



Quarterly Statistical Bulletin

Review of Fertilizer and Agriculture Situation

(For FAI members only)

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Prepared in Statistics Division of FAI

1.0 Rainfall

1.1 South-west monsoon 2018

The south-west monsoon 2018 (June-September) arrived 3 days before normal arrival date. Rainfall from 1st June to 30th September 2018 was 9% below normal. Total actual rainfall received during 1st June to 30th September, 2018 was 804 mm as against the normal rainfall of 887.5 mm during the period. Out of a total number of 36 meteorological sub-divisions, 24 received normal rainfall and remaining 12 sub-divisions received deficient rainfall. The meteorological sub-divisions which received deficient rains include Arunachal Pradesh; Assam & Meghalaya; Gangetic West Bengal; Jharkhand; Bihar; West Rajasthan; Gujarat Region; Saurashtra, Kutch & Diu; Marathwada; Rayalaseema; North Interior Karnataka and Lakshadweep. 62% of the total number of districts received normal to excess rains during the period.

1.2 Water reservoirs

There are 91 major reservoirs in the country which have a total live storage capacity of 161.99 billion cubic meters (BCM) at Full Reservoir Level (FRL). Live storage in these reservoirs as on 4th October, 2018, was 120.92 BCM as against 107.35 BCM on the corresponding date in the previous year. Current year's storage is 113% of the last year's level and also 104% of the normal storage.

2.0 Fertilizer Scenario

2.1 Production

During first half of 2018-19 (April/Sept. 2018), production of urea, SSP and NP/NPKs increased whereas DAP marked significant decline. Production of urea, SSP and NP/NPKs recorded increase of 3.1%, 6.6% and 11.0%, respectively, during April/Sept. 2018 over April/Sept. 2017. Majority of NP/NPK complex fertilizers had shown increase in production except 20-20-0-13 (APS), 24-24-0 and 17-17-17 which witnessed decline during the period. The production of DAP registered a sharp decline of 28.8% during the period.

2.2 Import

During April/Sept. 2018, import of all major fertilizers increased except MOP. Import of urea at 3.335 million MT, DAP at 4.064 million MT and NP/NPKs at 0.343 million MT during April/Sept. 2018 recorded increase of 4.1%, 41.3% and 34.5%, respectively, over April/Sept. 2017. However, import of MOP at 2.056 million MT registered a decline of 9.5% during the period.

2.3 Sale

All-India sale of all major fertilizers recorded increase except MOP during first half of 2018-19. The increase in sale of urea, DAP, SSP and NP/NPK complex fertilizers was in the order of 2.8%, 12.2%, 14.8% and 25.1%, respectively, during April/Sept. 2018 over April/Sept. 2017. However, sale of MOP declined by 5.3% during the period. **Table 1** shows production, import and sale of major fertilizers during April/Sept. 2017 and 2018.

Table 1: Production, import and sale of major fertilizers April/Sept. (2017 and 2018)						
	Urea	DAP	NP/NPKs	MAP	SSP (Est.)	MOP
I. Production (Million MT)						
April/Sept. 2017	11.514	2.491	4.004	-	1.966	-
April/Sept. 2018	11.877	1.774	4.446	-	2.096	-
Increase/decrease	3.1%	-28.8%	11.0%	-	6.6%	-
II. Import (Million MT)						
April/Sept. 2017	3.204	2.877	0.255	-	-	2.271
April/Sept. 2018	3.335	4.064	0.343	-	-	2.056
Increase/decrease	4.1%	41.3%	34.5%	-	-	-9.5%
III. Sale (Million MT)						
April/Sept. 2017	14.741	4.384	3.870	-	1.843	1.765*
April/Sept. 2018	15.147	4.917	4.841	-	2.116	1.671*
Increase/decrease	2.8%	12.2%	25.1%	-	14.8%	-5.3%
Est. = Estimated * MOP sale for direct application						

3.0 Crop Situation

3.1 Crop area sown – kharif 2018

During *kharif* 2018, around 99 per cent of the normal area was sown. Aggregate area sown under all *kharif* crops was about 105.24 million hectares at All-India level as compared to 107.28 million hectares in the corresponding period of last year representing a fall of 1.9%

Total area sown under foodgrains during *kharif* crops 2018 was 69.51 million hectares which was 3.5% lower than the corresponding season of the previous year. Area sown under rice at 38.42 million hectares reduced by 2.4%, coarse cereals at 17.54 million hectares by 5.9%, total pulses at 13.55 million hectares by 3.8% and cotton at 12.24 million hectares by 1.5%, respectively, during the period. However, area under total oilseeds at 17.59 million hectares, sugarcane at 5.16 million hectares and jute & mesta at 0.74 million hectares increased by 1.6%, 9.1% and 1.1%, respectively, during the period.

The progress in coverage under *kharif* crops 2018 is shown in **Table 2**.

Table 2: All India Kharif Crop Situation 2018					
Crop	Normal area for whole <i>Kharif</i> season (Million hectares)	Area sown during <i>Kharif</i> (Million hectares)		Increase (+) / Decrease (-)	
		2018-19 (1 st advance estimates)	2017-18 (4 th advance estimates)	Area (Million ha)	%
Rice	39.54	38.42	39.35	-0.93	-2.4%
Coarse cereals	18.86	17.54	18.63	-1.09	-5.9%
Total pulses	11.19	13.55	14.08	-0.53	-3.8%

Total oilseeds	18.75	17.59	17.32	0.27	1.6%
Sugarcane	4.88	5.16	4.73	0.43	9.1%
Jute & Mesta	0.811	0.743	0.735	0.01	1.1%
Cotton	11.98	12.24	12.43	-0.19	-1.5%
Total	106.00	105.24	107.28	-2.04	-1.9%

Note: Totals may not exactly tally due to rounding of figures.

3.2 Production of principal crops – 2017-18

Government of India has released fourth advance estimates of production of foodgrains and other principal crops for 2017-18. Total foodgrains production estimated at 284.83 million tonnes in 2017-18, represented an increase of 3.5% over 2016-17. Production of oilseeds, sugarcane and cotton is estimated to have increased whereas jute & mesta witnessed a fall in production. **Table 3** shows details of production of principal crops in 2017-18 and 2016-17.

Crop	2016-17 (Final est.)	2017-18 (4 th Advance est.)	Increase (+)/ decrease (-)	
			Quantity	%
Rice	109.70	112.91	3.21	2.9%
Wheat	98.51	99.70	1.19	1.2%
Coarse cereals	43.77	46.99	3.22	7.4%
Pulses	23.13	25.23	2.10	9.1%
Total foodgrains	275.11	284.83	9.72	3.5%
Total oilseeds	31.28	31.31	0.03	0.1%
Sugarcane	306.07	376.91	70.84	23.1%
Cotton #	32.58	34.89	2.31	7.1%
Jute & mesta \$	10.96	10.14	-0.82	-7.5%

= Million bales of 170 kg each. \$ = Million bales of 180 kg each.

3.3 MSP for rabi crops -2018-19

Government has approved the increase in the Minimum Support Prices (MSPs) for all rabi crops for 2018-19 to be marketed in 2019-20. MSP of wheat has been raised by Rs 105 per quintal, safflower by Rs. 845 per quintal, barley by Rs. 30 per quintal, masur (lentil) by Rs. 225 per quintal, gram by Rs. 220 per quintal and rapeseed & mustard by Rs. 200 per quintal. The details of MSP for all *rabi* crops for 2018-19 with comparative figures for 2017-18 season are given in **Table 4**.

Crop	2017-18	2018-19	Increase in MSP
Wheat	1735	1840	105
Barley	1410	1440	30
Gram	4400	4620	220

Masur (Lentil)	4250	4475	225
Rapeseed & Mustard	4000	4200	200
Safflower	4100	4945	845

4.0 Procurement, Stock and Exports of Foodgrains

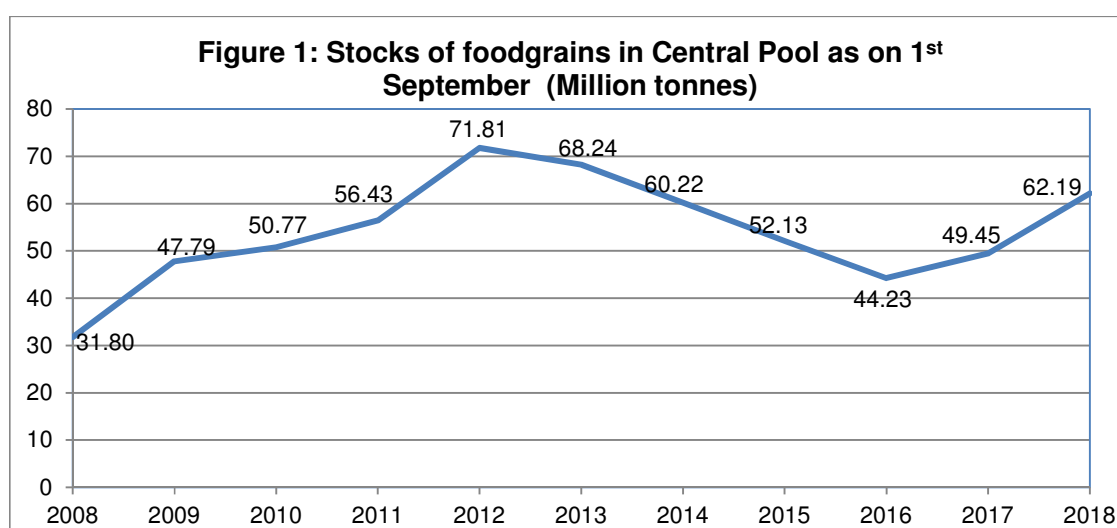
4.1 Procurement

All India procurement of rice for *kharif* marketing season (KMS) 2017-18 was 38.18 million MT. The procurement of rice was highest in Punjab at about 11.83 million MT, followed by Andhra Pradesh 4.00 million MT, Haryana 3.99 million MT, Telangana 3.62 million MT, Odisha 3.29 million MT, Chhattisgarh 3.26 million MT, Uttar Pradesh 2.88 million MT, West Bengal 1.67 million MT, Madhya Pradesh 1.10 million MT and Tamil Nadu 1.01 million MT. The procurement was less than 1 million MT in remaining rice growing states. **Annex I** shows the state-wise procurement of rice for the *kharif* marketing season 2017-18.

All India procurement of wheat for *rabi* marketing season 2018-19 was 35.80 million MT. Out of 35.80 million MT of wheat, procurement by Punjab was 12.69 million MT, followed by Haryana 8.78 million MT, Madhya Pradesh 7.31 million MT, Uttar Pradesh 5.29 million MT and Rajasthan 1.53 million MT. The procurement was less than 1 million MT in remaining wheat growing states. **Annex II** shows the state-wise procurement of *wheat* for the *rabi* marketing season 2018-19.

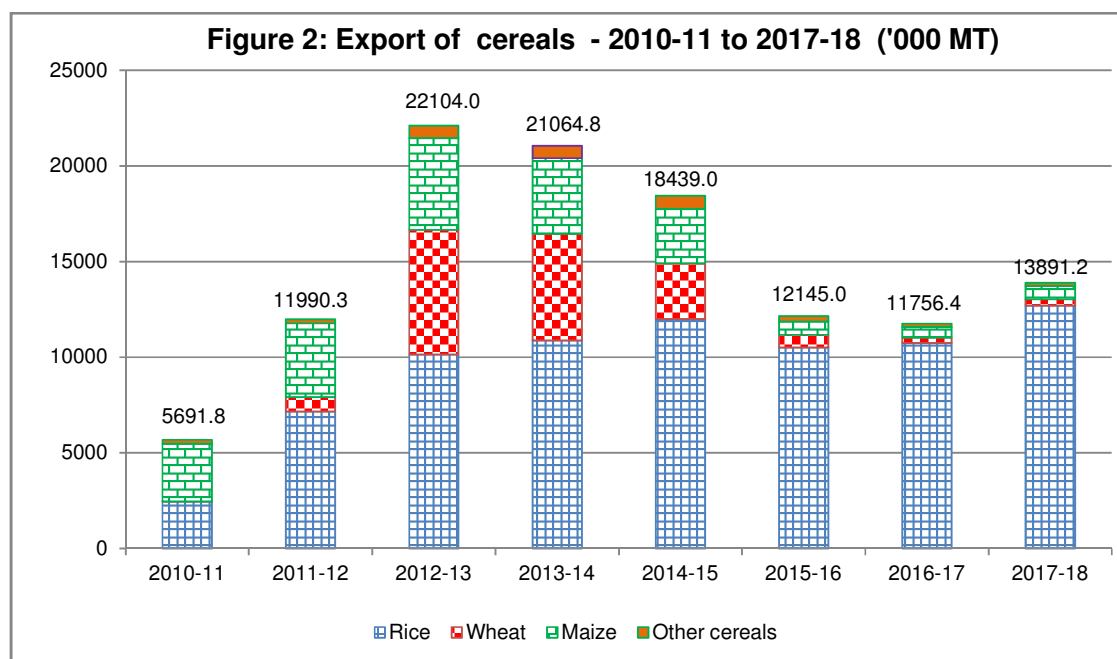
4.2 Foodgrain Stock

Total stock of foodgrains in Central Pool has improved considerably in 2018. As on 1st September, stock of foodgrains was 32 million MT in 2008 which increased to 48 million MT in 2009. It progressively moved upwards during subsequent years and reached a peak at 72 million MT in 2012, thereafter, it reduced to 68 million MT in 2013, 60 million MT in 2014, 52 million MT in 2015 and 44 million MT in 2016. In 2017 and 2018, it moved up at 49 million MT and 62 million MT, respectively. **Figure 1** shows the changes in stock of foodgrains in Central Pool as on 1st September for last one decade.



4.3 Exports

Export of cereals was 13.89 million MT during 2017-18 as against 11.76 million MT in 2016-17. It was high at 22.10 million MT in 2012-13 and 21.06 million MT in 2013-14. Out of 13.89 million MT of cereals exported in 2017-18, rice accounted for 12.71 million MT, wheat 0.32 million MT, maize 0.71 million MT and other cereals 0.16 million MT. **Figure 2** shows export of cereals during past 8-year period.



During the current year 2018-19, export of cereals upto September 2018 was 6.64 million MT. Out of 6.64 million MT of cereals export in rice accounted for 5.81 million MT, wheat 0.08 million MT and other cereals 0.75 million MT.

5.0 Fertiliser Subsidy Expenditure upto 26th October, 2018

As per the document published in the website of Department of Fertilizers, Ministry of Chemicals and Fertilizers, the progressive expenditure of Union Budget 2018-19 on fertilizer subsidy upto 26th October, 2018 was Rs. 49590.66 crores which was 67.5% of the total budget estimate for 2018-19. **Table 5** shows the statement of budget & expenditure upto 26-10-2018.

Table 5: Tentative Statement of Budget & Expenditure Upto 26-10-18						
Grant No. 7 (Department of Fertilizers)						
(Rupees in Crores)						
	B.E. & Suppl.1 2018-19	Expenditure upto September 2018	Expenditure w.e.f. 1-10-18 to 26-10-18	Progressive Expenditure upto 26-10-18	Budget Balance w.r.t. B.E as on 26-10-18	% of Exp. w.r.t. B.E.
Revenue Section						
Payment of Indigenous P & K Fertilizers	15820.35	8431.42	2914.05	11345.47	4474.88	71.71
Payment of Imported P & K Fertilizers	9260.00	5461.38	1697.92	7159.30	2100.70	77.31
Payment for Import of Urea	13360.00	5580.91	782.94	6363.85	6996.15	47.63
Payment for Indigenous Urea	34989.50	17926.23	6785.12	24711.35	10278.15	70.63
Payment of City Compost	10.00	2.67	2.54	5.21	4.79	52.10
DBT-Office Expenses	1.00	0.28	0.00	0.28	0.74	26.00
DBT-Professional Service	9.50	1.93	3.27	5.20	8.46	10.95
Total	73450.35	37404.82	12185.84	49590.66	23863.87	67.52
Source: www.fert.nic.in, Department of Fertilizers						

6.0 Policy Developments

6.1 Domestic natural gas price for the period October 2018 to March 2019

Domestic natural gas prices have been consistently falling from second half of 2014-15 until first half of 2017-18. It declined successively from US\$ 5.05 per MMBTU during November'14 / March'15 to US\$ 2.48 per MMBTU during April/Sept'17. However, it increased to US\$ 3.06 per MMBTU during the April-September 2018 and US\$3.36 per MMBTU for the period October 2018 to March 2019. **Table 6** shows changes in domestic gas prices from November 2014 after New Domestic Natural Gas Pricing Guidelines, 2014 was issued.

Table 6: Domestic Natural Gas Prices on Gross Calorific Value (GCV) basis	
Period	Price in US\$ per MMBTU
November 2014 to March 2015	5.05
April 2015 to September 2015	4.66
October 2015 to March 2016	3.82
April 2016 to September 2016	3.06
October 2016 to March 2017	2.50
April 2017 to September 2017	2.48
October 2017 to March 2018	2.89
April 2018 to September 2018	3.06
October 2018 to March 2019	3.36

However, the availability of natural gas from domestic sources has been going down progressively over the years. Currently, only 40% of the total requirement of gas for fertiliser manufacture is available from domestic sources and balance 60% is fulfilled from imported LNG. Imported LNG is costlier than domestic gas. Hence, current pooled price of gas from all sources is above US\$ 12 per million BTU.

6.2 Notification of Final Import Parity Price (IPP) for the 1st, 2nd, 3rd and 4th quarters of 2016-17 under New Urea Policy - 2015

DoF issued a notification on 30th November, 2018 regarding the final Import Parity Price (IPP) for the 1st, 2nd, 3rd and 4th quarters of 2016-17 under New Urea Policy - 2015. A copy of the notification is enclosed as *Annex III*.

7.0 Global Food Outlook 2018

The Food Outlook, November 2018 issue of FAO shows estimated global production of cereals and oil crops during 2016-17 and 2017-18 (estimated) and forecast for 2018-19.

World production of rice at 506.3 million MT in 2017-18 was marginally up by 1 per cent over the previous year's level. There is expectation to reach at 513 million MT during 2018-19, 1.3 per cent above the level of 2017-18. India is predicted to contribute to this growth, due to generally adequate monsoon rains and higher minimum support prices. Significant expansions are also expected in Bangladesh, Madagascar, Sri Lanka, the United States, Tanzania and Viet Nam. By contrast, policy-driven output contractions are anticipated in China and Egypt, while falling returns are expected to depress production across much of Europe, Latin America and the Caribbean, and Oceania.

Global production of wheat is estimated at 760.4 million MT in 2017-18, 0.5% higher than the level of the previous year. In 2018-19, it is forecast at 727.9 million MT, 4.3 per cent below the level of 2017-18. The global wheat supply and demand balance is forecast to tighten in 2018/19, due to higher international prices compared to the previous season. The EU, the Russian Federation, China and Australia account for much of the year-on-year contraction while prospects improved in North and South America.

World coarse grains output at 1391.3 million MT in 2017-18 was up by 2.7% over 2016-17. The production of coarse grain is forecasts to drop from the level of 2017-18 by 2.2 per cent at 1360.3 million MT. Predominantly weak weather reduced maize outputs in a number of countries and a contraction in the world barley production to a six-year low. However, compared with earlier expectations, the production outlooks for the various coarse grains have improved considerably, as favourable weather in Asia and the United States pushed up yields.

World oil crops production at 589 million MT in 2017-18 was marginally up by 0.4% over 2016-17. The preliminary forecasts for production of oil crops at 616.1 million MT during 2018-19 marks an increase of 4.6% over 2017-18. After a marginal growth in 2017-18, global oilseed production is forecast to increase to a new record this season, led by an anticipated rebound in soybean and, to a lesser extent, sunflower seed, which would more than compensate for reductions in other oil crops. Soybean production is expected to increase significantly driven by a recovery of production in Argentina and further yield improvements in the United States, as well as expansion in area in Brazil, China and India. Among the other main oil crops, global palm oil production is forecast to continue growing at a moderate rate, whereas global rapeseed production may contract due to unfavourable weather conditions in the EU and Australia.

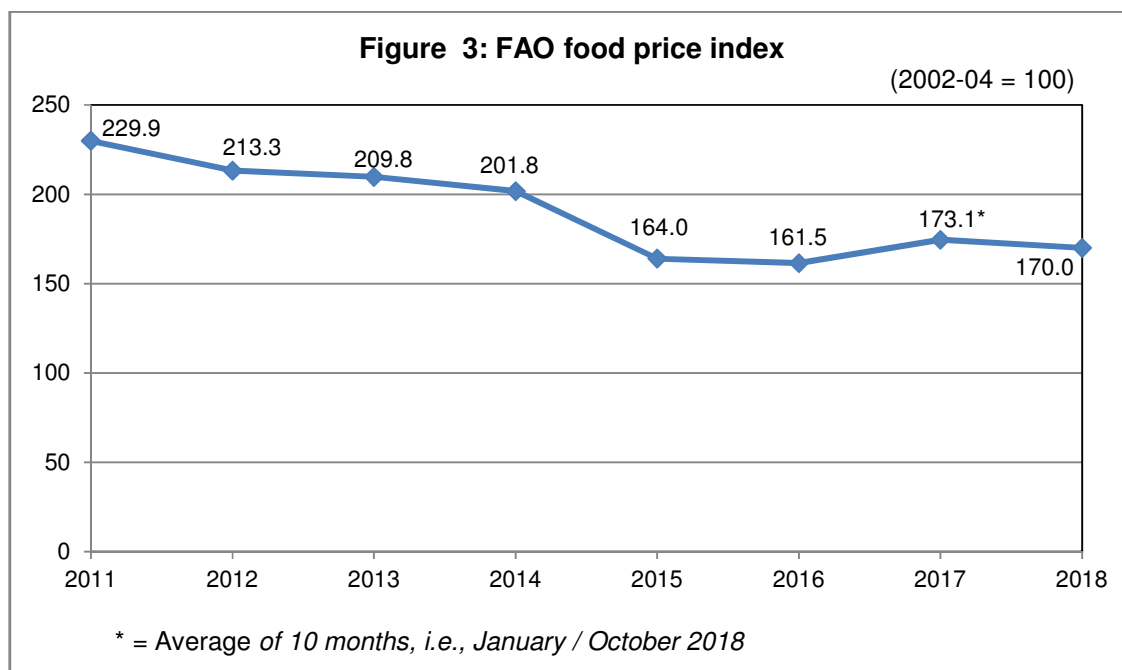
Table 7 shows the world production of cereal crops and oil crops during 2016-17 with estimates for 2017-18 and forecast for 2018-19.

Crop	2016-17 (million MT)	2017-18 (Estimated) (million MT)	2018-19 (Forecast) (million MT)	% change in 2017-18 over 2016- 17	% change in 2018-19 over 2017- 18
Rice	501.2	506.3	513.0	1.0	1.3
Wheat	756.7	760.4	727.9	0.5	-4.3
Coarse grain	1355.3	1391.3	1360.3	2.7	-2.2
Total Cereals	2613.2	2658.0	2601.2	1.7	-2.1
Oil crops	586.7	589.0	616.1	0.4	4.6

Source: Food Outlook – November 2018, FAO, Rome.

8.0 FAO Food Price Index

FAO food price index consists of 5 commodity group price indices, viz., cereals, sugar, vegetable oils, meat and dairy. The food price index has been consistently falling from 2011 to 2016 with some recovery noticed in 2017 and marginal fall in 2018. **Figure 3** shows trends in FAO food price index from 2011 to 2018.



STATEWISE PROCUREMENT OF RICE FOR KMS 2017-18

(Fig. in LMTs)

S.No.	STATES/ UTs	Procurement
1	A.P.	40.00
2	Telangana	36.18
3	Assam	0.35
4	Bihar	7.93
5	Chandigarh	0.14
6	Chhattisgarh	32.55
7	Gujarat	0.00
8	Haryana	39.92
9	H.P.	0.00
10	Jharkhand	1.43
11	J&K	0.13
12	Karnataka	0.00
13	Kerala	3.29
14	M.P.	10.96
15	Maharashtra	1.79
16	Odisha	32.87
17	Punjab	118.33
18	Rajasthan	0.00
19	Tamilnadu	10.11
20	U.P.	28.75
21	Uttarakhand	0.38
22	West Bengal	16.73
Total		381.84

Annex II

STATEWISE PROCUREMENT OF WHEAT FOR RMS 2018-19

(Figures in LMTs)

SL No	STATES/ Uts	RMS
1	Punjab	126.92
2	Haryana	87.84
3	UP	52.94
4	M.P.	73.13
5	Bihar	0.18
6	Rajasthan	15.32
7	Uttarakhand	1.10
8	Chandigarh	0.14
9	Gujarat	0.37
10	H.P.	0.01
TOTAL		357.95

No.12012/31/2015-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi,
Dated the 30th November, 2018

OFFICE MEMORANDUM

Subject: Notification of Final Import Parity Price (IPP) for the 1st, 2nd, 3rd and 4th quarters of 2016-17 under New Urea Policy – 2015.

In pursuance of Department of Fertilizers' Notification No. 12012/1/2015-FPP dated 25th May, 2015 (read with clarification dated 8th June, 2015) and its subsequent amendment dated 7th April, 2017 regarding New Urea Policy, 2015 for existing gas based urea manufacturing units, the provisional Import Parity Price (IPP) of urea calculated on the basis of weighted average CFR (Cost, Insurance and Freight) price during the period from 1st April, 2016 to 30th June, 2016, 1st July, 2016 to 30th September, 2016, 1st October, 2016 to 31st December, 2016 and 1st January, 2017 to 31st March, 2017 at Indian Ports on Government account by designated urea importing agencies (excluding OMIFCO) from international market and incidental expenditure incurred during the said period on imported urea was notified vide this department's OM dated 3rd January, 2017 and 9th October, 2017. Final Import Parity Price (IPP) for the above mentioned period is as under :

2016-17	IPP (Rs./MT)	Incidental Expenditure (Rs./MT)
01.04.2016 to 30.06.2016	15,069.78/-	983.26/-
01.07.2016 to 30.09.2016	13,925.06/-	980.75/-
01.10.2016 to 31.12.2016	14,078.74/-	1,033.74/-
01.01.2017 to 31.03.2017	14,078.74/-*	1,033.74/-*
Annual 2016-17 (weighted average)	14,340.25/-	996.68/-

*There was no import of Urea during the 4th quarter of 2016-17. Therefore, IPP and Incidental expenditure incurred on imported urea during the previous quarter is being considered.

2. This issues with the concurrence of IFD vide Diary No. 181 dated 18.10.2018.

Sachin Kumar
(Sachin Kumar)
Section Officer (FPP)
☎: 23388891

PTO

-2-

To
The Executive Director (FICC),
The Fertilizer Industry Coordination Committee,
Sewa Bhawan, R.K.Puram, New Delhi.

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1. Director(FS)
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30.11.18
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