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Kharif crops are crucial for Indian agriculture sector. It contributes 50 percent of total food grain production, 65 percent of edible oil seeds apart from important commercial crops like cotton and sugar cane are cultivated in this season. These crops are cultivated during south-monsoon season starting from 1st June and harvested in September-October. Important food crops are rice, coarse cereals and pulses like tur, urad are cultivated. Edible oil seeds like soy bean, ground nut, castor seed, sunflower and commercial crops like cotton, sugar and few spices are also cultivated.

Indian agriculture contributes 16% GDP and provides employment to over 50 percent of population. Many industries are directly or indirectly dependant on agriculture crops. So, the kharif season crops play crucial role in Indian agriculture growth as well as countries GDP.

South – monsoon plays key role in production of kharif crops and it contributes 70% of total annual rainfall. All the kharif crops are directly or indirectly dependant on rainfall as rainfed crops or irrigated crops.

As per Indian Meteorological Department (IMD), southwest monsoon (June-September 2011) for whole country is likely to be below normal that is 90-96% of LPA. Quantitatively the rainfall during this southwest monsoon is likely to be 95% of Long Period Average (LPA) with model error of $\pm 4\%$.

Region-wise forecasts are 97% of its LPA over North-West India, 95% of its LPA over North-East India, 95% of its LPA over Central India and 94% of its LPA over South Peninsula, all with a model error of $\pm 8\%$. Monsoon set over Andaman Islands 10 day earlier than normal onset. However, it set only 3 days early in Kerala before its normal date of 1st June. IMD has forecasted lower rainfall for last two months in its latest update given on 1st August. It has forecasted rainfall at 90% of LPA for August-September with model error of $\pm 8\%$.

However, latest monsoon data available till 3rd August, the rainfall has been deficient across all regions. Rainfall is deficient by 6 percent.

Rainfall from 1st June till 03rd August 2011

	Actual rainfall (mm)	Normal rainfall (mm)	% Departure from LPA
Country as a whole	450	480.6	-6
Northwest India	296.9	312.2	-5
Central India	516.1	521.4	-1
South Peninsula	390.7	397.7	-2
East & northeast India	678.6	822.9	-18

Source: imd.gov.in

Kharif crops sowing progress

Kharif crops are broadly classified into food grains, edible oil seeds and other commercial crops. Among food grains, rice is largest crop, which feed huge population of the country. It is cultivated under irrigated sources using canal water and mostly grown Andhra Pradesh, Uttar Pradesh, Punjab and West Bengal. As per agriculture department sources, area under rice is progressing well and reported to be higher by 5 percent compared to same period in last year. Area stood at 209.93 lakh hectares, up by 10.1 lakh hectares. Area under other cereals like Bajra and Maize is lagging behind. Among pulses, except urad, sowing is lagging in all kharif pulses. Deficient rain especially in tur growing areas of Maharashtra and Andhra Pradesh is affecting the cultivation.

Sowing progress of food grains till 3rd August (lakh hectares)

Crop	Normal Area for whole kharif season	Area as on 3 rd Aug 2011	% of Normal	Area as on 3 rd Aug 2010	Absolute change from 2010	% change from 2010
Rice	393.58	209.93	53.3	199.82	10.1	5.05
Jowar	34.27	22.27	65	24.05	-1.6	-6.65
Bajra	92.63	60.72	65.5	69.79	-9.1	-13.04
Maize	69.59	59.3	85.2	63.92	-4.6	-7.20
Total coarse cereals	219.68	151.88	69.1	161.99	-15.1	-9.32
Total Cereals	613.26	361.81	59	366.81	-5	-1.36
Tur	35.42	26.19	73.9	30.72	-4.5	-14.65
Urad	22.36	17.56	78.5	15.61	1.9	12.17
Moong	25.56	18.52	72.5	20.89	-2.4	-11.49
Others	23.13	11.64	50.3	14.6	-3	-20.55
Total Pulses	106.47	73.91	69.4	81.83	-7.9	-9.65
Total food grains	719.73	435.72	60.5	448.64	-12.9	-2.88

Source: Agriculture department

After record production of pulses in last year, there are concerns of decline in this year due to slow progress of sowing and deficit rains. India had produced 18 million tonnes of pulses in 2010-2011, including kharif and rabi seasons. This record output led to fall in import of pulses and also decline in prices especially tur and urad after touching Rs100-120 per kg in retail markets. If output of pulses decline in this year, there can pressure on prices in long term.

Sowing progress of Edible oil seeds

Among kharif edible oil seeds, soy bean and ground nut are major crops, which are mostly cultivated in central and western states. Madhya Pradesh, Gujarat and Maharashtra are largest producers of these edible oil seeds. Sowing of edible oil seeds except sesame is lagging very much behind and it is cause of concern given the high food inflation and large imports of edible oils. India imports nearly 50 percent of its domestic edible oil consumption and fall in output of oil seeds may lead to further rise in imports.

Although, the lagging sowing activities is attributed to delayed sowing activities, there are still concerns that forecast of less rains in August and September might lead to fall in output.

Crop	Normal Area for whole kharif season	Area as on 3 rd Aug 2011	% of Normal	Area as on 3 rd Aug 2010	Absolute change from 2010	% change from 2010
Groundnut	51.47	34.4	66.8	43.02	-8.6	-19.99
Soybean	88.33	97.82	110.7	85.34	12.5	14.65
Sunflower	7.54	1.3	17.3	1.86	-0.6	-32.26
Sesamam	17.95	11.72	65.3	8.32	3.4	40.87
Niger	4.12	0.52	12.5	0.81	-0.3	-37.04
Castor	7.76	3.73	48.1	2.79	0.9	32.26
Others	0	0.24	0	0	0.2	0.00
Total oilseeds	177.17	149.73	84.5	142.13	7.6	5.35

Source: Agriculture department

Sowing progress of other commercial crops

Cotton, sugar cane and jute are largest commercial crops grown during kharif season. Cotton is grown mostly under rainfed conditions in Gujarat, Maharashtra and Andhra Pradesh and is very sensitive to monsoon. Sugar cane is cultivated under irrigated conditions in Uttar Pradesh and Maharashtra. Area under these three crops is progressing well due to better rains in Gujarat. There are also reports of shift from edible oil seeds to cotton in Gujarat due to record prices. Cotton prices tripled in last year to touch record price of Rs65000 per candy. Area under sugar cane exceeded normal area due to higher SMP and better water resources.

Crop	Normal Area for whole kharif season	Area as on 3 rd Aug 2011	% of Normal	Area as on 3 rd Aug 2010	Absolute change from 2010	% change from 2010
Cotton	93.55	105.56	112.8	101.43	4.1	4.04
Sugarcane	46	51.82	112.7	49.02	2.8	5.71
Jute	9.2	8.92	97	8.31	0.6	7.22

Source: Agriculture department

Although, sowing of rice is progressing well, area covered is only 53.3 percent of normal acreage. In case of fall in acreage by end of sowing season, it can affect the production. However, higher production of rice in last year (95.32 million tonnes including kharif and rabi seasons) may fill the supply shortage in next year. Government agencies are also having sufficient stocks with 32.5 million tonnes as on 1st August 2011.

In case of edible oil seeds, the sowing is lagging especially in ground nut, niger and sunflower. The edible oil prices are mostly stable in recent months, but in case of fall in output, there can pressure on prices in coming months. Meanwhile, sugar production is expected to remain normal in this year due to better sowing. Sugar prices have come down substantially after hitting record high of Rs4500 per quintal due to

higher output in last year (25.5 million tonnes). Prices are expected to remain under control in next as well due to forecast of normal output.

Apart from these crops, few exchanges traded commodities like guar seed, turmeric and chilli are also cultivated in kharif season and are very sensitive to monsoon. As per market sources, guar seed sowing is lagging due to delayed monsoon and deficit rains in Rajasthan. Guar seed prices have already hit record high of Rs4800 per quintal due to strong export growth of guar gum and low stocks. With fall in acreage, guar seed prices may remain higher in next as well. Area under turmeric, the major spice crop cultivated in Andhra Pradesh and Tamil Nadu reported to be has gone up by 15 percent. Turmeric prices have slumped to two years lows on higher production estimates for second consecutive year. Chilli is cultivated in kharif season, but sown only August onwards. The monsoon in last two months (August – September) is crucial for chilli cultivation.

With food inflation still hovering near 10 percent and Government is under pressure to contain inflation, the kharif crop production plays crucial role in solving these problems.

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