El Nino, Weak Monsoon and India's Rising Agricultural Imports

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Weak Monsoon Latest News

- India is witnessing below-normal monsoon rainfall and delayed kharif sowing, while forecasts indicate a strengthening El Nino, raising concerns over domestic production of pulses, oilseeds, and cotton and the possibility of record agricultural imports in 2025-26.

Background

- India's agriculture remains heavily dependent on the Southwest Monsoon, which contributes nearly 70% of the country's annual rainfall and supports the cultivation of most kharif crops.
- Timely and well-distributed rainfall is essential for ensuring adequate acreage, higher crop yields, and stable food prices.
- During 2025-26, however, rainfall has remained significantly below normal. According to the India Meteorological Department (IMD), rainfall in June was 38% below the Long Period Average (LPA), while

cumulative rainfall till July 19 remained 23.8% below normal for the southwest monsoon season.

- The weak monsoon has coincided with forecasts of a strengthening El Nino, a climatic phenomenon associated with warming of sea surface temperatures in the central and eastern Pacific Ocean.
- Historically, El Nino has often been linked with deficient monsoon rainfall and drought-like conditions in India.
- These developments have raised concerns that India may have to rely more heavily on imports of vegetable oils, pulses, and raw cotton if domestic production declines further.

Impact of Weak Monsoon on Kharif Sowing

- The rainfall deficit has already begun affecting the sowing of major kharif crops.
- As of **July 10**, the total area sown under kharif crops was **16% lower** than the corresponding period last year. Among major crops, the decline has been particularly severe for rain-fed crops:
- **Pulses**
    - Overall pulse acreage declined by 23.3%, with significant reductions in:
    - Arhar (Tur): 30.3%
    - Urad: 29.7%
    - Moong: 10.6%
    - Moth Bean: 28.1%
- **Oilseeds**
    - Oilseed sowing recorded a decline of 21%, including:
    - Soybean: 15.9%
    - Groundnut: 34%
    - Sesame: 46%
- **Cotton**
    - Cotton acreage also fell by 15.3%, largely due to delayed rainfall across major producing regions.
    - Agricultural experts note that while sowing windows for arhar and cotton remain open for some time, continued rainfall deficiency could significantly reduce final acreage and productivity.

How El Nino Could Affect Agricultural Production

- The current rainfall deficit is a concern, but meteorologists believe the larger challenge lies in the possible strengthening of El Nino during the second half of the year.
- The US **National Oceanic and Atmospheric Administration** (NOAA) has projected:
- An 81% probability of El Nino intensifying into a very strong event during October-December.
- A 97% probability that it will persist through March-April.
- Unlike a weak monsoon that mainly affects the kharif season, a strong El Nino can also lead to:
    - Higher winter temperatures
    - Reduced soil moisture
    - Shorter and warmer winters
    - Lower reservoir replenishment
- This may adversely affect rabi crops such as Wheat, Mustard, Gram (Chana), Masoor and Potato.

- Thus, a prolonged El Nino could impact both major agricultural seasons, placing additional pressure on food production.

Record Agricultural Imports: Emerging Trends

- India has already witnessed a sharp rise in imports of key agricultural commodities.
- During 2025-26 (April-March):
    - Vegetable oil imports reached a record 16.9 million tonnes, valued at approximately $19.5 billion.
    - Raw cotton imports increased to 1.1 million tonnes, worth nearly $1.9 billion.
    - Pulse imports approached 6 million tonnes, the highest since 2016-17, valued at around $3.6 billion.
    - If domestic production is adversely affected by poor rainfall and El Nino, these import levels could rise even further.
- **Why Imports are Increasing**
    - Declining domestic production due to erratic weather
    - Rising demand from consumers and industries
    - Lower global commodity prices following record harvests in several exporting countries
    - India's structural dependence on edible oil imports, which already account for over 55-60% of domestic consumption

Factors Mitigating the Risk

- Despite the concerns, certain factors could help moderate the impact.
- **Comfortable Foodgrain Stocks**
    - Government foodgrain reserves remain significantly above buffer norms.
    - As of June 1, the Food Corporation of India (FCI) held:
    - 68.3 million tonnes of rice
    - 53.4 million tonnes of wheat
    - These stocks are well above the prescribed buffer requirements and can help stabilise food supplies if production declines.
- **Pulse Buffer Stocks**
    - Government agencies reportedly possess over 4 million tonnes of pulses, including:
    - Around 2 million tonnes of chana
    - Approximately 0.6-0.7 million tonnes of arhar
    - These reserves can be released into the market to contain prices if required.
- **Global Supply Situation**
    - Unlike previous years, global supplies remain comfortable.
    - Following record harvests after the Russia-Ukraine conflict, international markets currently have abundant supplies of Wheat, Rice, Corn (Maize), Soybean and Palm oil.
- Fresh arrivals of arhar from Mozambique, Tanzania, Malawi, and Sudan, along with masoor imports from Canada and Australia, are expected in the coming months, helping ease domestic shortages.

Government's Likely Response

- If monsoon conditions continue to deteriorate, the government may adopt several policy measures to ensure food security and contain inflation. Possible interventions include:
    - Reducing import duties on edible oils, pulses, and raw cotton.
    - Releasing buffer stocks of pulses and foodgrains into the market.
    - Continuing or expanding duty-free imports of select commodities.
    - Rationalising the ethanol blending programme by restricting diversion of sugarcane juice and molasses towards ethanol production, thereby increasing sugar availability.
    - Strengthening procurement and distribution through the **Public Distribution System (PDS)**.
- These measures would aim to moderate food inflation while ensuring adequate domestic availability of essential commodities.

Source: TH
