

Monsoon Monitor: July 17 2017

Background

The crop year is classified from July to June in India. It is divided into Winter Season (January-February), Pre-Monsoon Season (March-May), Monsoon Season (June-September) and Post-Monsoon Season (October-December). The Southwest Monsoon in India prevails for 4 months from June till September and accounts for around half of total output. More than 75 per cent of India's annual rainfall occurs during this period itself, which caters to the need of irrigation in the country. Good rains in this period result in increase in production and supply of Kharif crops later in the year. But if there is a shortfall in rains it leads to issues like price-rise, low industrial output, etc., having a high impact on Indian economy.

Record of Rainfall so far

For the period June1-July 12, cumulative rainfall was 268.8 mm, which is 1% lower than the normal of 270.8 mm. Rainfall was large excess/excess in 7, normal in 24 and deficient/large deficient in 5 out of 36 meteorological sub-divisions. There are 36 meteorological zones defined by the IMD. Table 1 shows that the number of divisions with normal to excess rainfall was 31, which is what has also been associated with years with very good monsoons. In 2014 and 2015, when there were droughts, the number was lower.

Table 1: Rainfall patterns: Number of Divisions

No. of Sub-Divisions with rainfall	11-Jul-12	10-Jul-13	9-Jul-14	15-Jul-15	13-Jul-16	12-Jul-17
Large Excess	-	-	-	-	-	02
Excess	00	20	00	04	11	05
Normal	15	11	07	20	19	24
Total	15	31	07	24	30	31
Deficient	17	05	20	12	06	05
Scanty	04	00	09	00	00	00
No rain	0	0	0	0	0	0
Total	21	05	29	12	06	05
TOTAL	36	36	36	36	36	36

Source: IMD

[Note:1. Large Excess: +60% or more; 2.Excess: +20% to +59%; 3.Normal: +19% to -19%; 4.Deficient: -20% to -59%; 5.Large Deficient: -60% to -99%]

Contact:

Madan Sabnavis

Chief Economist
mailto:madan.sabnavis@careratings.com
91-22-67543489

Aditi Khutal

Analyst
Aditi.khutal@careratings.com
91-022-6754 3568

Mradul Mishra (Media Contact)

mradul.mishra@careratings.com
91-22-67543515

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Sowing of Kharif Crops – [From 1 July 2017 TO 14 July 2017]

The total sown area as on 14th July 2017 stood at 563.17 lakh hectares compared with 521.80 lakh hectares at this time last year.

Table 2: Area under cultivation (In lakh hectare)

Sown Area	14/7/2017	Last year	Y-O-Y change
Kharif Crop	563.17	521.80	7.9%

The progress across crops is given below.

Table 3: Area under cultivation of various kharif crops (lkh hectares)

Crop (up to Jul 14)	2016	2017
Rice	120.32	125.77
Pulses	60.28	74.61
Coarse Cereals	98.79	113.06
Oilseeds	115.75	103.92
Sugarcane	45.22	47.94
Jute & Mesta	7.51	6.98
Cotton	73.93	90.88
Total	521.8	563.17

Source: Ministry of Agriculture

- Area under cultivation has been higher than last year in case of rice, pulses, coarse cereals, sugarcane and cotton.
 - o Higher acreage under pulses may be attributed to higher MSP offered by the government as output had peaked in 2016-17 which had led to a decline in prices and income for farmers.
- Lower acreage has been observed in case of oilseeds and jute/mesta. The former would have to be monitored as it would be affecting the state of the edible oil industry as well as imports given that the level of import of edible oil is around 60-70% of total consumption.

Commentary

The overall progress appears to be quite good so far and there are expectations that the rainfall would be normal leading to good kharif harvest. This will help in increasing the income of farmers which can lead to higher demand for consumer goods subsequently. However, the spread of rainfall will be critical as crops like pulses, oilseeds and cotton etc. are more vulnerable to rainfall shocks as they have relatively less access to irrigation facilities.

The industries that would be dependent on this sector's performance would be edible oils, sugar, textiles, and millers from the output side. Industries like fertilizers, pesticides, tractors, commercial vehicles, seeds, irrigation etc. would be affected on the inputs side.

CORPORATE OFFICE:

CARE Ratings Limited

(Formerly: CREDIT ANALYSIS & RESEARCH LIMITED)

**Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai - 400 022.**

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457

E-mail: care@careratings.com | Website: www.careratings.com

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