

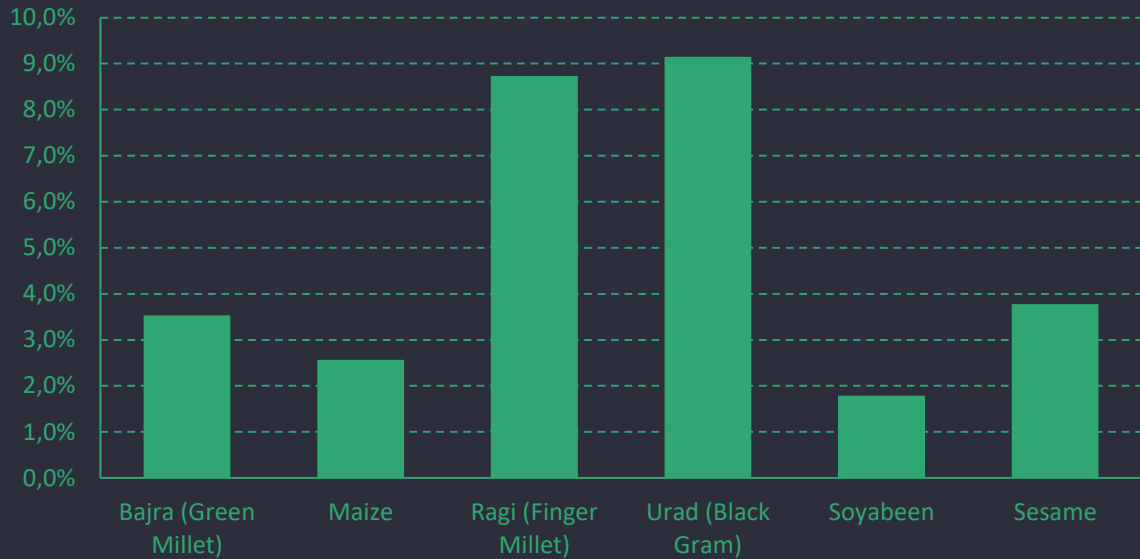
Kharif sowing hit by deficit rains; acreage down 27% so far

Current situation

1. Area sown under kharif crops was down by 27 per cent at 234.33 lakh hectare amid deficient monsoon rainfall last month, according to the latest government data.
2. However, the sowing operation is expected to pick-up in the coming days as the Indian Metereological Department (IMD) has projected good rains in July and August.
3. Prices are expected to rise in either case as notwithstanding higher demand (both domestic and overseas) and is expected to increase sharply in the coming months.

	<u>Required Sowing Area</u> (‘000 Hectares)	<u>Actual Till Date</u> (‘000 Hectares)	<u>Total Projected Sowing</u> <u>Area (‘000 Hectares)</u>	<u>%</u> <u>Deficit</u>
Bajra (Green Millet)	7,439	2,305	6,979	-6.2%
Maize	7,468	4,047	7,222	-3.3%
Ragi (Finger Millet)	1,153	128	945	-18.0%
Horse Gram	219	11	113	-48.4%
Black Gram	3,077	859	2,005	-34.8%
Soya bean	11,148	5,194	9,119	-18.2%
Sesame	1,412	272	1,197	-15.2%

4. The government has announced significant hike in the minimum support price of 14 notified kharif crops as well.



5. Rainfall is still showing a deficit of ~33% according to the IMD.
6. Government however, maintains no cause of concern as it leans on remaining season to fill in gap. Although likely, it would not be enough to stall a significant price rise in commodities.

Crops affected

1. Rice was sown in 52.47 lakh hectare till last week, down from 68.60 lakh hectare in the year-ago period.
2. Tur (Split Pigeon Peas), Urad (Black Gram) and Moong (Green Gram), were sown in very less area at 7.94 lakh hectare as against 27.91 lakh hectare, while coarse cereals were planted in 37.37 lakh hectare as against 50.65 lakh hectare last year.
3. In case of oilseeds, the area sown to groundnut, sunflower and soya bean was lower at 34.02 lakh hectares till last week, as against 59.37 lakh hectares in the year-ago period.

Weekly price level update

1. **Cumin seeds** prices have increased by more than 2.5% on account of sound overseas demand. This along with the crackdown of authorities on adulterated and fake cumin producers has sharply increased the demand for regular cumin seeds and consequently prices are expected to increase further in coming weeks.
2. **Most other prices across the board** have remained steady. However, we expect sharp increases in the coming weeks on account of deficit monsoon, shortage of sowing area, increase in MSP and multiple smaller factors.