sector will play a prominent role in the Export Categories under the following Priorities:

“Exports”

- n. 2: “Augment productivity, quality, and innovation for global competitiveness” aligning with the specific Objective “Promote advanced industrial and agricultural practices by ensuring compliance with global certification and integrating automation”.
- n. 4: “Expand and diversify product mix and market access” aligning with the specific Objective “Develop export-oriented clusters for industrial and agricultural products to enhance value chains”.
- n. 6: “Enhance Pakistan’s National Brand” aligning with the specific Objective to “Promote Pakistan and the branding of its products and services”.

“Environment and Climate Change”

- n. 1: “Build a water secure future for Pakistan”, the specific Objectives “Implement water conservation measures and increase public awareness” and “Modernize irrigation systems across the country” are related to the Good Agricultural Practices (GAP) to be adopted by investing in proven methods and technologies to minimize wastage, such as the adoption of drip irrigation systems instead the common flood met
- n. 2: “Enhance food security through Green Revolution 2.0” three specific Objectives are pertinent to Olive Sector: (i) “Promote sustainable and large-scale agricultural practices” by the adoption of value addition and sustainable farming techniques that boost agricultural outputs while minimizing environmental impact supporting the growth of agro-based horticulture and industries; (ii) “Strengthen smallholders farmer integration and modernization” and (iii) “Drive agricultural innovation and research”, by investing in research and technological innovations to drive the development of new agricultural methods, clusters and certified plants/seeds development that enhance productivity and sustainability.
- n. 3, “Combat Climate Change”, the specific Objectives (i) “Promote climate change initiatives and support and finance green projects” and (ii) “Harness carbon markets for emission reduction” through the “Carbon Finance Framework” are highly pertinent, as olive orchards can generate carbon credits and foreign exchange for the country and allow Pakistan to meet the mitigation and adaptation targets.

- **Sustainable Development Goals, Agenda 2030**

The Olive Sector will make a significant contribution to achieving the objectives and sub-objectives of the following SDGs:

- **Goal 1.** End poverty in all its forms everywhere.
- **Goal 2.** End hunger, achieve food security and improve nutrition, and promote sustainable agriculture.
- **Goal 5.** Achieve Gender Equality and empower all women and girls.
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **Goal 13.** Take urgent actions to combat climate change and its impact.

- **National Adaptation Plan (NAP), Pakistan 2023**
- **National Food Security Policy (2018)**
- **National Technical and Vocational Training and Education (TVET) Policy (2018)**
- **Pakistan Climate Change Act, 2017**

To investigate and assess the Market and Trade of the olive oil and table olive a “Pakistan Market Olive Study” was conducted in 2023 by the MNFS&R, through the Italian OliveCulture Project and the International Trade Centre (ITC) of UNCTAD (United Nations Conference on Trade and Development) & WTO (World Trade Organization). The Study has indicated that there is a high consumer demand for olive products, primarily driven by their recognized health benefits. And that the reliance on imports to satisfy consumer needs is heavy as the local production of olive products is still modest, and that a substantial 74% of the consumers expressed a 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.

The Study has also provided significant insights into consumer behaviour, such as the willingness to pay premium prices for high-quality olive oil. This indicates a substantial potential for growth in the local olive product market and export. However, to tap into this potential, the challenges of the need for improved processing efficiency, standardization, and quality certifications for local products must be addressed.

Currently, approximately 5,5 million olive trees have been planted by the farmers, mainly in Balochistan, Punjab, and Khyber Pakhtunkhwa. 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). The provinces have also been active with their resources, mainly in Pothohar (Punjab). The olive seedlings, imported from the Mediterranean countries till 2020, then produced from local nurseries, along with limited drip irrigation equipment, have been provided to the farmers free of cost or subsidized.

Despite the promising results achieved and some excellence attained by olive growers, and an overall growing interest in the country around the Extra Virgin Olive Oil (EVOO), it has been assessed that the average olive yield is about 30% of the optimal. Although the Olive Value Chain is progressively being established, thanks to the support provided by the Public Sector and donors, serious problems and bottlenecks are hindering its smooth development on all its segments:

■ **a) Production of olive crop**

- The potential olive-growing area, mainly marginal and wastelands, has not yet been adequately exploited.
- The average olive plant yields are low, and the quality of harvesting is often sub-standard.
- The olive nursery system has not been developed as required.
- The use of inputs (fertilizers, pesticides, water, and farm machinery) is not properly done. Moreover, they are often not available or affordable.
- Limited support from the Public Institutions.
- Non-availability of trained and skilled workforce.
- Absence of cooperative/associations/cluster farming, whereas more than 80% of olive growers are smallholders with less than 4 acres of land.
- Lack of knowledge and awareness on the importance of Climate and soil-specific requirements for suitable olive varieties.

■ b) Harvesting, processing, and post-processing of olive fruits and olive oil

- Absence of proper tools for harvesting and inappropriate transport of olive fruits.
- Low productivity of the olive mills, which are also often located at long distances.
- Lack of packaging and storage for olive oil.
- No focus on the reuse of vegetation waste and by-products from the olive mills.
- Absence of the industrial sector and private processors.

■ c) Marketing of olive oil and olive products

- Scarce consumer knowledge about health benefits and nutritional value of olive oil and its value-added products.
- The SOPs/quality standards for olive oil are not known by most of the stakeholders and consumers.
- Absence of equipped laboratories for testing the olive oil as per International OC standards.
- Inadequate participation of commercial players from the private sector in marketing the domestically produced olive oil.
- Lack of knowledge of market dynamics for olive oil and table olives.
- Lack of cost-effective packaging for olive oil.
- The PakOlive brand has been launched, but a body (Consortium/Association) is needed for its management.
- Absence of market linkages.
- Inadequate attention to non-food products from olives (e.g., soap, cosmetics, skin

■ d) Policies, Legislation, and Certification

- Absence of a policy for the olive sector.
- Need to establish a body that proactively steers the development of the olive oil value chain.
- Lack of regulatory framework for the olive sector.

■ e) Research, Extension Services, Education, and Training

- The role of Research has been very limited, with no substantial contribution to the proper local development of the olive crop and its products.
- The provision of adequate services to farmers is inadequate. Moreover, the interaction between the Research and Extension Departments is almost absent.
- Not a single PhD in olive-related disciplines has been earned abroad so far.
- The Training of Trainers conducted by local institutions has been of uneven quality and often inadequate. Similarly, the basic training for farmers lacked consistency.
- The human resources in research and development in Pakistan are low when compared to the world scenario. For the oilseed crops, the situation is worse.

■ f) Women and Youth

- Several challenges deter the active participation of both women and youth in the olive

■ g) Institutional

- The Pakistan Oilseed Department has been rightsized.

Regarding the olive fruits processing, the PSDP project and the provinces have purchased and are managing most of the olive extraction units/olive mills (30), out of a total of 39 operational in the country. Although the current fleet is adequate for the current production, there is a problem of low productivity of the olive mills, which are sometimes located at long distances. Despite the operators and managers have acquired sufficient skills to operate the units with reasonable competence thanks to the training provided by the Olive Culture Project, the services provided to the farmers are lacking due to management issues, specifically originating from the intrinsic nature of the public research structures which are unable to ensure the timely availability of resources for operating in optimal conditions. Likewise, such circumstances hamper the adoption of the SOPs, such as working at the recommended temperatures, as well as they can't ensure the operation and maintenance, the continuity of the trained personnel, and flexibility in their employment.

Another problem is that the facilities available for oil filtration in most of the olive mills at 2-phases are not provided to the farmers because the individual quantities of olive fruits are too small and there are no forms of associations/cooperatives, as the filters must be activated for quantities of thousand litres processed in a day, otherwise, the operation becomes too costly. Although many consumers appreciate the veiled appearance of the freshly produced oils, filtration represents an important stabilization process for the EVOO and avoids deposit on the bottom of the bottles, which is not very acceptable to many consumers.

Also, the processing fees charged to farmers are not uniform among the extraction units operating in the country, creating a sense of frustration among the farmers and, worse, provoking an irrational transport of the olive produce towards the cheapest units, irrespective of the distances to the farms. This causes several negative effects, such as overloading one mill while reducing the work on others, more damage to fruits, and more cost of transportation.

There is no compliance with the HACCP standards because the activity is considered a simple routine duty, but not a requirement comparable to the management of the laboratories for which SOPs are consolidated over the years.

Above all, there is still limited knowledge and awareness, even among the insiders, about the healthy nutritional values of EVOO and olive oil at large and about the care that must be taken to obtain quality results.

Given the structural evolution, the vibrant Olive Sector needs a lot of concerted efforts to shift from the current “amateurish” approach to an industrial and commercial reality. The great contribution from the Public Sector Development Programs, provinces, and donors, who have paved the way for the introduction and promotion of modern olive cultivation, would continue to refine the development of the Olive Value Chain, which shall be progressively handled by the Private Sector. Still, much better coordination and integration must take place at all levels.

To this end, the NOVCP will represent an important tool for the Decision Makers in evaluating the status of affairs and, accordingly, decide the course of action. The NOVCP 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, implemented under the MNFS&R and in close partnerships with the provinces, the leading institutions, the olive growers, the communities, and the social sector.

The NOVCP is a programmatic document that analyses the situation, defines the strategic objectives, and proposes the actions to be implemented. While the Road Map from 2024 to 2030 shows the resources that are allocated at the Federal level and in the provinces by projects (ongoing or ready-to-start) .

The NOVCP Process, Vision, Goals, and Objectives

The NOVCP 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.

Priority initiatives 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, 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

■ 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 establishment of a
- 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 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 of the olive sector.
 - Boost research, based on new and efficient structures (e.g. 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 (2025-2029). it will enable to deliver specialized training and granting certified titles for technicians who will 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.
- Master

Institutional arrangements

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

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

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.

The Ministry will establish, in replacement of the POD, the “Oilseed Crops Cell” dealing with cotton, sunflower, canola, rapeseed/mustard, soybean, sesame, and the new promising crops, and encompassing two dedicated Sections, one for the Olive crop, and one for the Oil-bearing trees (coconut palms, Jatropha, etc). Their role and TORs have been drafted.

Provinces

The provinces will play a primary role in the olive oil value chain, considering the 18th Amendment of the Constitution, but close coordination with the MNFS&R is required. 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 the relevant provincial stakeholders. Provincial legislations would consider the bodies meant to facilitate the Private Sector and decrease the public involvement. Their role has been drafted. Including the commitment of re-activating or establishing Consultative Groups/Forum in each province meant to exchange information and integration of resources among the endeavours that are dealing with the development of the olive sector, as till now the initiatives are working in isolation and without any synergy.

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. Private R&D in the olive sector can be expected in Pakistan in product development but not at the level of varietal development. Whereas the local industry for fertilizers and pesticides could be interested in partnering with the public sector, for which they are facilitated in their activities by being linked with foreign suppliers and/ or subsidiaries of multinationals

Agriculture Universities

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

Pakistan Olive and Olive Oil Council (POOC)

The proposed POOC will act as an apex statutory body under the MNFSR and shall oversee the Olive Sector. It would be established through an Act of Parliament (or a Presidential Ordinance). The structure will mainly revolve around the General Assembly, the Board of Directors, the Chairman, and the Committees constituted for different purposes.

The Council includes representation from public and private sectors: growers, researchers, the processing industry, the food industry, distributors, and importers. The Council would be a decisional body serving for policy and strategies implementation and for tackling the present and future challenges faced by the sector. The proposed Act has been drafted.

The Private Sector will be the key player in enhancing the level of the Olive Value Chain. Whereas the production side is represented entirely by private growers, for which significant changes are also needed, the industry has been reluctant so far to take risks and enter a limited market, from the processing to marketing. Only small traders and retailers are active in an opportunistic manner.

- **1. Farmers (individual)** - In Pakistan, the plantation is entirely done by the private sector; private medium and large olive farms are mostly self-financed with careful investments and can afford the olive production cycle without major financial constraints. Moreover, they have easy access to subsidies for the inputs, such as seedlings and possibly financial support for drip irrigation, therefore, they are only limited on the adoption of the GAP.

The small farmers, instead, are facing more problems than cultivating the major crops, and their fragmentation represents the major hindrance to the expansion of olive cultivation. Worth to mention that 2% of farmers own 45% of all agriculture land, while 98% own the remaining 55%. The future development of the olive sector at the farm level would present, based on the current situation, the following cropping patterns:

(a) Mixed marginal plantations. These are small-scale production units mainly on marginal lands, having less than 4 acres of land. Olives are for self-consumption, in-house processing as table olives/pickles/oil, and/or sale on the local market as fresh product. It encompasses the poorest segments of the rural population.

(b) Smallholders and family producers, having up to 10 acres of land. Growing olive for self-consumption and sale, availing the network of olive extraction units.

(c) Medium and large-scale farms (above 11 acres). Owned/managed by progressive olive growers, with the employment of farm managers in case of large-scale, have shown encouraging progress and improvement through the progressive adoption of GAP.

- **2. Associated Farmers** - As the cooperative model has failed in too many cases, it is essential to find ways and means to support small farmers to successfully access olive cultivation. The following models may be implemented on a priority basis:

(a) "Contract farming" - Based on the scheme of merging several smallholder farms attached to the Hub farm, constituted by a solid entrepreneurial group, it presents several advantages, including: (i) increasing cooperation between the public and private sectors, fostering integration in agricultural strategy development, (ii) enabling small farmers to have higher productivity, more market-oriented production and better market access, (iii) facilitating the diffusion of innovation in agriculture driven by better access to training and adoption of modern technologies, and (iv) leveraging synergies and collective efforts to promote sustainability and improve farmers' competitiveness.

In the Olive Value Chain, the Contract farming would be primarily developed around the processing facilities owned by the Public Sector, with a private party in the lead, through a Public-Private Partnership scheme. The key is to competitively engage a leading private party to execute a list of end-to-end value chain upgrade investments under a project co-invested by the private party and the public sector. Upon a successful implementation of the scheme, to be expanded to other models where only the private sector and farmers

are partnering, it is envisaged that the public sector banks (National Bank of Pakistan at the federal level and the Bank of Punjab, Sindh Bank, Bank of Khyber at the provincial level) will be interested in supporting the scheme. Once they have done a couple of transactions, private banks can be attracted. Moreover, the model would be developed in compact production Clusters, which have already shown in Pakistan the creation of a virtuous cycle attracting inputs and services providers.

b. “Olive Producers’ Organization (OPO)” - Is a model for the mobilization of the communities and their development into tiers of organizations, an activity that the Rural Support Programs (RSPs) have been experiencing for almost 35 years throughout the country. The OPOs could be established, handling the growing of olives, processing, and marketing in a cooperative effort. NRSP could also avail farm credit as part of its Microfinance operations. The OPOs can then be federated into a second tier (Provincial OPOs/POPOs), following the size and the operational opportunities (number of farmers, total area covered, number of plants, olive processing units required, etc.) and would be eligible to receive seedlings and micro-irrigation at subsidized rates from the PSDP projects and other sources. Moreover, whenever applicable each POPO could be treated as a “Special Economic Zone” and be allowed all relevant exemptions on import duties and income tax (particularly important for importing equipment, such as the olive extraction units and others). In the olive value chain, the POPOs would be immediately involved in participating in the tendering process to acquire some olive extraction units under the PPPs scheme. The Cluster approach will also be an inner strength of the model.

c. Other potential models of small farmer aggregations that could be experienced in the olive value chain can be inspired by endeavours of international organizations, such as the ongoing IFAD scheme in KP, structured in “Professional Farmers Organizations/PFOs” of 300-500 persons and in “Public-Private-Producers-Partnerships/4Ps” with a minimum of 1,000 producers, which in turn they become stakeholders of the “New Farm Service Centers (NFSCs) to be established in the districts, under “Farm Service Companies (FSCs).

- **3. Processors:** The olive industrial private sector has tremendous potential for expansion in the country, but at the same time faces several obstacles and hurdles in its implementation. Therefore, it is still reluctant to enter the olive business on the processing, handling, and commercialization, as olive oil and olive products have a very meagre share of the market, without ensuring its investment. Nevertheless, on the grounds of the positive production and consumption trend, the predictions and estimations made by different sources of the market 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. Moreover, replacing the imports by the industries that are utilizing olive products 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.

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.

- **4. Public-Private Partnership (PPP):** The scheme, consisting of an agreement between a government agency and a private firm to offer public services or assets, can perfectly work in the current scenario of the Olive sector. The process of adopting such a mechanism was investigated with the relevant Federal Authority and the MNFS&R for the Olive Processing Units, which are mostly owned by the public sector.

Its full implementation is highly recommended, as it will also encourage the involvement of the processors in the procurement of the fruits or oil from the farmers, initiating a process like the “contract-farming” scheme. The adoption of the PPP scheme will enable the public structures to be exempted from the burden of managing the assets under very unfavourable conditions, allowing the private sector to increase efficiency and reduce the bottlenecks, that ultimately are causing regular damages to the growers. The implementation of the scheme may be based on short-medium or long-term agreements between the public sector and the private firms that will be openly selected. The mechanism could represent a strategic and functional tool in the development of the Olive sector, facilitated by the policy developed by the Government, with a set of institutional, regulatory, financial, and concession-management frameworks for provincial PPPs.

The PPP will help initiate several enterprises in processing and value addition of olive and olive products, with primary potential interest from the “Contract farming” and OPOs/POPOs scheme, matching perfectly with the available pre-conditions. Worth to mention that the recently approved New PPP Act 2025 by Punjab Government would facilitate the process for the olive mills of the province.

It is not recommended, anyway, to adopt the PPP model for new processing units unless the private sector is still unwilling to invest. Better to consider concessions, such as exemption of customs duties, tariffs, and other facilitations in government taxes.

It is worth considering that the investments made so far in the country have been generated, except for the plantations, by the public sector and foreign grants through development projects. No separate infrastructure and institutional set-up have been established. Therefore, the Olive sector can only scale up if entrepreneurs invest and work on a commercial basis.

■ **5. Potential Role of SMEDA**

SMEDA (Small & Medium Enterprise Development Authority), which operates under the Ministry of Industries and Production, organizes activities and initiatives to support SMEs nationwide. Its support may be sought in initiating the processing business in olive oil and olive products. Besides other functions, SMEDA can also prepare pre-feasibility studies, explore financing options, and prepare draft contracts and regulatory procedures for the enterprises to be developed till they become fully functional and operational.



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