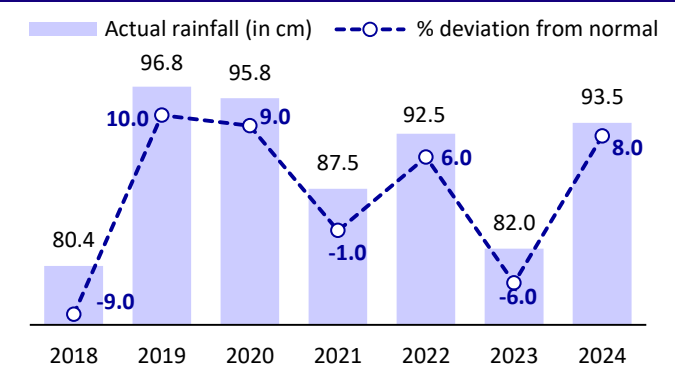


## Monsoon Diary: Southwest monsoon ends at 8% surplus

### Kharif sowing higher by 1.5%

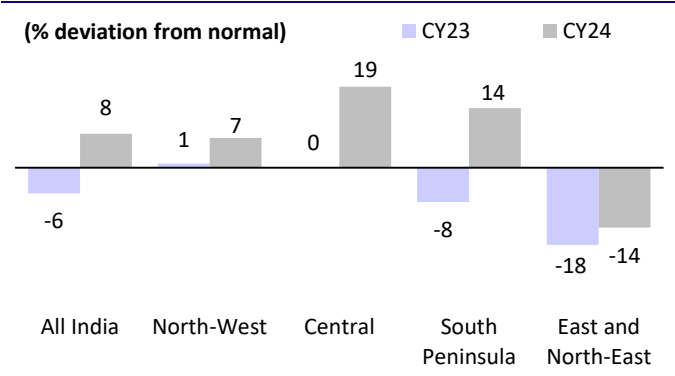
- India's much-awaited southwest monsoon arrived earlier this year (on 29<sup>th</sup> May'24) compared to its normal onset date (of around 1<sup>st</sup> Jun'24) over Kerala and the North East. The monsoon in India arrived early but had a poor start, with almost the entire country experiencing shortfalls except for a few southern states and parts of the northwest gripped by heatwaves. Despite a slow start, rainfall picked up pace, helping farmers with sowing.
- The four-month southwest monsoon season ended on 30<sup>th</sup> Sep'24, recording 'above normal' rainfall pan-India. India recorded cumulative rainfall of 93.5cm (8% above normal) in the 2024 southwest monsoon season, much higher than 82cm (6% below normal) last year and the highest in the last four years. This is the first time since 2021 that the country has recorded such significant rainfall, following similarly high levels in 2019 and 2020 (Exhibit 1).
- After a weak start in Jun'24 [11% below long period average (LPA)], monsoon rainfall (cumulative) at the all-India level picked up by the end of Jul'24 (2% above LPA) and gained further momentum in Aug'24 (7% above LPA). Overall, the cumulative rainfall was 8% above the LPA by the end of Sep'24, which is considered to be above normal according to the IMD's classification (Exhibit 2).
- However, while the overall figures suggest a bountiful monsoon for the country, the geographical distribution of rainfall has been highly uneven. While Central India (19% above normal), South Peninsular region (14% above normal), and North-Western India (7% above normal) have received above normal rainfall, East and North-eastern regions (14% below normal) have received below normal rainfall (Exhibit 3).
- Benefitting from an above-normal monsoon season in 2024, cumulative Kharif sowing has risen by 1.5% YoY as of 20<sup>th</sup> Sep'24. Commodity-wise, pulses (7.8% YoY), coarse cereals (3.5% YoY), paddy (2.2% YoY), oilseeds (1.5% YoY), and sugarcane (1% YoY) sowing remained higher year-on-year. On the other hand, sowing for cotton (-8.9% YoY) and jute/mesta (13.9% YoY) has been lower. (Exhibit 4). The increase in sowing area is positive for the agriculture sector and reflects the government's commitment to enhancing farm productivity. With broad increases across various crops, higher kharif sowing could potentially alleviate concerns about a surge in food inflation, which has been more persistent than headline inflation in recent months. Food inflation rose to 5.7% in Aug'24 from 5.4% reported in Jul'24.
- Healthy showers over the last few months have ensured that water levels in most of the reservoirs across the country are better than the normal levels. As of 26<sup>th</sup> Sep'24, water levels in the major reservoirs were 87% of their total storage capacity, more than 73% last year and the 10-year average of 78% for the same period. However, water levels in the reservoirs of North India are lower than their normal levels (68% of total storage capacity vs. normal levels of 85%) (Exhibits 5 and 6). Healthy water levels in the reservoirs should augur well for the forthcoming Rabi sowing season.
- The southwest monsoon typically accounts for about 70% of India's annual rainfall, making it important for the country's agrarian economy, which contributes ~14% to India's GDP. Above-normal monsoon helped farmers to not only sow more crops this Kharif season but also helped in diversification of crops. This bodes well for agriculture and is likely to improve the gross value addition (GVA) in the sector and further boost rural demand. It would also help to alleviate inflationary pressures from food, especially in regions where rainfall has been favorable. Food inflation has been a cause of concern since the beginning of this financial year. It rose to 5.7% in Aug'24 from 5.4% reported in Jul'24.
- Overall, with the strong economic growth trajectory of the country, receding food inflation, surplus rains, and the upcoming festive season, we expect that rural consumption will increase steadily in 2HFY25.

**Exhibit 1: Southwest monsoon stood at 8% surplus as of 30<sup>th</sup> Sep'24, the highest in four years...**

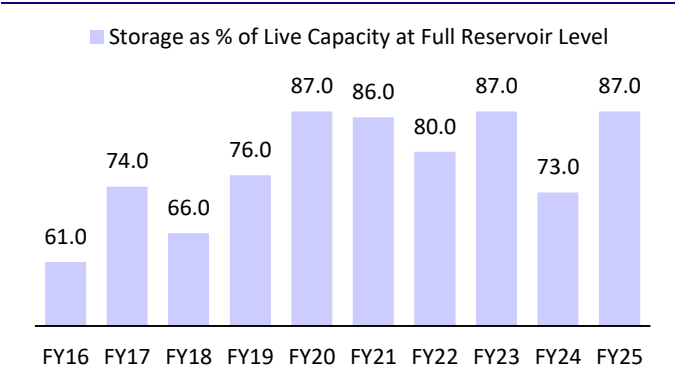


Data around 30<sup>th</sup> September for all years

**Exhibit 3: Three of the four regions have received above normal rainfall as of 29<sup>th</sup> Sep'24**



**Exhibit 5: Water reservoir levels at 87% of live storage capacity as of 29<sup>th</sup> Sep'24...**



Data around 26<sup>th</sup> Sep'24 for all years

**Exhibit 2: ...mainly due to higher rainfall in South and Central India**

Cumulative rainfall (% deviation from normal)	All India	North-West	Central	South Peninsula	East and North-East
02-Jun	-10	-81	-63	18	18
30-Jun	-11	-33	-14	14	-13
31-Jul	2	-18	17	27	-19
31-Aug	7	2	17	20	-13
29-Sep	8	7	19	14	-14

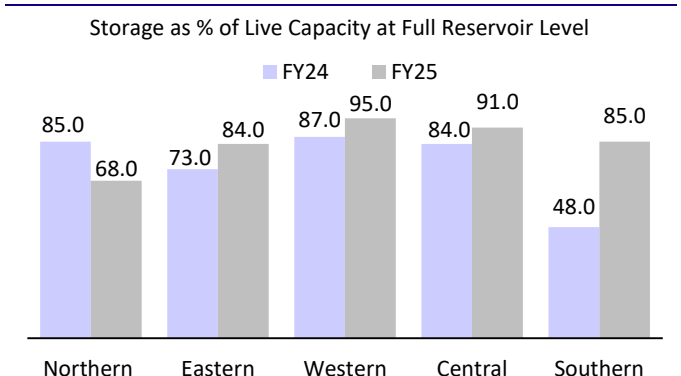
Source: CEIC, MOFSL

**Exhibit 4: Cumulative Kharif sowing rose 1.5% YoY as of 20<sup>th</sup> Sep'24, led by pulses and millets**

Kharif sowing	(% YoY)			
	28-Jun	26-Jul	30-Aug	20-Sep
Rice	-0.2	-0.2	3.8	2.2
Coarse cereals	-14.7	5.0	3.7	3.5
Total cereals	-9.1	1.9	3.8	2.6
Pulses	181.0	14.1	7.3	7.8
All food grains	13.6	4.3	4.4	3.5
Oilseeds	155.4	3.8	1.0	1.5
Sugarcane	2.6	1.1	1.0	1.0
Jute	-6.5	-6.9	-13.1	-13.9
Cotton	62.9	-6.9	-9.2	-8.9
All crops	32.6	2.3	1.9	1.5

Source: IMD, CEIC, MOFSL

**Exhibit 6: ...mainly due to higher rainfall in Western and Central India**



Source: CEIC, MOFSL

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