



USDA Foreign Agricultural Service

# GAIN Report

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## India

### Agricultural Situation

### Monsoon Update (1)

### 2008

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**Report Highlights:**

The southwest monsoon arrived at the southern tip of India on May 31, well within the normal period and is progressing normally. The Indian Meteorological department has forecast a normal monsoon for this year.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
New Delhi [IN1]  
[IN]

The southwest monsoon, critical for India's agricultural production, arrived at the southern tip of India on May 31, well within the normal arrival period. Its progress so far has been satisfactory, covering peninsular India, east India, and parts of Gujarat by June 11.

For the week ending June 4, rainfall was normal or above normal in 20 of the 36 weather subdivisions compared with eight a year ago (Fig. 1). Westerly disturbances brought unusually heavy rains in north western India during the week, which should prove beneficial for planting of crops such as millet, cotton, pulses, and rice grown in this region.

Planting of the largely rainfed kharif (monsoon season) crops, which include rice, corn, sorghum, millet, soybeans, peanut, and cotton will start after the monsoon firmly establishes itself over major growing states. For most crops, planting is likely to continue through mid-July and in exceptional cases up to late July and early August.

On April 16, 2008, the Indian Meteorological Department (IMD) released its long-range forecast of the monsoon, which predicts a normal monsoon for the country as a whole (99 percent of the long-term average of 89 cm of rains with a statistical error of + or- 5%). The IMD is expected to update its monsoon forecast this month. However, what is critical for India's agricultural production is not the total rainfall but how well it is distributed spatially and temporally during the monsoon period (June-September).

The GOI has established an "ad hoc" minimum support price of Rs. 8,500 (\$200) per ton for common varieties of paddy (unmilled rice) and Rs. 8,800 for Grade A varieties, which are significantly below current world prices. There have been reports of localized shortages of fertilizers in the country which, unless resolved, could have a negative impact on rice yields.

Fig.1. Rainfall for the week ending June 4, 2008

