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Current News

Current news on the latest developments in fertiliser, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

(***The views expressed in the news items are not necessarily of FAI***)

Tuesday, 8 July 2025	
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WEATHER

Central AP, Telangana, north Maharashtra brace for fresh rain spell

Central AP, Telangana, north Maharashtra brace for fresh rain spell

Vinson Kurian
Thiruvananthapuram

Heavy to very heavy rainfall will continue over parts of North-West India, even as the India Meteorological Department (IMD) hinted that central Andhra Pradesh, Telangana and north Maharashtra may be in for an increase in rainfall after conditions have significantly started to turn to support the ground-level rain-bearing features.

They include a persisting low-pressure area over south-west West Bengal, topped off by associated but potent cyclonic circulation, which is likely to move across Jharkhand and north Chhattisgarh during the next two days. A backbone monsoon trough passed through Sriganganagar, Sirsa, Meerut, Varanasi, Daltonganj, Purulia, the centre of the 'low' and then into the north-east Bay of Bengal.

Also, on Monday, a secondary trough ran down from south Rajasthan to a cyclonic circulation associated with the 'low' over south-west West Bengal and its neighbourhood across central Madhya Pradesh, north Chhattisgarh, and south Jharkhand. One end of the monsoon trough ending in the Bay waters is a good sign but did not signal the formation of a successor 'low' just yet.

CENTRAL INDIA

Extremely heavy rain lashed parts of east Madhya Pradesh and Chhattisgarh during the 24 hours ending on Monday. Heavy to very heavy rain was also reported from Odisha, Jharkhand, West Uttar Pradesh, Uttarakhand, Haryana-Chandigarh-Delhi, East Rajasthan, East Madhya Pradesh, eastern Gujarat, Saurashtra, Kutch, Madhya Maharashtra and Chhattisgarh.

SURPLUS RAIN

Elsewhere, the hills and plains of West Bengal and Sikkim, Punjab, west Madhya Pradesh, Konkan and Goa, Vidarbha, coastal Karnataka, south interior Karnataka, Kerala and Mahe received heavy rainfall.

North-West India (40 per cent) and Central India (37 per cent) consolidated surplus rainfall so far during this season, while below-normal rain dented rainfall figures to -1 per cent over the South Peninsula. The rain deficit over the North-East improved to 19 per cent to 'normal' category, in IMD parlance.

Updated forecast by the Climate Forecast System of the US indicated that the above-normal rainfall regime may continue over the northern half of the country until July 26, with support from a likely new circulation over East India, even as a fresh wave of rain emerges over the South Peninsula, with above-normal rain for Rayalaseema and the rest of rain-deficit Andhra Pradesh.

RAIN-DEFICIT AREAS

The deficit in Rayalaseema was at 32 per cent as on Sunday. Deficit areas elsewhere include Bihar (44 per cent), Lakshadweep (41 per cent), Marathwada (40 per cent), Arunachal Pradesh, Assam and Meghalaya (37 per cent each), and the hills of West Bengal and Sikkim (34 per cent).

Source: The Hindu Business Line, Tuesday, 08 July 2025

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AGRICULTURE

40% of normal kharif area covered so far

Gaining pace. Planting operations gather momentum with 437.43 lh covered as of July 4, up 11.1 per cent y-o-y

40% of normal kharif area covered so far

GAINING PACE. Planting operations gather momentum with 437.43 lh covered as of July 4, up 11.1 per cent y-o-y

Prabhudatta Mishra
New Delhi

The overall sowing in the current kharif season in India has been completed in 40 per cent of the normal 1,097 lakh hectares (lh) area as of July 4. Official data release on Monday showed that about 180 lh area had been covered with a maximum of 60 lh under oilseeds in the week-ended July 4. As the rainfall has been good so far, the pace of sowing may further rise further.

According to Agriculture Ministry data, as much as 437.43 lh have been planted under different crops in the ongoing kharif season until July 4, up 11.1 per cent from 393.77 lh a year ago.

The area coverage under arhar (pigeon peas), maize, ragi, other small millets, niger, castor, jute and mesta is lower from last year, whereas all other crops have shown higher acreage.

The area coverage under the kharif season's main cereal paddy has reached 69.3 lh from 64.52 lh a year ago, which is 7.4 per cent higher while that of pulses has jumped 35.2 per cent to 42.57 lh from 31.48 lh.

PULSES CATEGORY

In the pulses category, urad (black matpe) acreage reached 5.27 lh from 5.02 lh and moong (green gram) at 16.58 lh from 6.73 lh. But arhar area continues to trail to reach 16.47 lh against 18.52 lh a year ago, down by 11.1 per cent.

The oilseeds area, which was trailing initially, has improved and reached 108.21 lh from 94.9 lh, up 14 per cent. The soyabean acreage has reached 79.04 lh against 75.46 lh a year ago, and groundnut reached 26.74 lh against 17.73 lh.

Report card (lakh hectare)

	2024	2025	% Chg
Paddy	64.52	69.3	7.4
Pulses	31.48	42.57	35.2
Arhar	18.52	16.47	-11.1
Uradbean	5.02	5.27	5.0
Moongbean	6.73	16.58	146.4
Coarse cereals	63.79	77.18	21.0
Jowar	4.64	5.54	19.4
Bajra	16.78	30.82	83.7
Maize	40.21	39.35	-2.1
Oilseeds	94.9	108.21	14.0
Groundnut	17.73	26.74	50.8
Soybean	75.46	79.04	4.7
Sugarcane	54.88	55.16	0.5
Jute & Mesta	5.62	5.47	-2.7
Cotton	78.58	79.54	1.2
All crops	**393.77**	**437.43**	**11.1**

Source: Agriculture Ministry; *As on July 4

The sunflower area is a tad higher at 0.46 lh against 0.45 lh.

The coverage of nutri/coarse cereals reached 77.18 lh from 63.79 lh, up by 21 per cent, in which maize area is down by 2.1 per cent at 39.35 lh from 40.21 lh, jowar (sorghum) is at 5.54 lh from 4.64 lh while that of bajra (millet) is 30.82 lh from 16.78 lh.

COTTON ACREAGE

Cotton acreage was marginally higher at 79.54 lh from 78.58 lh, but the coverage of other fibre crops jute and mesta was down by 3 per cent at 5.47 lh from 5.62 lh, data show. There is no update on sugarcane planting from last week, and it remained at 55.16 lh against 54.88 lh year-ago.

There may be a revision in the current data of sugarcane at the end of the season as last year's final estimate was 53.58 lh, lower than what the year-ago number is showing.

GOOD RAINFALL

The India Meteorological Department data showed that in the first week of this month (July 1-7), the monsoon rainfall was 31 per cent higher at 74 mm against the normal of 56.3 mm for the period, taking the season's total rainfall in the country to 254 mm since June 1, which is 15 per cent above normal.

Source: The Hindu Business Line, Tuesday, 08 July 2025

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Maize, cotton area continues to rise in Karnataka

Maize, cotton area continues to rise in Karnataka

Vishwanath Kulkarni
Bengaluru

The area under pulses is trailing in Karnataka with farmers expanding the area under maize and cotton during the kharif cropping season this year.

As per the latest crop sowing data, a total of 50.57 lakh hectares (lh) have been covered under various kharif crops till July 5, accounting for 61 per cent of the targeted 82.50 lh area for the kharif 2025 cropping season.

GOLDEN TOUCH. Among cereals, maize has been the biggest gainer with acreages touching 13.98 lh, up 14.6 per cent over 12.20 lh during the same period last year

SURPLUS RAIN

The State has received 4 per cent surplus rainfall during June 1-July 5 at 252 mm against the normal of 241 mm.

Among cereals, maize is the biggest gainer with the acreage touching 13.98 lh, up 14.6 per cent over 12.20 lh a year ago. The maize acreage is 68 per cent higher than the 8.32 lh normal coverage. Other cereals such as paddy, jowar, bajra, ragi and minor millets are trailing.

Overall, the pulses area is down 13 per cent year-on-year as of July 5. The acreage under tur (arhar or pigeon pea is down by 21 per cent at 9.88 lh against 12.5 lh a year ago.

However, the tur acreage is up 47 per cent over the normal 6.71 lh.

The prevailing bearish trend in the prices of pulses, caused by higher supplies, are weighing on the sowing pattern this kharif season as farmers are seen preferring other remunerative crops like maize and cotton.

The black matpe (urad) area is flat at 0.87 lh, while the green gram area has increased marginally to 4.04 lh (3.93 lh in the corresponding period last year).

OILSEEDS DOWN

Like pulses, even the oilseeds coverage is trailing at 5.61 lh (6.18 lh).

Groundnut area is down at 1.06 lh (1.46 lh) while soyabean is marginally lower at 3.94 lh (4.18 lh).

However, the cotton area is up at 6.11 lh (5.47 lh) and sugarcane at 6.13 lh (5.42 lh). The tobacco acreage is marginally higher at 0.77 lh (0.74 lh).

Source: The Hindu Business Line, Tuesday, 08 July 2025

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Raise maize yield sans GM tech, says Chouhan

Our Bureau
New Delhi

Agriculture Minister Shivraj Singh Chouhan on Monday pledged to ensure that maize farmers receive a fair price for their produce. Emphasising the critical need for crop diversification in Punjab and Haryana, he stated that the government aims to expand maize cultivation, targeting a significant increase in production from the current 42.28 million tonnes (mt) to 86 mt by 2047. However, he made it clear that this productivity boost must occur without the use of genetic modification technology.

Speaking at the annual maize summit, organised by industry chamber FICCI, Chouhan said achieving the 86 mt target by 2047 hinges on the development of high-yielding seed varieties with increased starch content. He urged scientists to prioritise this area of research. India, the world's fifth-largest maize producer, is committed to enhancing productivity while maintaining its stance against genetically modified (GM) seeds in food crops. This position has been consistent for the Minister.

AGAINST GM CROPS

In March, at an event hosted by RSS affiliate Bharatiya Kisan Sangh (BKS), Chouhan reiterated that India should not "play with nature," even though many other countries achieve bumper harvests using GM seeds. This issue recently became a significant point in bilateral trade negotiations between India and the US as American farmers, who primarily grow GM maize, seek market access in India.

Chouhan pointed out that while the all-India average maize productivity is 3.5 tonnes per hectare, States like West Bengal and Bihar boast yields higher than the national average. He stressed the need to further elevate productivity levels across the board. The average yield for the kharif season is 2.95 tonnes/hectare whereas the rabi season sees a higher 5 tonnes/hectare. However, the much larger area under kharif maize (84 lakh hectares compared to 27 lakh hectares in tabi) results in lower overall annual productivity.

Union Minister Shivraj Singh Chouhan

The Indian Council of Agricultural Research (ICAR) has developed 265 maize varieties, including 77 hybrid and 35 bio-fortified varieties. However, the Minister indicated that more work is required and has instructed scientists to develop varieties with 72 per cent starch content, up from the current 65-70 per cent.

Chouhan also emphasised the importance of ensuring that farmers receive a fair price for maize. He highlighted how the ethanol blending with petrol programme has positively impacted prices over the past few years, recalling that maize once sold for ₹1,200-1,400/quintal. The current minimum support price (MSP) is ₹2,400/quintal for the upcoming kharif crop, set for harvest in October.

Despite this, official data reveal that during the 2024-25 harvesting season, when the MSP was ₹2,225/quintal, the average mandi (agriculture market yard) price for maize was 2 per cent below MSP from October-December 2024 and 7 per cent lower from April-June 2025.

Source: The Hindu Business Line, Tuesday, 08 July 2025

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Union Agriculture Minister Shri Shivraj Singh Chouhan chaired the 96th Annual General Meeting

Over 18 Union and State Agriculture Ministers deliberated on agricultural progress in this important meeting

Union Agriculture Minister Shri Shivraj Singh Chouhan said that crop-wise and state-specific action plans will be formulated

"Agriculture is a State subject; cooperation from State Governments is essential for agricultural development," said Shri Shivraj Singh Chouhan

Research and technology should be aligned with the needs of farming and farmers – Union Agriculture Minister Shri Shivraj Singh Chauhan

Shri Shivraj Singh stated that the setting up of 'Crop Medicine Centres' similar to Jan Aushadhi Kendras will be considered

A cotton-focused conference will be held on 11th July 2025 in Coimbatore – Shri Chouhan

The Rabi Conference under the 'Viksit Krishi Sankalp Abhiyan' will be held as a two-day event – Shri Shivraj Singh Chouhan

Under the leadership of Prime Minister Shri Narendra Modi, we are dedicated to building a developed India – Union Minister Shri Chouhan

Scientists are the modern-day sages of science; congratulations to ICAR scientists for their achievements – Shri Shivraj Singh Chouhan

Union Minister of Agriculture & Farmers' Welfare and Rural Development Shri Shivraj Singh Chouhan chaired the 96th Annual General Meeting of the Indian Council of Agricultural Research (ICAR) today at the Bharat Ratna C. Subramaniam Auditorium, National Agricultural Science Complex, New Delhi.

More than 18 Union and State Ministers participated in the meeting. Attendees included Union Minister of State for Agriculture Shri Bhagirath Choudhary; Union Minister of State (Independent Charge) for Science & Technology and Earth Sciences Dr. Jitendra Singh; Union Ministers of State for Fisheries, Animal Husbandry and Dairying Shri S.P. Baghel and Shri George Kurian; Arunachal Pradesh Minister for Agriculture, Fisheries, Animal Husbandry & Horticulture Shri Gabriel D. Wangsu; Bihar Deputy Chief Minister and Agriculture Minister Shri Vijay Kumar Sinha; Bihar Minister for Animal and Fisheries Resources Smt. Renu Devi; Madhya Pradesh Minister for Horticulture and Food Processing Shri Narayan Singh Kushwah; Mizoram Agriculture Minister Shri P.C. Vanlalruata; Haryana Agriculture, Animal Husbandry, Dairying and Fisheries Minister Shri Shyam Singh Rana; Uttar Pradesh Minister for Animal Husbandry and Dairy Development Shri Dharampal Singh; Karnataka Agriculture Minister Shri N. Cheluvaraya Swamy; Uttar Pradesh Minister for Agriculture, Education and Research Shri Surya Pratap Shahi; Odisha Minister of State (Independent Charge) for Fisheries and Animal Resources Development Shri Gokulananda Mallik; Madhya Pradesh Minister for Farmers' Welfare and Agriculture Development Shri Adal Singh Kansana; and Union Agriculture Secretary Shri Devesh Chaturvedi.

Dr. M.L. Jat, Secretary (DARE) & Director General (ICAR) presented the achievements of ICAR. He also presented the ICAR Annual Report 2024–2025 and read out a resolution to adopt it. Shri Puneet Agarwal, Additional Secretary (DARE) & Financial Advisor (ICAR), presented the annual accounts along with the Auditor's Report for the year 2023–24, followed by the resolution for its adoption.

4 ICAR publications were released during the occasion.

Ministers expressed satisfaction over the growth in food grain production and the overall progress in the agriculture sector. They unanimously reaffirmed their commitment to work together for the prosperity of farmers and advancement in agriculture. The Union Minister also emphasized the idea of establishing Crop Medicine Centres, akin to Jan Aushadhi Kendras.

Shri Shivraj Singh Chouhan urged the State Ministers to share suggestions on continuing impactful schemes, phasing out outdated ones, and introducing new initiatives. He emphasized the need to evaluate whether these schemes are genuinely benefiting the farmers. He highlighted that since agriculture is a State subject, progress is not possible without the cooperation of State Governments. He emphasized the need for Centre-State collaboration to strengthen the agricultural sector. He added that under the visionary leadership of Prime Minister Shri Narendra Modi, India has seen remarkable increases in food grain production. Once dependent on low-quality wheat imports from the U.S., India is now setting records in grain production and even exporting to other countries.

Congratulating scientists and the ICAR team for their achievements, the Minister also acknowledged existing challenges that must be addressed. He emphasized that the future course of action should be based on insights gathered from the Viksit Krishi Sankalp Abhiyan. He called for demand-driven, state-specific research that addresses the real needs of farmers rather than being mere bureaucratic formality.

The Minister underscored the urgent need to intensify research efforts not only in major cereals like wheat, rice, and maize but also in soybean, pulses, and oilseeds. Referring to a recent visit to soybean fields in Madhya Pradesh, he highlighted concerns over seed quality, where poor germination was traced to substandard seeds. He recommended that the issue be investigated without delay and stressed the importance of enforcing strict regulations to curb the use of inferior seeds, fertilizers, and agro-chemicals. Additionally, he called for a thorough review and revision of fertilizer pricing policies.

Shri Shivraj Singh stated that the series of crop-specific meetings has already begun. A comprehensive meeting on soybean was held in Indore, Madhya Pradesh. Special meetings will also be organized on cotton, sugarcane, and other crops. A conference on cotton will be held in Coimbatore on July 11, where discussions will focus on making the Cotton Mission more effective.

Calling upon scientists to enhance the practical application of technology, Shri Chouhan cited an example where a farmer requested a device to assess fertilizer quality and efficacy. Such real-world feedback, he said, should shape future research agendas. Theoretical knowledge from labs must translate into field-level benefits for farmers.

He also announced a two-day Rabi Conference before the next sowing season under the Viksit Krishi Sankalp Abhiyan, where the first day will be for planning and the second for finalizing the implementation roadmap with State Agriculture Ministers.

The fertility of India's soil is unmatched. I am confident that India will not only produce food for itself but also for the world, and will become the food basket of the world.

He added that under the leadership of Prime Minister Modi, the nation is committed to building a Viksit Bharat, which is not possible without modern agriculture and prosperous farmers. “I am personally visiting farms across the country from apples and saffron in Kashmir to sugarcane in Uttar Pradesh and areca nut in Karnataka to gain ground-level understanding for strategic planning.”

He concluded by saying that agriculture is not just a business, but a service to the nation. “We must ensure food and nutritional security for our 1.44 billion population, preserve our soil for future generations, and contribute to global food availability. While many countries are pursuing material progress at the cost of nature, India must choose a path of sustainable development that protects nature.”

Finally, Shri Shivraj Singh Chouhan lauded agricultural scientists as modern-day sages and encouraged them to align their research with real-world challenges and solutions. He urged them to keep progressing and continue achieving new milestones in Indian agriculture.

Source: PIB, Monday, 07 July 2025

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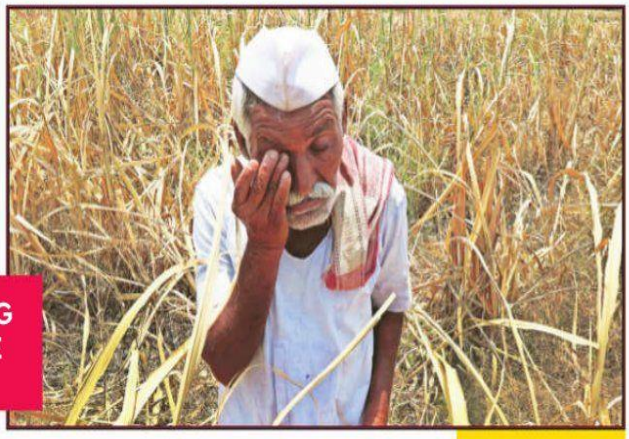
(Opinion)

How weather derivatives can shield cash flows

By V Shunmugam & Kailvalya Dhase



HEDGING CLIMATE RISKS

How weather derivatives can shield cash flows

The National Commodity and Derivatives Exchange has inked a pact with the India Meteorological Department for launch of India's first weather derivatives. ***V Shunmugam*** & ***Kailvalya Dhase*** explain how such derivative contracts can help farmers, businesses & financial institutions trade weather outcomes

WEATHER

RISK IS TURNED INTO A MEASURABLE FINANCIAL ASSET IN A DERIVATIVE

DERIVATIVES ARE SUITABLE FOR RECURRING RISKS THAT AFFECT REVENUES

What are weather derivatives

DERIVATIVES ARE RISK-SHARING tools used by businesses, investors, and institutions to guard against future uncertainties. Their value depends on an underlying asset or variable, like a stock, commodity, or even the temperature in Delhi in May. Farmers can hedge wheat price drops, airlines can manage jet fuel costs, and exporters can protect against currency swings. Although financial, these tools serve a real economic purpose: transferring risk from those who bear it to others willing to take it.

Well-designed weather derivative contracts, supported by a rich ecosystem of participants empowered with data and analytical models, help farmers and businesses make better plans, reduce uncertainty, and support long-term investments.

To make weather tradable, it has to be measurable, time-bound, location-specific, and independently verifiable. It must be reduced to a number that both parties agree to before the trade and accept without dispute at the time of settlement. The most commonly traded weather variables globally include:

- Temperature, as measured by Heating Degree Days (HDD) and Cooling Degree Days (CDD), are simple indices that track how much daily temperature deviates from a set base.
- Rainfall or precipitation, where contracts are structured on cumulative rainfall (e.g., total mm over a month in a district), or deviations from long-term averages.
- Snowfall or wind speed is more common in advanced markets with exposure to ski tourism, construction, or wind energy projects.

How are weather phenomena traded

WEATHER PHENOMENA are traded not as weather events but as numerical outcomes of weather data. For example, a rainfall futures contract might pay ₹5,000 per mm shortfall if actual June rainfall in Nashik drops below the 100 mm threshold. The data source, such as the IMD or an approved private station, is agreed upon beforehand.

In parts of Rajasthan, informal markets still operate based on weather cues, like cloud cover and gut-based monsoon predictions, relying more on instinct than data. Weather derivatives provide structure to this by enabling stakeholders to trade quantifiable weather outcomes—such as temperature or rainfall—based on independently verified data, with predefined settlement terms.

Insurance product vs derivative

INSURANCE CAN BE more helpful than a derivative when the loss is catastrophic, specific, and asset-based, such as storm damage to a warehouse or floods destroying inventory. It compensates actual losses after verification. Derivatives, by contrast, are suited to non-catastrophic, recurring risks, such as low rainfall or cooler temperatures, that affect revenues but not assets. Insurance safeguards property; derivatives shield cash flows. Together, they provide layered climate risk coverage.

How stakeholders can use these

THINK OF A small bottling company in Gujarat. It typically sees a sales surge in summer. But what if May turns out to be unusually cool? The company faces a drop in demand, and no insurance policy covers that. By buying a temperature derivative that pays out if average May temperatures stay below 36°C, it creates a cushion to offset lost sales.

A farmer in Vidarbha, worried about delayed or patchy monsoon rains, might take a rainfall-linked hedge. If rainfall is 30% below average, the derivative pays, helping him afford inputs for the next season or repay a farm loan.

For a bank issuing crop loans in Rajasthan, if the monsoon fails, repayments are delayed or defaulted. By holding a rainfall-based hedge against its loan portfolio, the bank can protect its balance sheet, making farm lending more viable. Weather hedging can be factored into the cost of credit, making farm loans cost-effective for lenders.

The common factor here is that each stakeholder transforms a difficult-to-manage, uncontrollable weather risk into a measurable financial asset that can be priced, traded, and settled through a clearing house.

Deepen climate risk resilience

THE UPSIDE IS significant. A well-functioning weather derivatives market would:

- Enhance credit quality for banks and NBFCs by mitigating weather-related defaults.
- Incorporate real-time, market-based feedback into government policy, reflecting how stakeholders are pricing weather expectations.
- Deepen climate risk resilience, moving India from a disaster-relief mode to a proactive risk-sharing ecosystem.

Weather derivatives will boost demand for high-quality data (farm-level sensors) and predictive tools (modelling platforms), creating local investment opportunities in agritech, climate forecasting, and energy modelling ecosystems that enable more accurate, localised risk management and pricing. But for this to work:

- IMD and private providers must offer high-frequency, granular, reliable datasets for different regions.
- Institutional aggregators such as banks, NBFCs, insurance companies, and agritech platforms must create bundled, distributed products to connect individual users to the market.

Shunmugam is partner – MCQube while Dhase is a finance scholar at the National Institute of Securities Markets

FINANCIAL EXPRESS READ TO LEAD Tue, 08 July 2025
https://epaper.financialexpress.com/c/77705897

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