

Agri Progress

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Kharif prospects

The prospects of the kharif crop are even more important today as rural income may be the fulcrum that supports the sustenance in demand for non-food products this year. As of 6th July the picture is less than satisfactory with the area sown being 14.1% lower than what it was last year. While the monsoon season officially lasts for 4 months, July becomes critical in terms of farmers sowing the seeds of their respective products.

The relatively late announcement of the MSP would be one factor which could have delayed the cropping decisions considering that prices of products in the pulses and oilseeds complexes came down sharply last year due to higher production which could have caused farmers to wait for this announcement. The next 2 weeks will hence be critical for the final production prospects.

Table 1: Area sown as of July 6th (Lkh hectares)

| Crop | 2017 | 2018 |
|----------------|---------------|---------------|
| Rice | 79.08 | 67.25 |
| Pulses | 41.67 | 33.60 |
| Coarse Cereals | 66.27 | 57.35 |
| Oilseeds | 73.45 | 63.59 |
| Sugarcane | 49.64 | 50.44 |
| Jute & Mesta | 6.96 | 6.93 |
| Cotton | 71.82 | 54.60 |
| Total | 388.89 | 333.76 |

Source: Ministry of Agriculture

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The table above shows clearly that

1. Area sown has been lower for all the broad categories of farm products with the exception of sugarcane.
2. If this is juxtaposed with the recent announcement of MSPs, it can be seen that the thrust has been on growing more cotton (MSP increase of 26-28%), maize (19-20%) and moong (25%). The incentive for tur is lower at around 4% increase in MSP which does indicate that sowing would tend to be lower this year. For oilseeds like groundnut and soybean the increase is between 10-11% which is more at the median level of MSP increases announced for the kharif season.

Monsoon update

- The progress of monsoon has also been less than satisfactory with the cumulative rainfall till July 4 being 6.6% lower than normal at 184.7 mm as against a normal of 197.8 mm.
- 25 of the 36 met divisions have received normal to surplus rainfall so far. Punjab is the only region that received large excess rainfall which was 111% above normal level. This reflects a promising sowing season for the state. The regions that are strong in agriculture but have received less than normal rainfall are concentrated in UP, Bihar, West Bengal, Gujarat, East MP and Jharkhand.
- The Saurashtra, Kutch and Diu region continues to be the only region receiving largely deficient rainfall, deviating at 75% less than the normal rainfall.
- Crops like rice, maize, oilseeds and to an extent pulses would be affected in these regions in case monsoon does not return to normalcy in the next two weeks.
- The levels in reservoirs are also just about lower than normal at 20.3% of full reservoir level (FRL) (as against normal of 21%). This is based on the full reservoir level (FRL) of 162 bn cubic metres with a current level of 32.8 bn cubic metres.

Concluding remarks

The next two weeks would be crucial for the kharif as monsoon needs to turn to normal to enable sowing of crops. Also the advancement made in sowing in specific crops will have a bearing on final production numbers, as there could be crop switching this season to more remunerative ones.

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