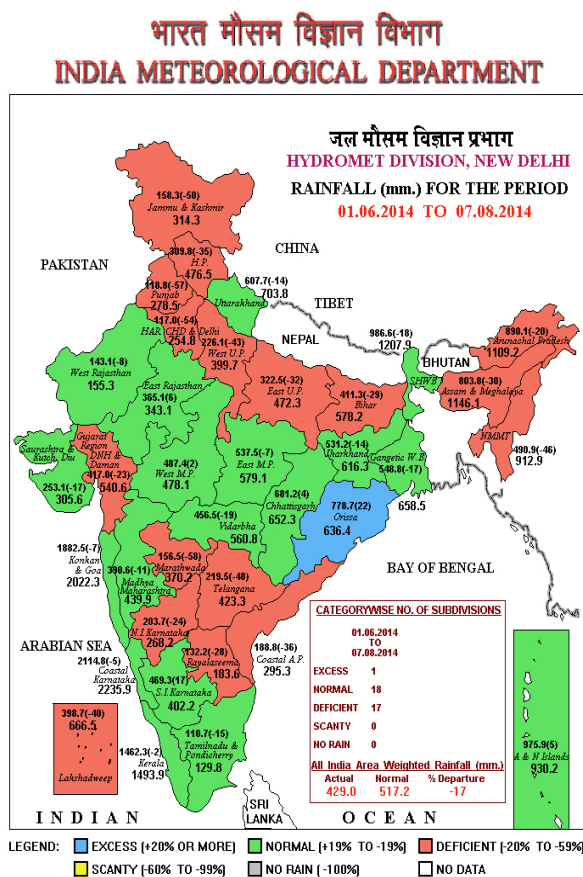


Monsoon 2014: Tough times ahead

Author: Prashant Tripathi

Co: Suruchi Consultants

In large parts of India, the rains simply haven't arrived this year. At the end of July—the first month of what's normally a four-month rainy season—India's monsoon was running a whopping 43 percent below normal.



Source: Indian Meteorological Dept.

Indian monsoon is one of the most important weather forecasts in the world, and for good reasons: With approximately half the country's 1.25 billion population engaged in agriculture in one or the other way, and 70 percent of annual rains come between June and September. With major advancement made in recent years in the field of agriculture, still major fraction of farming

community is still heavily dependent upon rains to have a successful harvest. There's no larger group of people in the world more dependent on a single weather phenomenon.

With its severe implications on India Agriculture, effect will also be felt on Indian Dairy Industry. Dairy industry, with great dependence upon agriculture for feed and fodder will suffer from rising prices and malnourishment in case for free grazing systems, affecting milk productivity and cattle comfort. Farmers could also be forced to sell animals due to poor yield and rising feed fodder bills. Feed prices are expected to break record of 2012 to reach all time high of 2400-2600 INR/100 Kg.

Now, amid a tenacious and blistering heat wave, most of the northern part of the country is still waits for rains, nearly halfway through what's normally the monsoon's third month. According to IMD statistics, all but two of India's 36 administrative subdivisions have experienced below average rains so far this year, with one region—Punjab—a whopping 52 percent below normal. Only 9 percent of India's land area is currently classified as having "normal" rains. In an update to its official seasonal forecast, the IMD now says the monsoon rains will be 93 percent of average this year, down from their initial 95 percent outlook. While those numbers may not look daunting at first glance, 93 percent of average would rank among the worst fifth of years since 1871.

This is very clearly, that major of the milk producing areas namely Haryana, Punjab, Uttar Pradesh, Bihar and Parts of Andhra and Tamil Nadu are worst hit. Clearly suggesting there could be a steep rise in farm gate process as well, which has already grew by 17% in last one year.

Using IMD's "All India" historical rainfall dataset (which dates back to 1871), June's rainfall total was the fifth lowest on record. Of the 10 driest months of June in India's recorded history, nine of them went on to have below average rains for the full four-month monsoon season. Together, the five years with the driest June went on to average 93 percent of normal, in line with IMD's current forecast:

Years with Driest June on record		
	All India –June	All India – June to Sept
2009	48%	79%
1929	50%	107%
1891	51%	94%
1905	56%	86%
2014	57%	Yet to appear
1923	58%	98%
Average:		93%

Now, amide the upcoming potential distress situation, it would be interesting to see how GIO reacts and what precautionary measures are taken.