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WEATHER

How excess North-East Monsoon rainfall is affecting agriculture across India
Over 20 crops affected, States yet to assess impact on farm production

India has received 52 per cent excess rainfall to date during the current North-East monsoon with north-west parts receiving double the normal showers and the southern peninsula 69 per cent more than normal, according to India Meteorological Department (IMD) data.

The onset of the North-East Monsoon this year witnessed hectic weather activities both over the Arabian sea and the Bay of Bengal, the centre of action for the monsoon. At least 47 per cent of the country has received “large excess rainfall’’ (60 per cent more than normal), 16 per cent excess rains (20-59 per cent more than normal) and 16 per cent normal rains.

The excess rainfall is reported to have affected the agriculture sector and some kharif crops besides delaying sowing during the current rabi season.

Union Minister of Agriculture and Farmers Welfare Narendra Singh Tomar told the Lok Sabha on Monday that 5.05 million hectares (mh) across the country have been affected by “hydro-meteorological calamities/hazards” so far this year.

He, however, did not provide details on the loss to agricultural output, saying it was being carried out by the “concerned State governments”.

Data provided by the Ministry of Home Affairs on the calamities so far this year show that Karnataka has suffered the maximum with 1.43 mh being affected, followed by Maharashtra where 1.13 mh of lands have been hit and Bihar (0.74 mh). Over 0.6 mh have been affected in Andhra Pradesh and Madhya Pradesh.

According to reports from across the country, over 20 major and minor crops have been affected by the rains that have pounded many parts of the country during October-November and until last week. The affected 5.05 mh represent around five per cent of the 95 mh classified as operational holdings or lands under cultivation in 2012-13 by the National Sample Survey Organisation. The 2010-11 agricultural census pegged the area under cultivation at 165 mh.

These crops include cereals such as paddy, jowar, maize, bajra, pulses – tur and urad, vegetables – onion, tomato and potato -, oilseeds such as soyabean, groundnut, castor and sesame, cotton, flowers and plantation crops such as pepper, coffee and arecanut.

“Agricultural production is likely to be affected, particularly in cotton, chilli, turmeric. Rabi sowing has been delayed, particularly that of wheat, while paddy ready for harvest has also been affected. Overall, I am not sure of major losses,” said BK Singh, Director, BKC Weather System Pvt Ltd that runs the Fasal Salah app with a large number of farmer subscribers.

Despite the reported losses, agricultural markets across the country have not witnessed any panic sales or purchases for most produce. Though prices of tomatoes topped ₹100 a kg in many parts until last week, prices of other vegetables are lower compared with the year ago period.

For example, prices of potato in Agra are quoting at ₹1,020 a quintal compared with ₹2,000 a year ago. Onion rates are ruling ₹500 a quintal lower than last year as also tur by ₹100. Prices of cotton are up (₹8,100 vs ₹5,255 a quintal) mainly in line with the global trend, while Bajra and maize prices are also quoting higher.

In the case of dried or red chilli, prices are ₹2,000 a quintal higher since the beginning of the month. Pepper prices have increased to record as the rains are feared to result in production dropping by half next season starting January. Coffee prices are ruling at record high, oilseed prices are off from the record highs seen earlier this year.
Karnataka hit badly
In Karnataka, field crops, horticulture and plantation crops have been hit due to heavy rains under the influence of the North-East monsoon. It also experienced heavy rainfall during the South-West Monsoon during June-September.

During October-November, crops in 0.83 mh were affected as the State experienced excess rains triggered by the low pressure in Bay of Bengal. Paddy ready to be harvested was damaged in about 1.24 lakh hectares (lh), maize in about 93,470 hectares, ragi in 3.17 lh, tur (arhar/red gram) in 55,335 hectares, groundnut in 71,262 hectares, early sown bengal gram in 66,173 hectares and cotton in 66,173 hectares.

The cumulative impact of excess precipitation is estimated to have affected around 1.5 mh, including horticulture crops such as chilli and tomato, besides plantation crops including coffee. Agriculture Department sources said field crops in over 1.2 mh have been hit by excess rains between July and November in various parts of Karnataka.

“About 50 per cent of the area has been hit by excess rains this year. We are expecting lower yields this year,” said Basavaraj Ingin, President, Karnataka Pradesh Red Gram Growers Association. The crop has been damaged completely in about 2.91 lh in Karnataka due to excess rains during July-August and October-November.

Besides Karnataka, tur crop has been impacted in other States such as Telangana, Andhra, Maharashtra and Madhya Pradesh.

Rains are also seen affecting cotton yield this year in Karnataka, Telangana, Andhra Pradesh, Gujarat, Punjab and Madhya Pradesh.

“Growth and flowering in cotton has been impacted (in Karnataka) due to excess rains in November, which should affect the yields and quality. We are expecting a lower crop of around 21-22 lakh bales against the expected 23 lakh bales,” said Ramanuj Das Boob, a sourcing agent in Raichur.

Karnataka received 93 per cent excess rainfall till December 8 from October 1.

Plantation crops also felt the impact of the excess. Coffee growers and the trade expect the arabica crop to be lower by around 30 per cent between 60,000-70,000 tonnes this year.

Maharashtra crop loss
In Maharashtra, the Konkan, western Maharashtra, and Marathwada regions have reported massive crop loss and damages due to unseasonal rains in the last couple of months. Cultivation of wheat, onion, jowar, tur along with mango, strawberry, pomegranate, and grape has been affected resulting in losses, according to farmers.

In the Konkan region, mango producers said the Alphonso season will be affected because of rains in Ratnagiri and Sindhudurg districts. In Marathwada, mango cultivation rains and cloudy weather damaged the flowering of the fruit, and mango plantation in many areas has been affected by fungus.

The State Grape Growers Association has estimated that cultivation in over 2 lakh acres has been damaged, while Nashik and Sangli have reported excess damage. According to the Association, grapes are cultivated on about four lakh acres and unseasonal rains have damaged the fruit which was getting ready for the market.

In Nashik and Ahmednagar, onion producers said their fields were inundated, damaging the standing crop and also the onion stored in chawls have been infested by fungal growth.

In Sangli, Pune and Kolhapur districts – considered as the sugar bowl -, mills have slowed down crushing as fields are inundated as sugarcane cutting and transportation is not possible due to bad roads and water stagnation in fields.

Cotton, tur and soyabean growers in Marathwada and Vidarbha have also been hit by the excess rainfall, though the actual losses are yet to be ascertained.
AP and Telangana
Heavy rainfall in mid-November has caused extensive damage to crops in Andhra Pradesh. The worst hit are the four districts of Rayalaseema and Nellore, where crops in scores of mandals were washed away due to heavy floods.

“We are yet to assess the exact extent of the damage caused to crops. Crops like paddy, jowar, maize and cotton, which were at harvesting stage, were damaged. Bengal gram, which is at the vegetative stage, too suffered heavily,” a senior government official said.

The untimely rains and the devastation caused had resulted in the delay of rabi sowings.

In Telangana, crops in 8-12 lakh acres have been reported damaged in the heavy rains. It damaged standing crops of paddy and cotton that were ready for harvesting.

Cyclone Jawad impact
In Bengal, heavy rainfall due to the impact of recent cyclone Jawad is likely to weigh heavily on both paddy and potato crops in West Bengal.

While paddy harvesting has been badly hit due to the untimely rains, sowing of potato, already delayed, is likely to be further impacted, industry insiders said.

According to Sushil Kumar Chaudhury, President, Bengal Rice Mills Association, heavy rains have caused “serious damage” to paddy in almost all the rice-growing districts in the State.

“The harvesting of paddy has just started. In many fields the paddy is at different stages of maturity. At this stage such heavy rainfall in all rice growing districts damaged paddy substantially. The grains are likely to be discoloured and inferior quality, much higher than the permissible percentages,” he said.

Impact in Gujarat
In Gujarat, the State government said last week that about 7.65 lakh have been affected under the impact of heavy rains and flooding. It said as many as 5.06 lakh farmers will get the relief as per the norms laid down in the State Disaster Relief Fund.

A state government official said a survey was conducted in September showed that about 7.65 lakh hectares of area across nine districts covering 1,530 villages were affected. These districts include parts of Central Gujarat and Saurashtra. Ahmedabad, Botad, Amreli, Bhavnagar, Junagadh, Bharuch, Chhota Udepur, Panchmahal and Vadodara. The worst hit crops in the region are cotton, groundnut and pulses, while other key kharif crops include paddy, vegetables, sesame seed, castor and cereals among others.

Kerala’s losses
In Kerala, nearly two lakh farmers and 59,352 hectares of agricultural land have been affected. Crops affected in rains and floods include ginger, rubber, turmeric, mango, coconut seedlings, banana, pineapple and tapioca.

P. Prasad, State Agriculture Minister told BusinessLine that farmers in the State could get assistance both for crop loss and natural calamity.

According to K.N. Raghavan, Executive Director, Rubber Board, heavy rains in October and November affected production adversely. This created a crisis for consuming industry also as the months from October to February, the peak months for production.

“We are optimistic that overall production will be better than what was achieved during 2020-21. With some good fortune we should be able to come close to the target of 7,80,000 tonnes for this year,” he said.

Raghavan, also holding the additional charge of Tea Board, pointed out that tea production has declined by approx 15 per cent in October and 25 per cent in November in Kerala due to rains. However as Kerala contributes only 4 per cent of overall tea production, the impact of this will not be significant at national level, he said.
Damage in TN
In Tamil Nadu, standing agricultural crops on 1.45 lakh acres and horticultural crops on 6,000 acres have been submerged in water after heavy rain lashed several districts of Tamil Nadu, agriculture minister MRK Panneerselvam said last month. The full damage is yet to be assessed.

Samba (August-September) and Thaladi (September-November) paddy on five lakh acres in the Cauvery delta, including Nagapattinam and Thanjavur, have been affected badly, President of the TN Federation of All Farmers Associations, PR Pandian, was quoted recently in the media.

Oilseeds
BV Mehta, Executive Director of the Solvent Extractors’ Association of India, said no sizeable damage has been reported due to rainfall as far as the oilseed crops are concerned.

“I don’t see reports of damage to the standing crops much. There could be some damage in some pockets like in Karnataka or in Tamil Nadu. It may not be sizeable,” he said.

As far as rabi crops are concerned, the recent rainfall has helped major rabi oilseed crop such as rape-mustard seed.

Mahesh Puchchappady, General Secretary of the All-India Areca Growers’ Association, said the recent unseasonal rainfall has made a huge impact on the harvesting and drying of arecanut in many parts of Karnataka.

He said the harvesting of the arecanut crop was delayed in many cases leading to the fall of the nuts from the trees. Those who managed to harvest arecanut were not able to dry them in the sunlight due to the rainfall almost every day.

There could be around 20 per cent of the crop loss due to the lack of proper drying of arecanut. Flowering of arecanut plants would also be affected, he said.

In Telangana, farmers’ leaders alleged that the State government is not properly assessing the damage. “It needs to assess the damage, prepare a report and send it to the Union Government to seek compensation. But unfortunately, the State Government is not acting swiftly,” K Ravi of Rythu Swarajya Vedika, said.

However, the excess rainfall is expected to result in better rabi production, particularly mustard and chana, while leaving the reservoirs with better storage position for the next kharif sowing.

Source: The Hindu Business Line, Thursday, December 09, 2021
Deepak Fertilisers launches Rs 2,200-crore technical ammonium nitrate plant in Odisha

The project at the Tata Steel industrial park in Gopalpur will have an annual capacity of 377 kilo tonne and is scheduled for commissioning by August 2024 and the piling work will begin from January, company chairman & managing director Sailesh Mehta said in a statement.

Smartchem Technologies, a fully-owned subsidiary of Deepak Fertilisers & Petrochemicals Corporation, on Thursday said Odisha chief minister Naveen Patnaik laid the foundation stone for its Rs 2,200-crore technical ammonium nitrate (TAN) complex at the Gopalpur industrial park. The project at the Tata Steel industrial park in Gopalpur will have an annual capacity of 377 kilo tonne and is scheduled for commissioning by August 2024 and the piling work will begin from January, company chairman & managing director Sailesh Mehta said in a statement.

Already 50 per cent of the engineering work is completed, he said, adding the plant is strategically located near major mining hubs and the Gopalpur port.

On completion, Odisha will become a key supply source for technical ammonium nitrate and will be able to serve the entire Eastern region where majority of the future mining growth is expected to come.

The complex will generate 1,500 jobs during the project phase and 325 in operational phase, he said, adding the plant will also help cut import bill of Rs 4,500 crore per annum over the first decade of operations.

Deepak Fertilisers is among the country's leading producers of fertilisers and industrial chemicals since 1979 when it was set up as an ammonia manufacturer and has since gone onto become a multi-product company offering industrial chemicals, bulk and specialty fertilisers, farming diagnostics and solutions, technical ammonium nitrate.

The company has manufacturing facilities in Taloja near Mumbai, Srikakulam in Andhra, Panipat in Haryana and Dahej in Gujarat.

Source: The Economic Times, Thursday, December 09, 2021

Back to Headlines
AGRICULTURE

326 LMT paddy procured from states in Kharif Marketing Season 2021-22
25.94 Lakh farmers benefit from the procurement with MSP value of Rs. 63,897.73 crore

Posted On: 09 DEC 2021 4:22PM by PIB Delhi

Paddy procurement is progressing smoothly in the Kharif Marketing Season (KMS) 2021-22 from farmers, at MSP like it was done in the previous years.

As on 08.12.2021, the quantity of 326.00sLMT of Paddy has been procured in KMS 2021-22 in the procuring States/UTs of Chandigarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Uttar Pradesh, Uttarakhand, Telangana, Rajasthan, Kerala, Tamil Nadu, Bihar, Odisha, Maharashtra, Chhattisgarh, Andhra Pradesh and Madhya Pradesh.

Till now about 25.94 Lakh farmers have been benefitted from the procurement with MSP value of Rs. 63,897.73 crore.

Source: pib.gov.in, Thursday, December 09, 2021

Back to Headlines
Centre revises Guidelines for procurement, allocation, distribution and disposal of coarse grains

• Distribution period of Jowar and Ragi is increased to 6 & 7 months respectively from the earlier period of 3 months
• New guidelines would increase procurement/consumption of coarse grains through Public Distribution System (PDS)
• Marginal and poor farmers who are also PDS beneficiaries will gain due to procurement and then distribution of millets at Rs.1 per kg

Posted On: 09 DEC 2021 3:32PM by PIB Delhi

Procurement of coarse grains was regulated by guidelines for procurement, allocation, distribution and disposal of coarse grains dated 21.3.2014/26.12.2014. Under these guidelines States were allowed to procure coarse grains from farmers at Minimum Support Price (MSP) under Central Pool subject to the prior approval of Government of India on the detailed procurement plan prepared by State Government in consultation with Food Corporation of India (FCI). The whole quantity was to be distributed within 3 months from the end of procurement period.

These guidelines have served the purpose of encouraging the procurement of coarse grains by the States. This was reported in the increasing trend in procurement of coarse grains during last 3 years. However, it was observed that several difficulties were being faced by some State Governments with respect to distribution period of coarse grain which was 3 months each for procurement and distribution activity, irrespective of the shelf life of the commodity.

To obviate difficulties being faced by some States in procurement/distribution of coarse grains and to increase procurement of coarse grains under Central Pool, discussions were held with various stakeholders.


Highlights of revised guidelines dated 7.12.2021 are as under:

i. Distribution period of Jowar and Ragi has been increased to 6 & 7 months respectively from the earlier period of 3 months. This would increase procurement and consumption of these commodities as the State would have more time to distribute these commodities in Target Public Distribution System/Other Welfare Scheme.

ii. Provision of inter-state transportation of surplus coarse grains through FCI is incorporated to cater for advance demand placed by consuming state before the start of procurement.

iii. New guidelines would increase procurement/consumption of coarse grains through Public Distribution System (PDS). As these crops are normally grown on marginal and un-irrigated land, therefore, enhanced cropping of these would encourage sustainable agriculture and crop diversification. With the increased procurement, number of farmers benefitting from the procurement of these crops, would also increase.

iv. Marginal and poor farmers who are also PDS beneficiaries will gain due to procurement and then distribution of millets at Rs.1 per kg. Region specific coarse grains can be distributed for local consumption saving transportation cost of wheat/rice.

v. Coarse grains are highly nutritive, non-acid-forming, gluten-free and having dietary properties. Besides, to strengthen our fight against malnutrition in children and adolescents, consumption of coarse grains would help to foster immunity and health.

Source: pib.gov.in, Thursday, December 09, 2021

Back to Headlines
Indian economy likely to grow 9% next fiscal: Credit Suisse

For the current financial year too, the brokerage anticipates growth to be higher than the consensus forecast of 8.4-9.5 per cent, and printing in at around 10.5 per cent.

Swiss brokerage Credit Suisse expects the economy to continue to show positive surprises and record up to 9 per cent growth in the next fiscal. For the current financial year too, the brokerage anticipates growth to be higher than the consensus forecast of 8.4-9.5 per cent, and printing in at around 10.5 per cent.

As a policy, Credit Suisse does not provide absolute growth numbers in its forecast. However, an extrapolation of data available and projections indicate that economic growth could clip 9 per cent in 2022-23 period, which according to the brokerage is up to 400 basis points (bps) over the consensus numbers.

Neelkanth Mishra, the co-head of equity strategy for Asia Pacific and India equity strategist at Credit Suisse, told PTI that he expects meaningful upgrades to the GDP forecast as the economic recovery has surprised positively.

“We expect GDP getting an upgrade of 4 percentage points over the consensus for FY23 as output should get closer to the pre-pandemic trend than what is currently forecast. The economy is expected to continue to show positive surprises even though the recovery has so far been lop-sided but in the next three-six months most of low-income jobs should recover too,” Mishra said on Thursday.

While warning that high energy prices could be a headwind, Mishra said the economy has the capacity to sustain faster import growth. The pace of growth might moderate if imported energy prices (crude oil, gas, coal, fertiliser and palm oil) remain high.

Another drag could be low employment/re-employment in some key sectors like education, travel, construction materials and auto manufacturing, which are not yet back to the pre-pandemic levels. However, these should improve as the economy continues to open up, helped by high seroprevalence, he pointed out.

According to him, other positives for higher growth is the recovery in consumer spending, strong equity fund-raising that has helped repair the risk capital that was lost during the pandemic, growing IT demand globally and the resultant around 5 lakh hiring in the offing and the pick up in dwelling construction.

On the markets, he said since the country’s price-to-earnings premium of 21 per cent over global equities and 72 per cent over the emerging markets is already too high, further upside in the metric is unlikely. In contrast to the steep downgrades that markets were used to in the pre-pandemic period, earnings forecasts for FY22 and FY23 have seen upgrades and the same should occur for FY24 too, he said.

On the domestic front, the macroeconomic backdrop is supportive too, with fiscal conditions improving after an 18 per cent rise in government debt to GDP during the pandemic. In the first half of the current fiscal, revenue receipts were 16 per cent higher than the full year estimates and the central government’s cash balances with the RBI are 1.5-2 per cent higher than normal as a share of the GDP.

This scenario supports the revival of states’ capex. While high energy prices are eroding the substantial balance-of-payments surplus of USD 40-45 billion now, the rupee is holding up much better than most other emerging market peers, as per Credit Suisse. Mishra also said that risks from the new COVID variant Omicron or even the residual impact of the Delta variant may be higher for the global economy than for India but did not elaborate.

Source: Financial Express, Thursday, December 09, 2021
Inflation may harden, consumers still pessimistic: RBI survey

A survey by the Reserve Bank of India conducted towards the end of October and early November, the peak of the festive season, shows that households are expecting inflation to harden in the near and medium-term. Meanwhile, another survey shows that consumer confidence in November continued its uptick from the historic low seen in July 2021.

A survey by the Reserve Bank of India conducted towards the end of October and early November, the peak of the festive season, shows that households are expecting inflation to harden in the near and medium-term. Meanwhile, another survey shows that consumer confidence in November continued its uptick from the historic low seen in July 2021.

Inflation expected to harden: Households’ median inflation perceptions for November 2021 increased by 20 basis points, reaching 10.4 per cent, while three months and one year ahead median inflation expectations increased by 150 and 170 basis points, respectively, from the previous survey round, the survey found. The bi-monthly survey was conducted between October 25 and November 3 across 18 major cities including responses from 5,910 households.

The survey shows that the proportion of respondents that expect higher inflation in the next three months and over the year ahead rose in November.

Do note, the RBI has updated the respondents’ assessments following the emergence of the Omicron variant of coronavirus. In the follow-up survey, which RBI terms ‘extension survey’, it got responses from 1,274 households, out of the 5,910. The extension survey also factors in the change in sentiments following the cut in domestic excise duty on petrol and diesel and international crude oil.

Per the survey, the proportion of households that are now expecting general prices and inflation to rise over both the time horizons (3 months and one year ahead) was lower in the extension survey round when compared with the regular survey round.

Consumer confidence continues to improve: The consumer confidence survey was conducted between October 25 and November 3 from 5,310 households in 13 major cities (Ahmedabad, Bengaluru, Bhopal, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Patna and Thiruvananthapuram). The assessment showed that even though consumer confidence continued to improve from its historic low hit as the pandemic spread back in July 2020, it remained in pessimistic terrain for November.
Data from the survey shows that the households have perceived a rise in overall expenditure as the expenditures of essential items continued to move higher. Sentiments on non-essential expenditure, however, continue to be pessimistic and did not reflect improvement over the coming year, the survey showed.

The current situation index (CSI) increased to 62.3 in November 2021 from 57.7 in the previous survey round. The survey shows that the perception of the general economic situation, employment scenario and household income displayed signs of recovery.

The future expectations index (FEI) pointed to the fact that households are now more confident for the year ahead amid higher optimism for household income and the employment scenario. The FEI in November stood at 109.6, up from 107 seen in September. Do note, an index value reading below 100 represents pessimism, while above 100 signals optimism.

### Summary based on Net Responses

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<th>One year ahead Expectations compared with current situation</th>
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<td>Sep-21</td>
<td>Nov-21</td>
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<td>Economic Situation</td>
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<td>Employment</td>
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<td>Consumer Confidence Index</td>
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<td><strong>62.3</strong></td>
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↑ Positive Sentiments with sign of improvement compared to last round
↓ Negative Sentiments with sign of deterioration compared to last round
→ Positive Sentiments with no change compared to last round

Consumers’ perception on the price level and income has deteriorated since the last survey.

*Source: The Economic Times, Thursday, December 09, 2021*