

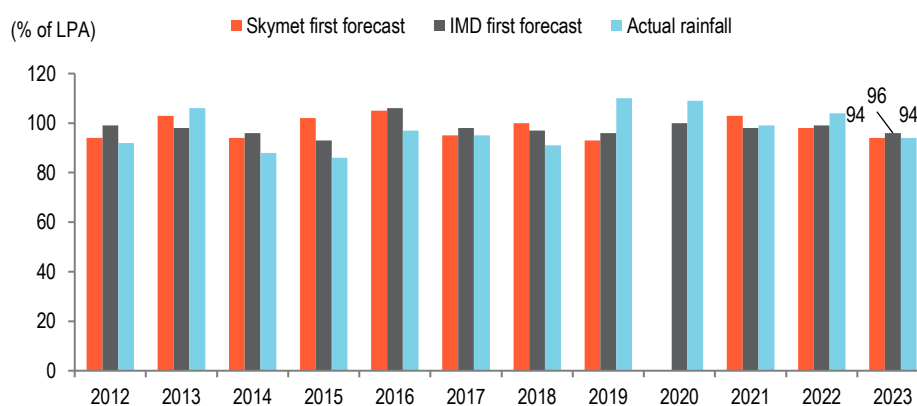
Projection of Kharif output:2023-24

India witnessed below normal rainfall in 2023 after a span of over 4-years (of normal and above normal rains) with a deficiency of 6% below LPA. Region wise, rainfall has been deficient across two of the regions including South Peninsula (92% of LPA) and North East region (82% below LPA). Rainfall in North West, Central region stands at 101% and 100% of LPA. Overall Kharif sowing has inched up marginally with much higher acreage in rice. However, pulses and oilseeds sown area logged lower sowing. Given this backdrop, we expect marginal improvement in kharif output.

Introduction

India's south-West monsoon was tad lower than normal rainfall this year. Actual rainfall received during this period was 820mm against the long period average of 868.6mm. Though in the rainfed agricultural region also called as monsoon core zone, the rainfall received was normal at 101% of LPA. Amongst 36 subdivisions, 3 of them (covering 9% of the region) received excess rainfall, followed by 26 subdivisions (73% of area) which received normal rainfall and 7 subdivisions had registered deficient rainfall. These included, Kerala, Jharkhand, Gangetic West Bengal, Bihar, East UP, Gangetic West Bengal, states in North-eastern region (Nagaland, Manipur, Mizoram and Tripura). On a monthly basis, across all the 4-months, August experienced the highest deficiency (64% of LPA) while July (113% of LPA) and September (113% of LPA) registered excess rainfall. Despite fears of El Nino, rainfall activity turned out to be marginally lower than last year.

Fig 1: Actual rainfall tad lower than normal



Kharif sowing in 2022-23

As of 30 Sep 2023, the overall Kharif sowing area improved by 0.2% compared with last year. Rice sown area had advanced by 1.9% followed by higher sowing for coarse cereals (up by 1.8%) and Sugarcane (7.6%). Acreage of pulses declined by (-) 4.2% led by lower sowing of Arhar (-4.9%) and urad

(-1.3%) compared with last year. Oilseeds and cotton has logged in lower sowing area, with the exception of soybean and castor which has registered some improvement amongst oilseeds. Jute and Mesta (-5.6%) recorded lower acreage than last year.

Table 1: Kharif sowing is a tad higher compared with last year

| Crop Type | Area sown in 2023-24 (mn ha) | Area sown in 2022-23 (mn ha) | Change (YoY %) |
|-----------------------|------------------------------|------------------------------|----------------|
| Coarse Cereals | 18.8 | 18.48 | 1.8 |
| Jowar | 1.45 | 1.59 | (8.5) |
| Bajra | 7.1 | 7.06 | 0.5 |
| Maize | 8.58 | 8.26 | 3.8 |
| Rice | 41.2 | 40.43 | 1.9 |
| Pulses | 12.36 | 12.9 | (4.2) |
| Oilseeds | 19.32 | 19.64 | (1.6) |
| Cotton | 12.39 | 12.77 | (3.0) |
| Sugarcane | 5.99 | 5.57 | 7.6 |
| Jute and Mesta | 0.66 | 0.7 | (5.6) |
| All Crops | 110.72 | 110.48 | 0.2 |

Source: CEIC, Bank of Baroda | Data as of 30 Sep 2023

Expectation from Kharif harvest:

The harvest season for kharif crops has been in full swing. We expect some pickup in overall output with crops such as rice and sugarcane registering improvement. However, some drag will be seen with pulses, cotton and jute.

| Crop Type | Production in 2021-22 (in mn tonnes) | Production in 2022-23 (in mn tonnes) | Production in 2023-24 E (in mn tonnes) |
|------------------------|--------------------------------------|--------------------------------------|--|
| Total foodgrains (1+2) | 155.36 | 155.71 | 158.0-162.0 |
| 1. Cereals | 147.13 | 148.09 | 150.7-154.0 |
| --Rice | 111.00 | 110.51 | 113.0-115.0 |
| --Coarse cereals | 36.13 | 37.58 | 38.0-39.0 |
| --Maize | 22.68 | 23.67 | 24.0-25.0 |
| --Bajra | 9.78 | 10.35 | 10.9-11.0 |
| --Jowar | 1.60 | 1.48 | 1.6-1.7 |
| --Other coarse cereals | 2.07 | 2.08 | 1.7-2.0 |
| 2. Pulses | 8.24 | 7.62 | 6.9-7.3 |
| --Tur | 4.22 | 3.31 | 3.22-3.27 |
| --Urad | 1.87 | 1.77 | 1.5-1.6 |
| --Moong | 1.48 | 1.72 | 1.5-1.6 |
| 3. Oilseeds | 23.97 | 26.15 | 26.2-26.5 |
| --Soybean | 12.99 | 14.98 | 15.5-16.0 |
| --Groundnut | 8.43 | 8.56 | 7.9-8.2 |
| 4. Cotton* | 31.12 | 33.66 | 33.0-34.0 |
| 5. Sugarcane | 439.43 | 490.53 | 520-521.5 |
| 6. Jute\$ | 9.76 | 9.11 | 8.7-8.8 |

Source: CEIC, Bank of Baroda Research | E: Bank of Baroda Estimates | *Production in mn bales of 170 kgs, \$: production in mn bales of 180 kgs

The projections made here are on the assumption of there being no damage to crops on account of excess monsoon. The forecasts are based on extrapolations from the past involving area sown and productivity under various scenarios.

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