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Economist

Monsoon begins to retreat

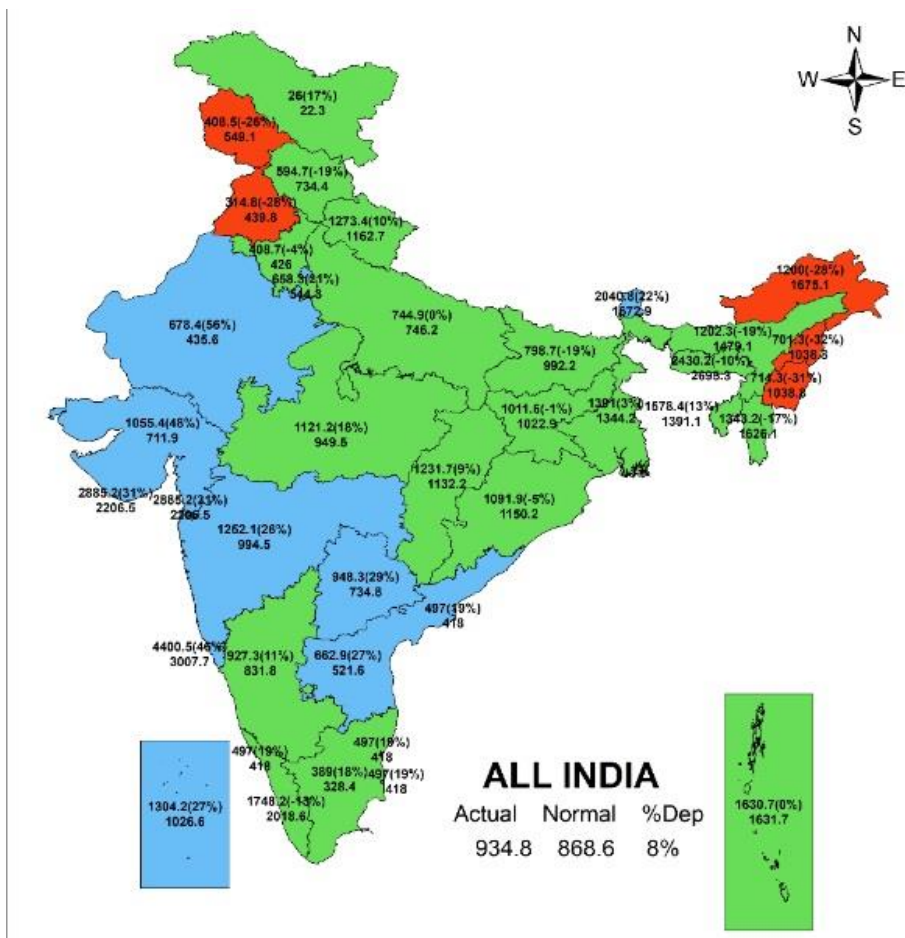
As the monsoon has begun retreating, we look at how rainfall fared this season. Rainfall was 8% above the LPA till 30 Sep 2024. Momentum was maintained until the first fortnight of Sep'24 with total rainfall at 111.1mm versus 78.1mm. Between 1 Jun and 30 Sep 2024, out of 33 sub-divisions, (89% of the country) received normal or above normal rainfall so far and 5 states were in the deficient zone. Region-wise, except East & North East (-14%) which continues to report deficient rainfall, all others have received higher than normal rainfall during this period. Central region (+19%) and Southern peninsula (+14%) recorded significant excess rainfall. Following the regional trend in rainfall, overall reservoir storage levels was at comfortable level of 87% as of 26 Sep 2024, compared with 71% last year. Only northern region has storage levels (68%) lower than last year (86%), due to below normal levels seen in reservoirs of Punjab and HP. Apart from these two states and Goa (at normal level), reservoir levels across other states have recorded levels above normal this season. This implies that while Kharif has benefited from above normal monsoon, Rabi sowing is also expected to do well with above normal water storage available. Sown area data showed that as of 23 Sep, Kharif sowing was 1.5% higher than last year and had even crossed the normal area level. Acreage of, paddy, oilseeds, sugarcane and coarse cereals has already exceeded its normal sown area.

Monsoon:

As the monsoon begins to retreat, we take a look at how different regions fared in this season. At all India level, for the period 1 Jun to 30 Sep 2024, South West Monsoon was 8% above LPA compared with last year.

- Most part of the country, specifically, Central, Eastern and parts of North-Eastern regions received normal rainfall this season. These include states like, M.P., U.P., Haryana, Himachal Pradesh, Uttarakhand, Jharkhand, Chhattisgarh, W. Bengal, Odisha, Assam, Mizoram and Meghalaya.
- Rainfall in Ladakh was also normal.
- In the South, Kerala, Karnataka and Tamil Nadu received normal rainfall this year.
- Most parts of western region of the country recorded excess rainfall. This includes states like Rajasthan, Gujarat, Maharashtra, Telangana and Andhra Pradesh.
- Sikkim also received excess rainfall.
- In contrast, J&K, Punjab, Arunachal Pradesh, Nagaland and Manipur, noted deficient rainfall till 30 Sep 2024.

Fig 1: Distribution pattern of South-West Monsoon



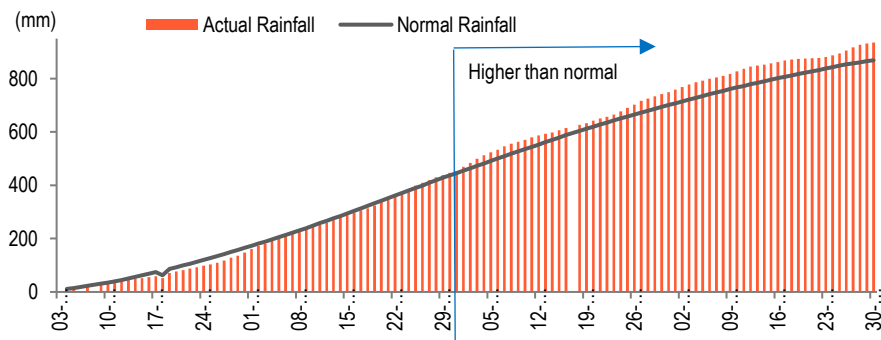
Source: IMD, Bank of Baroda Research | Period from 1 Jun-30 Sep 2024

Legend

Large Excess [60% or more] | Excess [20% to 59%] | Normal [-19% to 19%] | Deficient [-59% to -20%] | Large Deficient [-99% to -60%] | No Rain [-100%] | No Data

Overall, cumulative rainfall this year was much higher this season at 934.8mm, compared with 820mm last year. It was even higher than the normal rainfall (868.6mm) received during this period.

Fig 2: Cumulative Distribution of rainfall



Source: CEIC, Bank of Baroda Research

Table 1 shows, out of a total of 36 sub-division, 33 subdivisions, accounting for 89% of the total area, received normal or above rainfall for cumulative period ranging from 1 Jun-30 Sep'24. 3 sub-divisions received deficient rainfall during this period. Amongst states, there remained 5 states that received deficient rainfall this season.

Table 1: Subdivision wise distribution of Rainfall

Period (1 Jun 2024-30 Sep 2024)	No. of Subdivisions	Sub divisional % area of Country
Large Excess	2	9
Excess	10	26
Normal	21	54
Deficient	3	11
Large Deficient	0	0
No Rain	0	0

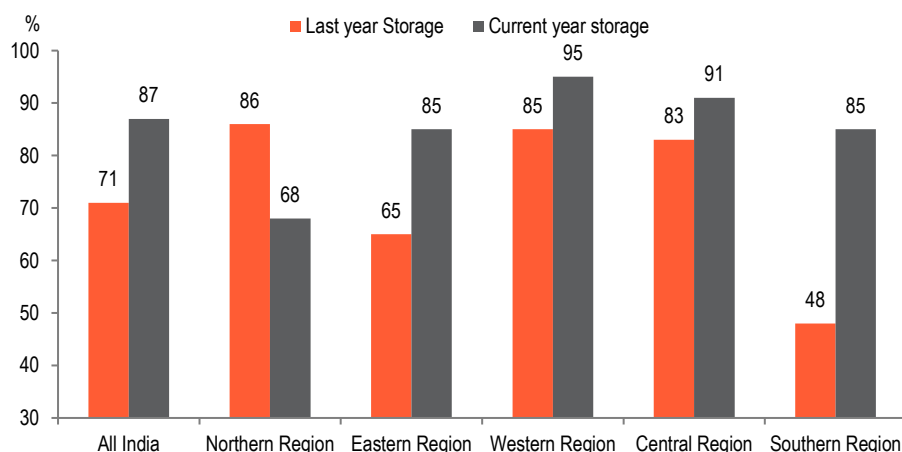
Source: IMD, Bank of Baroda Research

Reservoir storage status:

In terms of storage (Fig 3), the reservoir level as a % of total capacity stood at 87% as on 26 Sep 2024 (71% last year).

- All regions have noted an improvement over the last year, except for the Northern region (68% this year versus 86% last year).
- This region has reservoirs spread across HP, Punjab and Rajasthan.
- Reservoirs in Rajasthan have storage levels at 7% above normal, while reservoirs in Punjab and HP have storage at 65% and 22% below normal levels, respectively.
- Amongst other regions, Western region has the highest reservoir level (95%), followed by Central (91%) and Southern and Eastern (85%) regions.
- In the western regions, Maharashtra, Gujarat and Goa account for 50 reservoirs. Of these, 32 are in Maharashtra, which currently have storage at 15% above the normal level.
- In Gujarat, 17 reservoirs have storage at 27% above the normal level.
- In the central regions, all reservoirs spread across UP, Uttarakhand, MP, and Chhattisgarh have storage levels above normal.
- Similar is the story for reservoirs in the southern region (AP & Telangana, AP, Telangana, Karnataka, Kerala and Tamil Nadu).

Fig 3: Reservoir level across regions



Source: Central Water Commission, Bank of Baroda Research

Kharif sowing and production estimates

- As of 23 Sep 2024, overall sown area had improved by 1.5% compared with last year.
- With the exception of Jute and cotton, total sown area of other crops was higher.
- In this season, most notable jump was visible in pulses (7.8%), coarse cereals (3.5%) and paddy (2.2%).
- Within pulses, except Urdbean, rise in acreage was recorded for all others, and most significantly for Arhar (14.1%), Moong Bean (12.6%) and Moth (11.8%).
- Within Coarse Cereals, sown area of only Bajra has fallen (-1.5%) compared with last year, while that of Ragi and Jowar has risen significantly. Sown area for other crops such as Maize and small millets also inched up.
- Oilseeds have also registered 1.5% increase in sown area. Within this, sown area of Soybean, Groundnut and Sunflower inched up.
- That of Sesamum, Niger, and Castor fell this season.
- Sown area of Jute & Mesta was down by (-) 13.9% and that of Cotton fell by (-) 8.9% compared with last year.
- Final estimates of production last year (2023-24) showed that foodgrain production was at record highest last year (3322.98 LMT), driven by record production of rice (1378.25 LMT) and wheat (1132.92 LMT).
- Amongst oilseeds, rapeseeds and mustard seeds achieved record production (132.59 LMT).
- First estimates of production this year will be made available later this year.

Table 2: Kharif Sowing

(Lakh ha)	Normal Sown Area (2018-19 – 2022-23)	Area sown in 2023-24	Area sown in 2024-25	Growth (YoY %)
Coarse Cereals	180.9	181.1	187.7	3.7
Paddy	401.6	393.6	408.7	3.8
Pulses	136.0	116.7	125.1	7.3
Oilseeds	190.2	188.8	190.6	1.0
Cotton	129.3	123.1	111.7	(9.2)
Sugarcane	51.2	57.1	57.7	1.0
Jute and Mesta	6.7	6.6	5.7	(13.1)
All Crops	1095.8	1066.9	1087.3	1.9

Source: PIB, Bank of Baroda Research | Data as of 23 Sep 2024

Key points to note:

- This year India received bountiful rains during the monsoon season.
- Cumulatively (1 Jun-30 Sep 2024), India has received 934.8mm rainfall, which higher than 820mm recorded last year during the same period.
- It is even higher than normal level of rainfall of 868.6mm
- This implies South-west monsoon was 8% above LPA in this period.
- Higher than normal rainfall also helped sown area. Acreage of paddy, coarse cereals, sugarcane and oilseeds have seen an improvement (YoY basis) till 23 Sep 2024 and even exceeded its normal sown area (2018-19 —2022-23).
- As of 26 Sep 2024, water reservoir levels remained higher than last year, with All India reservoir level at 87% of the total storage capacity versus 71% last year during the same period.

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