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Statistics & Marketing Information Dept.



AGRICULTURE TRADE REPORT 1389



2010
2011



This publication was prepared by USAID's Agricultural Credit Enhancement Program in collaboration with the Statistics & Marketing Information Department of the General Directorate of Policy and Planning of the Ministry of Agriculture, Livestock and Irrigation.



PREFACE

○ Participation in international trade is an important factor for increasing in the prosperity of developing countries. In many developing countries a defensive approach towards trade, with a focus on the negative effects of imports, rather than a focus on the benefits from opening to world markets, is common. Information on export performance, and potential of many developing countries including Afghanistan, remains incomplete and is one of the many reasons of market information gaps with respect to trade facilitation and trade development.

The agriculture trade reports series aims to contribute to bridging this gap of information for several agriculture actors that might not have the resources to generate a full market research process. These reports are not intended to act as a detailed export/import market intelligence that successful exporting/importing requires but rather as a basic analysis of exports and imports prospects, to provide agriculture actors with the big picture of trade flows.

This report focuses on agriculture trade flows of Afghanistan. A broad spectrum with respect to trade dynamics, trade flow directions, agriculture trade geography and a more detailed overview of trade flow characteristics at a product level and by partner country, can be found within the next paragraphs.

The report offers insight with respect to the importance of agriculture trade to trade in overall, structure of agriculture exports/agriculture imports in overall, structure of exports/imports by trade partner. It also answer questions like: Who are the main trade partners of Afghanistan with respect to agriculture goods? What are we exporting and to where? What are we Importing and from where?



AGRICULTURE DEVELOPMENTS 2010

According to the OECD-FAO Agriculture Outlook 2010-2011, commodity prices rose sharply in August 2010, because of reduced production and low stocks in key producing countries. According to the World Economic Outlook 2011, the overall IMF commodity price index rose by 32% during the second half of 2011. Weather-related supply shocks were important in food markets in the second half of 2010. Specifically, adverse weather conditions during 2010 led to harvest

shortfalls in wheat (Russia, Ukraine), rice, rubber, cotton, and local vegetables (south and south-east Asia), corn (United States), and sugar (India). One of the strongest La Niña weather events in 50 years contributed to some of these conditions, particularly in Asia. Demand remained robust, partly reflecting a sharp rebound in bio-fuel production. The price responses to supply setbacks were exacerbated by trade restrictions (for example, grain export bans in Russia and grain export quotas in Ukraine in 2010). All of these developments delayed restocking and kept inventories for some important crops very low. High commodity prices are a positive signal to a sector that has been experiencing declining prices for many decades and are likely to serve as a stimulus for increased investments and productivity, according to the Outlook.

However supply response is usually conditioned by the relative costs of inputs, and incentives provided by higher commodity prices that are not easily passed to producers due to high transaction costs, domestic policy or exchange appreciations.

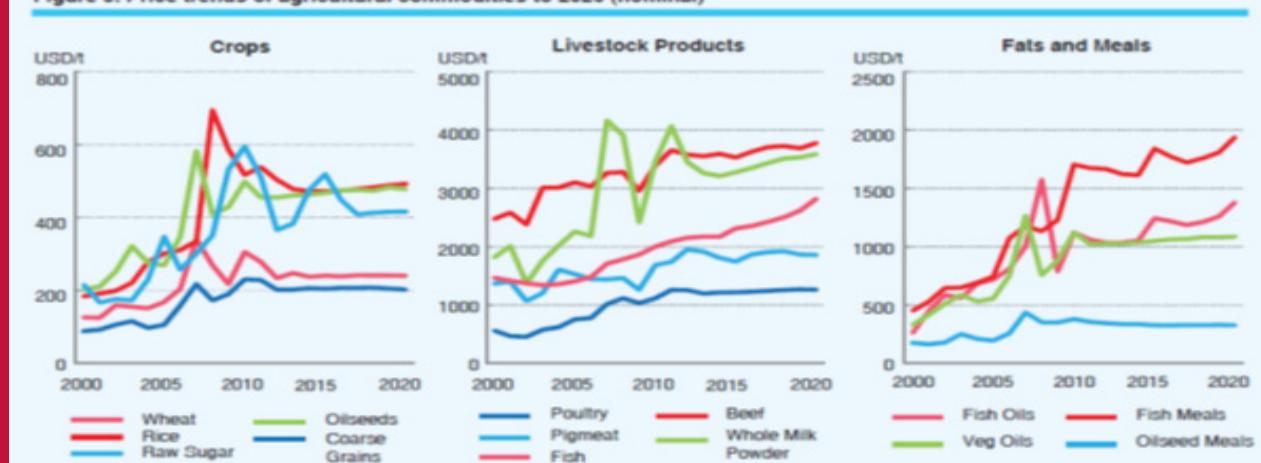
Agriculture production is expected to increase in the short term, assuming normal weather. According to the agriculture Outlook, global production is projected to grow 1.7% annually. Slower growth is expected for most crops like oilseeds and coarse grains that face higher production costs.

Commodity prices should fall from the highs of early 2011 but in real terms are expected to average

up to 20% higher for cereals and up to 30% for meats over the 2011-2020 period as compared to the previous decade.

According to the WFP Afghanistan Market price Bulletin, November 2010 issue at a national level, consumer prices increases were observed during 2010. On inter-annual comparison, the overall CPI increased by 8.5 points; food index component of the national CPI increased by 6.7 points and the index for non-food items increased by 11.3%.

Figure 3. Price trends of agricultural commodities to 2020 (nominal)



Source: OECD-FAO, World Agriculture Outlook, 2011-2020

EXPORTS

TRADE FLOWS OVERVIEW 2

○ 2.1 Exports

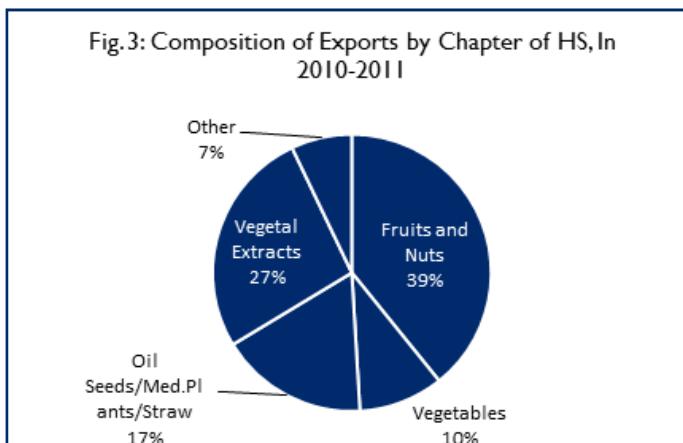
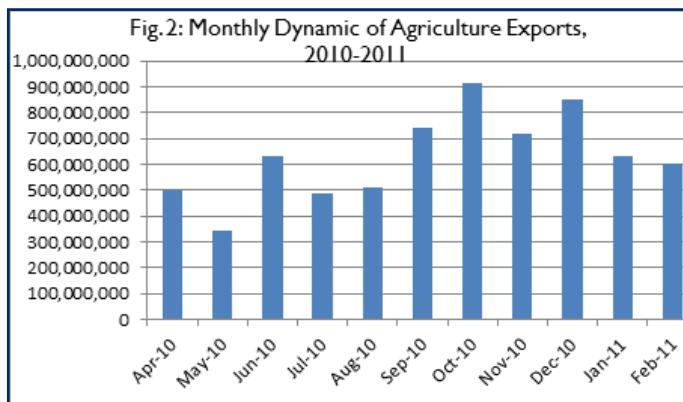
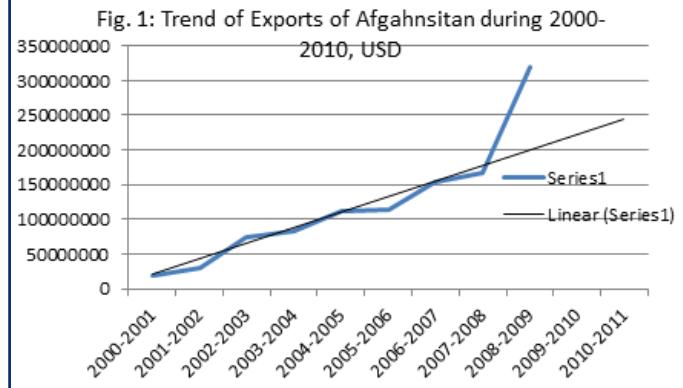
Agriculture trade flows of Afghanistan reached 71,509 million AFN (1,568 million USD). Trade flows are mainly represented by imports which account for 89% of the total. The trade deficit was valued at 56,380 million AFN (1,236 million USD).

Agriculture exports were valued at 7,564 million AFN (165.8 million USD). Their share of total exports for the country has increased to 68.5%. Exports of carpets and skins account for a smaller share of the total than in previous years, which shows their significance for exports of Afghanistan in overall.

They have vigorously grown since 2000, having increased around 8.5 times. Despite the positive export developments, the export/import ratio is only 11.8 percent contributing to a negative trade balance of 1,236 million USD (56,380 million AFN). Which is up to 20% higher for cereals and up to 30% for meats over the 2011-2020 period as compared to the previous decade.

Table 1 and figure 3 show the composition of exports by areas. As we can observe from the table and graph, exports are concentrated in a few areas, representing mainly raw agricultural products such as fresh or dried fruits and nuts which account for the largest share of exports equal to 39% of total exports or 2,958 million AFN (65.1 million USD) in value. Lac, Gums and Resins is the next category accounting for 27% of total exports or 2,017.9 Million AFN (44.1 million USD) followed by oils seeds (17%) and vegetables (10%).

The monthly dynamics are shown in figure 2. The average export flux per month is 630 million AFN (13.8 million USD), while the busiest period for exports is September –December during which export values vary between 750 to 900 million AFN.





TRADE FLOWS OVERVIEW

Table 1: Exports of Agriculture Products by Chapter

Chapter HS Code	Description	Value AFS	Value USD	Percentage to Total
01	LIVE ANIMALS	7,329,622.00	160,268.88	0.10%
02	MEAT & EDIBLE MEAT OFFAL	7,039,557.00	150,047.65	0.09%
04	DAIRY, EGGS, HONEY, & ED. PRODUCTS	5,501,833.00	118,762.20	0.07%
05	PRODUCTS OF ANIMAL ORIGIN	16,355,027.00	354,558.72	0.22%
06	LIVE TREES & OTHER PLANTS	6,846,936.00	110,438.77	0.09%
07	EDIBLE VEGETABLES	744,988,003.00	16,334,895.86	9.85%
08	ED. FRUITS & NUTS, PEEL OF CITRUS/MELONS	2,958,333,596.00	65,084,481.90	39.11%
09	COFFEE, TEA, MATE & SPICES	223,397,771.00	4,897,441.65	2.95%
10	CEREALS	147,479,132.00	3,177,118.36	1.95%
11	MILLING INDUSTRY PRODUCTS	1,374,994.00	29,184.76	0.02%
12	OIL SEEDS/MISC. GRAINS/MED. PLANTS/STRAW	1,304,348,499.00	28,611,023.31	17.24%
13	LAC, GUMS, RESINS, ETC.	2,017,912,859.00	44,130,749.03	26.68%
14	VEGETABLE PLAITING MATERIALS	20,408,707.00	445,881.37	0.27%
15	ANIMAL OR VEGETABLE FATS, OILS & WAXES	3,570,988.00	77,283.28	0.05%
17	SUGARS & SUGAR CONFECTIONERY	2,019,283.00	43,833.94	--% 0.03
19	PREPS. OF CEREALS, FLOUR, STARCH OR MILK	10,171,380.00	224,437.44	0.13%
20	PREPS OF VEGS, FRUITS, NUTS, ETC.	6,353,493.00	136,536.44	0.08%
21	MISC. EDIBLE PREPARATIONS	3,542,630.00	77,218.76	0.05%
22	BEVERAGES, SPIRITS & VINEGAR	18,317,633.00	397,998.17	0.24%
23	RESIDUES FROM FOOD INDUSTRIES, ANIMAL FEED	7,398,785.00	163,916.65	0.10%
24	TOBACCO & MANUF. TOBACCO SUBSTITUTES	51,758,175.00	1,126,116.12	0.68%
	TOTAL AG. EXPORTS	7,564,448,903.00	165,852,193.28	100%

Table 2 shows exports at a detailed product level. Here we can observe the detailed products that account for the largest values exported. Pine oil vegetable extracts account for the largest share, accounting for 27% of total exports,

followed by dried grapes (13%), potatoes (5%) and other seeds. The top 20 products account for 88% of total agriculture exports, which is another indicator for the large concentration of exports within a few commodities.

Table 2: Top 20 exported Products

HS Code	Description	Value AFS	Percentage
13021900	Veg sals & extracts, peacock etc. agar-agar etc. Other	2,017,912,636.00	27%
08061000	Grapes, dried or dried Other	985,993,033.22	5%
07011900	Potatoes (except sweet potatoes), fresh or dried Other	400,149,699.11	3%
12091900	Seeds, fruit and spores, for sowing Other	333,856,820.89	5%
080295200	Birds, raw, fresh or dried Other	336,555,807.55	4%



IMPORTS

TRADE FLOWS OVERVIEW

12074000	Oil seeds & oleaginous fruits nesoi, broken or not Other	307,704,216.03	4%
12079900	Oil seeds & oleaginous fruits nesoi, broken or not Other	294,812,938.00	4%
08042090	Dates, figs, pineapples, avocados etc, or dried Other	287,496,112.61	4%
08131000	Fruit dried nevoid, mixtures of nuts or dried fruit Other	247,400,727.31	3%
08021200	Nuts nevoid, fresh or dried Other	229,002,439.92	3%
07031000	Onions, shallots, garlic, leeks etc, or chilled Other	161,472,857.66	2%
09094000	Seeds, anise, badian, fennel, coriander, cumin etc Other	158,297,329.06	2%
12111000	Liquorice Roots	156,805,904.81	2%
08091000	Apricots, cherries, peaches, plums & sloes, fresh Other	135,694,135.90	2%
10089000	Buckwheat, millet & canary seed, cereals nesoi Other	112,791,511.00	1%
08109000	Pistachios	106,441,737.78	1%
08021100	Nuts nesoi, fresh or dried Other	99,748,325.15	1%
12099900	Dried	87,019,545.65	1%
08132000	Pistachios	86,683,557.00	1%
07139000	Leguminous vegetables, dried shelled Other	78,723,228.60	1%
20 Most Exported Ag. Products		6,648,971,780.58	88%
Total Exports	Total Ag. Exports	7,564,448,903.63	100%

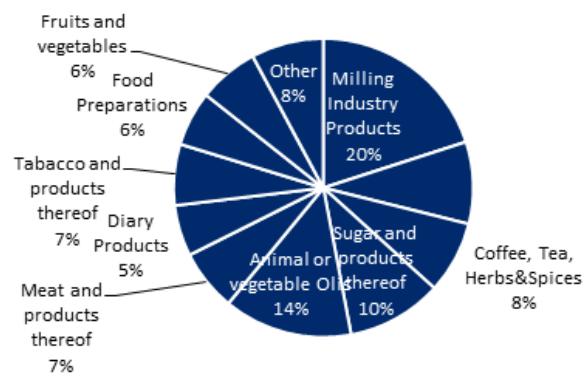
2.2 Imports

Agriculture imports reached 63,944 million AFN (1,402.6 million USD) during 2010-2011. They accounted for 20% of total imports. Figure 4 and table 2 shows their composition by area of the Harmonized System. Agricultural imports are less concentrated than exports and are represented by more categories. The most important categories in terms of imports are cereals and milling products which account for 20% of total agricultural imports. Other significant categories for imports are sugar and products followed by oils, herbs and spices, meat and finally dairy products, other food preparations and tobacco.

The monthly import dynamic is shown in figure 5. The average monthly import flux is 5,464 million AFN (120 million USD).

Imports transactions also tend to increase during the period September – December, reaching almost 8,000 million AFN in December 2010.

Fig.4: Imports to Afghanistan by HS chapter, 2010-2011





TRADE FLOWS OVERVIEW

Table 3: Imports of Agriculture Products by Chapter

Chapter HS Code	Description	Value AFS	Value USD	Percentage Total
01	LIVE ANIMALS	1,696,696,214.00	37,258,778.78	2.65%
02	MEAT & EDIBLE MEAT OFFAL	4,256,004,649.00	93,307,674.70	6.66%
03	FISH & CRUSTACEANS	41,830,210.00	923,624.86	0.07%
04	DAIRY, EGGS, HONEY, & ED. PRODUCTS	3,534,135,383.00	77,446,017.72	5.53%
05	PRODUCTS OF ANIMAL ORIGIN	4,820,360.00	105,787.94	0.01%
06	LIVE TREES & OTHER PLANTS	10,161,087.00	224,037.04	0.02%
07	EDIBLE VEGETABLES	2,696,850,395.00	58,840,573.97	4.22%
08	ED. FRUITS & NUTS, PEEL OF CITRUS/MELONS	1,479,597,789.00	32,328,907.86	2.31%
09	COFFEE, TEA, MATE & SPICES	5,021,973,639.00	109,760,966.02	7.85%
10	CEREALS	5,675,428,779.00	124,405,143.01	8.88%
11	MILLING INDUSTRY PRODUCTS	12,788,707,492.00	280,717,571.06	20.00%
12	OIL SEEDS/MISC. GRAINS/MED. PLANTS/STRAW	349,628,508.00	7,671,740.65	0.55%
13	LAC, GUMS, RESINS, ETC.	384,553,127.00	8,347,749.85	0.60%
14	VEGETABLE PLAINTING MATERIALS	73,642,268.00	1,610,655.05	0.12%
15	ANIMAL OR VEGETABLE FATS, OILS & WAXES	8,884,030,738.00	195,128,551.87	13.89%
16	ED. PREP. OF MEAT, FISH, CRUSTACEANS, ETC	38,405,077.00	841,977.31	0.06%
17	SUGARS & SUGAR CONFECTIONERY	6,583,177,073.00	144,752,293.83	10.30%
18	COCOA & COCOA PREPARATIONS	106,942,590.00	2,345,609.91	0.17%
19	PREPS. OF CEREALS, FLOUR, STARCH OR MILK	1,676,424,996.00	36,789,683.85	2.62%
20	PREPS OF VEGS, FRUITS, NUTS, ETC.	1,695,570,057.00	37,080,536.27	2.65%
21	MISC. EDIBLE PREPARATIONS	326,114,868.00	7,171,385.77	0.51%
22	BEVERAGES, SPIRITS & VINEGAR	2,141,293,105.00	46,745,687.51	3.35%
23	RESIDUES FROM FOOD INDUSTRIES, ANIMAL FEED	269,963,272.00	5,962,655.25	0.42%
24	TOBACCO & MANUF. TOBACCO SUBSTITUTES	4,208,778,704.00	92,836,632.25	6.58%
	TOTAL AG. IMPORTS	63,944,730,377.85	1,402,604,242.31	100.00%

As Table 3 shows, that the most imported products during 2010-2011 account for 77% of total agriculture products. They vary from wheat flour

imports of the value 12,379 million AFS (19%) to vegetable oils (10%), to frozen chicken parts (5%), black tea (5%) and so on.

Table4: 20 top imported products

HS Code	Description	Value AFS	Value USD	Total Percentage
11010000	Wheat or meslin flour.	12,379,894,636.11	271,753,324.00	19%
15162000	Vegetable fats and oils and their fractions	6,339,233,365.72	139,395,756.88	10%
17011100	Cane sugar	4,495,501,927.86	98,955,381.78	7%
10063000	Semi milled or wholly milled rice whether or not polished or glazed	4,132,901,294.44	90,651,334.82	6%
09024000	Other black tea (fermented) and other partly fermented tea	3,481,449,587.00	76,072,448.29	5%
02071400	Cuts and offal frozen	3,328,326,725.33	72,805,685.71	5%
15121900	Cotton-seed oil and its fractions	2,251,592,039.87	49,281,896.75	4%
24021000	Cigars cheroots and cigarillos containing tobacco	1,758,766,161.40	38,956,058.98	3%





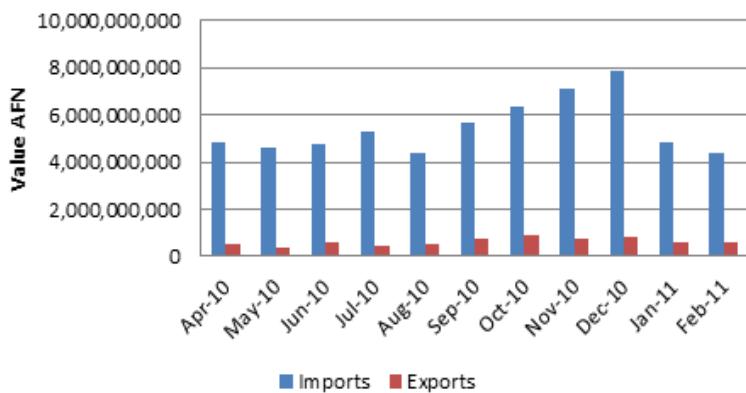
IMPORTS



TRADE FLOWS OVERVIEW

02071400	Cuts and offal frozen	3,328,326,725.33	72,805,685.71	5%
15121900	Cotton-seed oil and its fractions	2,251,592,039.87	49,281,896.75	4%
24021000	Cigars cheroots and cigarillos containing tobacco	1,758,766,161.40	38,956,058.98	3%
24039900	Tobacco	1,336,433,686.18	29,393,425.84	2%
17049000	Sugar confectionery (including white chocolate) not containing cocoa.	1,220,499,402.23	26,764,437.70	2%
19053100	Sweet biscuits	1,022,480,857.77	22,439,101.24	2%
22021000	Waters including mineral waters and aerated waters containing ad	1,000,792,640.26	21,877,919.10	2%
04021000	In powder granules or other solid forms of a fat content by weight not exceeding 1.5 %	973,177,197.61	21,281,599.77	2%
22029020	Nonalcoholic Energy Beverage	931,038,662.00	20,278,014.08	1%
01021000	Purebred breeding animals	882,636,977.91	19,397,458.49	1%
07101000	Potatoes	867,717,192.86	18,828,979.82	1%
24029000	Cigars cheroots and cigarillos containing tobacco	827,109,059.00	18,194,345.89	1%
04070090	Bird's eggs in shell fresh preserved or cooked.	783,848,853.89	17,153,301.58	1%
04011000	Of a fat content by weight not exceeding 1 %	751,978,448.59	16,511,071.90	1%
07133100	Semi milled or wholly milled rice whether or not polished or glazed	712,314,615.55	15,682,157.38	1%
Top 20 Ag. Imported Products		49,477,693,331.58	1,085,673,700.01	77%
Total Ag. Imports		63,944,730,377.85	1,402,604,242.31	100%

Fig 5. Monthly Dynamic of Agriculture Imports, 2010-2011



TRADE GEOGRAPHY 3

3.1 Overview

Trade flows of Afghanistan are characterized by the flux with regional countries. As graph 6 shows regional countries account for around 70% of total trade flows. The most important trade partners are Pakistan, Kazakhstan, India, Iran but Malaysia, UAE and USA also account for considerable shares.

Afghanistan accounts for a positive trade balance with some countries including regional countries as shown in table 5. In terms of agriculture products, Afghanistan has the highest trade surplus with one of its main trade partners; India valued at around 7 millions USD, followed by Iraq and Turkmenistan as observed in table 5. The highest trade deficit of 353.1 million USD is registered with Pakistan, followed by Kazakhstan, Malaysia, Iran and USA.

Fig.6: Agriculture Trade Flows of Afghanistan, by partner country, 2010-2011

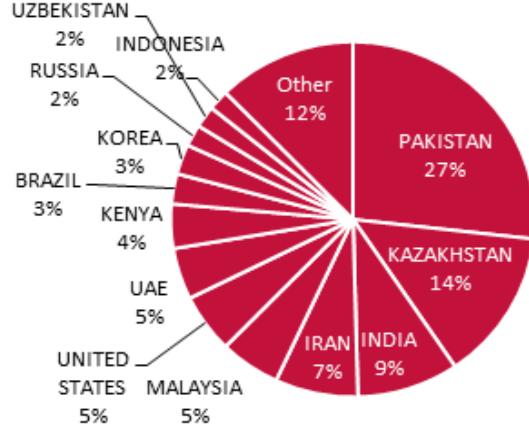


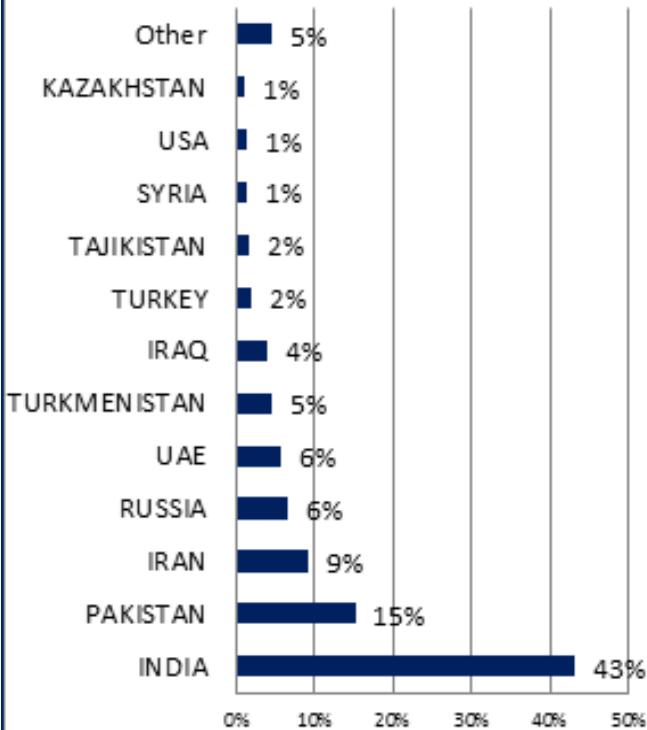
Table 5: Most positive and negative trade balances, by partner country, 2010-2011

Country	Volume Imported	Imported AFN	Imported USD	Import %	Volume Exported	Exported AFN	Exported USD	Export %	Trade Balance USD
INDIA	73,833,411	2,951,106,438	64,774,502	4.62%	15,592,281	3,265,515,139	71,621,414	43.0%	6,846,912
IRAQ	413,754	6,477,455	143,332	0.01%	7,894,871	303,855,788	6,672,888	4.0%	6,529,556
TURKMENISTAN	6,013,628	218,914,840	4,815,573	0.34%	26,359,094	343,173,734	7,570,072	4.0 %	2,754,499
SYRIAN ARAB REP.	25,100	991,924	21,887	0.00%	1,443,056	109,404,210	2,359,100	1.4%	2,337,213
ZIMBABWE	22,301	576,489	12,789	0.00%	2,250,000	35,127,850	777,424	0.5%	764,635
UNITED STATES	70,210,693	3,597,407,331	78,982,264	5.63%	2,770,674	90,820,072	1,994,747	1.2%	-76,987,517
IRAN, ISLAMIC REPUBLIC OF	167,873,588	4,381,633,889	96,221,809	6.85%	19,192,384	686,595,006	15,070,193	9.0%	-81,151,616
MALAYSIA	144,718,325	3,702,577,595	81,209,336	5.79%	0	0	0	0.0%	-81,209,336
KAZAKHSTAN	689,016,344	9,399,000,532	205,680,944	14.7%	5,454,050	72,516,755	1,589,474	1.0%	204,091,470
PAKISTAN	1,322,177,3025	17,250,5679	378,472,199	26.9%	92,242,327	1,150,678,249	25,302,233	15.2%	353,169,966

TRADE WITH SPECIFIC COUNTRIES

TRADE GEOGRAPHY

Fig.7: Exports of Afghanistan by country of destination, 2010 -2011

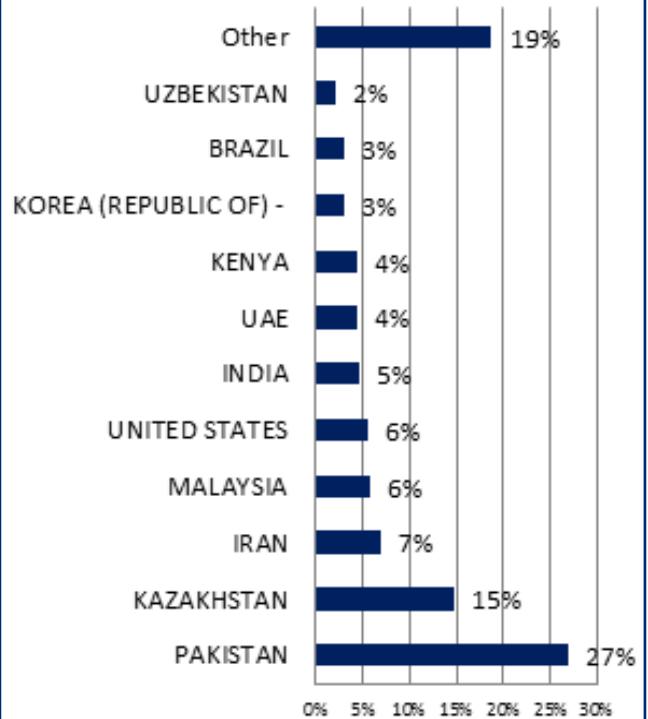


India is the most important trade partner in terms of exports accounting for 43% of total exports or 3,265 million AFN (71.6 million USD), followed by Pakistan accounting for 15% or 1,150.6 million AFN (25.3 million USD) and Iran 9%, 686.5 million AFN (15 million USD). Exports have found their way to other countries as well, including Russia, United Arab Emirates, Turkmenistan and Iraq who account also for considerable shares, as observed in figure 7.

Pakistan is the most important import partner accounting for 27% of total imports of agriculture products or 17,250.5 million AFN (378.4 million USD). Another important country is Kazakhstan accounting for 15% of total imports and the import value of 9,399 million AFN (205.6 million USD).

Other countries significant in terms of imports are shown in figure 8.

Fig.8: Imports to Afghanistan by country of origin during 2010-2011



○ 3.2 Trade with specific countries

In this section we will go into more details into specifics of trade with the main trade partners of Afghanistan, for agriculture goods. The more detailed observations by country are necessary to understand the characteristics of trade for each country. In this section we will give answers to the questions: What agriculture products do we export to these counties? What agriculture products do we import from these countries? What are the most exported/imported products to/ from each country?

TRADE GEOGRAPHY

○ 3.2.1 Trade with Pakistan

Trade flows with Pakistan reached 18,401 million AFN (403.7 million USD). The trade deficit was valued at 16,099 million AFN (353.1 million USD) and the export/import coverage measured as a percentage of exports over imports was 6.6 percent.

Exports of agriculture products to Pakistan reached 1,150 million AFN (25.3 million USD). Figure 7 shows exports division by HS chapters. They account for 15.2% of total agriculture exports. As we can observe in the graph, exports' composition is mainly raw agriculture products which indicates low development of agro-processing industry. Fruits and vegetables are the main category of exports accounting for 75% of total exports, followed by herbs and spices and medicinal plants.

Figure 9: Exports to Pakistan, by category, 2010

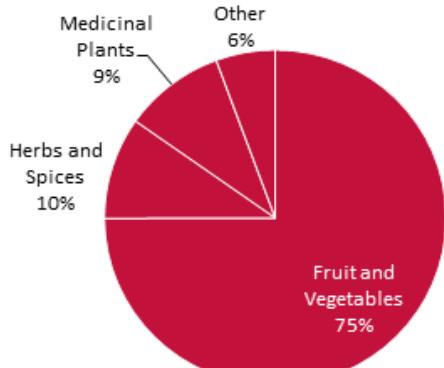


Table 6 shows the list of most exported agriculture products to Pakistan. As the table shows the most exported commodities are fruits and vegetables accounting for 67.4% of total exports. Onions are the main exported item accounting for 3.1 million USD during the year, followed by apricots, seeds of caraway, apples and watermelon.



Table 6: Most exported products to Pakistan, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in Kg	Value USD	Percentage
07031000-Onions and shallots	38,329,800.00	3,186,984.56	12.6%
08091000-Apricots	6,321,700.00	2,904,896.36	11.5%
09094000-Seeds of caraway	1,804,483.00	2,362,208.62	9.3%
08081000-Apples	5,837,000.00	1,320,539.59	5.2%
08071900- Watermelons Other	5,509,000.00	1,260,324.04	5.0%
08061000-Grapes Fresh	8,699,775.00	1,231,965.41	4.9%

TRADE WITH PAKISTAN

TRADE GEOGRAPHY

08021100-Almonds In shell	720,761.00	1,171,540.43	4.6%
08062000 Grapes Dried	1,203,755.00	1,171,854.10	4.6%
08042090-Fig Other	279,311.00	1,056,424.43	4.2%
08132000-Prunes	264,251.00	977,914.32	3.9%
Most Exported Ag. Products	68,970,437.00	16,644,651.94	65.8%
Total Ag. Exports		25,302,233.43	00%

Imports from Pakistan reached the value 17,250.5 million AFN (378.4 million USD). Figure 10 shows the division of imports by HS chapter. As observable from the graph, imports of agriculture products from Pakistan are less concentrated than exports and account for a larger variety of products. The most imported categories are cereals and products thereof, fruits and vegetables, but also dairy products, oils and food preparations.

Fig.10: Imports from Pakistan by category, 2010

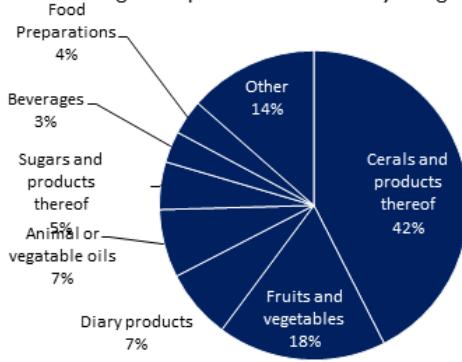


Table 7 shows the most imported products from Pakistan to Afghanistan. They account for 70 percent of agriculture imports from Pakistan. Milled rice comes in the first place accounting for 22% of total imports, followed by wheat flour accounting for 15% of total agriculture imports. The other top imported products fall under the above mentioned imported categories as shown in table.



Table 7: Most imported products from Pakistan, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in Kg	Value USD	Percentage
10063000-Semimilled or wholly milled rice, whether or not polished or glazed	144,592,921.00	84,982,315.91	22%
11010000-Wheat or muslin flour.	200,443,014.00	55,870,219.65	15%
15162000-Vegetable fats and oils and their fractions	35,415,362.00	20,060,362.52	5%
01021000-Purebred breeding animals	500,188.46	19,364,196.51	5%
07101000-Potatoes	235,551,821.00	18,703,056.58	5%
04011000-Milk of a fat content, by weight, not exceeding 1 %	148,139,681.55	15,097,381.41	4%
08051010-Fresh Oranges	20,880,893.40	13,736,550.42	4%
01029000-Other Live Animals	102,071.00	11,762,805.40	3%
22021000-Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	27,777,353.00	10,741,213.89	3%
10089000-Other cereals	32,335,880.00	9,902,825.13	3%
Most Imported Ag. Products	845,739,185.41	260,220,927.42	69%
Total Ag. Imports		378,472,198.67	100%

TRADE GEOGRAPHY

3.2.2 Trade with India

Agriculture trade flows with India were estimated at 6,216.6 million AFN (136.3 million USD) while the trade balance is a surplus, valued at 314.4 Million AFN or 6.8 million USD. The export/import ratio is 110%. All these figures show that Afghanistan is exporting more than importing from India. In terms of categories of exported goods, the exports of fruits and vegetables and resins, gums and lace, are to be mentioned. They account for 97% of total exports while the rest is herbs and medicinal plants.

On a product level the vegetable extracts used in the perfume industry, like the extracts of pine oil account for 60% of total exports as shown in table 8. This is also the main exported product from Afghanistan. Dried fruits and nuts contribute to almost 40% of exports; pistachios with 7,3 million USD, raisins with 5,3 million USD, dried figs with 5,2 million USD as well as hazelnuts, dried apricots and almonds. The most exported items to India account for 97% of total exports which proves again the strong concentration of exports in a few items and categories.

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Fig. 11: Exports to India, by category, 2010

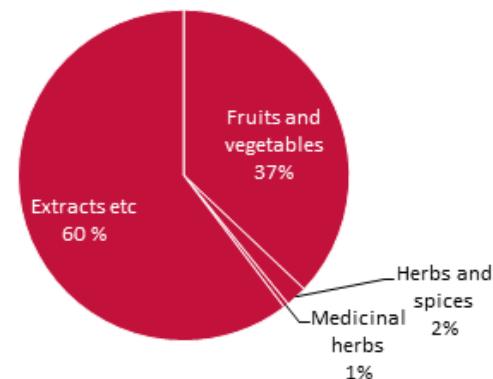


Table 8: Most exported products to India, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in Kg	Value USD	Percentage
13021900-Other Vegetable Saps and Extracts	679,595.46	43,069,617.50	60%
08025000-Pistachios	1,281,228.00	7,378,513.32	10%
08062000-Grape dried	4,350,723.00	5,331,127.88	7%
08042090-Figs Other	2,800,866.00	5,274,312.71	7%
08021200-Hazelnuts Shelled	1,152,148.00	3,549,902.31	5%
08131000-Apricots dried	1,568,806.00	2,197,147.38	3%
09094000-Seeds of caraway	608,986.00	1,097,915.95	2%
08109000-Other fresh fruit (pomegranates)	1,462,077.50	1,005,316.64	1%
08021100-Almonds In shell	321,613.00	916,335.38	1%
Total Exported Ag. Products	63,935.00	69,820,189.07	97%
Total Ag. Exports		71,621,413.64	100%

TRADE GEOGRAPHY

Agriculture imports from India reached 2,951 million AFN, (64.7 million USD). They account for 5% of total agriculture imports. Tobacco is one of the main categories of import from India, accounting for 46% of total imports. Dairy products are another important category accounting for 21% followed by food preparations accounting for 19%. Afghanistan is exporting mainly agriculture products in their raw form and with no value addition and is importing agro-processed products which account for 40% of total imports from India. Table 9 shows the most imported products. They account for 93% of total agriculture imports that flow in from this country, signaling a strong concentration of imports only in these items. Tobacco is the most imported item accounting for 28.9 million USD, followed by cane sugar, 11.8 million USD. The other products fall in the diary products or cereals, or spices. For more detail please refer to table 9.

Fig. 12: Imports from India, by Category, 2010

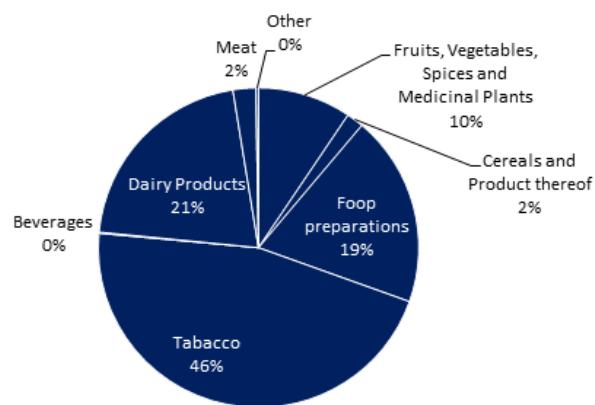


Table 9: Most imported products from India, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity/ Kg	Value USD	Percentage
24039900-Tabacco Other	9,838,194.50	28,961,037.00	45%
17011100-Cane sugar	37,187,457.00	11,838,255.61	18%
04070090-Birds' eggs, in shell, fresh, preserved or cooked: Other	12,226,312.00	9,587,908.67	15%
09024000-Other black tea (fermented) and other partly fermented tea	4,440,698.00	3,677,493.29	6%
04021000- Milk In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5 %	1,725,386.00	2,327,614.77	4%
10063000-Semimilled or wholly milled rice, whether or not polished or glazed	1,580,330.00	1,015,411.34	2%
04070000-Birds' eggs, in shell, fresh, preserved or cooked.	1,214,455.00	963,835.59	1%
09023090-Black tea (fermented) and partly fermented tea, in immediate packing of a content not exceeding 3(661 lb): Other	803,790.00	702,806.20	1%
09023000-Other green tea (not fermented)	838,051.00	656,110.71	1%
09109900-Other Spices	183,233.00	479,548.84	1%
Top Imported Ag. Products		60,210,022.03	93%
Total Ag. Imports		64,774,501.63	100%

TRADE GEOGRAPHY

3.2.3 Trade with Kazakhstan

Trade Flows with Kazakhstan reached 9,471 million AFA, (207.3 million USD). The trade deficit with Kazakhstan is the second largest at the value -204 Million USD. Exports were valued at 72.5 million AFN (1.59 million USD) accounting for less than 1 percent of total exports. On the other hand imports flowing from Kazakhstan have been far more aggressive being valued at 9,399 million AFN (205.6 million USD), accounting for 15% of total agriculture imports to the country. These developments keep the export/import ratio at 0.8%, which is the lowest among important trade partners, despite the regional vicinity and the export potential.

The most exported products are listed in table 10. They account for 100 % of agriculture exports because this is all we export to this neighbor country. The main item, cigarettes, account for 66% of total exports. Other items are potatoes, raisins and oranges in low quantities and values.

Fig.13: Imports from Kazakhstan by category, 2010-2011

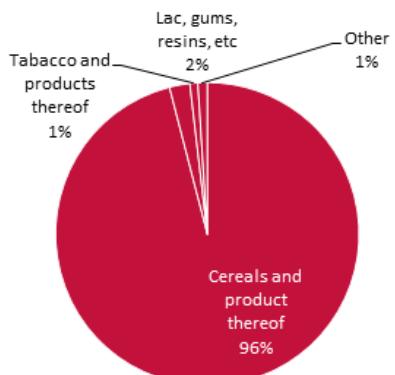


Table 10: Most exported products to Kazakhstan, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in Kg	Value USD	Percentage
24029000-Other Cigars, Cheroocs, Cigarillos, Cigarettes	196,000.00	1,011,371.61	66%
37101000-Potatoes	4,083,600.00	310,805.78	20%
38062000-Grapes Dried	250,000.00	167,283.04	11%
38051010-Oranges Fresh	703,050.00	35,820.43	2%
37019000-Other Potatoes	196,000.00	20,127.90	1%
Total Ag. Exports		1,575,408.79	100%

TRADE GEOGRAPHY

3.2.4 Trade with Iran

Trade flows with Iran were valued at 5,068 million AFN (111.2 million USD). The trade balance is a deficit valued at 81.5 million USD. The export import ratio is 16%. Agriculture products exports reached the 686.5 million AFN (15.0 Million USD). They account for 9% of total exports of agriculture products.

On a category perspective they are mainly represented by two categories seed and fruits and vegetables accounting for 86% and 10% of exports to Iran, respectively. On a more detailed perspective, seeds used for the production of cooking oil were the most exported items, followed by different types of dried fruits as observable in table 11. Most exported items to Iran account for 94% of total exports.

Fig. 14: Exports to Iran, by category, 2010

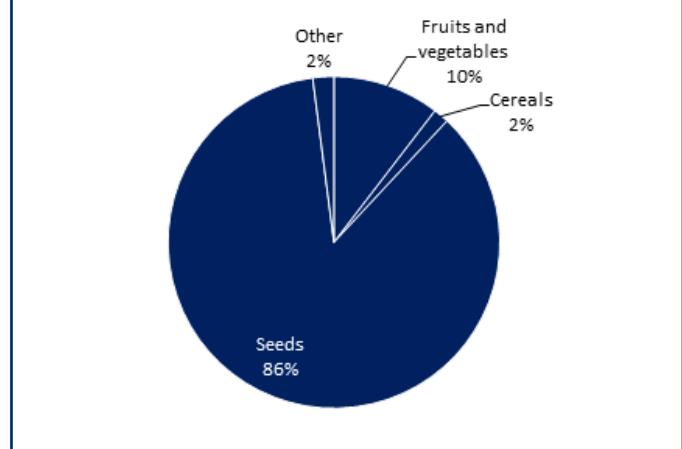


Table 11: Most exported products to Iran, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in Kg	Value USD	Percentage
I2079900-Other Seeds, Fruit and Spores of a Kind Used for Sowing	5,702,793.00	6,459,483.61	43%
I2074000-Sesamum seeds	7,733,225.00	4,687,734.73	31%
I2099900-Other Seeds, Fruit and Spores of a Kind Used for Sowing	1,890,632.60	957,628.38	6%
08131000-Apricots dried	744,861.00	626,269.23	4%
I2092900-Other Seeds of Forage Plants	675,324.80	609,216.73	4%
08132000-Prunes dried	107,149.00	282,084.01	2%
I0082000-Millet	500,590.00	176,110.91	1%
08062000-Dried Grapes	181,904.00	111,001.61	1%
I2119000-Other Plants of a Kind Use for Perfumery, Pharmacy, Insecticidal Purpose (Fresh or Dried)	281,690.00	107,032.05	1%
01021000-Purebred breeding animals	82,155.00	100,809.55	1%
Top Exported Ag. Products		14,117,370.82	94%
Total Ag. Exports		15,070,193.45	100%



TRADE GEOGRAPHY

Imports from Iran reached 4,381 million AFN (96.2 million USD). They contribute for 7% of total agriculture imports. A large variety of agriculture products are imported from Iran, the main category being the agro-processed food. Other categories are oils, cereals, sugars, spices etc. as observed in figure 15.

On a more detailed level, some of the most imported agriculture products are biscuits, oils, sugars, wheat, pasta, tomato juice, representing all prepared foods of different kinds. The most imported agriculture products account for 72% of total imports. For more details refer to table 12.

Fig. 15: Imports from Iran, by category 2010

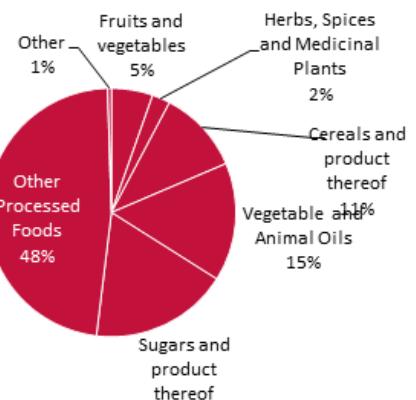


Table 12: Most imported products to Iran, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in Kg	Value USD	Percentage
19053100-Sweet biscuits	22,698,512.16	17,577,477.33	18%
15162000-Vegetable fats and oils and their fractions	23,137,360.00	13,264,068.15	14%
17049000-Other Sugar Confectionery, Not Containing Cocoa	12,394,680.00	12,511,108.76	13%
11010000-Wheat or muslin flour.	28,400,898.00	8,005,302.07	8%
19021900-Pasta (Uncooked; Not Containing Eggs)	9,897,896.00	5,019,645.56	5%
20095000-Tomato juice	5,452,663.00	3,314,984.67	3%
20029000- Other Tomatoes, Prepared or Preserved (Other than By Vinegar, Acetic Acid)	5,281,418.00	3,286,012.01	3%
04070090-Birds' eggs, in shell, fresh, preserved or cooked	4,475,053.00	3,216,312.25	3%
20021000-Tomatoes, whole or in pieces	4,641,921.00	2,912,563.22	3%
21021000-Active yeasts	1,779,405.00	1,933,863.25	2%
Total Ag. Imports		96,221,808.61	100%

TRADE GEOGRAPHY

3.2.5 Trade with USA

USA accounts for 5% of trade flows of Afghanistan. Trade flows were valued at 3,688 million AFN (80.9 million USD). The trade deficit was valued at 76.9 million USD while the export/import ratio was 2.5%.

Agriculture exports to USA reached 90.8 million AFN (1.9 million USD). They accounted for 1.2% of total agriculture exports. They are represented by three categories, medicinal plants accounting for 76% of total exports, fruits accounting for 20% and herbs accounting for 4%.

The most exported products account for 98% of total exports. The most exported item, liquorice roots known as an herbal remedies accounts for 74.4% of total exports. Other exported items are dried grapes, saffron, dried apricots etc. as observable in table 13.

Fig. 16: Exports to USA, by category, 2010

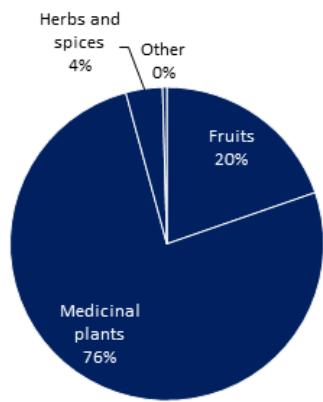


Table 13: Most exported products to USA, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity	Value USD	Percentage
12111000-Liquorice roots	2,382,892.00	1,483,255.64	74.4%
08062000-Dried Grapes	317,602.32	287,987.50	14.4%
09102000-Saffron	50.00	75,903.94	3.8%
08131000-Apricots dried	10,021.93	38,071.74	1.9%
12119000-Other	40,120.00	27,076.76	1.4%
08134000-Other fruit	6,738.88	23,010.35	1.2%
08025000-Pistachios	1,430.00	16,995.39	0.9%
Total Exported Ag. Products	2,758,855.13	1,952,301.32	97.9%
Total Ag. Exports			1,994,746.87

TRADE GEOGRAPHY

Imports from US were valued at 3,597 million AFN. They account for almost 6 percent of total imports and are mainly represented from meat and dairy products. The most imported products also under these categories, account for 94% of total imports. For more details refer to table 14.

Fig. 17: Imports from USA, by category, 2010

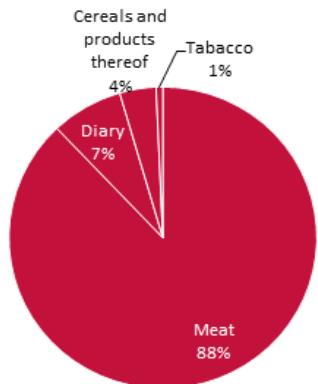


Table 14: Most imported products from USA, 2010-2011, in quantity and USD Value

HS Code and Description	Quantity in kg	Value in USD	Percentage
02071400-Cuts and offal, frozen	46,052,203.00	55,934,664.98	71%
02071300-Cuts and offal, fresh or chilled	5,638,727.00	6,972,551.44	9%
04021000- Milk In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5 %	2,555,458.00	4,298,125.33	5%
02071100-Not cut in pieces, fresh or chilled	2,826,121.00	3,501,633.13	4%
02071200-Not cut in pieces, frozen	1,598,115.00	1,859,299.74	2%
04022900-Other, Milk Cream	1,008,050.00	1,644,402.60	2%
02022000-Other cuts with bone in	126,669.42	368,213.50	0%
Total Ag. Imports		78,982,264.05	
Top Imported Ag. Products		74,578,890.72	94%



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