

Agri Update: Progress of Rabi Crops

Contact:

Madan Sabnavis
Chief Economist
madan.sabnavis@careratings.com
+91-22- 6754 3489

Author

Purnima M. Nair
Associate Economist
purnima.nair@careratings.com
+91-22-6754 3568

Mradul Mishra (Media Contact)

mradul.mishra@careratings.com
+91-22-6754 3515

The overall acreage in the on-going season of Rabi crops (2018-19) has been 91% of normal area sown, compared with 96% in 2017-18. The total acreage has been pulled up by the higher than normal acreage in pulses and oilseeds (for mustard).

With Rabi sowing reaching the end of its season, the acreage for coarse cereals and rice seems to have been affected by the lower than average post monsoon showers across the country.

As the sowing for the season for Rabi began in mid-October and is almost complete, the chances of a sharp recovery in acreage of rice and coarse cereals are narrow.

The 4th Advance Estimates of Rabi crops in 2017-18 showed an increase in production across all crops led by a 17% (in Y-o-Y terms) rise in pulses followed by ~16% rise in coarse cereals. The total food grain production was estimated to rise by 5.4%, while oilseeds are to rise by 5.6%. However, the target production for 2018-19 across crops is lower, given the fall in area sown under Rabi in this season.

I. Progress of the acreage of the Rabi Crop

Table 1 gives the progress of acreage for the Rabi Season beginning from

- Rabi cropping has covered a total area of 581.5 lakh hectares as of 11th January 2019 since the beginning of the Rabi sowing season. The Rabi acreage in the corresponding period previous year was 610.51 lakh hectares which was 96% of the normal area sown for the season.
- Wheat sowing in the Oct-Jan period has largely been in line with the normal area sown at 294.07 lakh hectares. However it is marginally lower than the 300.51 lakh hectares of acreage recorded during the comparable period in the 2017-18.
- Rice acreage recorded the highest shortfall in acreage across the Rabi crops as a percentage of normal area sown and declined from 20.88 lakh hectares in 2017-18 to 16.57 lakh hectares in 2018-19. As of date, rice acreage stood at ~40% of normal area sown, compared with the 50% recorded for the corresponding period in 2017-18.
- Total pulses have recorded a higher than normal acreage at 147.91 lakh hectares which is 5% over and above normal area sown for the season. However the acreage in the current season is marginally lower than 156.90 lakh hectares recorded in 2017-18.

Disclaimer: This report is prepared by CARE Ratings Ltd. CARE Ratings has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Ratings is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE Ratings has no financial liability whatsoever to the user of this report

- The rise in acreage of pulses is led by 94.61 lakh hectares of area sown under Gram (Chana), which is ~6% above the normal area of 89.45 lakh hectares. In 2017-18, the acreage for Gram was higher at 105.9 lakh hectares (17% above normal).
- The area sown for coarse cereals has declined from 53.47 lakh hectares in 2017-18 to 44.98 lakh hectares in 2018-19. The acreage as of date for the current season is ~70% of the normal area sown. The acreage for Jowar is at 23.54 lakh hectares for the season as compared with 30 lakh hectares recorded in the comparable period in the previous season.
- The acreage for mustard has increased from 66.6 lakh hectares in 2017-18 to 68.28 lakh hectares in 2018-19. The area sown in the on-going season is 12% above the normal area of 61.25 lakh hectares. The acreage for total oilseeds has marginally declined from 78.75 lakh hectares in 2017-18 to 77.97 lakh hectares in 2018-19. As a percentage of normal area sown, the acreage under total oilseeds is 97% for 2018-19.

**Table 1: Progress of Rabi Crop Acreage
(As of 11th January 2019)**

Crops	Area Sown (lakh hectares)			Area Sown as % of Normal	
	Normal	2017-18	2018-19	2017-18	2018-19
Wheat	306.29	300.51	294.07	98.1	96.0
Rice	41.59	20.88	16.57	50.2	39.8
<i>Total Pulses</i>	<i>140.84</i>	<i>156.90</i>	<i>147.91</i>	<i>111.4</i>	<i>105.0</i>
Chana (Gram)	89.45	105.28	94.61	117.7	105.8
<i>Total Coarse Cereals</i>	<i>64.53</i>	<i>53.47</i>	<i>44.98</i>	<i>82.9</i>	<i>69.7</i>
Jowar	37.40	30.08	23.54	80.4	62.9
<i>Total Oilseeds</i>	<i>80.60</i>	<i>78.75</i>	<i>77.97</i>	<i>97.7</i>	<i>96.7</i>
Mustard	61.25	66.60	68.28	108.7	111.5
Total Crops	633.85	610.51	581.50	96.3	91.7

Source: Department of Agriculture Cooperation and Farmers Welfare

II. Production Targets

Table 2 gives the production targets for 2018-19.

- Production of total food grains was estimated to rise by 5.4% in 2017-18 from 136.78 million tonnes in 2016-17 to 144.1 million tonnes. **The target for 2018-19 is lower at 142.50 million tonnes. This looks likely given the lower acreage witnessed so far.**
- The production for rice grew by 15% in 2017-18 from 13.4 million tonnes in 2016-17 to 15.41 million tonnes in 2017-18. The production target for 2018-19 is lower at 15 million tonnes which is not likely to be met given the decline in acreage of rice this season.
- The production for wheat grew only marginally by 1.2% in 2017-18 compared with 6.7% growth recorded in 2016-17. The target production for 2018-19 is 100 million tonnes which is marginally higher than the 99.7 million tonnes produced (estimated) in 2017-18. Given the near normal acreage in wheat, the target production is likely to be met.
- The target for pulses is lower for this year. While acreage is lower than that last year, it is above 100% of normal and hence should not be a concern and the target should be met this year.

- Production of Coarse Cereals rose by 15% from 9.38 million tonnes in 2016-17 to 11.33 million tonnes in 2017-18. The production for Jowar had risen by 9.6% for the same period. The target production for the current year is lower at 12.40 million tonnes and within which Jowar is targeted to be 2.8 million tonnes. The target production may not be met given the relatively sharp fall in the acreage for overall coarse cereals and especially for Jowar.
- The production target for oilseeds is set higher at 105 lakh tonnes compared with the 103.12 lakh tonnes estimated for 2017-18. Within oilseeds, the production of mustard rose by 5.1% from 79 lakh tonnes in 2016-17 to 83 lakh tonnes in 2017-18. Mustard production is targeted to be higher at 85 lakh tonnes, which is likely to be achieved given the increase in acreage of mustard as compared to the previous year.

Table 2: Advance Estimates of Production of Rabi Crops (mn tonnes)

Crops	2015-16	2016-17	2017-18 [#]	% Growth (Y-o-Y)		Target 2018-19
	(mn tonnes)			2016-17	2017-18	(mn tonnes)
Wheat	92.29	98.51	99.7	6.7	1.2	100.00
Rice	13	13.4	15.41	3.1	15.0	15.00
<i>Total Pulses</i>	<i>10.82</i>	<i>13.55</i>	<i>15.89</i>	<i>25.2</i>	<i>17.3</i>	<i>15.10</i>
Chana (Gram)	7.06	9.38	11.23	32.9	19.7	10.50
<i>Total Coarse Cereals</i>	<i>10.37</i>	<i>11.33</i>	<i>13.1</i>	<i>9.3</i>	<i>15.6</i>	<i>12.40</i>
Jowar	2.42	2.6	2.85	7.4	9.6	2.80
<i>Total Food-grains</i>	<i>126.47</i>	<i>136.78</i>	<i>144.1</i>	<i>8.2</i>	<i>5.4</i>	<i>142.50</i>
<i>Total Oilseeds*</i>	<i>85.71</i>	<i>97.62</i>	<i>103.12</i>	<i>13.9</i>	<i>5.6</i>	<i>104.99</i>
Mustard*	67.97	79.17	83.22	16.5	5.1	84.86

[#]4th Advance Estimates

*Production in Lakh Tonnes

Source: Department of Agriculture Cooperation and Farmers Welfare

Conclusion

The decline in the acreage of Rabi crops especially is rice and coarse cereals, is a cause of concern. The production targets despite being lower than the advance estimates of 2017-18 may not be met for rice and jowar. The production of wheat, pulses and mustard are most likely to achieve the targets set for 2018-19 given the par normal acreage recorded for the said crops.