Redflag indicators for the month May 2025

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*Fertilisers production in April drops, sales higher, import nearly flat

India's production of chemical fertilisers dropped in the first month of the current fiscal, whereas sales have jumped and import was nearly flat. But, the latest data also show that the sales were much lower than estimated demand for the month of April, even as availability had no issue. According to official data, overall consumption of key fertilisers – urea, Di-ammonium Phosphate (DAP), Muriate of Potash (MOP) and complex – increased 17.4 per cent to 18.92 lakh tonnes (lt) during April from 16.12 lt year-ago. Sales of urea during April were 15.7 per cent higher at 12.19 lt from 10.54 lt year-ago, while those of MOP rose 58.3 per cent to 0.95 lt as against 0.6 lt and complex increased by 31.6 per cent to 3.58 lt from 2.72 lt year-ago. Complex fertiliser is a combination of nitrogen (N), phosphorous (P), potash (K) and sulphur (S) nutrients. But, sales of DAP dropped 2.7 per cent to 2.2 lt from 2.26 lt.This year's demand for April was estimated at 39.83 lt – urea 21.96 lt, DAP 7.81 lt, MOP 1.53 lt and complex 8.53 lt. The import of overall fertilisers was almost flat in April at 7.85 lt as against 7.82 lt year-ago. But urea import, which is completely governed by the government, dropped 48 per cent to 1.56 lt from 3 lt. Even MOP import dipped 66.7 per cent to 0.27 lt from 0.81 lt. On the other hand, DAP import jumped 3.6 per cent at 2.89 lt from 2.79 lt and that of complex by 156.6 per cent to 3.13 lt from 1.22 lt. The data also showed that fertilisers' production dropped to 36.48 lt from 38.09 lt, lower by 4.2 per cent. Urea production dipped 13.4 per cent to 21.89 lt from 25.27 lt year-ago and complex production by 3.7 per cent to 6.99 lt from 7.26 lt. But DAP output jumped 51.9 per cent to 3.13 lt from 2.06 lt, SSP by 28.2 per cent to 3.83 lt from 2.99 lt and Ammonium Sulphate to 0.64 lt from 0.51 lt. Meanwhile, the pan India rainfall stands at nearly three-times above its long period average in the first few days after the onset of monsoon over Kerala on May 24.

*CACP seeks ban on yellow pea imports, hike in duty of other pulses

Unrestricted and cheap imports of pulses impact domestic prices and hurt farmers' realisations, the Commission for Agricultural Costs and Prices (CACP) has recommended a ban on yellow pea imports. It has also recommended that import duty on pulses such as tur (arhar), lentils and urad should be increased as part of its non-price policy recommendations for the kharif marketing season (KMS) 2025-26 to ensure better prices for the farmers. For the KMS 2025-26, CACP has recommended a 1-13.9 per cent increase in MSP for various kharif crops, which was approved by the government on Wednesday."Ensuring remunerative prices to farmers is one of the important pathways to achieve Aatmanirbharta in pulses and edible oils, and pro-farmer trade policy mechanism will help in ensuring better prices to farmers," it said. However, the unrestricted and cheap imports of pulses and edible oils at low/zero import duty have resulted in domestic prices of soyabean, groundnut, urad, moong and tur falling below the MSP during KMS 2024-25, it observed. Further, the CACP said "aligning the import duty structure with MSP will ensure remunerative prices to farmers and encourage them to increase area and production of oilseeds and pulses. The Commission recommends that imports of yellow peas should be banned and import duty on other pulses, particularly, tur/arhar, lentil and urad should be increased. The huge imports of cheaper yellow peas have been hurting the demand for other pulses, according to the trade. Recently, trade body The India Pulses and Grains Association demanded that the government impose a duty of 50 per cent to curb the imports of yellow peas. India's pulses imports touched a record 68 lt with value touching $5.4 billion during 2024-25. Among other major non-price recommendations, the CACP has suggested preparation of a comprehensive diversification to boost production of pulses and oilseeds.. Therefore, the Commission recommends that a comprehensive diversification strategy and action plan should be prepared with a special focus on technological innovations and remunerative prices to pulses and oilseeds farmers," it observed.

***Amid price slump, unseasonal rains double headache for Maharashtra's onion farmers**

Pre-monsoon rains in several parts of Maharashtra since the beginning of May have increased the worries of the state's onion cultivators, who are already stressed about falling prices of the kitchen staple. Onion crops on thousands of acres have been damaged in the rains, leaving farmers staring at heavy losses, Maharashtra State Onion Producers Farmers Association founder-president told PTI. The damage in real terms is yet to be ascertained as the rains continue and panchnamas (spot assessment) haven't been done .Onion-producing areas in Konkan, Nashik, Pune, Kolhapur, Chhatrapati Sambhajinagar, Latur, Amravati and Nagpur have been witnessing heavy unseasonal rains since May 6. Prices were already down and have further slumped due to unseasonal rains . Onion growers begin preparations for the Rabi season a year in advance, with the nursery being set up in August-September 2024 and replantation carried out from November (2024) to January (2025). The harvested crops of these farmers have become wet, while even standing crops have been damaged in many areas .In 2022-23, onion cultivation was on 5,53,212 hectares, while in 2023-24, it was on 4,64,884 hectares, and in 2024-25, on a record 6,51,965 hectares . In 2018-19, 21.83 lakh tonnes of onions were exported, bringing in ₹3,468 crore in foreign currency. In 2019-20, 11.49 lakh tonnes were exported, and the revenue was ₹2,320 crore. It was 15.73 lakh tonnes and ₹3,432 crore in 2021-22, and in 2022-23, India exported 25.25 lakh tonnes of onions and earned ₹4,522 crore. The figure was 17.17 lakh tonnes and ₹3,922 crore for 2023-24," at nationwide figures. The Union government must make public the yearly output needed in the country so that farmers can plan accordingly and excess produce can be exported.

***Cotton consumption seen lower at 307 lakh bales during 2024-25 as mills prefer man-made fibres: CAI**

India's cotton consumption during the current 2024-25 season ending September is seen lower at 307 lakh bales of 170 kg each, a decline of around 2 per cent from last year, as mills are showing preference to man-made fibres over cotton, according to the Cotton Association of India (CAI).According to the latest estimates, CAI has reduced consumption estimates by 8 lakh bales to 307 lakh bales, from the initially estimated 315 lakh bales of 170 kg each. During 2023-24, cotton consumption stood at 313 lakh bales. President, CAI, attributes downward revision in cotton consumption to the increasing use of man-made fibres such as viscose and polyester by spinning mills, mainly in South India. Also, due to the heavy shortage of labourers, spinning mills are running slower, hence, cotton consumption is falling .Further, the mills are finding better realisation in viscose at around 98 per cent, compared to the cotton at 73/75 per cent. This is also one reason for mills to shift from cotton to other fibres, hurting consumption .CAI has estimated the 2024-25 crop size at 291.35 lakh bales of 170 kg each. Till April-end, the total supply of cotton was estimated at 325.89 lakh bales, including the pressings of 268.20 lakh bales, imports of 27.50 lakh bales, and opening stocks of 30.19 lakh bales. Consumption till April-end has been estimated at 185 lakh bales, exports of 10 lakh bales of 170 kg. April-end cotton stocks are estimated at 130.89 lakh bales, including 35 lakh bales with textile mills, and the remaining 95.89 lakh bales with Cotton Corporation of India, Maharashtra Federation and others (MNCs, traders, ginners, exporters), including cotton sold but not delivered.CAI has projected cotton imports for the 2024-25 season at 33 lakh bales, 17.80 lakh bales higher than last year. Exports for the season are estimated at 15 lakh bales, down from last year's 28.36 lakh bales. About 10 lakh bales were shipped in the first seven months till April-end. The carry forward stocks for the 2025-26 season are estimated at 32.54 lakh bales, marginally up from the previous year's 30.19 lakh bales.

***India's cotton area may shrink due to low yields as farmers eye alternate crops**

India's cotton area, which saw a decline of 10 per cent during the kharif 2024 season, is likely to shrink further this year as farmers are seen moving to other alternatives like maize and groundnut. Industry stakeholders are having a mixed opinion on the upcoming 2025-26 season, for which the planting has already begun in north India and parts of south India, where the monsoon has made an early onset. Cotton area will be down in central India, which accounts for about 66 per cent of the area and crop in the country. However, in north and south India, it may increase. The overall cotton area in the country may come down by 7-8 per cent. In Gujarat, farmers will likely shift from cotton to groundnut, while in Maharashtra and Madhya Pradesh, they are shifting to maize .Farmers are not interested in growing cotton because of the low yields and higher expenses and cost of labour. Also, farmers have other options that can fetch them better returns . Recently, the US Department of Agriculture, which has forecast a steady global consumption during 2025-26, projected a 2 per cent decline in India's cotton production during the 2025-26 season, starting October at 24.5 million bales of 480 pounds each, down from 25 million bales in the previous season. It expects the cotton area to be similar to last year's level of 11.80 million hectare. Meanwhile, the cotton market remains weak amid low demand and uncertain global trends. Once again, the onus may fall on CCI to intervene and plan purchases in the next cycle. With weak market demand and steady sowing progress, a significant carryover stock with CCI appears inevitable going into the next year. With prices remaining below the minimum support price levels, the CCI had procured over 1 crore bales during the 2024-25 season.

***Wheat procurement may end below 30 million tonnes as process ends in 3 States**

Wheat procurement is likely to below 30 million tonnes (mt) this year as purchases have ended in three major contributing States —Madhya Pradesh, Punjab and Haryana. Going forward, there is little chance of any major improvement in Uttar Pradesh. The all-India procurement was 29.78 mt as of May 25, up by 13.4 per cent from 26.27 mt a year ago, which is the highest in the last four years. Madhya Pradesh and Rajasthan governments paid bonus over and above the minimum support price (MSP) of ₹2,425/quintal, attracting more farmers to sell at official purchase centres. The Agriculture Ministry is expected to soon release the third advance estimates of crops in which wheat production may set for a revision to over 117 mt from 115.43 mt in the second advance estimate released in March. The official purchase concluded in Punjab and Haryana on May 15 as per schedule. Though Punjab government had informed the Centre to buy 12.4 mt of wheat in the current season due to bumper harvest estimated to be over 18 mt, it could purchase only 11.93 mt, whereas it was 12.47 mt last year. The arrivals noted by procurement agencies was reported to be 13.01 mt, which shows higher purchase by private sector. Millers in the State earlier said about 0.5 mt more wheat was purchased by the processors this year since they had to struggle a lot to get the wheat and were completely depending on the government auction in 2024. Millers normally keep 6-9 months of requirement as higher stocking also blocks the capital. The current year procurement in Haryana, too, ended lower at 7.14 mt, almost at par with last year's 7.15 mt, whereas arrivals were to the tune of 7.27 mt. The State had assured the Centre to buy 7.5 mt of wheat this year as production was estimated to be 11.36 mt.UP lower than target .Against the revised target of 8 mt fixed for Madhya Pradesh, the procurement has ended at 7.78 mt, up from 4.84 mt last year, whereas the arrivals were 13.28 mt. Though the procurement in the State is allowed to continue until June 30, there is no arrival for last 8-10 days, sources said. Government estimates show production was 23.51 mt. Rajasthan has reported wheat procurement at 1.88 mt as of May 25, against 2.7 mt of arrival. Though last year the actual purchase was 1.21 mt, the target was kept at same 2 mt level this year as the government was hopeful of reaching near target level due to bonus paid by the state. The wheat production is estimated at 10.95 mt this year. But, Uttar Pradesh has reported the procurement at 1.02 mt, much lower than the target of 3 mt. Still, it is higher from 0.92 mt reported in the year-ago period. On the other hand, the arrival is reported to be to the tune of 3.2 mt. The Agmarknet portal shows mandi arrival of wheat in Uttar Pradesh was 3.6 mt between April 1 and May 25. The state is estimated to have produced 35.74 mt.

*India's soyabean acreage to shrink as farmers favour corn, sugarcane

Soyabean acreage in India is likely to fall this year as corn and sugar cane could replace it in some areas after these crops gave higher returns to farmers than the oilseed, farmers and industry officials told .Soybean is India's main summer-sown oilseed crop and lower output will force the world's biggest importer of edible oils to increase overseas buying of palm oil, soya oil and sunflower oil. Soybean prices were under pressure in the last few months, which is prompting farmers to switch to other crops .The government fixed a floor price of ₹4,892 ($57.29) per 100 kg for soybean, but since the start of the new marketing year in October 2024, prices have been 10 to 20 per cent below this level. Soybean is mainly a rain-fed crop, and the monsoon rains — expected to be above average this year — play a crucial part in deciding yields. The States of Madhya Pradesh in central India, Maharashtra in the west, Rajasthan in the northwest and Andhra Pradesh and Karnataka in the south, are major producers of soybean. Soybean contains more than 80 per cent meal and less than 20 per cent oil, but local soymeal demand has been squeezed by cheaper supplies of distiller's dried grains with solubles (DDGS), a byproduct of ethanol production. The poultry industry is a big consumer of soymeal, but in the past two years it has been replacing soymeal with DDGS since it is more than 30 per cent cheaper .In Maharashtra, the leading producer of sugar in India, ample rainfall has prompted some farmers to switch to water-intensive perennial sugarcane, said a Mumbai-based dealer with a global trade house. India buys palm oil mainly from Indonesia and Malaysia, while it imports soya oil and sunflower oil from Argentina, Brazil, Russia and Ukraine.

*Massive Damage to Crops and Orchards, AIKS Demands Compensation to Victims

AIKS views the extreme weather situation developing around the country with grave concern. Large-scale deaths due to thunderstorms and heavy rainfall have been reported from Uttar Pradesh, Maharashtra, Haryana and other states. At least 54 and 24 people died in Uttar Pradesh and Maharashtra respectively, with some deaths reported from Hisar in Haryana and Delhi-NCR as well.

Deaths have been reported from lightning strikes, accidental flooding, and collapse of trees, streetlights and even buildings. Around 55 animals, many of them livestock, were reported to have been killed by lightning in different districts of Maharashtra. Mango orchards in the Lucknow-Unnao belt are also reported to be severely damaged. Maharashtra has been rocked by completely unseasonal rains since the second week of May, and horticultural and late Rabi crops have suffered extensive damage across ten districts.

Weather forecasts were predicting continued heavy rainfall and thunderstorms over the weekend across the country.

Extreme-weather events have become more common in India over the last few years. A 2023 report of the Intergovernmental Panel on Climate Change (IPCC) had warned that the frequency of such short-duration disturbances, like thunderstorms, will increase in South Asia, leading to heavier rainfall. In urban areas, given that over the last century most of the natural water bodies like ponds and lakes have been lost, and replaced by unplanned construction, flooding has become a recurrent theme in the run up to the monsoon season. Despite these freak-incidents every year, governments are not acting sufficiently to develop flood-resistant infrastructure that protects the urban poor.

AIKS demands an adequate ex-gratia to the families of the deceased be released by the governments in the affected states. Adequate compensation must also be given to the farmers who have lost their standing crops, fruit orchards and livestock. These weather disturbances are a forewarning of further loss of life and property in the coming days if the governments, both at the level of state and Centre, do not act.

*Alarming Decline: Agriculture’s share in J&K’s GDP falls to 20%

Jammu and Kashmir is witnessing a concerning transformation in its economic landscape, with agriculture’s contribution to the region’s Gross Domestic Product declining significantly over the past decade and a half.

According to the Economic Survey 2023-24, the primary sector now accounts for only 20 per cent of Jammu and Kashmir’s Gross Value Added, marking a substantial decline from the 28 per cent recorded 15 years ago.

This decline has far-reaching implications that extend beyond mere statistics. The reduced agricultural output has made J&K increasingly dependent on external food supplies to meet local demand, resulting in capital flight and heightened vulnerability to inflation. Notably, inflation rates in J&K consistently exceed national averages, partly attributed to this growing food dependency. The recent Pahalgam attack has further revealed how significant impacts on one sector create ripple effects throughout the entire economy.

While agriculture contracts, the tertiary or services sector has emerged as the dominant force in J&K’s economy, contributing a substantial 61.70 percent to the region’s GVA in 2024-25. This sector encompasses trade, repairs, hotels and restaurants, transport, storage, communication services, broadcasting, financial services, real estate, professional services, public administration, and other services.

The shift toward a service-oriented economy reflects J&K's natural advantages, particularly in tourism, leveraging the region's scenic landscapes and rich cultural heritage to attract both domestic and international visitors. Additionally, emerging sectors such as information technology, education, and healthcare are becoming increasingly important contributors to regional economic growth. The consistent expansion of the services sector underscores its growing importance in the regional economy.

The secondary sector, including manufacturing, construction, electricity, gas, water supply, and utility services, maintains a moderate 18.30 percent contribution to J&K's GVA in 2024-25. The construction industry has shown robust growth, supported by government initiatives aimed at improving connectivity and infrastructure development.

Water efficiency emerges as a critical consideration in this agricultural transformation. Rice cultivation requires approximately 4,500 liters of water per kilogram of grain produced, whereas vegetable cultivation consumes substantially less water. This efficiency becomes crucial as climate patterns continue changing across the region.

***India fails to meet target of doubling farmers' income: Report**

Most of the states in India failed to achieve the goal to double farmers' incomes (DFI) by the 2022-23 period, a target set by the Narendra Modi government in 2016-17.

However, Bihar, Uttarakhand, along with the Union Territories, have successfully achieved this goal.

This information was revealed in a new policy paper titled "Doubling Farmers' Income: A Promising Target Fraught with Challenges," released by former Union Agriculture Secretary Siraj Hussain.

The analysis indicates that India has fallen short of the DFI goal by 25 per cent. Furthermore, the contribution of the farm sector to doubling farmers' incomes has decreased compared to the non-farm sector.

In 2016-17, the Indian government set the goal of doubling farmers' total income by 2022-23, using 2015-16 as the baseline year.

The study extrapolated farmers' income from 2018-19 to 2022-23 and compared it with the government's target. It showed that only two states—Bihar and Uttarakhand—and the combined North-eastern states achieved the target.

The study suggests that the possibility of attaining DFI in the near future is higher in states like Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Jammu and Kashmir, Maharashtra, and Rajasthan, as these states have registered income growth trends ranging from 20% to 50%.

However, the study emphasizes the slim chances of achieving the DFI goal in five states: Jharkhand, Madhya Pradesh, Odisha, Punjab, and West Bengal.

Madhya Pradesh, in particular, has shown minimal growth, largely due to negligible increases in gross state domestic product in agriculture and allied activities (GSDPA) from 2018-19 to 2019-20.

Nevertheless, there is a silver lining as Madhya Pradesh has recently reported an average GSDPA growth of nearly 7%, indicating substantial growth potential, according to the study.

The study has examined the last two decades' trends, composition, and growth in farmers' total net income between 2002–03 and 2018–19 across the states to assess the possibility of DFI.

* India's cashew nuts exports down 50% in the past 15 years

India's exports of cashew nuts have declined by more than 50 per cent over the past 15 years after touching a record high of 1.31 lakh tonnes in 2011-12 on tough competition, high operational costs for processing and reliance on imported raw materials. India's cashew export revenues reached a seven-year low in fiscal year 2023-24, totalling $339.21 million. Some reports even indicate that the quantity of exports in 2022-23 (59,581 tonnes) was the lowest in two decades. Cashew nut exports have plummeted to a record low of around 45,000 tonnes now. The decline can be attributed to several factors, including global competition, high operational costs for Indian processors due to the lack of advanced mechanisation and reliance on imported raw materials. Imports are often unfavourably priced, and supply chains from Africa have been disrupted due to phenomena like El Nino. Indian cashew exports have seen a significant decline over the past decade. For instance, exports of cashew kernels (processed cashew) from India declined from 1,26,667 tonnes in 2004-05 to 59,581 tonnes in 2022-23. The total export earnings increased from ₹447.80 crore in 1990-91 to ₹3,890.25 crore in 2019-20. India's cashew prices have shown mixed trends, with upward pressure due to limited supply and rising export demand. As of February 2024, cashew kernels, W240, were costing $8,585/mt f.o.b India, and W320 were at $7,935/mt. The average export price for Vietnamese cashew nuts in February 2025 reached approximately $6,821 per tonne .Jain said one of the reasons for Indian cashew nuts not being competitive in the global market is the domestic consumption, estimated at above 3.5 lakh tonnes. The demand is met by Indian domestic industry that processes raw cashew nut crop of around 7-7.5 lakh tonnes. Imports of raw cashew nuts make up 11-13 lakh tonnes. India processes around 20 lakh tonnes of raw cashew nuts, getting a final cashew kernel production of around 4-4.2 lakh tonnes . India remains one of the world's largest consumers of cashew nuts. "Domestic demand for cashews in India is substantial and growing reaching a record high in 2023. The market value for Indian cashew is estimated at $2.40 billion in 2024. Demand is growing at an estimated 7 per cent annually .Though raw cashew nuts domestic production was 7,94,900 tonnes in 2023-24, it was not enough to meet the high domestic demand and processing requirements for exports. India heavily relies on imports of raw cashew nuts. Imports increased by 57 per cent between 2021 and 2023. This demonstrates that a significant portion of India's domestic demand, and indeed its processing capacity, is met by importing raw cashew nuts, primarily from African nations like Ivory Coast, Ghana, Benin, Guinea-Bissau, Nigeria, and Tanzania, said Pillai. On the other hand, domestic production of raw cashew nuts has stagnated at around over the past 5 years. cashew in India is cultivated on 11,99,084 hectares in Maharashtra, Andhra Pradesh, Odisha and other States. While India is a significant producer, its productivity (674 kg/hectare average in 2023-24) is lower compared to countries like Vietnam. The industry faces challenges with erratic rainfall and unusual weather impacting yields in key producing States .Pillai, however, sees the potential 46 per cent US tariff on Vietnamese cashews redirecting European and Middle Eastern buyers towards Indian supplies. It would create new export opportunities for India despite its current higher processing costs compared to Vietnam .

<u>*Indian mango exporters suffer Rs 4.2 crore loss as US rejects 15 shipments over paperwork errors</u>

In a setback for India's agricultural exports, at least 15 mango shipments from India have been rejected by US authorities at key entry points, including airports in Los Angeles, San Francisco, and Atlanta, due to documentation irregularities. Exporters were given the choice of either destroying the mangoes or bearing the high cost of re-exporting them to India. Given the perishable nature of mangoes and the prohibitive expense of return shipping, all affected exporters opted to dispose of the fruit within the United States.

The losses from these rejections are estimated to be around $500,000 (roughly Rs 4.28 crore**)** a significant blow for exporters during the peak mango season. The United States remains India's most critical market for mango exports, making this disruption particularly damaging to bilateral trade in horticultural goods.

The mangoes in question had undergone the mandatory irradiation process at a USDA-approved facility in Navi Mumbai on May 8 and 9. This treatment, which involves exposure to controlled doses of radiation, is crucial for eliminating pests and meeting US import standards.

However, US Customs and Border Protection (CBP) found discrepancies in the paperwork, particularly the PPQ203 form—an essential certification for entry. According to a USDA notice issued to one exporter, the consignment was rejected “due to incorrectly issued PPQ203” and instructed that it “must be re-exported or destroyed.” The US government clarified it would not cover costs associated with the shipment’s disposal.

Exporters assert that the fault lies not with them but with administrative errors at the irradiation facility, which is operated by the Maharashtra State Agricultural Marketing Board (MSAMB) and supervised by a USDA officer. One exporter whose shipment was held at Los Angeles airport between May 9-11 questioned the rejection: “The USDA officer issues the PPQ203 only after treatment. If it wasn’t done correctly, how did we get the clearance to ship?”

*India reviews US push to lift ethanol curbs amid trade deal talks

India is reviewing the United States’ (US') request to lift restrictions on ethanol imports as it negotiates a wider trade deal with Washington to avoid punitive tariffs, news agency Bloomberg reported on Friday.

The development was confirmed by senior industry officials, who added that the US was intensely lobbying for the same. India at present does not allow imports of ethanol as fuel, and levies hefty duties on such imports for non-fuel purposes.

US negotiators want India to allow shipments of the biofuel for blending with gasoline, according to people familiar with the matter, a change from current rules that promote domestic supply and permit overseas purchases of ethanol only for non-fuel use.

The lobbying for the opening up of ethanol imports from the US comes at a time when India’s ethanol production from sugarcane has fallen behind that from grains for the second successive supply year.

In the ethanol supply-year 2024-25 (November to October) till March, oil marketing companies (OMCs) have allocated supplies of around 9.96 billion litre of ethanol. Of this, around 66 per cent will have to come from grains, while the balance will come from sugarcane. Till a few months back, both the feedstocks had supplied equal quantities of ethanol.

The National Corn Growers Association has called on the Trump administration to include corn and corn-based products, such as ethanol and distillers' dried grains, in any trade deal with India.

India has been aggressively promoting biofuels. India has achieved almost 20 per cent blending in gasoline in February, five years ahead of its 2030 target. It’s pushing for the use of raw materials like sugar cane juice, corn, rotten potatoes, and damaged food grains to make ethanol.

India's state-owned oil refiners, meanwhile, are concerned that the US may sell ethanol at low rates to capture the market, only to later raise prices, two of the people said, a move that would hurt their business.

According to the oil ministry, these processors plan to lift ethanol purchases by almost 50 per cent from a year earlier to 10 billion litres in the current supply year, which began in November.

***NFCSF sees 18% dip in India’s sugar output at 257.50 lakh tonnes for 2024-25 on low cane availability**

Reduced cane availability coupled with lower recovery rate and weather induced challenges like deficit rains and increase in disease attacks has lead to an 18 per cent dip India’s sugar output during 2024-25.The National Federation of Co-operative Sugar Factories (NFCSF) has pegged the sugar output during the current 2024-25 season at 257.50 lakh tonnes (lt), down from 315.4 lt in the previous year. This decline is primarily due to reduced sugarcane availability and a dip in average recovery rates — from 10.10 per cent last year to 9.30 per cent this season. Also, the cane crushed during the current season was lower at 2767.75 lt — down from 3122.61 lt. NFCSF said Maharshatra, Uttar Pradesh and Karnataka have seen the largest fall in sugar output. In Maharashtra, production declined to 80.95 lt from 110.20 lt in the previous year, while in Uttar Pradesh, the decline has been estimated at 92.75 lt (103.65 lt) and Karnataka at 40.40 lt (51.40 lt), impacted by lower recoveries. This declining trend will result in net sugar production of 261.10 lt. Thus the closing stock at the end of the season is projected to be at around 48-50 lt, which is sufficient to meet the domestic demand in October and November 2025. Additionally, sugar output is expected to rebound strongly in the 2025-26 season owing to favourable monsoon conditions and increased cane sowing in Maharashtra and Karnataka. The actual sugar diversion for ethanol production in the current season is estimated at 32 lt, slightly below the initial target of 35 lt. This shortfall is primarily attributed to the absence of a price revision for ethanol produced from sugarcane juice and B-heavy molasses, making direct sugar production a more financially attractive option. Meanwhile, the ex-mill sugar prices are currently stable in the range of ₹3,880-3,920 per quintal, supported by lower overall production and the government’s proactive decision to permit exports. This has significantly improved liquidity across the industry, enabling sugar mills to clear approximately ₹91,000 crore in cane dues — out of a total of ₹1.01 lakh crore, within just six months of the season. Further, to offset the increased production costs, NFCSF urged the government to revise upwards the minimum selling price of sugar and also consider an early announcement of 50 lakh tonnes sugar diversion target for ethanol for the 2025-26 season. It also urged the government to consider revision of ethanol procurement price, especially for ethanol from sugarcane juice and B-heavy molasses, and continuation of a progressive sugar export policy to benefit the port States like Maharashtra, Karnataka, Gujarat and Tamil Nadu. The co-operative sugar body also welcomed the Centre's decision to notify the Sugar (Control) Order, 2025, replacing the decades-old 1966 framework. This landmark revision is aimed at simplifying, modernising and streamlining sugar sector regulations to align with current industry needs and technology. The new Order mandates digital integration through APIs for real-time data sharing between sugar mills and government systems, merges provisions of the earlier Sugar Price (Control) Order, and formally brings raw sugar and key by-products — including bagasse, molasses, press mud, and ethanol — under regulatory purview. Additionally, khandsari units with crushing capacities above 500 tonnes crushed per day are now included, ensuring fair FRP payments to farmers and accurate national production estimates. Adopting uniform product definitions based on FSSAI standards will also enhance transparency and consistency across the industry. As farmer-owned institutions, cooperative sugar mills strongly support this progressive and forward-looking initiative, which balances the interests of sugarcane farmers, sugar mills, and consumers. NFCSF further urged the government to consider a similar review of the Sugarcane (Control) Order, ensuring full alignment with the sector's evolving dynamics.

*Soyabean stocks a tad lower at over 48 lakh tonnes as of May 1

Soyabean stocks in the country were around 48.35 lakh tonnes as of May 1, 2025, lower than 55.41 lakh tonnes during the same period a year ago. According to the Soyabean Processors Association of India (SOPA), stocks with trade and farmers are estimated at 29.66 lakh tonnes as of May 1. Another 18.69 lakh tonnes are held by the government agencies NAFED (13.19 lakh tonnes) and NCCF (5.5 lakh tonnes), SOPA said .The government agencies \procured 19.96 lakh tonnes of soyabean under the price support scheme during the kharif 2024 season at the minimum support price (MSP) of Rs 4,892 per quintal against a sanctioned quantity of 33.90 lakh tonnes. Soyabean prices have been ruling below the MSP levels across various mandis during the kharif 2024 marketing season on muted demand. On Friday, the modal price (the rate at which most trades take place) across mandis in Madhya Pradesh ranged between Rs 3900 and Rs 4,560 per quintal, as per the Agmarknet data.Arrivals up a tadAs per the latest supply-demand estimates by SOPA, soyabean crushing during the month of April was 9.5 lakh tonnes, similar to the corresponding period last year. The market arrivals were marginally up at 5.5 lakh tonnes (5 lakh tonnes in same period last year). Soyabean meal production stood flat at 7.5 lakh tonnes during April. The exports of soyabean meal were marginally higher at 2.14 lakh tonne (1.76 lakh tonnes), while the domestic demand from the feed sector was a tad lower at 4.5 lakh tonnes (5 lakh tonnes) and food sector was flat at 0.6 lakh tonnes. The meal stocks at the beginning of May were estimated at 1.36 lakh tonnes. European countries led by Germany and France were the top two buyers of the Indian soyameal, which is a non-genetically modified variety, during the current oil year 2024-25 starting October till April. Germany was the largest buyer with over 2.12 lakh tonnes, followed by France with over 1.61 lakh tonnes. Nepal was the other large buyer with over 1.37 lakh tonnes, followed by Bangladesh at over 1.24 lakh tonnes and Netherlands at 1.03 lakh tonnes. Indian soyameal, despite being expensive compared to other origins such as the US and Argentina, is exported to over 68 countries worldwide.

*Pulses import value drops 23.5% to $314 million during April on fall in purchase of yellow peas, lentils

After a record imports last fiscal, India's overseas purchase of pulses are likely to slow down in the current year. In April 2025, the import value of pulses declined by 23.5 per cent on sharp fall in imports of yellow peas and lentils over the corresponding period last year. As per the Commerce Ministry's quick estimates, the pulses imports in value terms declined to $314.4 million during April, over same period last year's $411 million. Analysts expect the imports to slow down going forward in the year-ahead on improved availability and forecast of above normal monsoon improving the prospects for domestic production. The import of yellow peas, a near substitute for chana, saw a sharp decline during April this year. The expected imports volume of yellow peas during this April were 29,308 tonnes as compared to the corresponding period last year's 4.02 lakh tonnes, said Rahul Chauhan of IGrain India. Imports of yellow peas almost doubled during FY25 at over 21.45 lakh tonnes over corresponding last year's 11.69 lakh tonnes. The Government had opened up yellow pea imports in December 2023 to boost the pulses supplies in the wake of a lower chana crop during 2024. The duty free window for yellow pea imports will end on May 31.Similarly, the expected import of lentils was also down during April at 36,007 tonnes, as compared to the corresponding last year's 64,583 tonnes, Chauhan said. However, the imports of tur and urad saw an increase during April. The expected imports of tur stood at 98,162 tonnes (61,978 tonnes in April last year), while urad imports rose to 89,212 tonnes (55,435 tonnes).The duty free import window for tur and urad is on till March 31, 2026. Chauhan said the overall pulses imports are likely to be lower this year. India's pulses import bill had crossed the $5.4 billion mark during 2024-25 over the previous year's $3.74 billion as the country made record purchases to boost the domestic supplies and keep prices under check. In volume terms, the pulses imports during 2024-25 are expected to have touched a record 67.05 lakh tonnes, an increase of 52.2 per cent over the previous year's 44.03 lakh tonnes. Besides yellow peas, the imports of desi chickpea, tur and urad also saw a significant increase during the year, while lentils purchases saw a decline. Desi chickpea imports stood at 13.13 lakh tonnes during 2024-25 over previous year's 1.63 lakh tonnes. Tur imports increased to 12.39 lakh tonnes (7.71 lakh tonnes in the previous year) and urad at 8.23 lakh tonnes (6.24 lakh tonnes). Lentil imports decreased to 12.86 lakh tonnes (16.76 lakh tonnes) during 2024-25.

*Tobacco prices in Andhra Pradesh plunge on oversupply

After four years of a dream run fuelled by global demand for Indian tobacco, the tobacco farmers now face a serious crisis as the prices plummet. Though there is no imminent threat to farmers growing FCV (Flue-Cured Virginia) tobacco, those who grow Black Burley variety face a tough challenge as the production went up by three times to 80 million kg as against the normal output of 30 million kg. Seeing a consistent good demand over the last four years, the farmers increased the acreage significantly as it is a more bankable crop when compared to paddy, maize, and pulses. Sensing an imminent drop in prices globally, the Tobacco Board, a tobacco crop regulator under the Union Ministry of Commerce, and traders had cautioned against increasing the acreage ahead of the season. Farmers are up in arms in Andhra Pradesh, the biggest tobacco producer. The issue took a political turn with the Opposition parties, farmers' associations demanding that the Tobacco Board and the Government take action. AP Chief Minister blames the Tobacco Board for the crisis, while the Board argues that its mandate only covers Virginia tobacco. Farmers, the Opposition parties, and the Government are bringing pressure on the Tobacco Board to convince the traders to lift the stocks. The Board, however, contends that its mandate is only to take care of the FCV tobacco. A source in the industry said that the average annual market for Black Burley would be around 25-30 million kg. Traders would form informal agreements with farmers to grow stipulated quantities of the commodity. But this time around, seeing good prices last year, farmers increased the acreage in Black Burley, shooting up the output to 80 million kg. Across FCV, Light Soil and Black Burley varieties, Andhra Pradesh produced 460 million kg of tobacco. The Board, which stipulates the acreage for Andhra Pradesh and Karnataka – the two hubs in the country for FCV tobacco, says that there should be no problem as far as FCV tobacco is concerned. The farmers and the Opposition parties took to the streets, demanding the Government and the Board to ensure all the stock with farmers is lifted.With the issue snowballing into a political crisis, Andhra Pradesh Chief Minister and Telugu Desam Party President N Chandrababu Naidu hauled up the Board for the crisis. He held a review meeting to discuss the crisis around tobacco sales and blamed the Board for poor coordination with companies like GPI and ITC, which led to the present crisis. Tobacco exports from the country went up to about ₹16,000 crore in 2023-24, registering a growth of two-and-a-half times over the last five years. The crop size was at 145 million kg, including 100 million kg from Karnataka. The crop size from Karnataka was at 38 million kg in 2001-02, and steadily expanded over the years. The acreage went up to 1.62 lakh acres from 1.35 lakh acres during the period.

*Indian oilmeal exports remain flat in April

Oilmeal exports from India remained flat in April due to the lack of demand in the international market. Data compiled by the Solvent Extractors' Association of India (SEA) showed that India exported 4,65,863 tonnes of oilmeal in April 2025 against 4,65,156 tonnes in April 2024. India harvested a record crop of soyabean in kharif season and rape-mustard in rabi season. This led to higher crushing and increased availability of meal. The export demand is lacking due to disparity in international market, the total exports of soyabean meal decreased to 13.35 lakh tonnes (lt) during the first six months of the current season (November to April) from 16.58 lt in the corresponding period of the previous season.

Export of rapeseed meal also decreased to 9.11 lt during November-April of the current season (9.30 lt during the same period of the previous season). There is an export opportunity of rapeseed meal to China, China relies on imports from Canada and the EU. Given the prevailing supply constraints and rising costs, India now has a valuable opportunity to regain its foothold in the Chinese market, if China relaxes its stringent import conditions on Indian rapeseed meal and India could emerge as a key supplier to China .Currently, international price of rapeseed meal stands at $308 a tonne (ex-Hamburg). However, the Indian rapeseed meal (ex-Kandla FAS) is available at just $202 a tonne. Only three units, which are registered with the General Administration of Customs of China, are now exporting rapeseed meal to China .On the impact of DDGS (distillers dried grains with solubles) on cattle and poultry feeds, the increasing adoption of DDGS in animal feed is influencing the demand for traditional oilmeals, particularly in cattle and poultry feed sectors. Being a cost-effective and protein-rich alternative, DDGS is being increasingly used as a partial substitute for soyabean meal, rapeseed meal and de-oiled rice bran in feed formulations. This trend may moderate the growth in oilmeal exports necessitating targeted strategies to sustain demand .South Korea imported 68,948 tonnes of oilmeals from India in April 2025 (1,09,744 tonnes in April 2024). This included 59,071 tonnes of rapeseed meal, 6,307 tonnes of castor seed meal, and 3,570 tonnes of soyabean meal. India exported 59,921 tonnes of oilmeals (3,084 tonnes) to China in April. This included of 56,927 tonnes of rapeseed meal, and 2,994 tonnes of castorseed meal. Bangladesh imported 50,191 tonnes of oilmeals from India (82,878 tonnes) in April 2025. This included 33,816 tonnes of rapeseed meal, and 16,375 tonnes of soyabean meal. Germany and France imported 58,945 tonnes and 16,415 tonnes of soyabean meal from India in April, respectively.

*DGTR recommends anti-dumping duty on imports of fungicide Thiram from EU

The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) has recommended an anti-dumping duty of $733 per tonne on imports of a fungicide - Thiram - from the European Union (EU) to protect the domestic industry from cheap inbound shipments. The DGTR in its final findings said it is of the view that imposition of the duty is required to offset dumping and injury to the domestic industry. Swarup Chemicals Pvt Ltd had filed an application before the DGTR for the initiation of the investigation. Thiram is used as a fungicide to prevent crop damage in the field and deterioration in storage or transport. It is also used as a seed, nut, fruit, and mushroom disinfectant for a variety of fungal diseases. In addition, it is used as an animal repellent to protect fruit trees and ornamentals from damage by rabbits, rodents, and deer. The finance ministry will take the final decision to impose the duty. Anti-dumping probes are conducted by countries to determine whether domestic industries have been hurt because of a surge in cheap imports. As a countermeasure, they impose these duties under the multilateral regime of the Geneva-based World Trade Organization (WTO). The duty is aimed at ensuring fair trading practices and creating a level playing field for domestic producers vis-a-vis foreign producers and exporters .India has already imposed anti-dumping duties on several products to tackle cheap imports from various countries, including China.

*FSSAI asks States to curb use of illegal ripening agents, synthetic coatings on fruits

Food regulator FSSAI has asked all states to check illegal use of ripening agents and synthetic coatings for fruits as part of its efforts ensue safe food for people. "The Food Safety and Standards Authority of India (FSSAI) has urged all States and Union Territories to intensify inspections and carry out special enforcement drives to curb the illegal use of non-permitted fruit ripening agent as well as colouring and coating of fruits with synthetic colours or non-permitted wax," the regulator said in a statement .
The Commissioners of Food Safety of all States/UTs and Regional Directors of FSSAI have been requested to maintain strict vigilance over fruit markets and mandis, to curb illegal use of fruit ripening using agents like Calcium carbide, commonly known as 'masala'.

As part of the enforcement drive, FSSAI has suggested that inspection of godowns and storage facilities, particularly those suspected of using substances like calcium carbide for ripening, may be carried out.

Calcium carbide is strictly prohibited for the artificial ripening of fruit under the Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011.

Further, FSSAI has also identified cases where FBOs are using ethephon solution to artificially ripen bananas and other fruits by dipping them directly into the chemical.
In this context, the Authority has issued a comprehensive guidance document titled "Artificial Ripening of Fruits - Ethylene Gas: A Safe Fruit Ripener".

The document clearly states that ethephon could be used only as a source for generating ethylene gas and strictly in accordance with the prescribed Standard Operating Procedure (SOP).

*Farmers again turn to illegal herbicide tolerant cotton seeds

As sowing season nears, once again illegal herbicide-tolerant (HT) cotton seeds are available in the market. HT seeds, which are genetically designed to be resistant to glyphosate-based weeed killer have not been granted permission for commercial use by the Centre. This is because Mahyco-Monsanto combine, which mooted the technology, abandoned trials midway over a decade ago. Since the trials were not completed, permission was not granted by environment ministry. However, illegal multiplication of the seeds continued, and supply began in Vidarbha and other cotton growing areas of the country. Farmers, whom TOI spoke, said on the condition of anonymity, they are keen to buy the seeds which are easily available in the market. This is because it substantially reduces the cost incurred on account of manual de-weeding. They can simply spray glyphosate-based weed killer and get rid of the weeds.

Farmers said earlier many ended up with spurious seeds in the name of HT Cotton. However, even grey market operators have begun improving the quality. The seeds are mainly smuggled from Gujarat and Telangana. Shetkari Sanghatana , a farmer union, has been raising the demand to legalise cultivation of HT cotton. The Sanghatana workers have, from time to time, held protests by openly sowing HT seeds, challenging the govt to take action against them.

*Reduction in castorseed production may impact exports: SEA

The Solvent Extractors' Association of India (SEA) has said the reduction in the production of castorseed could impact its export from India in 2025.In his monthly letter to the members of SEA , said India remains the world's leading exporter of castor oil, meeting nearly 90 per cent of global demand. However, production has declined to 15.6 lakh tonnes from 19.6 lakh tonnes due to reduced acreage and adverse weather. This may impact exports in 2025, which is concerning for the industry .On the ban on export of de-oiled rice bran (DORB), the government imposed a ban on DORB exports in July 2023 due to high domestic prices. With prices now below ₹9,000 a tonne and reduced demand due to increasing use of DDGS (distillers dried grains with solubles), a surplus has emerged. This has severely impacted rice bran processors and millers in states such as West Bengal and Odisha. SEA has urged the government to lift the ban to support the processing industry and foreign exchange earnings. Stressing the need to increase duty differential between crude and refined palm oil, the excessive import of refined palmolein has led to underutilization of domestic refining capacity. SEA has requested the Department of Food to increase the duty differential between crude and refined palm oil from 7.5 per cent to 15 per cent. The proposal is under active consideration.He said the Supreme Court, in a case between Noble Resources and Trading India Pvt Ltd (NRTIPL) and the Union of India, has passed a judgement in favour of NRTIPL and ruled that the process of obtaining soyabean oil from soyabeans is a manufacturing process. It stated that soyabean oil is not an agricultural produce. This judgement would prove beneficial to members facing a similar situation,

*India's vegetable oil imports fall 32% in April amid weak palm oil demand

Palm oil imports alone dropped 53%, while sunflower and soybean oil imports also registered declines of 23% and 20%, respectively. India's vegetable oil imports fell 32 per cent to 8.91 lakh tonnes in April from a year earlier, industry body Solvent Extractors Association (SEA) said on Wednesday, as shipments of both palm and refined oils declined.

Vegetable oil imports, comprising edible and non-edible oils, stood at 13.18 lakh tonnes in the year-ago period."The import in the last three months was at a very low level due to reduced demand for palm oil coupled with increased crushing of mustard in the country," SEA said in a statement. Import of refined edible oils from Nepal, estimated at 60,000 to 70,000 tonnes monthly, also affected overall imports and stock positions, it added. For the first six months of the 2024-25 oil year (November-October), total vegetable oil imports decreased to 65.02 lakh tonnes, from 70.69 lakh tonnes a year earlier. Palm oil imports plunged 53 per cent to 3.21 lakh tonnes in April, from 6.84 lakh tonnes a year ago, with crude palm oil shipments down 55 per cent to 2.41 lakh tonnes. Among soft oils, sunflower oil imports declined 23.28 per cent to 1.80 lakh tonnes, while soyabean oil imports fell 20.37 per cent to 3.60 lakh tonnes. The share of palm oil decreased to 42 per cent, from 60 per cent in the last six months, while soft oils increased to 58 per cent from 40 per cent. India, the world's largest edible oil consumer and importer, had edible oil stocks of 13.51 lakh tonnes as of May 1.Indonesia and Malaysia are India's major palm oil suppliers, while Argentina, Brazil and Russia supply soybean oil. Russia and Ukraine are the main suppliers of sunflower oil.

***Double blow to J&K apple exports; Border tensions and bad weather depress prices**

Apple growers in Jammu and Kashmir are facing a challenging season as Indo-Pak border tensions and adverse weather conditions have severely impacted their exports and market prices. Following Operation Sindoor and subsequent border skirmishes, the crucial transportation of stored apples to markets outside the State has been disrupted. Adding to the woes, repeated heavy rainfall has triggered landslides, leading to frequent closures of the Jammu-Srinagar National Highway, a vital artery for fruit-laden trucks. Consequently, a thousands of tonnes of apples remains unsold in 50-60 controlled atmosphere (CA) storages across the Kashmir Valley. Farmers are holding onto their produce, hoping for a recovery in prices. The military action after the Pahalgam attack and the resulting border tensions have not only impeded the smooth movement of apples but have also caused prices to fall in key wholesale markets like Delhi, Gujarat, and Punjab. Official figures for 2024-25 show an estimated apple production of 20.3 lakh metric tonnes in J&K, with 15-18 per cent still in CA storage. While acknowledging the role of Indo-Pak tensions, the recurring closures and subsequent roadworks on the National Highway were major contributors to the transportation delays. The impact on prices is significant. Wholesale fruit markets across the country are experiencing a downturn, with apple crate prices (10-15 kg) currently ₹200-Rs 250 lower than normal. The continued low prices would inflict substantial losses on hundreds of apple farmers.

***44% of UP's Sugarcane Area Planted with Disease Prone Variety, India's Sugar Production Falls 20%**

In the 2024-25 crushing season (October to September), India's sugar production has dropped by approximately 60 lakh tonnes, or about 20%, compared to the previous year. Last year, the country produced 319 lakh tonnes of sugar, but this season, production is expected to hover around 260 lakh tonnes. Most of the 533 sugar mills in India, barring a few, have already ceased crushing operations.

As of April 30, sugar production stood at 256.90 lakh tonnes. Due to the government permitting sugar exports and the decline in production, domestic sugar prices have risen by about ₹500 per quintal. However, despite this price hike, sugarcane farmers in Uttar Pradesh (UP), the country's largest sugar-producing state, have faced losses. This signals a looming crisis for the sugar industry.

The reasons are two fold. First, nearly half of UP’s sugarcane area is still planted with the disease-prone Co-0238 variety, leading to aroud 20% production drop in several districts. Second, the state government has frozen the State Advised Price (SAP) for sugarcane at the 2023-24 level. This has dealt a double blow to farmers, with reduced yields and stagnant prices.

In Maharashtra, the second-largest sugar-producing state, sugarcane crops entered in the flowering stage prematurely in January, causing a production decline. Low sugarcane availability in Mahshratra reduced the crushing season around 90 days for majority of Sugar mills in the state. A similar situation prevails in Karnataka, the third-largest sugar-producing state.

According to industry organisations, UP’s sugar production is likely to fall by 12 lakh tonnes to around 91 lakh tonnes this year. In Maharashtra, production is expected to drop by 30 lakh tonnes to 80.70 lakh tonnes, while Karnataka’s output is projected to decline by 12 lakh tonnes to 42 lakh tonnes.

The situation in UP is particularly alarming. Sugarcane is no longer as profitable for farmers compared to other crops, and the shortage of sugarcane has led to early mill closures, threatening their business viability.

A decade ago, the Co-0238 sugarcane variety revolutionized UP’s sugar economy, boosting sugarcane yields by 30% and significantly increasing farmers’ incomes. Sugar recovery rates in some mills exceeded 13%. By 2020-21, 86.70% of UP’s 27.40 lakh hectares of sugarcane area was under Co-0238, its peak coverage.

Agricultural scientists warn that such dominance by a single variety is risky, as it can lead to widespread losses if the variety becomes disease prone. This is precisely what happened in UP. A few years ago, Co-0238 began succumbing to diseases like red rot and top borer. Despite warnings from scientists and sugar mills, farmers continued growing it due to the lack of a viable alternative. The disease outbreaks increased pesticide costs and drastically reduced yields.

According to UP's Sugarcane Development Department, in 2024-25, 44.45% of the state's 28.25 lakh hectares of sugarcane area was still under Co-0238. The second most common variety, Co-0118, covered 22.14%. Nine other varieties, ranging from 0.05% to 9.37% of the area, are also grown, but two-thirds of the sugarcane area remains dominated by just two varieties. The failure of central and state sugarcane research institutes to develop a robust alternative to Co-0238, despite its known vulnerabilities, has compounded the issue. It is a failure of extension department of govemment and sugar mills which are not making farmers aware about the risk of growing this variety and unable to convince them to shift to a better suitable variety.

This has led to a decline in sugarcane cultivation in UP. In 2024-25, the sugarcane area shrank by about 50,000 hectares, from 28.74 lakh hectares in 2023-24 to 28.25 lakh hectares.

Disease affacted crop, rising costs, falling yields, and stagnant prices have disillusioned UP's sugarcane farmers, prompting many to switch to other crops or agro-forestry. This trend is a growing concern for the sugar industry.

This marks the second consecutive year of declining sugar production in India. Reduced sugarcane availability has also impacted ethanol production from cane juice and B-heavy molasses. Many mills halted ethanol production just two months into the crushing season, as sugar prices were more lucrative. Of the 50 lakh tonnes of sugar expected to be diverted for ethanol in 2024-25, only 29 lakh tonnes have been diverted so far, with projections reaching 32 lakh tonnes by the season's end.

If sugarcane production continues to decline, it could affect not only sugar but also ethanol output. The ongoing ethanol blending program has excluded cane juice and B-heavy molasses-based ethanol from recent tenders, favouring C-heavy molasses and grain-based ethanol.

For sugar mills, producing sugar is currently more profitable than ethanol, especially after the government permitted the export of 10 lakh tonnes of sugar in December.

With falling production, domestic sugar prices have risen, with ex-factory prices in UP up to around ₹4,200 per quintal. However, mills face a shortage of sugarcane to capitalize on these opportunities.

Looking ahead, the sugar industry is worried about the next season. Higher wheat prices have made the wheat-paddy cycle more attractive for farmers, leaving sugarcane less competitive. To reverse this trend, farmers need better sugarcane prices and access to advanced varieties to ensure the sustainability of both the sugarcane economy and the sugar industry.

*DAP Prices Touch $720 in Global Market, Increasing Subsidy Burden on Government

The price of **Di-Ammonium Phosphate (DAP)**, the second most consumed fertilizer in the country after urea, has reached **$720** per tonne in the international market. This will increase the subsidy burden on the government. However, there is unlikely to be an immediate increase in DAP prices as the government will bear the brunt of the increased costs.

Despite the government increasing the subsidy on DAP to **₹27,799** per tonne for Kharif 2025 (April to September 2025), importing DAP remains a loss-making proposition for fertilizer companies. Yet, companies are continuing to import DAP to meet demand.

According to sources in the **fertilizer industry**, the price of DAP was $640 per tonne in February, which reached $720 per tonne last week. An Indian company has finalized a DAP import deal at this price. The sources suggest that this upward trend in DAP prices may continue. Meanwhile, the price of DAP's raw material, phosphoric acid, is currently $1153 per tonne.

India consumes about 10 million tonnes of DAP annually. Out of this, 4.8 million tonnes are produced domestically, and the rest is imported. However, even for domestic production, raw materials like rock phosphate and phosphoric acid are imported. Effectively, India is almost entirely dependent on imports for DAP.

For the current **Kharif seaso**n, the government has increased the subsidy on DAP under the **Nutrient Based Subsidy** (NBS) scheme to ₹27,799 per tonne. However, the maximum retail price (MRP) of DAP is still ₹27,000 per tonne (₹1350 per bag). In this scenario, companies earn ₹54,799 per tonne of DAP based on the subsidy and MRP. In contrast, at the current international price of $720 per tonne, the cost of DAP comes to ₹61,200 per tonne. Additional costs such as customs duty, bagging, and handling are extra. Due to these factors, the price of imported DAP exceeds ₹65,000 per tonne after landing.

Industry sources say that the government has assured that any increased expenditure on DAP imports will be compensated. However, there is no information about any written order in this regard. Nevertheless, some companies' old subsidies are also outstanding. For the Rabi season (October 1, 2024, to March 31, 2025), a subsidy of ₹21,911 per tonne was fixed for DAP, along with a special incentive of ₹3500 per tonne. Through a notification issued by the Fertilizer Department on March 28th, the subsidy has been increased to ₹27,799 per tonne for the current Kharif season.

To facilitate **DAP imports**, the government has entered into long-term agreements with Morocco and Saudi Arabia for the import of about 2 million tonnes annually from each country. Morocco's state-owned company OCP is the world's largest DAP exporter. Saudi Arabia's Ma'aden also exports DAP. However, some imports also come from China and

Russia. Industry sources say that imports from China are currently not open, which is why prices remain firm. Prices may be affected once exports from China resume.

*Ban Turkey'trend gains momentum in Pune as traders boycott Turkish apples

In response to Turkey's backing of Pakistan during recent military standoff with India during the 'Operation Sindoor', a substantial "Ban Turkey" campaign has gained momentum across numerous regions in India. Traders in Pune have implemented a complete boycott of Turkish apples resulting in their complete absence from the city's marketplaces. Local residents have aligned with this initiative by selecting apples from alternative origins rather than those imported from Turkey.

This boycott is anticipated to create substantial effects on the city's fruit commerce, considering Turkish apples typically generate a seasonal revenue between Rs 1,000 to 1,200 crores. Market participants emphasise that this action extends beyond economic considerations, representing their support for India's military forces and administration.

* India's palm oil imports in April fall over 24% m/m

India's vegetable oil imports in April plunged to their lowest in over four years, led by declines in palm oil imports, dragging inventories to their lowest in nearly five years, a leading industry body said on Wednesday.

Depleted stocks may mean India, the world's biggest buyer of vegetable oils, will increase imports of palm oil and soyoil in the coming months, supporting Malaysian palm oil prices and U.S. soyoil futures.

India's palm oil imports in April fell 24.29% from March to 321,446 metric tons, the Solvent Extractors' Association of India (SEA) said.
In April Imports of soyoil increased 1.6% to 360,984 tons and sunflower oil imports fell 5.5% to 180,128 tons, the industry trade body said.
Lower imports of palm oil and sunflower oil brought down India's total vegetable oil imports in April to 891,558 tons, the lowest since February 2021, the SEA said.
Below-average imports for the past four months have reduced vegetable oil stocks in the country to 1.35 million tons as of May 1, the lowest since July 2020, according to SEA data.
In the first half of the 2024/25 marketing year, which ends in October, palm oil's share of India's total vegetable oil imports fell to 42% from 60%. Conversely, the combined share of soybean and sunflower oil rose to 58% from 40%.
Palm oil's premium over soyoil prompted Indian buyers to reduce palm oil purchases and increase soyoil buying in recent months.

But palm oil is trading at a discount to rival oils, which should lift imports from May onwards, said a New Delhi-based dealer with a global trading house.

*Rising imports pull down pepper prices in domestic market

Rising imports of Sri Lankan pepper has hit the prices of the commodity in the domestic market, witnessing a ₹25 per kg drop in the last fortnight. Traders said that prices in the Kochi terminal market are ruling at ₹695 for ungarbled and ₹715 for garbled varieties after reaching a high price of ₹721 this year. The traded quantities in the past two weeks were 616 tonnes. At the same time, Sri Lankan pepper is available in the consuming markets at ₹675-690. They pointed out that masala manufacturers are showing interest in cheap Sri Lankan raw material to meet their production requirements. Farmers in in all centres in Tamil Nadu including Gudalur, Yercaud, Namakkal started releasing their stocks. Indian pepper prices are ruling on the higher side overseas at $8650 tonne compared to $7200 of Sri Lanka, Vietnam ($7100), Brazil ($7000), Indonesia ($7500). As the Indian prices are on the higher side, major producing countries are eyeing India to dump their produce. Sri Lankan imports into India in 2023 were 14,000 tonnes, while the figure reached 24,000 tonnes during 2024-25.It is feared that the start of harvest in Sri Lanka by June is expected to increase pepper arrivals to India further from that country.On the domestic front, the production figure this year is expected at around 75,000 tonnes with completion of 50 per cent of the harvest in key producing areas.

*Average mandi prices of 3 rabi crops 2-9% below MSPs in March-April

Continuing its upward trend for the fourth year, wheat prices ruled above its minimum support prices (MSP) of ₹2,425/quintal during March and April, after arrivals of rabi crops started early this year. Similarly, barley prices also ruled above MSP, whereas rates of three other crops mustard, chana (gram) and masur (lentil) had 2-9 per cent lower than their respective MSP. According to mandi price data maintained by Agmarknet portal, average farmgate price of wheat during March-April period was ₹2,476/quintal — up 2.1 per cent from MSP. However, there was a decline in April to ₹2,451 from ₹2,600 in March.There was a lot of negative sentiments in the market till the actual harvesting of wheat picked up from April and it was a major reason for prices to be at a higher level in March, despite an expected bumper production. Due to three years of continuous lower-than-expected procurement by the government, the wheat prices climbed to record levels in January-February. If the government procures more than 31 million tonnes (mt) and continues to release adequate quantity in the market either through public distribution system or open market sale scheme, the prices will remain under pressure. The Agriculture Ministry has projected a record wheat production of 115.43 mt for the 2024-25 crop year (July-

June).Barley is another crop where farmers are realising higher than MSP prices and it is on a rising trend. Farmers received an average ₹2,098/quintal in the first two months (March-April), which was 6 per cent more than its MSP of ₹1,980. But the average price during May 1-6 was reported at ₹2,223 — up from ₹2,086 per quintal in March and ₹2,103 per quintal in April. On the other hand, mandi prices of chana, the major rabi-grown pulse, masur and mustard ruled 2-9 per cent below MSPs during March and April. Chana prices were down 2.4 per cent at ₹5,514 a quintal from its MSP of ₹5,650, whereas masur was down 8.6 per cent at ₹6,127 from the MSP of ₹6,700. Mustard was sold at an average ₹5,702 a quintal — down 4.2 per cent from ₹5,950.Official sources said that average chana price moved from ₹5,434 a quintal in March to ₹5,585 in April (gain of ₹151/quintal). Similarly, masur gained ₹278/quintal and mustard ₹238/quintal in one month and indications are for a further increase in rates in the coming months, the sources said.

*Punjab hybrid rice ban to cost farmers up to Rs 10,000 per acre, says industry body FSII

The Federation of Seed Industry of India (**FSII**) on 6th May sought the Centre's intervention in the Punjab government's ban on **hybrid paddy seeds**, warning of significant **income losses for farmers** as the **kharif sowing season** approaches. FSII Chairman said the April 7 ban could reduce farmer incomes by Rs 8,000-10,000 per acre. The Punjab government prohibited hybrid rice cultivation citing groundwater depletion concerns and alleged poor milling recovery. However, FSII disputes these claims, stating hybrid varieties offer higher yields, conserve water, and reduce stubble burning.

The industry body has approached Punjab authorities and the Union Agriculture Ministry. It had filed a petition to challenge the order that banned hybrid seeds five years back in the Punjab and Haryana High Court and the case is coming up for hearing on Wednesday.

Justice Kuldeep Tiwari has asked the state government to justify the legal basis for the ban in a case filed by the dealers' association.

Rana argued that under the Seed Act, 1966, and provisions of the Seed Control Order , 1983, states cannot prohibit centrally approved seeds.

The ban has created uncertainty for farmers who rely on hybrid rice varieties, particularly in the Malwa region where saline soils benefit from these adaptable seeds.

Seed dealers who have already invested in hybrid rice purchases also face significant financial losses.