



The Fertiliser Association of India

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Current News

Current news on the latest developments in fertiliser, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

(The views expressed in the news items are not necessarily of FAI)

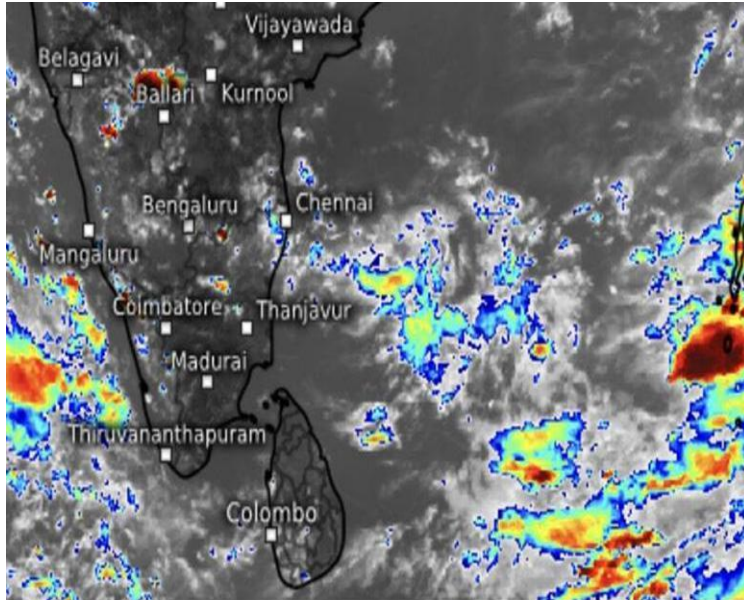
Wednesday, 14 May 2025

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WEATHER

Monsoon advances into south Bay, Andaman Sea

The South-West monsoon has advanced into parts of the south Bay of Bengal, the south Andaman Sea and parts of the north Andaman Sea on Tuesday, the India Meteorological Department (IMD) has announced.



This follows widespread moderate rainfall with heavy falls at a few places over the Nicobar Islands during the 24 hours ending in the morning.

The strength and depth of westerly winds have increased steadily over parts of south Bay, Nicobar Islands and the Andaman Sea, meeting a crucial parameter for declaration of the monsoon.

Cloud Cover

Outgoing long-wave radiation, which quantifies radiation escaping into atmosphere signalling cloud cover, continued to decrease and settled below

the threshold. This signalled the presence of sustained monsoon cover during the past two days.

Conditions are favourable for further advance of the monsoon over parts of south Arabian Sea, Maldives and the Comorin area, more parts of the south Bay, entire Andaman and Nicobar Islands, remaining parts of the Andaman Sea; and parts of the central Bay during the next 3-4 days. The monsoon is expected to hit mainland India over the Kerala coast by May 27, with a model error of plus/minus 4 days.

The IMD located an upper air cyclonic circulation over Andaman Sea, acting as a pulley for incoming monsoon current and boatloads of moisture. This will help sustain heavy rainfall over the region, while dragging even more moisture from the adjacent equatorial Indian Ocean. The circulation will be watched for any signs of intensification into a low-pressure area.

Heavy Rain Alert

The European Centre for Medium-Range Weather Forecasts is bullish on the progress of the monsoon backed up by sustained strong winds (up to 40 km/hr in speed) along a 'highway' south of Sri Lanka and the south Bay of Bengal.

It also signalled the possibility of severe thunderstorms and isolated heavy spells on the West Coast from Konkan and Mumbai southwards into Kerala and Mahe this week. The Mumbai region, along with parts of Madhya Maharashtra and Marathwada, may witness extreme rainfall, before retrograding along a track into adjoining interior peninsula.

Source: The Hindu Business Line, Wednesday, 14 May 2025

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FERTILISER

Iffco starts production of nano liquid DAP in Uttar Pradesh

Fertilizer cooperative major Iffco has commenced commercial production of nano liquid DAP (di-ammonium phosphate) at two plants in Uttar Pradesh, each having a capacity of 2 lakh bottles per day.

In a social media post, Iffco said it has “started the commercial production of Iffco Nano DAP Liquid at its two more nano plants at Aonla in Bareilly and Phulpur in Prayagraj.” Both nano fertilizer plants have a capacity of producing 2 lakh bottles (500 ml) per day, it said.

The total capacity of five Iffco nano fertilizer plants is 9.5 lakh bottles per day, which includes both nano urea and nano DAP.

Source: The Hindu Business Line, Wednesday, 14 May 2025

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AGRICULTURE

Higher output in Assam Valley lifts tea production by 2% in March

The country's tea production increased by 2 per cent in March 2025 mainly on the increase in output in Assam, which is the largest producing State.

Production was higher as the weather was conducive unlike last year, when there was a prolonged dry period.

Per the Tea Board's latest statistics, the all-India production during March increased to 65.14 million kg (mkg), up from 63.78 mkg in the same period last year.

In Assam Valley, the output during March 2025 was up 33 per cent at 26.66 mkg (20.10 mkg in March 2024), while in Cachar, it was down at 0.86 mkg (1.35 mkg). Total output in Assam was 27.52 mkg, up 28 per cent over the corresponding previous year's 21.45 mkg.

However, in West Bengal, production declined by around 15 per cent to 20.51 mkg (24.12 mkg). In Dooars, the output declined by 19 per cent to 9.28 mkg (11.49 mkg), while in Darjeeling it increased marginally to 0.1 mkg (0.08 mkg).

In North India, tea production during March was 5.39 per cent higher than that of last year at 49.43 mkg (46.90 mkg).

Down in South

However, in South India, the production declined by 7 per cent to 15.71 mkg (16.88 mkg).

In Tamil Nadu, production was down by around 8 per cent at 11.01 mkg (11.95 mkg), while in Kerala the output was down by 5 per cent at 4.32 mkg (4.55 mkg). In Karnataka, production was flat at 0.38 mkg.

Production of tea by big growers was up by 6.3 per cent at 26.29 mkg, while the small growers' output reduced marginally to 38.85 mkg (39.04 m kg).

CTC tea production stood at 56.64 mkg, while that of orthodox was 7.73 mkg. Green tea production stood at 0.77 mkg.

During January-March 2025, all-India tea production stood at 107.92 mkg. This includes the output of 60.44 mkg in North India and 47.48 mkg in South India.

Source: The Hindu Business Line, Wednesday, 14 May 2025

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Natural farming is booming; now it may finally get certified

Vijay C. Roy

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NEW DELHI

The government is likely to introduce a certification system for natural farming, modelled on the one for organic produce, a senior agriculture ministry official said, in a bid to boost consumer trust and farmer income.

This is a significant step for the 1.8 million farmers practicing natural farming across 780,000 hectares in the country, as it will enable them to command premium prices for their chemical and synthetic fertilizer-free products, leading to better and more stable incomes, the official said.

"We are planning to introduce the Natural Farming Certification System (NFCS) across the country soon. It would be non-binding and voluntary for producers," said the official, without giving a specific timeline.

Organic farming uses natural inputs like compost and manure, while natural farming avoids all external inputs—



Organic farming uses natural inputs like compost. **BLOOMBERG**

including organic fertilizers—relying solely on natural ecological processes.

The move comes in the backdrop of organic farm products being sold at a premium to consumers.

State and union territory boards on organic and natural farming may act as the certifying agencies. Natural farming is gaining traction in Punjab, Haryana, Madhya Pradesh, Uttarakhand, Jharkhand, West Bengal, Mizoram, Telangana and Kerala, with farmer-led movements and state gov-

ernments supporting its adoption. The NFCS will be implemented under the existing Participatory Guarantee System (PGS-India)—which certifies organic produce—but with separate standards tailored for natural farming.

"The certification benefits farmers through market access and fair pricing, while giving consumers confidence in the quality and safety of what they buy," said another government official requesting anonymity.

The new certification is likely to promote accountability and create a formal structure for natural farming.

This can influence policies, attract government support and boost consumer awareness. Queries sent to the agriculture ministry spokesperson remained unanswered.

"What started with just a few crops is now expanding to almost all major crops," said Umendra Dutt, executive director of Kheti Virasat Mission, which promotes natural and organic farming.

For an extended version of this story, go to [livemint.com](https://www.livemint.com).

Source: *Livemint*, Wednesday, 14 May 2025

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India must promote efficient products, services in water resources: Expert

Speaking on the sidelines of Ecosperity Week 2025 held from May 5-8 here, Ghosh noted improvements in the expansion of water infrastructure in the country

Having put its renewable energy programme in progress mode, India needs to now promote the use of efficient products and services for its water resources, given the country is critically vulnerable to climate change, an environment expert said at a conference held in Singapore.

I think it is important that India's Bureau of Water Use Efficiency similar to BEE ensures that its activities, whether developing standards or regulatory direction, lead to the promotion of efficient use of water in irrigation, municipal and industrial sectors, said Dr Arunabha Ghosh, CEO of the New Delhi-based Council on Energy, Environment and Water (CEEW). The Bureau of Energy Efficiency (BEE) is a renewable energy-guiding group in India.

Ghosh said while work was being done on managing resources, water conservation needs to be scaled up across the country.

Speaking to PTI on the sidelines of Ecosperity Week 2025 held from May 5-8 here, Ghosh noted improvements in the expansion of water infrastructure in the country, such as the Jal Jeevan Mission that provides functional tap connection within the premises of rural households, but was quick to add that there are a lot of areas for efficient use of water, especially in the agriculture sector.

He said India has some 140 million hectares under agriculture and farming, where one of the most unproductive and age-old practices is to flood the fields for some seasonal crops. This is where water is being wasted for non-beneficial consumptive purposes, he pointed out, making an urgent call to educate farmers on water use and installation of technology-driven irrigation systems. The latter includes drip and sprinkler irrigation technologies.

Among other developments, natural farming has started in Andhra Pradesh which requires consciously lesser use of water. It is now a national initiative and aims to reduce or eliminate fertilizer use and save water while gaining from increased farm output.

CEEW's survey of 31 sustainable agricultural practices finds that five of them have exceeded 5 million hectares, showing the potential for more sustainable practices. Water harvesting is one of them, he added.

Ghosh said retaining soil moisture is a hugely important approach for not just conserving water but also improving crop yields. If you flood your fields, your output actually comes down." Water conservation and water adaptation should not be an environmental sustainability agenda but an actual economic growth agenda, he stressed.

By conserving water, farm output will go up, while the saved water can be reallocated for industry and domestic use which then can increase industrial production and have public health benefits, respectively.

This way we are generating higher output from agriculture and industry, and helping contribute to the country's growing economy, said Ghosh, who, through 15 years of leading CEEW, participated in a large number of national and state-level studies and projects.

He pointed out that less than 30 per cent of domestic wastewater was treated in urban areas in 2021. We need to ensure that waste water is not only treated and reused in a beneficial way but that no untreated effluent and residue flow into our rivers or lakes. We have to look at how that treated waste water can be reused to the maximum benefits of our fast-growing economy, he said, citing Singapore as an example for recycling waste water.

The South East Asian island state, short of natural resources, harvests rainwater, and source water from other sources including imports of raw water from a river in neighbouring Malaysia, and treats its domestic wastewater for reuse, the latter constitutes about 40 per cent of its water supply.

India is now also thinking of how the treated water will be used for industries or horticulture among others, Ghosh said. Our estimation is that several billions of dollars of income can be generated from reusing treated domestic wastewater in agriculture.

He cited the example of Tamil Nadu, where industry was told some two decades ago to harvest rainwater or reuse treated wastewater or else municipal water would not be supplied. Such pressure can be applied in other industrial regions, especially smart cities and industry-specific corridors being established in the country, he said.

Further, he underscored the need to understand the linkages between energy and water. The PM Kusum is the world's largest scheme of solar-based irrigation, he said, adding that it can be scaled further to convert existing electric and diesel pumps to solar-powered pumps or solarise energy feeders for pumping groundwater.

India, he said, is a highly climate-vulnerable country. CEEW sees the need for developing a high-resolution climate resilience atlas for India as 75 per cent of the country's districts are now hotspots for extreme climate events floods, droughts, and cyclones among others, Ghosh added.

Further, water leakages in cities need urgent checking by using sensors and SCADA systems. Pune, Nagpur and part of Delhi have already put in place such checking and control of some of the leakages from piped waters through installing bulk water flow meters, Ghosh said.

Ultimately, citizens and economic agents have to understand that conservation and efficiency are actually good for them and the country's budget. Only then will efforts to conserve water scale up. If just left to monetary measures, water management will remain inefficient, he said.

Source: Business Standard, Wednesday, 14 May 2025

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Agri credit may rise 9%

Agricultural credit in India is projected to exceed Rs 31.5 lakh crore in FY26, driven by increased formalization of rural credit, with Nabard working to address regional imbalances and support tenant farmers.

Credit to the agriculture sector by commercial banks and regional rural banks is likely to cross Rs 31.5 lakh crore, a new record, in FY26 due to an increased formalisation of the rural credit structure, a senior official with Nabard said. In FY25, Nabard had disbursed over Rs 28.98 lakh crore through commercial banks, cooperatives and regional rural banks out of which around 60% was towards short term crop loans and rest was towards investment loans in agriculture and allied sector.

“We are expect total agri-credit flow in the current fiscal to be around Rs 31.5 lakh crore,” Ajay k Sood, deputy managing director, Nabard, told FE.

He said despite a sharp spike in credit flow to the agricultural and allied sector, the Nabard is trying to address the regional imbalance in the credit flow through preparing potential linked credit plans.

“We working with banks towards improving credit culture especially in north-eastern India by providing collateral in terms of social guarantee or a specialised fund and insurance products,” Sood said.

Currently Banks follow district-wise potential linked credit plans each year to boost the flow of institutional credit to priority sector activities such as crop loans and term loans for agricultural and allied enterprises.

Sood said there are alsod discussions for providing special refinance terms for ‘aspirational districts,’ where rate of interest would be lower. There are also discussions to provide financial assistance to tenant farmers.

In January,2025, Shaji KV, chairman, Nabard had stated that with the rise in the agri-credit flow, the share of the informal sector in credit disbursement is declining. “In the last 10 years, the average annual growth in the flow of agricultural credit has been in double digit at 13%,” he had stated.

Commercial banks usually provide 75% of the total credit-flow while rest is disbursed through cooperative and regional rural banks. Under the modified interest subvention scheme (MISS), farmers holding Kisan Credit Cards (KCCs) are provided loans of up to Rs 3 lakh at 7% interest per annum to meet working capital requirements. The scheme provides additional interest subvention of 3% for prompt repayment, reducing the effective rate of interest to 4%.

However, for 2025-26, the government has announced that the agri-credit limit is being enhanced to Rs 5 lakh annually. MISS also includes post-harvest loans against negotiable warehouse receipts (NWRs) for small holders farmers with KCCs. At present, there are 77.1 millin operational KCC holders. This includes 1.24 lakh and 44.4 lakh KCCs issued to fisheries and animal husbandry activities, respectively.

If the short-term loan is taken for allied activities other than crop husbandry, the loan amount is limited to Rs.2 lakhs only. Recently, Niti Aayog Member Ramesh Chand said that a criterion needs to be fixed for allocation of farm credit to state governments on the basis of their respective farm outputs to ensure that the subsidised short-term crop loans are not concentrated in a few states or diverted for non-agricultural purposes.

Source: Financial Express, Tuesday, 13 May 2025

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Food inflation plunges to 41-month low

India's retail food inflation eased to 1.78% in April, driven by lower prices for vegetables, pulses, meat, and spices, marking a six-month decline. However, edible oil and fruit inflation remain elevated.

Retail food inflation eased for the six consecutive months to 1.78% in April compared to 2.69% in March, as prices of vegetables, pulses, meat, fish and spices declined with arrivals of winter harvest. The consumer food price index (CFPI) declined by 0.153% sequentially last month compared to March. In April last year, the food inflation rate was as high as 8.7%.

The food inflation rate for April 2025 is the lowest since October 2021, when it was reported at 0.85%. The inflation in the vegetable category declined sharply by 10.98% last month, compared to a decline of 7.04% in March. However, edible oil and fruit inflation remained high at 17.42% and 13.8% respectively last month.

“Food inflation came down mainly due to lower inflation for vegetables and inflation would likely be low in May and June too due to the base effect.” Madan Sabnavis, Chief Economist, Bank of Baroda, said.

Overall cereal inflation in April was 5.35% and had been in single digits for the past several months because of softening of rice prices due to bumper harvest. However inflation in wheat last month was 7.61% against a price rise of 9% in March on year.

Inflation in mustard oil and refined oil were 19.6% and 23.75% respectively last month on year because of the rise in global prices. India imports about 58% of its edible oil consumption. Inflation in pulses declined by 5.23% last month for third successive months on the prospects of robust kharif as well as rabi harvest. Inflation in pulses were as high as 113% in August, 2024.

Retail inflation in pulses have been in double digits since June, 2023 because of lower output of key varieties of pulses like chana, tur and urad.

However the gram split variety of pulses reported an inflation of 7.6% last month while in March the price rise was 10.4% on year. The price rise in arhar was in the negative zone (- 9.84%) last month because of a high base effect as fall in prices due to a record harvest after two years.

Stating that the vegetable index dipping further, and compressing the food inflation, Aditi Nayar, Chief Economist, ICRA said “the recent rise in temperatures in North India and un-seasonal rainfall in parts of peninsular India may cause a spike in vegetable prices in the second half of May,”.

Inflation in the meat and fish category declined by 0.35% last month. Chicken declined by 6.78% in April. Egg prices rose by 0.83% last month on year.

Inflation in spices continues to decline since September last year as it declined by 3.4% last month on year.

Jeera prices declined by 20.79% on year.

Source: Financial Express, Tuesday, 13 May 2025

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ECONOMY

(Opinion)

Landmark trade deal

India-UK FTA marks a paradigm shift in ties

By Vijay Goel

The India-UK Free Trade Agreement (FTA) marks a major milestone in the evolving economic relationship between two of the world's leading democracies. The journey towards this landmark deal (the terms of which have been agreed upon with only the formal signing remaining) began in May 2021, when Prime Ministers Narendra Modi and Boris Johnson launched the "Enhanced Trade Partnership," with the goal of doubling bilateral trade by 2030. This move aligned with the UK's post-Brexit strategy of expanding trade relationships beyond the EU and with India's ambition to secure greater access to global markets. Formal negotiations commenced in January 2022 and spanned 15 rounds over more than three years. Though initially targeted for completion by Diwali 2022, the talks required additional time to address complexities around tariff reductions, digital trade, professional mobility, and investment protections. Now, in May 2025, the two sides have successfully concluded negotiations.

Key Elements

The India-UK FTA will liberalise trade in goods and services, enhance market access, and deepen collaboration across emerging sectors.

Tariff reductions: One of the most anticipated outcomes is the phased reduction of tariffs on several flagship UK exports. Import duties on Scotch whisky — currently at 150 per cent — will drop to 75 per cent, with further reductions over a 10-year period. Similarly, tariffs on luxury British automobiles will be reduced to around 10 per cent, within a quota-based framework. In return, India has secured duty-free or preferential access for up to 99 per cent of its exports to the UK, including textiles, leather products, engineering goods, rice, and gems and jewellery.

Mobility of professionals: The agreement also includes provisions to facilitate temporary movement of Indian professionals, especially in the IT, healthcare, culinary, and wellness sectors. One of the most impactful elements is the UK's commitment to exempt Indian professionals on intra-company transfers from national insurance contributions for up to 36 months.

Services and investment access: The FTA introduces improved rules for services trade and investment. It simplifies procedures for legal, financial, and consulting services, and includes provisions for digital trade, intellectual property, and regulatory cooperation.

Economic and strategic impact: According to UK government projections, the FTA could add up to £25.5 billion annually to bilateral trade by 2040. It is expected to contribute £4.8 billion to UK GDP over the next 15 years and generate an estimated GDP increase of £3.7 billion to £8.6 billion for India by 2035. India stands to benefit through increased market access for labour-intensive sectors such as apparel, footwear, and agricultural goods. The UK, in turn, will gain from expanded export opportunities in automobiles, beverages, electronics, and services.

The implementation of the pact will be critical to ensuring that businesses —especially SMEs — can fully capitalise on the new opportunities. Key to this will be awareness campaigns, simplification of customs procedures, and capacity-building initiatives by government and industry bodies. Trade facilitation, harmonisation of standards, and regulatory transparency will also play a vital role in ensuring smooth execution of the agreement's provisions.

Stakeholders in both countries will need to collaborate closely to ensure that the benefits reach a wide base of businesses and workers. Legal certainty, dispute resolution mechanisms, and institutional support will be essential for building long-term confidence in the new trade framework. The FTA represents a momentous development in the economic relationship between the two countries.

The writer is Senior Partner at Singhanian & Co. (London). Views are personal

Source: The Hindu Business Line, Wednesday, 14 May 2025

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