



Satish Chander

## Weather and Fertilisers during 2016-17

A comprehensive review of fertiliser production and consumption for 2015-16 with glimpse of outlook for 2016-17 was covered in the September 2016 issue of *Indian Journal of Fertilisers*. The first half of 2016-17 is now over and there is need for a deeper analysis of weather scenario and its impact on sowing of crops and fertiliser use for the current year.

Indian agriculture is heavily dependent on the monsoon. Among four monsoon seasons, south-west monsoon is the main rainy season in India except for extreme south peninsula. On an average about 75 per cent of the annual rainfall is received from South-West monsoon. The South-West monsoon season plays a crucial role as about 52 per cent of the area sown is still rain-fed. India gets nearly 53 per cent of its agricultural output from the *kharif* season (April-September) compared to 47 per cent in the *rabi* season (October-March). The impact of the monsoon is also crucial for *rabi* crops as it has an impact on the ground water and also reservoirs which are critical for irrigation of *rabi* crops. Therefore, monsoon rainfall has a direct bearing on all crops across the country.

After experiencing back to back weak monsoon with a deficiency of 11% to 12% in the preceding two years, the rainfall situation has improved considerably in 2016. For the current year, before the beginning of South-West monsoon 2016, India Meteorological Department (IMD), predicted a surplus rainfall of 6 per cent above normal for the season with a model error of  $\pm 5\%$ . But it turned

marginally below the normal at the end of the season. Arrival of South-West monsoon 2016 was delayed by about 8 days. A month to month analysis of the weather scenario gives an interesting reading. During June, 2016, rainfall was deficient to the tune of 12% for the country as a whole. Thereafter, during July 2016, copious rains, well distributed across the country, raised the level of rainfall to normal across the country. During August, 2016, deficiency in rainfall was noticed in East and North-East India as well as Southern peninsula. This led to a deficiency of 3% below normal level for the country as a whole. As of 21<sup>st</sup> September, 2016, the deficiency was 5% below normal. Cumulative rainfall was 804.4 mm from 1<sup>st</sup> June to 21<sup>st</sup> September, 2016. Out of 36 meteorological sub-divisions, 28 received normal to excess rains during the period as against 20 during the corresponding period in the previous year. According to IMD, this year the withdrawal of the south-west monsoon is slower than normal, but there's no cause for concern as this would benefit farmers who sowed their crops late. By the end of September, 2016 the country has received 3% less rainfall than the long-period average (LPA) since the onset of the monsoon in June 2016. According to an IMD forecast, above-normal rainfall will occur over many parts of North-Eastern and peninsular India in the first two weeks of October 2016. Also, normal to above normal rain will occur over parts of eastern and central India during the period. This late withdrawal of monsoon will be good for cotton, rice and soyabean crops, which are still not in their harvesting stage. The rainfall at the fag end of the monsoon season is important and also congenial for the sowing of *rabi* crops, especially wheat and pulses. Live storage in 91 major reservoirs as on 22<sup>nd</sup> September, 2016 was 111.04 BCM as against 94.84 BCM. Thus current year's storage is higher than last year's storage by 17% but lower than normal storage by 8%.

As per 1<sup>st</sup> Advance Estimates for 2016-17, area coverage under all *kharif* crops taken together was

marginally up (0.8%) at 106.08 million hectares at All India level as compared to 105.22 million hectares during last year. Area coverage under foodgrains was 71.55 million hectares in *kharif* 2016, 4% higher over the previous year's level. This was due to significant addition in coverage under pulses and to some extent under coarse cereals while area under rice slipped marginally. Area coverage under pulses and coarse cereals was higher by 20% and 5%, respectively in *kharif* 2016 over *kharif* 2015. Area under rice dropped marginally by 0.7% during the period. Area coverage under other major crops, such as, oilseeds, cotton, sugarcane, jute & mesta witnessed marginal reduction during the period.

Against the background of overall improvement in rainfall and crop coverage let us analyse the fertiliser offtake scenario during *kharif* 2016. Generally, fertiliser sale moves in tandem with trend in weather. However, latest data available upto 22<sup>nd</sup> September 2016 indicate weak fertiliser off-take. Except MOP, sales of all other fertilisers fell during the period compared to corresponding period in the previous year. Sale of MOP was up by 5% during the period. On the other hand, sale of urea, DAP and NP/NPKs fell by 9%, 25% and 14%, respectively, during the period. Poor pre-monsoon shower, late arrival of South-West monsoon delayed the process of sowing operations. Delayed sowing, long dry spell in June and floods in several

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parts in the country during subsequent period led to slow off take during *kharif* 2016. Closing stock with states (excluding stocks in factory silos, ports, transit and dealers) was over 2 million tonnes of urea and 3 million tonnes of DAP/complex fertilisers together as on 22<sup>nd</sup> August 2016. Aggregate stock with all channels is reported to be significantly higher than the figures indicated above.

As regards fertiliser policy, during the current year (2016-17), followed by softening in international prices, subsidy rates for P & K fertilisers were reduced significantly by the Government. Nutrient Based Subsidy (NBS) rates for DAP was reduced by Rs.3405 per tonne over the rates prevailed during 2015-16. Rates of subsidy for NP/NPKs were reduced between Rs. 1540 and Rs. 2929 per tonne depending upon the grade. The reduction for SSP was

Rs.830 per tonne and MOP Rs. 18 per tonne.

In spite of reduction in subsidy rates, industry has reduced substantially the MRP of P & K fertilisers in the interests of farmers. MRP of DAP has been reduced by about Rs.2500 per tonne, MOP Rs.5000 per tonne and NP/NPKs Rs.1000 per tonne over the prices prevailed during the first quarter of 2016-17. Some of the units had reduced MRP even before. Industry has passed on the benefit despite incurring heavy losses on disposal of old stocks of DAP and NP/NPK fertilisers. The hit to the industry works out to around Rs.1000 crore on this account. However, the industry has extended the benefit keeping in view the interests of farmers saddled with liquidity problem after facing two consecutive droughts in past two years. The benefit of reduction in prices is expected to enable farmers for better application of fertilisers and promote balanced fertilisation.

Keeping in view late withdrawal of monsoon, adequate availability of water stored in the reservoirs and moisture availability in the soils, lower MRP of P & K fertilisers, demand for fertilisers in *rabi* 2016-17 is expected to increase significantly over *rabi* 2015-16. Fertiliser industry has enough inventories in the pipeline. Industry is fully geared up to meet full requirement of fertilisers to farmers across the country during *rabi* 2016-17. ■