

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## India

**Post:** New Delhi

### Grain Voluntary - October 2015

**Report Categories:**

Grain and Feed

Agricultural Situation

Agriculture in the Economy

**Approved By:**

Scott Sindelar

**Prepared By:**

Santosh K. Singh

**Report Highlights:**

Post's MY 2015/16 milled rice production forecast has been lowered to 103 MMT from a projected harvested area of 43.2 million hectares on moisture stress due to weak monsoon rains in August-September. MY 2015/16 corn production is forecast lower at 22.5 MMT.

## **General Information:**

### **Deficient 2015 Monsoon Rains in September, Reservoir Levels Dip**

The withdrawal of [2015 southwest monsoon began](#) from northwest India in the first week of September, nearly two weeks earlier than last year. Monsoon remained weak during September wherein most parts of the country experienced a prolonged dry spell from last week of August through middle of September (Appendix 1). Monsoon precipitation recovered in the third week of September providing some relief to the moisture stressed standing crops, but has since then weakened again. According to the Indian Meteorological Department (IMD), India's cumulative precipitation from June through September 28 was 14 percent below the seasonal long-term average (see Appendix 2). The rainfall was reported normal in only 19 weather subdivisions, and deficient in the remaining 17 sub-divisions, to include agriculturally important states of Punjab, Haryana, Uttar Pradesh, Bihar, Maharashtra, Telangana and parts of Gujarat, Madhya Pradesh and Karnataka.

The Central Water Commission (CWC) monitors the storage of 91 major reservoirs having capacity of 157.8 billion cubic meters (BCM), which is about 74% of total reservoir capacity of the country. The CWC estimated water stocks in the 91 reservoirs on September 10, 2015, at 93.28 BCM compared to 120.06 BCM same time last year, down over 22 percent. During a typical year, monsoon withdraws from central and eastern India by mid-October, which is likely to further affect the reservoir levels. Back to back 'below-normal' 2014 and 2015 is also likely to adversely affect the ground water table in most parts of the country.

### **... *Kharif* Planting Stagger On**

Planting of *kharif* (fall harvested) crops have faltered in August/September due to weak monsoon precipitation. The MY 2015/16 *kharif* season grains include rice, coarse grains (corn, sorghum, millet), and pulses (pigeon pea, mung beans, black matpe).

**Table 1: India: Planting of *Kharif* Crops in Indian Crop Year (July/June)**  
(Area in Million Hectares)

Crop	ICY 2015/16 Progressive Planting till 24-Sep-15	ICY 2014/15 Progressive Planting till 24-Sep-14	ICY 2015/16 Progressive Planting till 28-Aug- 15	ICY 2014/15 Progressive Planting till 28-Aug- 14	ICY 2015/16 Progressive Planting till 31-Jul-15	ICY 2014/15 Progressive Planting till 31-Jul-14
Rice	37.41	37.39	34.59	34.55	22.78	21.48
Pulses	11.35	10.18	10.55	9.42	8.24	6.82
Coarse cereals	18.32	17.84	17.25	16.72	14.85	12.55
Oilseeds	18.37	17.75	17.46	17.23	14.85	13.56
Sugarcane	4.88	4.87	4.88	4.72	4.73	4.64
Cotton	11.52	12.58	11.27	12.25	10.19	10.48
Total	102.62	101.42	96.78	95.69	76.43	70.34

Source: Ministry of Agriculture (MoA), Government of India (GOI).

Due to the periodic dry spells and overall deficient rains in August and September, the *kharif* crops in most states are facing moisture stress, particularly in the unirrigated areas (55 percent of net cultivated areas). Market sources expect crop loss to rice, corn and other coarse grains in the eastern states (Uttar Pradesh, Bihar and Jharkhand) and peninsular India (Maharashtra, Telangana and Karnataka). Besides affecting the soil moisture availability to the standing *kharif* (fall harvested) crops, the faltering 2015 monsoon is also likely to affect the soil moisture and irrigation water availability for the upcoming *rabi* (winter planted) crops.

### Government Forecasts Lower MY 2015/16 *Kharif* Harvest

The MoA released its [First Advance Estimates of Food Grain Production for the Indian Crop Year \(ICY\) 2015/16 \(July-June\)](#), pegging India's *kharif* grain production at 124.1 million metric tons (MMT), more than two million tons lower than last year, and seven MMT lower than the government's production target set at the beginning of the season. The MoA estimates *Kharif* rice production at 90.6 MMT (vs. 90.9 MMT last year), corn at 15.5 MMT (vs. 16.4 MMT), sorghum at 1.9 MMT (vs 2 MMT) and millet at 10.5 MMT (vs. 11.4 MMT). Market sources report that the first advance estimates are largely based on the planting conditions and are likely to be revised later based on the crop progress and harvest reports.

## RICE

**Table 2. India: Commodity, Rice Milled PSD**

Area in thousand hectares, quantity in thousand metric tons and yield in MT per hectare.

<i>Rice, Milled</i>	2013/2014		2014/2015		2015/2016	
<i>Market Begin Year</i>	Oct 2013		Oct 2014		Oct 2015	
<i>India</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	43,940	44,136	43,000	43,000	44,000	43,200
Beginning Stocks	25,440	25,440	22,651	22,650	16,700	16,500
Milled Production	106,540	106,646	104,800	104,800	104,000	103,000
Rough Production	159,826	159,985	157,216	157,216	156,016	154,515
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	131,980	132,086	127,451	127,450	120,700	119,500
MY Exports	10,149	10,149	11,500	11,700	9,000	9,000
TY Exports	10,907	10,907	11,500	11,500	9,500	9,000
Consumption and Residual	99,180	99,287	99,251	99,250	99,200	99,000
Ending Stocks	22,651	22,650	16,700	16,500	12,500	11,500
Total Distribution	131,980	132,086	127,451	127,450	120,700	119,500
Yield (Rough)	3.6374	3.6248	3.6562	3.6562	3.5458	3.5767

### Production

Due to the weak 2015 monsoon rains during August and September, Post's MY 2015/16 milled rice production forecast has been lowered to 103 MMT from 43.2 million hectares. Overall rice productivity of *kharif* season rice in the largely unirrigated eastern and (Uttar Pradesh, Bihar, and Jharkhand) and peninsular (Maharashtra, Karnataka, Telangana and Tamil Nadu) is likely to be adversely affected by prolonged dry spells at the critical tillering and panicle initiation stages. Back to back deficient 2014 and 2015 monsoons is also likely to affect planting and production prospects for upcoming *rabi* season rice in the states of Andhra Pradesh, Telangana, Orissa, Karnataka and Tamil Nadu.

Despite the slowdown in rice planting in August and September, the MoA estimates rice area planted through September 24, 2015, at 37.4 million hectares, nearly same as last year but higher than the normal (5-year average) planting for the corresponding period.

**Table 3. India: Planting of *Kharif* Rice by State for week ending September 24**  
(Area in Million Hectares)

State	Normal <sup>1</sup> Total <i>Kharif</i> Planting	Normal <sup>1</sup> Area for Week Ending September 23	MY 2015/16	MY 2014/15	MY 2013/14
Andhra Pradesh	1.56	1.51	1.24	1.36	1.55
Assam	2.12	2.16	2.08	2.11	2.05
Bihar	3.07	3.05	3.33	3.19	2.94
Chhattisgarh	3.75	3.64	3.67	3.69	3.66
Haryana	1.23	1.15	1.24	1.14	1.15
Jharkhand	1.17	1.32	1.66	1.49	1.24
Karnataka	1.09	1.02	0.90	0.97	1.02
Madhya Pradesh	1.71	1.75	2.02	2.12	1.82
Maharashtra	1.51	1.52	1.50	1.52	1.58
Odisha	3.89	3.62	3.60	3.66	3.68
Punjab	2.83	2.78	2.84	2.82	2.77
Tamil Nadu	1.62	0.42	0.39	0.38	0.46
Telangana	1.04	0.91	0.61	0.78	1.03
Uttar Pradesh	5.71	5.87	5.90	5.80	5.96
West Bengal	4.09	4.02	4.11	4.10	4.13
Others	2.47	2.35	2.34	2.24	2.38
Total	38.83	37.08	37.41	37.39	37.43

Note <sup>1</sup> Average planting for the period MY 2010/11 to 2014/15.

Source: Ministry of Agriculture, Government of India (GOI).

About 58 percent of the rice crop is irrigated, of which only half is under assured irrigation (ground water and irrigation catchment areas). Consequently, most of the rice growing areas are dependent on monsoon rains, either directly or through runoff canal and reservoirs for irrigation. The rice crops in largely irrigated rice growing states of Punjab, Haryana and West Uttar Pradesh are currently doing well under assured irrigation facilities. However, field reports from the largely unirrigated rice growing central, southern and eastern states indicates that after favorable planting conditions in July, the periodic dry spells in August-September has affected the crop tillering and panicle initiation in several areas. Although sufficient rains during third week of September supported the standing crop, the crop continues to face moisture stress in many areas with the recent weakening of monsoon. Consequently, overall rice yield in MY 2015/16 is likely to be lower than last year.

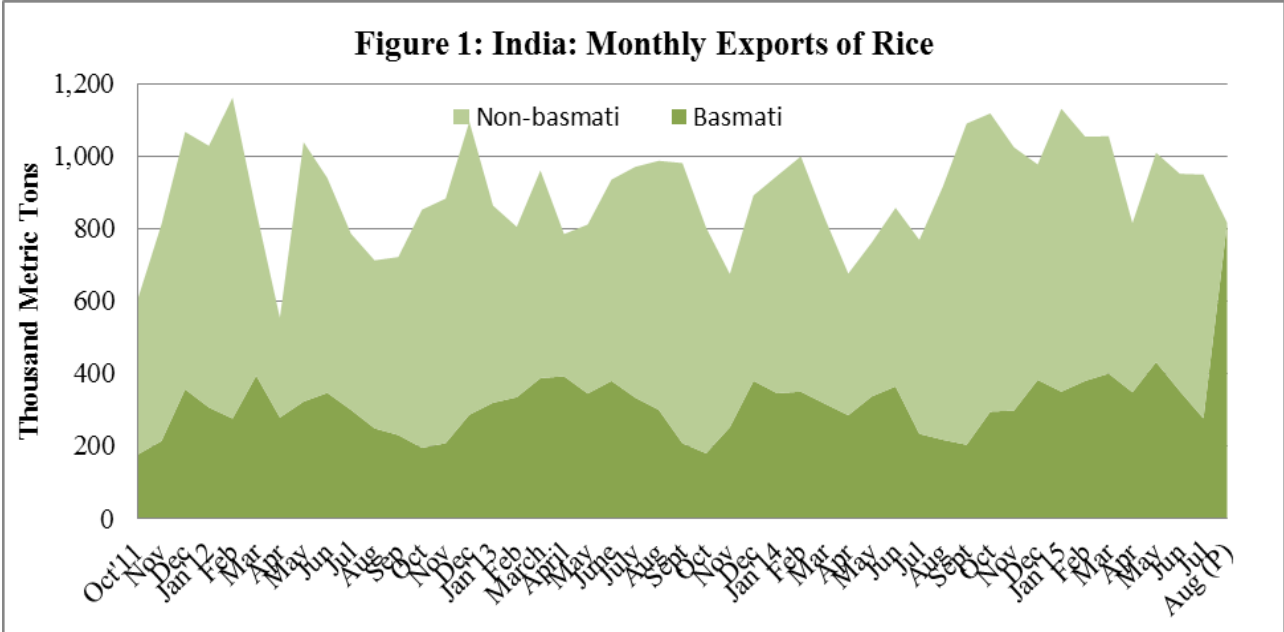
With planting of some rice to continue through end September in some parts of east and south India, MY 2015/16 *kharif* rice planting is estimated to reach 39.2 million hectares, slightly lower than initially expected (39.5 million hectares). Deficient monsoon and lower reservoir levels in the southern states may lower *rabi* rice planting to 4.0 million hectares compared to the initial forecast (4.5 million hectares).

Consequently, Post estimates MY 2015/16 rice production at 103 MMT (vs. 104.8 MMT last year), which includes 90 MMT *kharif* rice (vs. 90.9 MMT) and 13 MMT *rabi* rice (vs. 13.9 MMT). However, early withdrawal of 2015 monsoon in October and cyclones in October/November in eastern coast could further affect the current production forecast.

Based on the [latest published final state-wise area and production estimates](#) by MoA, MY 2013/14 rice production is revised marginally higher to 106.6 MMT and planted area to 44.1 million hectares. The state-wise planting estimates are compiled by revenue officials and are typically at variance with the figures compiled by the state department of agriculture

**Trade**

Post continues to estimate MY 2014/15 rice exports at a record 11.7 MMT based on the current pace of monthly exports.



Source: DGCIS, GOI, and private sources (August estimate).

According to the available preliminary trade estimates, MY 2014/15 rice exports through August 2015 are estimated at 10.9 MMT. Although the export estimates for September are not available, market sources report that at least 800,000 MT of rice will be exported during the month, which is likely to raise MY 2014/15 exports to a record 11.7 MMT. Assuming no major changes in the international market and Indian export policy, MY 2015/16 rice export is forecast at 9.0 MMT, lower than previous year record exports due to forecast tight domestic supplies.

**Stocks**

Based on the latest position on the government held rice stocks, Post estimates MY 2014/15 ending stocks at 16.5 MMT. MY 2015/16 ending stocks have been revised lower to 11.5 MMT to reflect the relatively tight domestic supplies.

Government held rice stocks on September 1, 2015 are officially estimated at 16.3 MMT, about 5.5 MMT lower than last year level, which is likely to come down to 12.0 MMT on October 1, 2015, assuming normal procurement and offtake of government rice in September. Consequently, MY 2014/15 ending stocks are estimated at 16.5 MMT (12 MMT government rice and 4.5 MMT rice stocks with private trade) compared to 22.7 MMT last year (17.6 government and 5.1 private).

## Consumption

MY 2013/14 and 2015/16 consumption estimates have been revised marginally to reflect the other changes in the PSD.

## CORN

**Table 4. India: Commodity, Corn PSD**

Area in thousand hectares, quantity in thousand metric tons and yield in MT/hectare

<i>Corn</i>	2013/2014		2014/2015		2015/2016	
<i>Market Begin Year</i>	Nov 2013		Nov 2014		Nov 2015	
<i>India</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	9,430	9,066	9,300	9,300	9,200	9,000
Beginning Stocks	651	651	1,447	1,447	2,127	2,027
Production	24,260	24,260	23,670	23,670	23,500	22,500
MY Imports	7	7	10	10	50	50
TY Imports	11	11	10	10	50	50
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	24,918	24,918	25,127	25,127	25,677	24,577
MY Exports	3,871	3,871	1,000	1,100	2,000	2,000
TY Exports	3,889	3,889	1,000	1,100	2,000	2,000
Feed and Residual	10,600	10,600	12,500	12,500	12,800	12,500
FSI Consumption	9,000	9,000	9,500	9,500	9,500	9,500
Total Consumption	19,600	19,600	22,000	22,000	22,300	22,000
Ending Stocks	1,447	1,447	2,127	2,027	1,377	577
Total Distribution	24,918	24,918	25,127	25,127	25,677	24,577
Yield	2.5726	2.6759	2.5452	2.5452	2.5543	2.5000

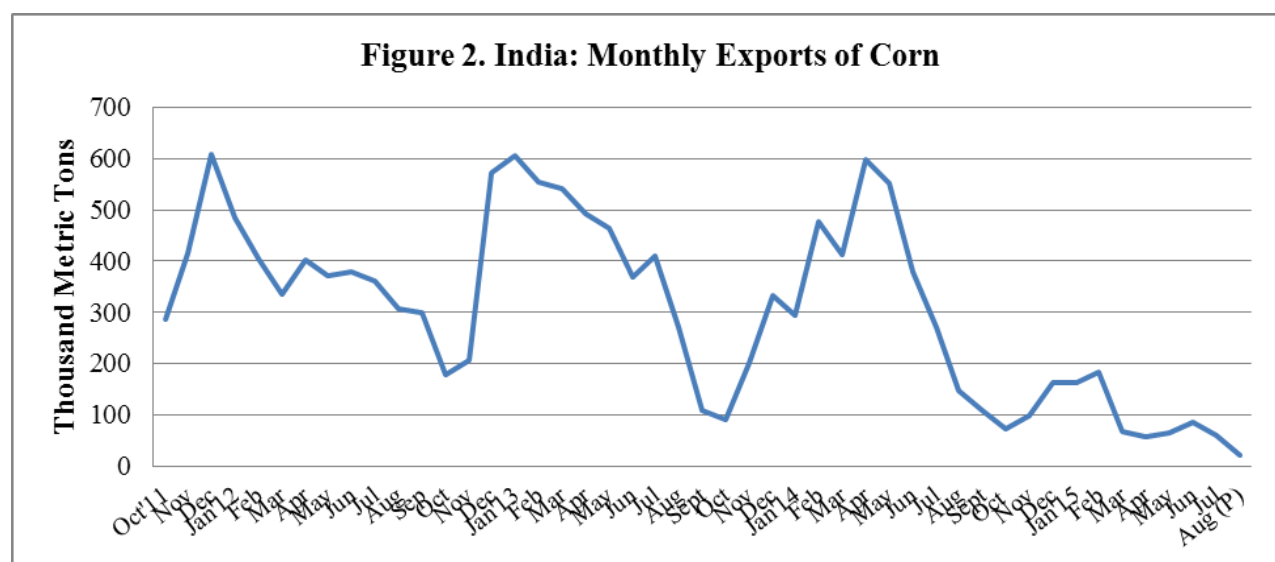
## Production

Despite higher planting of *kharif* corn, Post's MY 2015/16 corn production forecast is revised lower to 22.5 MMT on expected lower yields and planting of *rabi* corn. Sufficient early monsoon rains supported timely and higher planting of *kharif* corn, with overall planting as of September 24, 2015, estimated at 7.7 million hectares compared to 7.6 million hectares same time last year. However, deficient monsoon rains during August-September characterized by periodic dry spells in the major corn growing states of Maharashtra, Karnataka, Telangana and Andhra Pradesh have affected the crop at critical reproductive stages (tasseling, silking, milking and seed setting). Consequently, overall yields are likely to be lower than last year due to the moisture stress at critical stages. Soil moisture stress and lower irrigation water availability is also likely to reduce *rabi* corn planting and production prospects, particularly in the peninsular states. Consequently, Post estimates MY 2015/16 production at 22.5 MMT (vs. 23.7 MMT last year, which include 15.5 MMT *kharif* corn (vs 16.4 MMT) and 7 MMT *rabi* corn (vs 7.3 MMT). However, continued dry spell in October-November may further adversely affect the production prospects.

Based on the [latest published final state-wise area and production estimates](#) by MoA, MY 2013/14 corn planting is revised lower to 9.1 million hectares.

## Exports

Post's MY 2014/15 corn export is estimated marginally higher at 1.1 MMT based on the latest available monthly export figures.



Source: DGCIS, GOI, and private sources (August estimate).

According to the available preliminary trade estimates, MY 2014/15 corn exports through August 2015 are estimated at 960,000 MT, with the exports tapering down further since June. At the current pace of monthly exports, MY 2014/15 corn exports are likely to touch 1.1 MMT.

## Stocks



MY 2014/15 and 2015/16 ending stocks have been revised lower to reflect the change in MY 2014/15 exports and MY 2015/16 production.

## WHEAT

**Table 4. India: Commodity, Wheat PSD**

Area in thousand hectares, quantity in thousand metric tons and yield in MT/hectare

<i>Wheat</i>	2013/2014		2014/2015		2015/2016	
<i>Market Begin Year</i>	Apr 2013		Apr 2014		Apr 2015	
<i>India</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	30,000	30,000	31,530	30,473	30,600	30,600
Beginning Stocks	24,200	24,200	17,830	17,830	17,200	17,200
Production	93,510	93,510	95,850	95,850	88,940	88,940
MY Imports	25	25	52	52	800	800
TY Imports	22	22	263	262	800	800
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	117,735	117,735	113,732	113,732	106,940	106,940
MY Exports	6,053	6,053	3,402	3,402	300	500
TY Exports	5,354	5,354	1,694	1,700	300	500
Feed and Residual	4,800	4,800	4,500	4,500	4,800	4,800
FSI Consumption	89,052	89,052	88,630	88,630	89,940	89,740
Total Consumption	93,852	93,852	93,130	93,130	94,740	94,540
Ending Stocks	17,830	17,830	17,200	17,200	11,900	11,900
Total Distribution	117,735	117,735	113,732	113,732	106,940	106,940
Yield	3.1170	3.1170	3.0400	3.1454	2.9065	2.9065

Post's MY 2015/16 wheat export is estimated higher at 500,000 MT based on the higher than anticipated pace of exports till date. According to the available preliminary trade estimates, MY 2015/16 wheat exports through August 2015 are estimated at about 260,000 MT, with most exports to neighboring

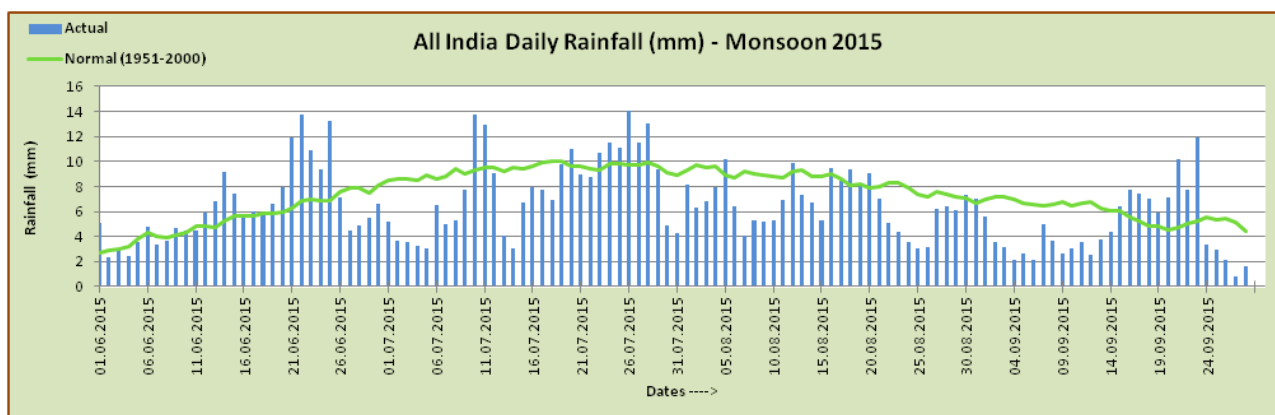
Nepal and Bangladesh. With the pace of monthly exports likely to taper down in the coming months, MY 2015/16 wheat exports are likely to touch 500,000 MT.

MY 2015/16 consumption is revised lower to 94.5 MMT to reflect the change in export estimate.

MY 2014/15 wheat area is also revised lower to 30.5 million hectares based on the [latest published final state-wise area and production estimates](#) by MoA.

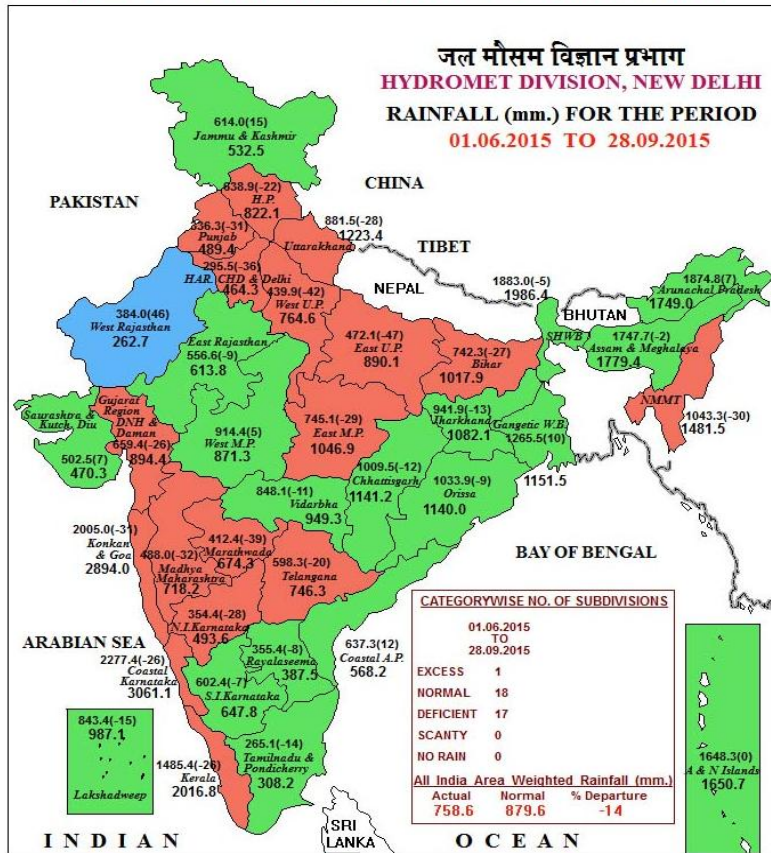
Post continues to estimate other PSD figures unchanged from the last update (IN5114).

### Appendix 1:



### Appendix 2:

# भारत मौसम विज्ञान विभाग INDIA METEOROLOGICAL DEPARTMENT



**LEGEND:** ■ EXCESS (+20% OR MORE) ■ NORMAL (+19% TO -19%) ■ DEFICIENT (-20% TO -59%)  
■ SCANTY (-60% TO -99%) ■ NO RAIN [-100%]  NO DATA

**NOTES:**

- [a] Rainfall figures are based on operational data.
- [b] Small figures indicate actual rainfall (mm.), while bold figures indicate Normal rainfall (mm.)  
Percentage Departures of Rainfall are shown in Brackets.

Source: [Indian Meteorological Department](http://www.imd.gov.in), Government of India.