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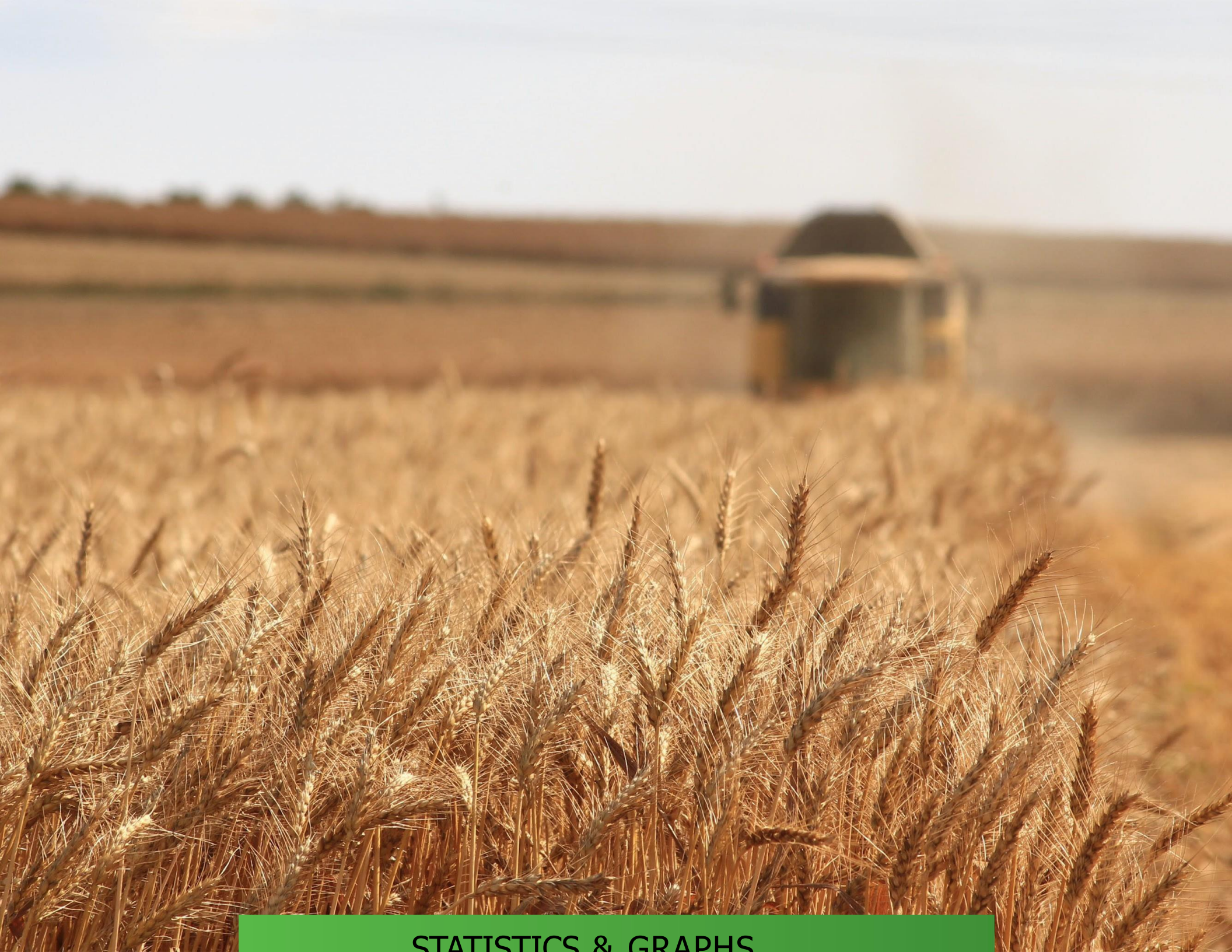
MONTHLY UPDATE – APRIL 2024

AGRICULTURE



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STATISTICS & GRAPHS

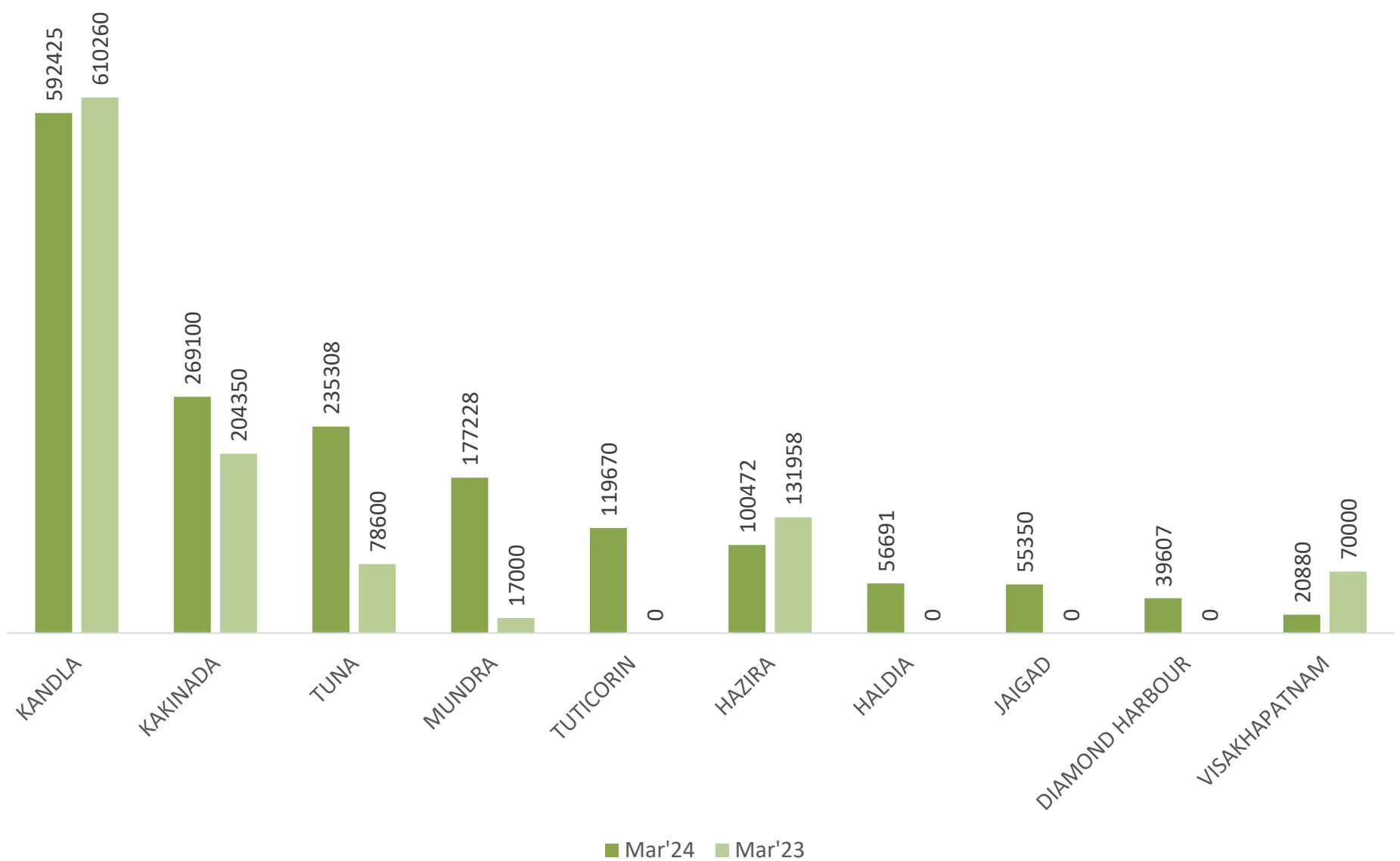
PORT ANALYSIS

AGRICULTURE PRODUCTS TRAFFIC AT INDIAN PORTS (Qty in Metric Tonnes)

PORTS	MAR'24	MAR'23	Y-O-Y Variance
KANDLA	592425	610260	-17835
KAKINADA	269100	204350	64750
TUNA	235308	78600	156708
MUNDRA	177228	17000	160228
TUTICORIN	119670	0	119670
HAZIRA	100472	131958	-31486
HALDIA	56691	0	56691
JAIGAD	55350	0	55350
DIAMOND HARBOUR	39607	0	39607
VISAKHAPATNAM	20880	70000	-49120
Grand Total	1686715	1220561	466155

AGRICULTURE PRODUCTS TRAFFIC AT INDIAN PORTS (Qty in MT)

Traffic of Agriculture Products on Top Indian Ports



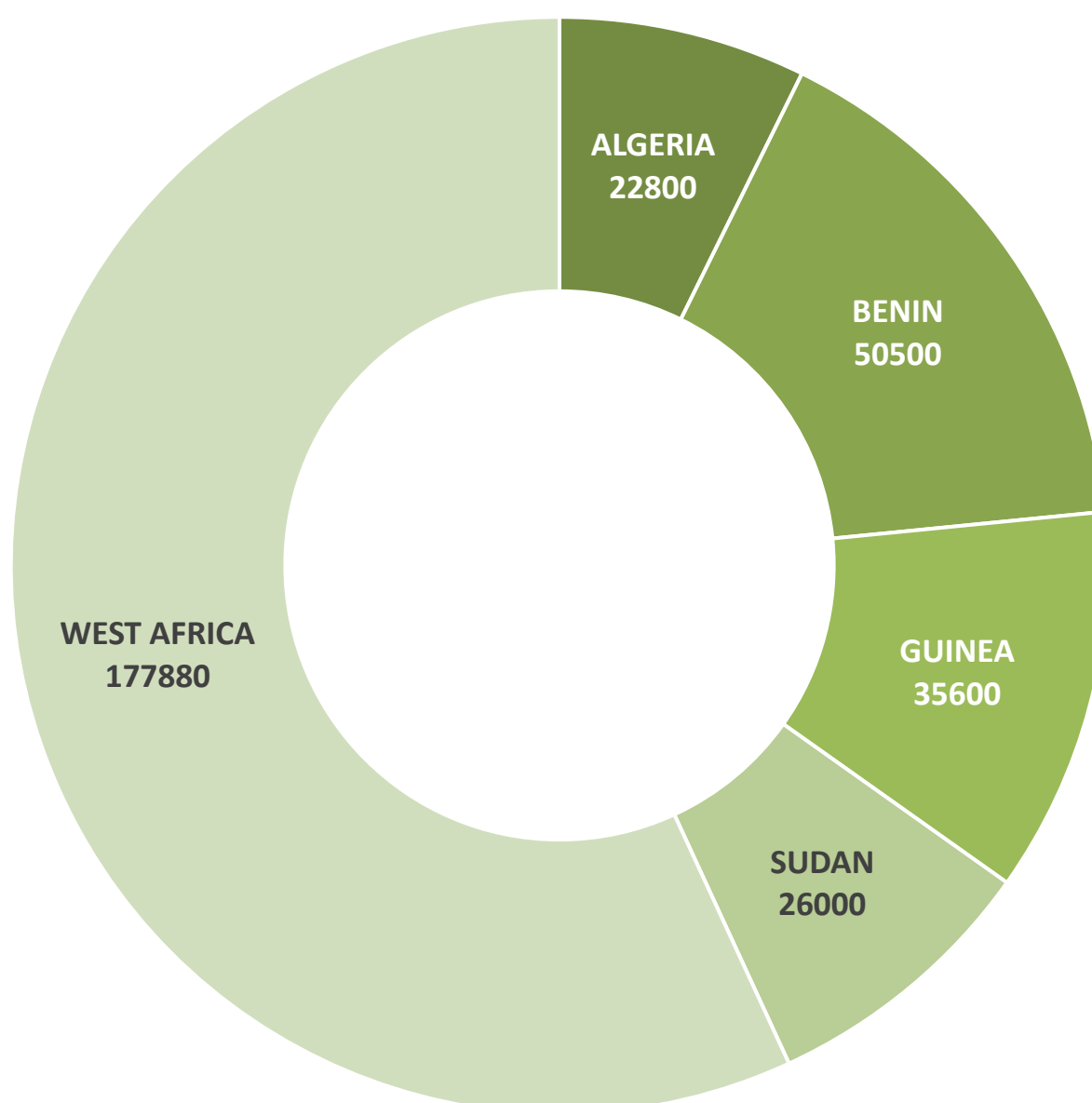
Agriculture Product Traffic on Indian Ports Mar'24 (Qty in MT)

PORT_NAME	CARGO_NAME	MAR'24
ANGRE	YELLOW PEAS	9000
DIAMOND HARBOUR	YELLOW PEAS	39607
HALDIA	RAW SUGAR	33891
	SUGAR BAG	22800
HAZIRA	YELLOW PEAS	100472
JAIGAD	RAW SUGAR	30350
	SUGAR BAG	25000
KAKINADA	RICE IN BAG	217600
	SUGAR BAG	51500
KANDLA	CORN	52800
	RICE IN BAG	87700
	SOYA BEAN MEAL	42000
	SUGAR	200850
	SUGAR BAG	103450
	YELLOW PEAS	105625
MUNDRA	CHICK PEAS	16031
	YELLOW PEAS	161197
SAGAR ROADS	YELLOW PEAS	5939
SANDHEADS	YELLOW PEAS	5045
TUNA	SUGAR	235308
TUTICORIN	COPRA EXPELLER CAKE	35100
	GREEN PEAS	57960
	YELLOW PEAS	26610
VISAKHAPATNAM	RICE IN BAG	20880
Grand Total		1686715

Exporters of Agriculture Products (Mar'24) (Qty in MT)

COMPANY	CARGO	QTY
AL GAYAS EXPORTS PVT. LTD.	RICE IN BAG	20880
BALAJI RICE INDUS.	RICE IN BAG	30600
ITC LTD.	RICE IN BAG	20000
MOI COMMODITIES INDIA PVT. LTD.	RICE IN BAG	40500
MURALI MOHANA RICE MILL	RICE IN BAG	34000
PARRY SUGARS REFINERY (I) PVT. LTD.	SUGAR BAG	51500
PATTABHI AGRO FOODS	RICE IN BAG	47000
SARALA FOODS PVT. LTD.	RICE IN BAG	25000
SHREE RENUKA SUGAR LTD.	SUGAR BAG	22800
SRI CHITRA AGRI EXPORTS	RICE IN BAG	20500
BLANKS	RICE IN BAG	87700
	SOYA BEAN MEAL	42000
	SUGAR	46000
	SUGAR BAG	128450
Grand Total		616930

Country-wise Exports of Agriculture Products from India (Qty in MT) (Mar'24)





KEY HIGHLIGHTS

- **India inks deals with Brazil, Argentina for pulses import**
- **Farm sector can grow over 6% in FY25 on good monsoon**
- **Pulses import bill almost doubles to \$3.74 billion in FY24**
- **Basmati turns into \$5-b export product**
- **Sugar production may top 320 lakh tonnes by end of 2023-24 season**

India inks deals with Brazil, Argentina for pulses import

- - *India's output of pulses dipped to 23.4 million tonne in 2023-24 from 26.1 million tonne a year ago, the agriculture ministry estimates*

India is diversifying its import of pulses to keep domestic prices stable by entering into long-term deals with Brazil and Argentina after several rounds of negotiations, two officials aware of the matter said. The world's largest consumer and producer is expected to import over 20,000 tonne of black gram (urad) from Brazil for the first time and unspecified amounts of pigeon pea (tur) from Argentina to meet its domestic requirements. Retail inflation in pulses remains high, although it slowed to 17.71% in March compared to a rise of 18.9% in February, according to official data. Holding the repurchase rate steady, the Reserve Bank of India's monetary policy committee on April 6 highlighted how food price pressures "have been interrupting the ongoing disinflation process, posing challenges for the final descent of inflation to the target of 4%". India's output of pulses dipped to 23.4 million tonne in 2023-24 from 26.1 million tonne a year ago, the agriculture ministry estimates. "Affordability and availability are two big factors. The government has held several rounds of discussions with the South American nations, which have conducive weather to grow these varieties while their own requirements are not much," one of the officials said, seeking anonymity. Pulses are the commonest source of protein for most Indians. A campaign by the central government to ramp up local production saw total output jump 37% since 2015-16, according to official figures, helping to cut costly imports. Yet, the country has to rely on foreign shipments to meet total demand. India's requirement of black gram is solely met through imports from Myanmar under a memorandum of understanding between the two nations. Import of gram from the conflict-ridden neighbouring country stumbled last year, affecting local prices. "Long-term deals with affordable alternative suppliers will help supply management greatly as it is a hedge against price volatility," a second official said, declining to be named. In 2023, India imported nearly 3 million tonne of pulses, mostly lentils, black gram and pigeon pea, from Canada, Australia, Mozambique, Tanzania, Sudan, Malawi and Myanmar. Rising protein prices can be a significant driver of household expenses. The federal government has imposed a slew of measures to tame prices ahead of a general election to keep basic food commodities affordable. For instance, the government has waived off import duties for three varieties of pulses – pigeon pea, black gram and lentil (masoor) till March 2025 to boost local supplies. Between 2004-05 and 2013-14, pulses saw a price spike of 143%, stoked by global prices and rising protein demand due to better purchasing power, according to a Reserve Bank paper by the late former deputy governor Subir Gokarn. He calculated that many Indians had crossed an income threshold beyond which protein intake such as pulses, eggs and meat increases. Overall, the output of pulses as a group, at 27.5 million tonne in 2022-23, was slightly higher than the previous year's production of 27.3 million tonne. A campaign to distribute improved seeds raised pulses productivity by 34.8%, from 727 kg per hectare in 2018-19 to 980 kg a hectare in 2021-22, agriculture ministry's data show. The gains can be fragile though. Increasing weather uncertainties can quickly firm up prices if output drops. Prices of pigeon pea and black gram have been elevated because of a patchy monsoon last year in rain-fed growing belts in Karnataka, Andhra Pradesh and Telangana. "Pulses will continue to be a source of inflation due to lower output. That's why you can expect multiple measures from the government, including imposition of stock limits," said Abhishek Agrawal, an analyst with Comtrade.

Source: Hindustan Times

Farm sector can grow over 6% in FY25 on good monsoon

- Chand attributes the growth to monsoon forecast and lower base in 2023-24

India's agriculture and allied sectors may register growth exceeding 6 per cent in 2024-25 owing to a favourable monsoon prediction and the previous year's low base, Niti Aayog's Member Ramesh Chand told businessline. "This year (2024-25) will be highly favourable for agriculture, mainly due to two factors. One, monsoon rainfall will be either normal or above normal, as per reports by various agencies. Even in terms of regional distribution, the forecasts are encouraging and healthy. Secondly, agriculture growth in 2023-24 was 0.67 per cent, which means the base (for 2024-25) is low," Chand said. Whenever such a combination has happened in the past, farm sector growth has gone beyond 6 per cent, he observed. "There is no reason this past pattern will not be applicable this year if monsoon rainfall turns out as per prediction," Chand added. The India Meteorological Department (IMD) has predicted an "above normal" monsoon, at 106 per cent of the long-period average (LPA) of 87 cm, while private weather forecaster Skymet has said the monsoon is likely to be "normal" at 102 per cent of the LPA. The Niti Aayog member pointed out that "real prices" of agriculture have been rising for several years. "If you take the wholesale prices of agriculture relative to non-agriculture, farm prices are rising. The wholesale price index (WPI) of agri-commodities is rising faster than non-agri-commodities," Chand said, adding stability in maintaining prices is required due to this aspect. The government's action to maintain stability is seen by some as a move to bring down prices, he pointed out, adding that it was not the case. "Stability means to prevent an abnormal or unusually high level rise in the price of a commodity."

Boosting exports

Chand also favoured boosting exports in cases of surplus production of certain crops because of bumper Kharif output. Currently, the government has restricted exports of non-Basmati rice, wheat, sugar, and onions. The curbs on non-Basmati rice may be revisited in September-October when the government will have an assessment on rice production, official sources said earlier. Rainfall between 96 per cent and 104 per cent of LPA is considered normal, and rainfall between 105 per cent and 110 per cent is categorised as "below normal." The country had below normal rainfall in the monsoon season (June-September) last year.

Source: *The Hindu Business Line*

Pulses import bill almost doubles to \$3.74 billion in FY24

- Shipments may have topped 45 lakh tonnes against 24.5 lakh tonnes a year ago

India's pulses imports almost doubled to \$3.74 billion during the 2023-24 fiscal compared with the previous year after government removed curbs to boost supplies and contain price rise. This followed a shortfall in the domestic output due to erratic climate conditions in the key producing regions. In dollar value terms, pulses imports registered a 93 per cent growth at \$3.74 billion over previous year's \$1.94 billion. In rupee terms, imports were up 97 per cent at ₹31,071 crore during 2023-24 over ₹15,780 crore in the year-ago period, as per official estimates. However, the official figures for the import quantity are yet to be disclosed for 2023-24. Based on the port arrival data, IGrain India's Rahul Chauhan estimates the pulses imports to be over 45 lakh tonnes (lt) against 24.5 lt a year ago.

Hiking domestic supply

This surge in imports of pulses is due to record purchase of masur (lentils) and increase in shipments of yellow peas. The Government has allowed duty free imports of yellow peas till June 30 this year to boost the domestic supplies of pulses. Also, the duty-free imports of tur and urad has been extended till March 31, 2025, to help control inflation and increase domestic supply. Chauhan said the higher prices of pulses such as tur and urad at origins in Myanmar and West Africa could have contributed to the record import value during 2023-24. Chauhan said lentil imports would have likely exceeded a record 16.11 lt during 2023-24 compared with 8.58 lt a year ago. Imports of urad or black matpe are seen at around 6.16 lt during 2023-24 against 5.24 lt a year ago. However, tur imports are likely to be around 7.70 lt, lower than 8.95 lt a year ago. The duty-free yellow pea imports, which were allowed from December last year, are expected to be around 12.75 lt, till March 2024. Import of other pulses varieties that registered an increase include chana at 1.48 lt (59,255 tonnes in previous year), rajma at 1.28 lt (82,736 tonnes) and cow pea at 38,034 tonnes (33,465 tonnes). India's pulses imports had previously touched a high of ₹28,300 crore or \$4.3 billion during 2016-17. Import volumes had touched a high of 6.6 mt during 2016-17 and declined in the subsequent years on rise in domestic production. However, the erratic weather triggered by deficit rains in several parts of the country impacted the output during 2023-24. According to government estimates, pulses production during kharif 2023-24 season was 71.18 lt, down from previous year's 76.21 lt. Rabi pulses output is estimated to be 163.24 lt, down from previous year's 163.58 lt.

Source: The Hindu Business Line

Basmati turns into \$5-b export product

- *Faces headwinds for FY25 on conflict in the main market of West Asia*

Basmati exports have hit a new record both in volume and value during fiscal 2024. As per latest data, shipments during April-Feb crossed the \$5.2 billion with volumes touching a new high exceeding 4.67 million tonnes.

While the exports for FY24 will create a new record after incorporating the figures for March, the prevailing geopolitical tensions in the Middle East are likely to weigh on shipments in current fiscal. The trade is worried about the emerging situation in Middle East, which accounts for over 70 per cent of the basmati exports.

Sources said the latest conflict in the region between Iran and Israel will pose major headwinds for the Indian exporters in the new financial year. “We are keeping our fingers crossed,” trade sources, while declining to hazard any guess on the potential fallout of the escalating conflict. The Indian exporters have already borne the brunt of recent attacks in the Red Sea region, which has resulted in higher shipping costs and transit time to destinations such as the Europe and the US.

Price rise. However, analysts feel the prevailing tensions may lead to higher exports and prices. “Currently, Iran and Iraq have sufficient stock to prolong if there is a geopolitical fallout. Other Gulf countries, in particular Saudi Arabia, Oman, Qatar and UAE, might not have sufficient stock. Therefore, basmati rice exports might witness fresh round of export orders. The prices will also witness significant increase due to additional demand and risk premium,” said S Chandrasekaran, trade analyst and author of the book *Basmati Rice: The Natural History and Geographical Indication*. “In the current fiscal, Iran will increase its rice purchase by 30 per cent. The share of basmati rice imports will be dependent on Iranian government food policy,” Chandrasekharan added. In the April-Feb period, the Basmati shipments were up by 22 per cent in value terms. Shipments to Saudi Arabia, the largest buyer, topped \$1.1 billion during April-Feb as compared to \$920 million in the same period last year. In volume terms, the exports to Saudi Arabia were up at 9.61 lakh tonnes (lt) compared with 8.51 lt. Iraq has emerged as the second largest buyer with both volume and value more than doubling over last year. Iraq bought 7.02 lt of Indian basmati during April-Feb over previous year’s 3.13 lt. Basmati shipments to Iraq were valued at \$757 million (\$321 million in April-Feb last year). Iran has been pushed back to the third slot with shipments in value reducing to 6.44 lt during April-Feb (9.27 lt). Basmati exports to Iran were down at \$652.70 million during April-Feb as compared to same period last year’s \$911.02 million.

Source: *The Hindu Business Line*

Sugar production may top 320 lakh tonnes by end of 2023-24 season

- *Maharashtra output seen higher than initial projections, only 84 of the total 532 mills are operational now*

India's sugar production up to April 15 since the season began from October 1, 2023 has reached near 311 lakh tonnes (lt) while only 84 mills, including 42 in Uttar Pradesh, still continuing their operations out of a total 532 mills that started crushing. Mills crushing operations may soon come to a close across the country, except Tamil Nadu. Sugar production in Maharashtra, the country's top producer, was up at 109.2 lt against 105.9 lt in the year-ago period. But, production in Karnataka, the third largest producer, was down at 50.60 lt from 54.95 lt, industry data show. Output in Uttar Pradesh was reported to be higher at 101.45 lt against 96.70 lt in the year-ago period. Sugar output in Gujarat was down at 9.19 lt from 9.98 lt and in Tamil Nadu at 8.60 lt from 10.10 lt. Other States including Bihar, Haryana and Punjab have together produced 31.89 lt, lower from 34.75 lt year-ago.

Diversion for ethanol

According to the fortnightly update on production issued by Indian Sugar & Bio-energy Manufacturers Association (ISMA) on Tuesday, the total sugar output across the country has reached 310.93 lt until April 15 against 312.38 lt in the year-ago period. This sugar output is excluding the quantity diverted towards production of ethanol. "We are hopeful that the sugar production this year will reach 320 lt (excluding diversion to ethanol) as some mills in Uttar Pradesh are still in operation where the total production may reach 105 lt. Also, another 5 lt may be produced in Tamil Nadu and Karnataka in the second period of the season," Deepak Ballani, Director-General of ISMA told businessline. Contrary to expectations, Maharashtra's sugar production is up from last season while Uttar Pradesh may end up a tad higher from 2022-23 season. Industry experts had earlier estimated Maharashtra's sugar production to drop by 10 lt from 105 lt in 2022-23 while in Uttar Pradesh it was pegged higher at 115 lt from 105 lt last year.

Closure pace higher

"All estimates were not only wrong, but were contrary to expectations. A marginal up and down in estimates are understandable, but this year the trend in both these States was not captured by anyone," said a government official. Maharashtra, Uttar Pradesh and Karnataka are country's top three sugar producers with a combined share of 84 per cent during October 1-April 15 of current season. In the current year, the government has capped the sugar to be diverted for ethanol at 17 lt while there was a total of 38 lt that got diverted for the biofuel in entire season during 2022-23. Actually sugar is not diverted to ethanol. The production estimate is in the terms of the quantity that could have been produced if not diverted to ethanol. Sugar mills produce ethanol from cane juice/syrup, B-heavy molasses and C-heavy molasses. "Pace of closure in the first fortnight of April has been much higher than a year ago — 128 mills closed their operations during this period against 55 mills a year ago," ISMA said in a statement. Overall, 448 factories have concluded their crushing operations nationwide up to April against 401 in the same period last year, whereas number of operating factories at present is 84, as against 132 mills in the corresponding period in the previous year.

Source: The Hindu Business Line



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