Redflag Indicators... *for the week ending on 24th March 2025*

*India's sugar balance sheet for 2024-25

This updated sugar balance sheet for the 2024-25 season incorporates estimates from the National Federation of Cooperative Sugar Factories (NFCSF), the Indian Sugar and Bio-Energy Manufacturers Association (ISMA), and the All India Sugar Trade Association (AISTA). The analysis is based on the latest available data up to March 20, 2025.The balance sheetOpening stock: NFCSF and ISMA assume 8 million tonnes (mt), while AISTA's estimate is 7.8 mt, aligning with prior year-end estimates.Production (gross): NFCSF estimates 29.9 mt (25.9 mt net + 4.0 mt ethanol), ISMA estimates 29.9 mt (26.4 mt net + 3.5 mt), and AISTA estimates 29.3 mt (25.8 mt net + 3.5 mt).Total availability: NFCSF: 37.9 mt (8 mt opening stock + 29.9 mt gross production), ISMA: 37.9 mt (8 mt + 29.9 mt), and AISTA: 37.1 mt (7.8 mt + 29.3 mt).Ethanol diversion: NFCSF 4.0 mt, ISMA and AISTA 3.5 mt, based on mid-season ethanol supply data.Net availability: NFCSF: 33.9 mt (37.9 mt - 4.0 mt ethanol), ISMA: 34.4 mt (37.9 mt - 3.5 mt), and AISTA: 33.6 mt (37.1 mt - 3.5 mt).Consumption: NFCSF 28.5, ISMA estimate 28 mt, while AISTA projects 29 mt, reflecting a higher demand forecast.Exports: 1 mt permitted, with 0.6 mt contracted by March 2025.Closing stock: NFCSF: 4.4 mt (remaining stock as of September 30, 2025), ISMA: 5.4 mt, and AISTA: 3.6 mt.Key observations1. NFCSF: Projects a tight but manageable closing stock (4.4 mt), above the 2–3 mt buffer but below historical norms (5–6 mt).2. ISMA: Slightly more optimistic at 5.4 mt, offering a modest cushion.3. AISTA: With higher consumption (29 mt), closing stock drops to 3.6 mt, signaling potential tightness if exports proceed fully.ConclusionThis updated sugar balance sheet provides a comprehensive view of India's sugar supply and demand for the 2024-25 season. The analysis highlights the tight supply-demand balance, with minimal room for error. Export prospects are limited, and the government's priority is domestic stability.(The author is Managing Director of Samarth SSK Ltd and Co-Chairperson of the Sugar Bioenergy Forum (SBF) under the Indian Federation of Green Energy.

Table: Sugar Balance Sheet Overview (2024-25)

Parameter	NFCSF	ISMA	AISTA
Opening Stock	8.0 mt	8.0 mt	7.8 mt
Gross Production	29.9 mt	29.9 mt	29.3 mt
Total Availability	37.9 mt	37.9 mt	37.1 mt
Ethanol Diversion	4.0 mt	3.5 mt	3.5 mt
Net Availability	33.9 mt	34.4 mt	33.6 mt

Parameter	NFCSF	ISMA	AISTA
Consumption	28.5 mt	28.0 mt	29.0 mt
Exports	1.0 mt	1.0 mt	1.0 mt
Closing Stock	4.4 mt	5.4 mt	3.6 mt

Key Observations:

- The estimates display a tight supply-demand balance for sugar in India, with limited export prospects.
- Closing stock levels indicate a minimal buffer, highlighting the need for domestic stability in sugar supply

*Apple farmers in Kashmir suffer as subpar pesticides slip through checks

Out of 317 fertilizer samples tested, 28 were found to be non-standard in the Kashmir division, while none were reported as non-standard in the Jammu division during this periodSub-standard pesticides and fertilizers continue to flood markets in the Valley with the statistics presented by the government in the Assembly indicating a higher prevalence of low-quality products in Kashmir than in Jammu. According to official data, from January 2024 to February 2025, only 01 out of 384 pesticide samples tested in the Jammu division turned out to be non-standard, compared to 57 non-standard samples out of 1,654 tested in the Kashmir division. Similarly, out of 317 fertilizer samples tested, 28 were found to be non-standard in the Kashmir division, while none were reported as non-standard in the Jammu division during this period. Despite similar regulatory mechanisms in place, the number of non-standard samples in Kashmir is disproportionately higher, indicating potential gaps in enforcement, quality control, or market regulation in the region.
Checks On March 20, Javed Ahmad Dar, Minister for Agriculture informed the Jammu and Kashmir Assembly that the batch-wise samples of both the pesticides and fertilizers were tested for quality in Jammu and Kashmir and were allowed to move into the Valley only after the sample met the required standards. Additionally, samples are drawn randomly from the wholesalers and retailers and tested for quality. The Agriculture Production Department has an Enforcement Directorate at the UT level, with law enforcement agencies at the district level to monitor and regulate the sale of spurious pesticides and fertilizers. However, despite all these measures, the subpar products make their way into the markets, causing devastation to apple farms. In 2020, a scab epidemic devastated apple orchards in Kashmir due to prevalence of fake pesticides. The COVID-19 induced lockdown enabled the fraudsters to sell the fake pesticides to the apple cultivators, leaving more than 80 percent of the produce damaged. The farmers suffered heavy losses as the scab downgraded the first-rate apples to ‘B’ and ‘C’ grade. Peerzada Shabir Ahmad, president Pesticides and Fertilizer Dealers and Distributors Association told that they always cooperated with the

law enforcement agencies to prevent the sale and distribution of fake and subpar pesticides and fertilizers.

***Rains, hailstorm hit rabi crops in 11,300 acres in Telangana**

Preliminary reports have estimated that crops in about 11,300 acres across 64 mandals in 13 districts of Telangana have been damaged due to heavy rains and hailstorm in the last few days. Telangana Agriculture Minister Tummala Nageswara Rao has directed the officials to conduct a farmer-wise survey and prepare a final report on crop damages. Provide compensation' Meanwhile, Telangana Rythu Sangham demanded the government should immediately provide compensation to the farmers immediately. Northern Telangana has suffered significant losses. Crops like maize, harvested paddy, mango and vegetables have been damaged. During the monsoon season, crops in 5 lakh acres were damaged. The government, which promised a compensation of ₹10,000 per acre, provided only a nominal aid of ₹15.80 crore for 1.5 lakh acres.

***India imports 1.82% of country's total tea production in 2023-24**

Overall Indian tea imports were 25.21 million kgs valued $53.30 million in 2023-24The government has said that India imported 1.82 per cent of the country's total tea production in 2023-24. This was 1.82 per cent of country's total tea production of 1382.03 million kgs. Tea imports are mainly for blending and re-exports .Tea Board has taken several measures in respect of teas imported into the country, he said a notification dated November 11, 2021 was issued with a directive stating that imported tea must not be blended with GI teas. If blending is done, the end product must not be claimed as GI tea. Directives were issued to packers, requiring them to clearly indicate on the packaging that the blended tea contains imported ingredients. Importers and exporters have been directed to mandatorily obtain clearance certificates from the board's Tea Council portal before importing or exporting tea, and the origin of the tea must be clearly mentioned on the tea packages. Indian tea imports from Kenya stood at only 2.83 per cent of total tea exports made by Kenya in 2024. India is the second largest producer and fourth largest exporter of tea with a share of 21 per cent and 12 per cent in world tea production and exports, respectively. Indian tea production from 2021-22 to 2023-24 has increased with a CAGR of 1.39 per cent to reach 1382.03 million kgs and the Indian tea exports during the same period have increased with a CAGR of 13.95 per cent to reach 260.71 million kgs. The all-India average auction price of tea during the period April-January 2024-25 was ₹203.15 per kg, an increase of 20.39 per cent, compared to the all-India average auction prices in the corresponding period of 2023-24 .

* Wheat stock limit expires on March 31; weekly stock disclosure begins from April 1

The government has made it mandatory for the wheat industry and trade to declare weekly stock position on the portal starting April 1. The existing stock limit on wheat will expire on March 31.

The Department of Consumer Affairs has said that to manage the overall food security and to prevent unscrupulous speculation, the Government of India has decided that traders, wholesalers, retailers, big chain retailers and processors have to declare their stock position of wheat on the portal from April 1 and then, on every Friday till further orders.

The government has started wheat procurement operations in some states Madhya Pradesh and Uttar Pradesh, while it will soon begin in Rajasthan, Punjab and Haryana.

* Punjab: Farmers to protest on March 28, refuse to attend meeting called by state govt

Bhartiya Kisan Union (Lakhowal) leader Harinder Singh Lakhowal and Samyukt Kisan Morcha leader Raminder Singh refused to attend a meeting called by the Punjab government and announced a protest at district headquarters across the state on March 28, alleging repression by the state government.

The decision comes after key farmer leaders accused the Punjab administration of using excessive force against protesting farmers and unlawfully detaining several leaders. They also cited unfavourable conditions for not participating in the meeting.

Notably, two days after Punjab police cleared the Sambhu and Khanauri border and removed the temporary structures erected by the protesting farmers, the state's Agriculture minister, Gurmeet Singh Khuddian, called for a meeting of farmer leaders on Friday in Chandigarh.

Raminder Singh echoed similar concerns, stating that the situation in Punjab was being turned into a "police state" where farmers were being targeted unfairly.

Meanwhile, farmers in Tamil Nadu's Tiruchirappalli staged a 'rail roko' protest on the Cauvery Railway Bridge. The protest was led by celebrated farmer leader and lawyer P Ayyakannu.

The demonstration was held in response to the action taken against farm leaders in Punjab, who were protesting against the government while pressing various demands, including a legal guarantee for a Minimum Support Price (MSP) on all crops.

The Railway Protection Force (RPF) and local police intervened to control the situation and clear the tracks.

*** India's cotton production estimates vary, prices may follow ICE trends**

India’s cotton production estimates from different industry and government organisations vary significantly. However, there are common indications that production is set to decline in the current season (2024-25). India’s Ministry of Agriculture has estimated production at 294.25 lakh bales of 170 kg for the current season. This is lower than the estimate of the Cotton Association of India (CAI), which projected production at 295.30 lakh bales. However, the US Department of Agriculture (USDA) has projected a significantly higher production of 320 lakh bales (25 million bales of 480 pounds).

The ministry released its second advance estimates last week for the current crop year (2024-25), reducing the cotton production estimate to 294.25 lakh bales from the 299.26 lakh bales projected in the first advance estimate. The first advance estimate, released in November 2024, had estimated cotton production at 325.22 lakh bales in the previous season (2023-24). Production has now reached a seven-year low. The last time production was this low was in 2018-19, when it stood at 280.42 lakh bales.

CAI has lowered its estimate by 6.45 lakh bales to 295.30 lakh bales in its February 2025 report. Previously, it had estimated production at 301.75 lakh bales in its January 2025 report. The industry organisation had estimated production at 327.45 lakh bales in the last season (2023-24).

USDA released India’s cotton production estimate in its monthly World Agricultural Supply and Demand Estimates (WASDE) report. The US government body has estimated production at 25 million bales of 480 pounds, which is equivalent to 320 lakh bales of 170 kg. It did not revise India’s estimate from the February 2025 WASDE report but has reduced the production estimate from 25.40 million bales of 480 pounds (equivalent to 325 lakh bales of 170 kg) in the last season. Therefore, it has lowered its estimate by 5 lakh bales of 170 kg.

During the current season, the government’s nodal agency, Cotton Corporation of India (CCI), has procured around one crore bales of cotton at the minimum support price (MSP) as cotton prices remained lower than the MSP. Slow garment demand in the global market and higher Indian cotton prices compared to ICE cotton have dented market sentiment.

There are indications that the domestic market is facing limited cotton availability. Cotton prices have seen a gradual rise over the last two weeks, increasing by around two per cent. However, cotton demand in the downstream industry remains weak. CCI is selling cotton from its previous year’s stock, which has received a lukewarm response from the industry. However, ginners are purchasing seed cotton even at higher prices due to continued procurement by CCI. Indian ginning mills are trying to build up cotton stock for the lean months ahead in the current season.

Market experts say that domestic cotton prices will move in line with ICE cotton. If global prices rise, domestic cotton prices will also increase. However, the current tariff tensions remain the biggest barrier to any significant increase in cotton prices.

***As Indian exporters lower rates to get orders, export realisation from basmati drops over 15%**

With export prices of basmati declining, it has fuelled speculation about the sustainability of some exporters who purchased basmati paddy at a high price expecting export realisation to move up amid conflict in the Middle East. The average export realisation has dropped to below $875/tonne this month from over $1,040 in September, when the government scrapped the minimum export price (MEP).

Below $700 to Iran

It is learnt that some quantity of basmati to Iran has been sent below $700/tonne this month, whereas exporters realised average $900-950 from markets in the UAE and Saudi Arab.

Sources said Apeda (Agricultural and Processed Food Products Export Development Authority) has tried to check cheap exports of basmati by getting in touch with those who had contracted at low rates, but there were excuses for deals having taken place to offset previous trade deals. However, there is a need to find some solution, like enforcing an MEP or strict quality checking, the sources said.

According to industry data, India exported $562 million worth of basmati in December 2024, about $380 million in November and about $510 million in October. Though the Basmati crop harvest began from last week of September, most of the arrivals took place during October-December quarter of 2024.

Apeda data show basmati exports during April-December of the current fiscal were 4.24 million tonnes (mt) worth $4.32 billion against 3.54 mt worth $3.97 billion a year ago. Though industry sources said exports could have dropped or been at last year’s level had the MEP been retained, a section of the trade favours a check on unwarranted competition that drives down the export realisation.

***India imports 8.47 lakh tons of DAP fertiliser from China by Februay**

India has imported 8.47 lakh tonnes of **di-ammonium phosphate** (DAP) fertiliser from China till February in the current fiscal year, government data showed. The Chinese imports represent 19.17 per cent of India's total DAP imports of 44.19 lakh tonnes during the period.

In the previous fiscal year, China accounted for 22.28 lakh tonnes, or about 40 per cent, of India's overall DAP imports of 55.67 lakh tonnes.

DAP is the second most widely used fertiliser in India after urea. The country also imports DAP from Russia, Saudi Arabia, Morocco, and Jordan, both as finished fertiliser and raw materials such as rock phosphate and intermediate chemicals.

For the ongoing rabi season, domestic availability of DAP fertilisers has exceeded the estimated requirement of 52 lakh tonnes, with 48 lakh tonnes already sold. As of March 11, India maintained a closing DAP stock of 9.43 lakh tonnes.

Domestic production of DAP and complex fertilisers has been constrained by several factors, including marketing limitations, high finished goods inventory and insufficient manpower.