

ACFI NEWSLETTER

MARCH 2026

NEWS

● FROM PLATE TO PLOUGH

POLICYMAKERS NEED TO DIVERSIFY IMPORT OF FERTILISERS BEYOND THE GULF & REFORM THE SECTOR

A trigger for reform

THERE IS A famous saying, "Never let a serious crisis go to waste." India's landmark economic reforms in 1991 were the result of a balance-of-payments crisis. And today, the country sits on comfortable foreign exchange reserves of over USD 728 billion, providing a good cushion to absorb external shocks. But the ongoing war in the Gulf between Iran and Israel plus the USA has sparked new vulnerabilities of energy and fertiliser supplies. This calls for strategic thinking and reforms in the fertiliser sector to ensure food security.

The escalating war is threatening major disruption in energy and fertiliser supplies. The risks extend to vital maritime chokepoints such as the Strait of Hormuz, through which a substantial share of global oil and gas trade passes. Any disruption in this corridor quickly ripples across commodity markets. Oil and gas, and by extension fertilisers, especially urea, have already felt the tremors.

For India, crude oil is the largest import item, with about 88% of its requirement being met through imports. In financial year 2024-25 (FY25), India imported roughly 243 million tonnes (mt) of crude oil worth \$137 billion, nearly half of which is sourced from West Asia via the Strait of Hormuz. Just before tensions escalated in late February, Brent crude averaged \$66 per barrel, but within two weeks prices spiked to around \$120 per barrel before settling near \$100 on Friday. India's exposure extends to cooking gas as well. The country imports about two-thirds of its liquefied petroleum gas (LPG) (31.3 mt in FY25), much of it moving through the same corridor. As supplies tightened and import costs rose, domestic LPG prices were raised by ₹60 per cylinder.

India's liquefied natural gas (LNG) imports have also been hit. In FY25, the country imported about 27 mt of

LNG—roughly half of its requirement—worth around \$15 billion, with Qatar accounting for nearly half of these imports. Disruptions across West Asia pushed Asian spot LNG prices from around \$10/metric million British thermal unit (mmBtu) to \$24-25/mmBtu within two weeks. Invoking the Essential Commodities Act, the government has prioritised gas allocation for households and transport, leaving fertiliser producers with only 70% of their usual six-month consumption. This is likely to adversely hit domestic production of urea.

This matters because India's food security hinges heavily on fertiliser security, and urea production is closely tied to global energy markets. India consumes about 40 mt of urea annually, but domestic output has stagnated at around 30 mt, forcing rising imports that could exceed 10 mt in FY26, nearly double the 5.6 mt imported in FY25. Over 60% of these imports come from the Gulf region. Following the escalation in war, global urea prices surged from about \$484/tonne to \$652/tonne within 10 days—a 35% jump—and may rise further as uncertainty persists. The dependence runs deeper: natural gas, the key feedstock for urea, is largely imported, supplying about 85% of the gas used in domestic production. Once both direct urea imports and imported gas feedstock are

considered, India's effective import dependence in urea rises to about 55%.

Dependence is similarly high for other fertiliser inputs. Over 80% of ammonia and sulphur imports come from the Gulf, while around 40% of diammonium phosphate imports are sourced from Saudi Arabia. India also relies almost entirely on imports for potassic fertilisers (MOP) and 90-95% for phosphatic raw materials (rock and acid). Once the import content of intermediates and feedstocks is considered, India depends on global fertiliser supply chains for 68-70% of its requirements (as of FY25), leaving the sector—and India's food security—highly vulnerable to geopolitical disruptions, price volatility, and supply shocks.

India's also exports agri-products to West Asia (\$11.8 billion in FY25), which are under strain. But the biggest worry is about oil, gas, and fertiliser imports. If this crisis continues beyond a month or so, our fertiliser subsidy bill in FY27 is likely to cross ₹2 lakh crore, against a budgeted figure of ₹1.7 lakh crore. This calls for an immediate action to reform this sector.

How do we do it? First, India must diversify its imports beyond the Gulf countries. Complementing this, India should expand overseas investments in fertiliser minerals and production assets

ASHOK GULATI
RITIKA JUNEJA

Respectively Distinguished Professor and Research Fellow at ICRIER



Direct transfer of fertiliser subsidies to farmers and gradual deregulation of macro-nutrient prices would encourage balanced fertiliser use of N, P, and K, while reducing fiscal pressures

while accelerating domestic exploration of fertiliser resources. Establishing a dedicated fertiliser investment fund of say \$1 billion could enable Indian companies to acquire equity stakes in global mining projects and finance domestic exploration, shifting India from reactive import dependence to investment-led supply security.

Second, policy reforms in fertiliser pricing and subsidies are essential and overdue. Direct transfer of fertiliser subsidies to farmers and gradual deregulation of macro-nutrient prices would encourage balanced fertiliser use of N, P, and K (nitrogen, phosphorus, and potassium), while reducing fiscal pressures. It will plug leakages too, which are substantial (about 20%). If such reforms appear too ambitious in the short run, an alternative would be to put quantitative restrictions on sales based on farm size, cropping patterns, and recommended nutrient doses issued by state agricultural universities. With the government already developing AgriStack, implementing such targeted allocation mechanisms seems feasible.

Third, if this is also not possible, then at least bring urea under the Nutrient-Based Subsidy (NBS) framework, aligning its price with other fertilisers (P and K) and promoting more balanced nutrient application.

In essence, policymakers need to work on two fronts: first diversify import of fertilisers and their feedstocks from countries other than the Gulf region; and second, reform the fertiliser sector either through Direct Benefit Transfer and decontrolling prices or put quantitative restrictions or bring urea under the NBS scheme. If Prime Minister Narendra Modi can convert this crisis into an opportunity to reform the fertiliser sector, it will bring rich rewards. But will he bite the bullet?

Views are personal

US initiates 'forced labour' trade probe against India, 59 others

Ravi Dutta Mishra
New Delhi, March 13

THE US on Thursday launched another trade investigation against India and 59 other trade partners to ascertain if these countries failed to prohibit imports of goods produced using 'forced' labour.

This comes a day after the US initiated a probe into more than a dozen countries, including India, citing structural excess capacity and over-production in certain manufacturing sectors.

India, meanwhile, said it was evaluating the US announcement. "We are studying what is there in their note. We are looking at it from all perspectives. Both from the legal perspective as well as the economic angle which is being mentioned there. India is evaluating the documents," an official said.

The probe covers sectors, including steel, aluminum, automobiles, batteries, electronics, chemicals, machinery, semiconductors, and solar modules.

"The Trade Representative initiated Section 301 investigations to examine whether the failure of the various economies listed in Annex A to prohibit the importation of goods produced wholly or in part with forced labour is unreasonable or discriminatory and burdens or restricts US commerce... If any determination is affirmative, the Trade Representative must determine whether action is appropriate, and if so, what action to take," United States Trade Representative (USTR) said.

Apart from India, the list of trade partners under US scrutiny included close trade partners such as the UK, EU, Japan, Israel, UAE, Argentina,



US law prohibits the import of goods manufactured or produced in whole or in part with forced labour, said USTR. EXPRESS PHOTO

as well as Russia and China. Even smaller countries such as Bangladesh and Sri Lanka are part of the probe.

USTR said that forced labour taints the entire supply chain in which it exists. The US and the US Department of Labour's 2024 List of Goods Produced by Child Labour or Forced Labour (TVPRAList) includes 134 products produced with forced labour in particular countries. The TVPRA List includes 34 downstream goods in particular countries that are produced with inputs that are produced with forced labour.

"These inputs made with forced labour include cotton used to produce garments, textiles, thread and yarn; critical minerals used to produce solar products or auto-parts; fish used to produce fish oil and fish meal; and palm fruit used to produce kernel or palm oil used in various cooking oils and bio-fuels," USTR said.

USTR said that US law has prohibited the import of goods mined, produced, or manufactured in whole or in part with

forced labour and that this prohibition recognises not only the humanitarian concerns associated with allowing parties to profit from the suffering of others but also foreign policy and "national security" concerns arising from the exploitation of workers.

"Such exploitation threatens domestic producers who must compete with foreign goods produced with an artificial cost advantage and may harm US workers and citizens through distorting competition and the purchase of goods produced under exploitative conditions. Ending forced labour is a key priority and an economic and national security imperative for the US," USTR said.

Arguing that forced labour is causing injury to American businesses, the US said that the firms using forced labour incur artificially lower labour costs, and, as a result, are able to sell their goods at a lower price than they would otherwise.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

Farmer earnings may decline if exports remain affected

SANJEEB MUKHERJEE
New Delhi, 15 March

The country's farm sector, which accounted for almost 18 per cent share of India's overall gross value added (GVA) in FY26, could be impacted if the West Asia crisis lingers. The region accounts for a substantial portion of the country's overall food exports, while sourcing key inputs such as fertilisers could become troublesome in the long run.

According to a recent report by research body Global Trade and Research Initiative (GTRI), a long-drawn war with Iran could hit India's farm sector significantly as \$11.8 billion agricultural exports to West Asia accounted for over a fifth of India's total farm exports in 2025.

Though some reports claimed that the authorities have started exploring alternative routes to quickly ship farm goods bound for West Asia, but if the crisis continued, the losses could be substantial.

GTRI said the crops that could be impacted included cereals, especially rice, fruits, vegetables, spices, meat, dairy and beverages.

"Because many Indian farm products depend heavily on Gulf markets, continued disruption could directly affect farmers, food processors and exporters across several Indian states," said Ajay Srivastava, founder, GTRI.

The report stated that rice exports faced the largest potential impact.

India's \$4.43 billion rice exports to West Asia in 2025 accounted for 36.7 per cent of its global rice exports, making the Gulf markets crucial for producers in Punjab, Haryana, Uttar Pradesh, Andhra Pradesh and Telangana.

The "very high risk" products — where more than 70 per cent of India's exports go to West Asia — included sheep and goat meat (98.9 per cent), fresh or chilled beef (97.4 per cent), copra or dried coconut kernel (83.9 per cent), beer (81 per cent), bananas and plantains (79.6 per cent), and nutmeg, mace and cardamom (70.5 per cent).

'Tech adoption, improved seed varieties boost domestic wheat and rice output'

Our Bureau
Mangaluru

Wheat and rice output have risen over the past five years, aided by the adoption of production and protection technologies to address biotic and abiotic stresses, including high-yielding climate-resilient varieties and cost-effective pre- and post-harvest practices, according to Bhagirath Choudhary, Union Minister of State for Agriculture and Farmers' Welfare.

In a written reply in the Rajya Sabha on Friday, he said wheat production was estimated at 117.95 million tonnes (mt) in 2024-25, up

4.65 mt from 113.29 mt in the previous year and 109.59 mt in 2020-21.

Rice production was estimated at 150.18 mt in 2024-25, 12.36 mt higher than 137.83 mt in the previous year. Output stood at 124.37 mt in 2020-21.

As of February 16, stocks in the central pool stood at 24.83 mt of wheat and 35.26 mt of rice, well above the stocking norms of 13.8 mt and 7.61 mt respectively.

"The rise in wheat and rice production in 2024-25 is due to both expanded acreage and improved productivity in recent years, along with the adoption of production and protection technologies to tackle biotic and



abiotic stresses," he said.

IRAN IMPACT

Replying to a question on the impact of Iran-related uncertainties on basmati exports, Commerce and Industry Minister Piyush Goyal said that exports to Iran had grown 11.57 per cent in value (rupee terms) and 26.1 per

cent in volume up to January 2026, indicating steady trade.

However, following the outbreak of conflict in West Asia on February 28, stakeholders, including basmati exporters, had reported disruptions in maritime and air cargo routes, higher freight costs due to re-routing and war-risk surcharges, cargo pile-ups at ports and logistics hubs, and financial stress from the longer transit cycles.

He said the government is closely monitoring the geopolitical developments in West Asia and the Gulf, and had taken steps to mitigate the disruption to exports and to protect livelihoods.

Iran war: Fertiliser supplies may soon get disrupted

SANDIP DAS
New Delhi, March 15

THE WEST ASIA war may disrupt India's fertiliser production and supply within a month, officials have warned. "For the next month, we are comfortable in terms of supplies as we are in a lean period. But if the conflict continues, it would impact our fertiliser production capability," an official with a major manufacturer told FE.

The March-April period is considered a lean phase for fertiliser demand. However, demand is expected to peak by mid-May, just before the onset of the monsoon in June for the kharif season. "Comfortable fertiliser stocks are likely until peak kharif demand starting May 15," the official said.

At present, urea stocks stand at around 6.2 million tonne (MT), at least 1 MT higher than a year ago. Fertiliser companies have also placed import orders for 1.35 MT of urea, which is expected to arrive by the end of March. Stocks of diammonium

CAUSES FOR CONCERN

■ At present, urea stocks stand at around **6.2 MT**

■ Fertiliser firms have placed import orders for **1.35 MT** of urea



■ Stocks of diammonium phosphate are currently at about **2.5 MT**

phosphate (DAP) are currently about 2.5 MT — double last year's level — while nitrogen, phosphorus and potassium (NPK) inventories are at a record 5.6 MT, compared with 3.1 MT a year earlier.

For the 2025 kharif season, the government has projected soil nutrient requirements at 18.53 MT of urea, 5.69 MT of DAP, 1.11 MT of muriate of potash, and 7.61 MT of NPK.

The department of fertiliser is monitoring an unusual spike in soil nutrient sales across 650

districts in an effort to curb panic buying.

Urea production is expected to decline to 1.7 MT this month due to annual maintenance shutdowns at some plants, compared with an average monthly output of around 2.5 MT, an official said.

To boost LNG supplies, a key feedstock for urea production, the state-owned GAIL will buy gas from the spot market from countries such as Australia, Russia and the US starting March 17.

'Scheme to cut use of chemical fertilisers a non-starter'

SANDIP DAS
New Delhi, March 15

THE PM-PRANAM SCHEME, aimed at reducing chemical fertiliser consumption, has largely remained a "non-starter" in terms of financial disbursement to states, parliamentary panel report said. "Not a single rupee has been released as incentive to any state or UT under this scheme," the Standing Committee on Chemicals and Fertilisers said in its report. The panel noted that only nine states and UTs were found eligible for incentives in FY24, with a cumulative reduction in chemical fertiliser consumption of 1.45 MT. In FY25, just three states/UTs qualified, recording a much lower reduction of 42,000 tonne.

AMID MARITIME DISRUPTIONS IN WEST ASIA

Customs dept issues norms for handling return of export cargo

OUR CORRESPONDENT

NEW DELHI: The Customs department has come out with norms for dealing with export cargo returning to Indian ports due to the closure of the Strait of Hormuz and disruptions in maritime routes amid the West Asia crisis.

The norms, issued by the CBIC on March 8 and to be valid for 15 days, stipulate that in all such cases the vessel shall be permitted to berth only at the same Indian port from which it departed, except in the case of transshipment.

The field offices under the Central Board of Indirect Taxes and Customs (CBIC) will recover all export incentives, including IGST, drawback, etc., manually from such cargo, if they have already been disbursed, said the CBIC circular.

The CBIC said it has received representations from field formations indicating that, due to the closure of the Strait of Hormuz and the consequent disruption in maritime routes, certain vessels carrying export cargo from India are unable to reach their destination ports and are returning to Indian ports. It has been requested to prescribe a simplified procedure for handling such cargo.

Stating that the present circumstances constitute an exceptional situation affecting



The norms, issued by the CBIC on March 8 and to be valid for 15 days, stipulate that in all such cases the vessel shall be permitted to berth only at the same Indian port from which it departed, except in the case of transshipment

international shipping routes and export logistics, the CBIC prescribed procedures to facilitate trade and ensure expeditious handling of such cargo, where export cargo is brought back to Indian ports due to the closure of the Strait of Hormuz or similar disruptions.

Roughly, a fifth of global seaborne crude transits Hormuz daily. The Strait of Hormuz is a vital artery for seaborne oil transportation, with limited alternative routes. The crisis in West Asia has led to spiralling prices of global oil and natural gas. The Strait is a

narrow 33-kilometre passage connecting the Persian Gulf to the Arabian Sea.

On February 28, the US and Israel launched military strikes on Iran, which retaliated with attacks on American bases in the region, as well as Israel. The crisis in West Asia has escalated since then, with trade being affected.

The CBIC prescribed procedure for handling cargo in three situations.

In case the cargo is loaded on a vessel, and the vessel is within Indian territorial waters, and an Export General Mani-

Highlights

- » 'The CBIC has received representations from field formations that certain vessels carrying export cargo from India are unable to reach their destination and are returning to Indian ports'
- » The Strait of Hormuz is a vital artery for seaborne oil transportation, with limited alternative routes
- » The Strait is a narrow 33-kilometre passage connecting the Persian Gulf to the Arabian Sea

the vessel is beyond Indian territorial waters and is in international waters and returning without calling any foreign ports, the master of the vessel/captain shall submit an undertaking.

The containers may be offloaded at the port terminal without filing a Bill of Entry, subject to verification of SDM and related shipping documents. Details of such cancelled Shipping Bills shall be shared with the RBI, DGFT and other concerned agencies by ICEGATE.

In the third situation, where a vessel is beyond Indian territorial waters and is in international waters and returning to India after calling any foreign port without discharge of any container, the CBIC said such consignments shall be treated as exported out of India.

These containers may be offloaded at the port terminal without filing a Bill of Entry, subject to verification of SDM and related shipping documents. Details of such cancelled Shipping Bills shall be shared with RBI, DGFT and other concerned agencies by ICEGATE.

"In all such cases the vessel shall be permitted to berth only at the same India port from which it was departed, except in case of transshipment," the CBIC circular said.

fest (EGM) and a Sea Department Manifest (SDM) are not filed, the master of the vessel/captain shall submit an undertaking stating that the vessel has not crossed the territorial waters of India.

The containers may be offloaded at the port terminal without filing a Bill of Entry, subject to verification of related shipping documents. Where requested by the exporter, the Back to Town facility may be permitted by the proper officer.

In case a vessel is within Indian territorial waters, and an EGM or SDM is filed, or

Enough fertiliser stock for kharif, gas supply disruption a concern: FAI

As per official data, total fertiliser reserves stood at 177.31 lakh tonnes as of March 6, up 36.5 per cent from 129.85 lakh tonnes a year earlier

NEW DELHI: India's fertiliser stockpiles are adequate to meet the demands of the upcoming kharif season, but a 40 per cent curtailment in gas supply and ongoing geopolitical tensions in West Asia have raised concerns over domestic urea production and the cost of imports, the Fertiliser Association of India (FAI) said Monday.

"At present, the immediate availability of fertilisers looks to be okay. The stock will be sufficient to meet the requirement of the forthcoming kharif season, although some shortage in supply of imported fertilisers is

expected," FAI Director General Chaudhari Suresh Kumar said. As per official data, total fertiliser reserves stood at 177.31 lakh tonnes as of March 6, up 36.5 per cent from 129.85 lakh tonnes a year earlier.

Stocks of urea, the most consumed fertiliser and one heavily dependent on natural gas as feedstock, stood at 59.30 lakh tonnes. Diammonium phosphate (DAP) inventories were at 25.13 lakh tonnes, while NPKS fertiliser reserves reached 55.87 lakh tonnes.

Despite the comfortable current inventory, Kumar flagged

gas supply as the sector's central concern. "Our worry is about gas supply, which is curtailed up to 40 per cent. If the war continues, it will impact domestic production of urea for the rabi season," he said, adding that the industry expects the government to prioritise gas allocation to the fertiliser sector.

India faces up to 40 per cent cuts in LNG supply to urea producers due to Qatar's production pause amid the West Asia conflict. Companies operating multiple plants are already adapting, they are shutting down one plant while keeping

CLOSER LOOK

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others running to manage operations within the constraints of reduced gas availability. The summer months of March to May, typically a flat season for the industry, are also being used for routine maintenance, energy

efficiency work and repairs.

Fertiliser companies have agreed to pre-emptive scheduled plant shutdowns to March so that firms can utilise the period of global disruption without affecting peak-season

output. "Fertiliser companies are cautious, FAI is monitoring the situation," Kumar said.

The government is in discussions with countries including China to boost supplies of DAP, urea and water-soluble fertilisers, Kumar said. It has already imported 98 lakh tonnes of finished fertilisers up to February 2026, with a further 17 lakh tonnes of shipments lined up for delivery over the next three months, as per the official data.

Indian companies have also secured long-term supply agreements with major international producers for phosphatic and

potassic (P&K) fertilisers to guard against regional pricing and supply volatility.

The FAI DG said global prices of urea, DAP and sulphur have risen, and are expected to have an impact on domestic rates. "It is up to the government to subsidise. I am sure the government will protect the interests of farmers," Kumar said.

The Department of Fertilisers echoed that position last week, saying: "Farmers are the priority of the government, and their interests will not be compromised under any circumstances." Gas allocation to

the fertiliser sector has been accorded top national priority following a high-level review meeting, the department added.

India imports around 30 per cent of its fertiliser requirement, with the Middle East accounting for 40 per cent of those imports. The region also supplies roughly 30 per cent of key raw materials and intermediates — including rock phosphate, phosphoric acid and muriatic of potash. Rating agency Crisil has warned that ongoing regional uncertainties could disrupt supply chains & push up international prices for urea and DAP. ■

Govt mulls Covid era-like relief for exporters hurt by Iran conflict

Bloomberg

feedback@livemint.com

India's government is discussing support measures for exporters similar to those implemented during the Covid pandemic to help soften the blow of trade disruptions triggered by the Iran war, people familiar with the matter said.

Some of the measures being discussed include extending the time that exporters must repatriate proceeds of overseas sales, relaxing rules for bank overdraft facilities and implementing a moratorium on loan repayments, the people said, asking not to be identified as the discussions aren't public. India's Ministry of Commerce and Industry will discuss the proposals with the Ministry of Finance before a final decision is made, they said.

The economic fallout from the current crisis isn't comparable to the pandemic six years ago, the people said, and the proposals are still under discussion. The support measures are likely to be restricted to export-



Shipping delays and higher freight costs are adding pressure on India's exporters amid the Iran conflict. AFP

ers reliant on Middle East trade and be rolled out if the Iran conflict, which began on Feb. 28, becomes a drawn-out war, they said.

India's Ministry of Commerce and Industry didn't immediately respond to a request for information.

Trade through the Strait of Hormuz, a vital shipping route for oil and goods from the Middle East to the Indian Ocean,

has effectively been halted after the US and Israel launched airstrikes against Iran almost two weeks ago. Almost all of India's exports to the Gulf countries passes through the strait, totaling about 14% of India's total exports.

Other support measures under discussion are a scheme to partly offset costs, such as emergency conflict surcharges, demurrage charges—penalties if cargoes remain at ports longer than agreed upon—and higher freight charges that exporters have to pay to ship goods to the Middle East, the people said. The government has already set up an inter-ministerial group to ease trade procedures for exporters and coordinate with ports and customs officials to mitigate the impact of any disruptions.

Meanwhile, India's Ministry of Ports, Shipping and Waterways is in talks with major ports including Kandla in the western state of Gujarat and Jawaharlal Nehru port in Maharashtra to reduce costs for exporters, the people said.

Turmeric processing opening new avenues for farmers across state, say PAU experts

MANAV MANDER
THEHINDU NEWS SERVICE

LUDHIANA, MARCH 1

Turmeric, long celebrated as the 'golden spice' in Indian households, is finding renewed interest because of income potential through scientific post-harvest processing, say experts from Punjab Agricultural University (PAU).

They highlight how value addition using modern techniques can transform turmeric from a perishable crop into a stable product with strong market demand.

"Scientific processing enhances the colour, aroma and purity of turmeric. It also ensures farmers can compete in pharmaceutical and cos-



Processing enhances the colour, aroma and purity of turmeric.

metic industries, where quality standards are critical," said Gurveer Kaur, from the Department of Processing and

Food Engineering at the PAU. The department has developed machinery and methods that address key chal-

lenges faced by farmers, including limited shelf life and low market prices.

Washing, boiling, drying, polishing, grinding and packaging are being streamlined with PAU-designed equipment, enabling farmers to improve quality, reduce losses and get better returns.

The PAU's washing and polishing machine, solar dryers and hammer mill grinders are tailored for small-scale operations, making them accessible to rural entrepreneurs. Farmers can get about 20 kg of powder from 100 kg of fresh turmeric fingers, the experts say, adding that it sells at nearly double the cost of production in wholesale markets,

and even higher in retail.

Sajeev Rattan Sharma from the same department said, "By adopting these technologies, farmers can convert turmeric into a profitable enterprise. Farm-level processing, supported by custom hiring and small-scale machinery, offers a practical path for rural entrepreneurship across the state."

The experts add that turmeric cultivation has strong potential, but profitability lies in embracing scientific post-harvest practices. "With improved packaging and marketing strategies, the golden spice could become a cornerstone of rural income diversification," they said.

PROLONGED SUPPLY CRUNCH WILL DRIVE UP FOOD BILLS

Fuel shortages from war begin to threaten global food supply

● Farmers' costs go up; access to markets down

BLOOMBERG
March 14

FOOD CROPS ARE becoming increasingly vulnerable to the energy supply crunch caused by war in the Middle East, with farmers across Asia and Europe facing a scarcity of fuel needed to operate essential machinery. A prolonged supply crunch will drive up food bills and play into global concerns about inflation arising from the conflict.

"As soon as we get cracking, every tractor and piece of machinery will be running, busy — and guzzling diesel," said Richard Heady, a farmer in Buckinghamshire in the UK. "By mid-spring, we'll exhaust what we've got and have to bite the bullet and pay whatever the going rate is — if we can get hold of it." Two weeks into the US-Israeli war with Iran,

WAR WOES

■ Australian grain growers are facing fuel delivery cutbacks ahead of the planting season

■ Bangladesh rice farmers cannot secure diesel to power irrigation pumps

■ Fishermen in the Philippines may soon need to keep their boats ashore



flows of crude oil, liquefied natural gas and fertiliser have been choked by attacks on energy infrastructure across the Middle East and the effective closure of the Strait of Hormuz. Farmers are paying more for crop nutrients while — for some — access to a major export market has been cut off. Now, the fuel crunch is adding another major hurdle. Modern agriculture is an energy-

intensive industry, relying on large amounts of fuel to power machinery used for sowing, harvesting and tending to livestock in sprawling pastures. Without this supply, farming calendars honed over generations could easily be disrupted. If farmers can't get enough diesel, sowing could be delayed or reduced. Mature crops left in the ground would deteriorate, while the cost

of processing and transporting produce after harvest would also increase. "We don't necessarily see this as a flash in the pan," said Paul Joules, a farm-input analyst with Rabobank in Sydney. "There will be longer-term inflation issues on the input side, and obviously that can eventually be passed on to the consumer." The Asia-Pacific region is dependent on commodities shipped from

the Middle East. Even as governments move to cap prices or curtail use, consumers have rushed to buy fuel, leaving industries like farming vulnerable to shortfalls. Irrigation equipment in much of Bangladesh — vital for the rice crop — runs on diesel-powered engines that draw up groundwater, and the government has begun restricting daily supply to 2 litres per person.

Irrigation equipment in Bangladesh — vital for the rice crop — runs on diesel-powered engines that draw up groundwater, and the government has begun restricting daily supply to 2 litres per person. Harprosad Roy, a farmer in the northern Rangpur region, said his two-acre plot needs at least 3 litres per day — but that he often returns from the pump with just one.

Nearly 40% of arable land in the region depends on these machines and, with the harvest starting next month, switching to an electric motor would involve a lengthy process to secure a government permit.

USTR report acknowledges gaps in India-US trade deal negotiations

TARIFF TUSSLE. It has sought ambitious targets, even though the Supreme Court ruled against Trump tariffs

Amity Sen
New Delhi

Gaps remain on "sensitive issues" in the US-India bilateral trade deal talks, even as both nations are continuing to work towards an agreement that will "open the Indian market for American products" and reduce India's 2025 trade surplus of \$58.2 billion, according to the US President's 2026 Trade Policy Agenda and 2025 annual report.



LOWER DUTIES. According to the US President's 2026 Trade Policy Agenda, the interim framework envisages tariff reductions by India on industrial goods and a range of agricultural products

TARIFF CUTS

The report, released by the United States Trade Representative (USTR) on Monday, reiterated aggressive targets for the trade deal despite the adverse US Supreme Court judgement on the Donald Trump regime's reciprocal tariffs.

"Under the interim agreement, India will eliminate or reduce tariffs on all US industrial goods and a wide array of US food and agricultural products, including dried distillers' grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products," the re-

port noted, reflecting the joint statement issued by the two countries on February 6.

This year's trade policy agenda outlines how the administration will capitalise on the success from the past year, advancing the prosperity of Americans today and the generations to follow, USTR Jamieson Greer said.

"President Trump continues to flip the script on 40 years of non-reciprocal trade practices and harmful globalist policies, eliminating long-standing barriers and strengthening our workers' competitiveness.

American farmers, ranchers, and producers are

already reaping the benefits of President Trump's America First approach, with domestic production scaling up and new markets opening for US exports abroad," Greer said.

Since talks did not conclude between India and the US on a deal nor a text signed, New Delhi is under no obligation to adhere to the original terms that were being negotiated, some experts suggested.

SC VERDICT

The balance has seemingly tilted more in favour of India after the SC judgement, that led to replacement of the US

reciprocal tariff on India of 25 per cent (promised 18 per cent under the framework interim pact) with short-term global tariffs of 10 per cent, the same as any other country.

Irrespective of the changed tariff landscape (earlier tariffs for India were being brought down to 18 per cent by the US under the deal while now tariffs are already at 10 per cent), the obligations listed out for India in the policy agenda continue to be ambitious.

"Under the interim agreement, India will address long-standing barriers to trade in US medical devices; eliminate restrictive import licensing procedures that delay market access for, or impose quantitative restrictions on US ICT goods... India will also address long-standing NTBs to the trade in US food and agricultural products," the report noted.

The US and India will strengthen economic security alignment to enhance supply chain resilience and innovation through complementary actions to address, the report further said.

Since Trump announced his reciprocal tariff programme on April 2, 2025, the

US has signed ARTs (agreement on reciprocal tariffs) with Argentina, Bangladesh, Cambodia, El Salvador, Guatemala, Indonesia, Malaysia and Taiwan, the report stated.

Framework deals have been announced with India, Ecuador, the European Union, Japan, North Macedonia, South Korea, Switzerland and Liechtenstein, Thailand, and Vietnam, it added.

"The ART programme has produced new broad-ranging commitments on market access, labour and environmental standards, and national and economic security, all while retaining the tariffs needed for our reindustrialisation," it noted.

INDIA SEEKS CLARITY

India postponed the visit of its negotiating team to Washington after the US Supreme Court judgement invalidating reciprocal tariffs as it said it wanted more time to study its implications.

Soon after the judgement was announced on February 20, Trump said, the "India deal is on" and "nothing changed" regarding the pact with India.

Managing food economy

Procurement must be aligned with requirements

Public procurement and distribution are integral to India's food economy. However, the system is marred by inefficiencies and distortions at various levels. For instance, central stocks of rice and wheat stood at nearly 59.45 million tonnes against a buffer requirement of 21.41 million tonnes as of January 2026, which is 178 per cent above what is needed. While buffer norms are designed to ensure food security under the public distribution system (PDS) and meet emergency needs, persistent accumulation far beyond these levels signals structural policy inadequacies. The strain is visible on the ground. This newspaper recently reported on farmers' protests in Odisha over delays in paddy procurement despite receiving digital tokens at *mandis*. Meanwhile, Kerala is defending bonuses above the minimum support price (MSP). However, central stocks of rice held by Food Corporation of India (FCI) remain much above the buffer norms, raising concerns over surplus. Open-ended procurement at MSP, reinforced by state-level bonuses, has encouraged farmers to expand paddy acreage year after year, often at the cost of other important crops that India needs and soil quality.

In this regard, there are several policy challenges. Excess procurement strains storage capacity and inflates the food subsidy bill. Grain that is procured must be stored, transported, insured, and eventually distributed or exported. When stocks significantly exceed the buffer norms, carrying costs rise and valuable fiscal resources are tied up in maintaining surplus inventories. Food subsidies are one of the largest expenditure heads of the Union government, exceeding ₹2 trillion a year. Further, skewed incentives distort cropping patterns and worsen groundwater depletion in paddy-growing states. Paddy is a water-intensive crop with a water footprint estimated at 3,000-5,000 litres per kg. Its sustained higher production, especially in stressed states such as Punjab and Haryana with declining water tables, deepens ecological stress.

Assured procurement creates a predictable income stream and encourages farmers to stick with the rice-wheat cycle, even in agro-climatic zones better suited to other crops. Pulses and oilseeds, which enhance soil health, don't offer this level of price certainty. Agricultural economist Ashok Gulati recently noted that India "is buried under rice", with buffer stocks nearly four times the required levels even after free grain distribution to 800 million beneficiaries. Global markets are unable to absorb large volumes at favourable prices, making it costly to liquidate surplus stocks of rice. India has become the world's largest producer of rice, surpassing China. It is often difficult to offload surplus stocks because the cost in India is higher than the prevailing international prices.

The solution lies in gradually aligning procurement with PDS requirements instead of it remaining open-ended. State-level bonuses beyond MSP should be discouraged to avoid further distortions. At the same time, stronger and more credible incentives must be extended to pulses, oilseeds, and millets through assured procurement where necessary and better market linkages exist. Investment in decentralised storage can reduce wastage and carrying costs. The next phase of India's food economy management must focus on diversification, self-reliance, and sustainable agriculture with lower fiscal costs. The way forward should be protecting farmers' incomes without trapping Indian agriculture in a rice-wheat cycle.

Govt's decision on fortified rice welcomed by civil groups

SANJEEB MUKHERJEE
New Delhi, 1 March

The government's abrupt decision last week to stop the much publicised scheme to distribute fortified rice through the Public Distribution System (PDS) has not only stunned the rice kernel producers but also taken civil society groups by surprise. These groups for long have been demanding a cessation of the scheme due to different reasons.

The government, while suspending the scheme for now, had said that their decision is based on a government-mandated study by the Indian Institute of Technology Kharagpur. The study found that over time, micronutrient levels of Fortified Rice Kernels (FRK) and Fortified Rice (FR) declined due to prolonged storage and routine handling.

As the Centre usually stores rice in the central pool for more than two to three years due to huge procurement volumes and limited annual off-take, there is a possibility of nutrient loss in fortified rice, making them ineffective.

Most of these rice varieties were fortified with iron, vitamin B-12, and folic acid to address the chronic anemia problem in India.

"This is a very good development! We have always said that either this is an expensive but very ineffective intervention, or it is unsafe and toxic. It cannot be safe and effective. While the government is citing a study to stop this large scale fortification, we had shown much evidence that not all anaemia is linked to iron deficiency, nor is fortification an effective solution,"

said Kavitha Kuruganti, Founder Convenor of Alliance for Sustainable & Holistic Agriculture (ASHA).

Experts said that the reason given by the government to stop the scheme, which is loss of nutrients in fortified rice due to prolonged storage, is extremely plausible.

"Look, with humidification iron rusts. You must have seen that iron can rust due to humidification and a rise in temperature. India being a vast country, some areas are near the sea, which have high humidity and temperature meaning that if the duration of storage in these areas is abnormally high things can deteriorate. This happens even in medicines," Dr HPS Sachdev, senior consultant, paediatrics at Sitaram Bhartia Institute of Science and Research and a well-known researcher on fortified rice, told *Business Standard*.

He said the Food Safety and Standards Authority of India (FSSAI) has well laid out guidelines on storage and handling of fortified rice and fortified rice kernels.

Rice fortification is done to enrich the micro and macronutrient structure of rice, which has grains of different sizes, colour, texture and so on.

For fortification, a paste of micro nutrients or a concentrated mixture of micronutrients like iron or various salts of iron like ferrous sulphate, sodium gluconate or sodium iron, along with other micro nutrients like folic acid and B12 are made into something that looks like a rice grain called Fortified Rice Kernels (FRK). These FRKs are then mixed with the actual rice grains to enrich its nutrient

Global fertiliser prices may strain India's subsidy maths for next year

SANJEEB MUKHERJEE

New Delhi, 9 March

India's fertiliser subsidy calculations for the coming financial year (FY27) could come under pressure if global prices continue their upward march, as seen over the past few days. However, the country currently has adequate stocks to meet immediate demand, traders and market participants said.

In the FY27 Union Budget, the government pegged the fertiliser subsidy at about ₹1.7 trillion, 8.4 per cent lower than the revised estimate (RE) of ₹1.86 trillion for FY26. The FY26 RE itself was more than 11 per cent higher than the Budget estimate (BE), as India used record quantities of urea and diammonium phosphate (DAP) at high prices. The subsidy burden could rise as retail prices of major fertilisers, such as urea and DAP, are kept fixed to support farmers, while import costs and domestic production expenses increase.

Experts said urea prices in West Asia have risen by nearly \$100 per tonne to around \$600 per tonne (FOB) since the crisis began a week ago. DAP prices have also increased to around \$750-770 per tonne from about \$650-670 per tonne before the crisis. India imported roughly



70 per cent of its urea, 42 per cent of DAP, 83 per cent of ammonia, and about 60 per cent of liquefied natural gas (LNG) from Gulf countries in FY25.

Overall, the country imported close to 5.65 million tonnes (mt) of urea, 4.57 mt of DAP, and 2.54 mt of ammonia last year. As for LNG, a majority of the 60 per cent imports come from Qatar, which has halted supplies due to the war.

Natural gas is cooled and converted into LNG, which compresses its volume and makes it suitable for transportation

Fertiliser stocks In India

	2025 (Million tonnes)		2026 (Million tonnes)		Change (%)
	March 9				
Urea	5.70	6.04			5.96
DAP	1.16	2.99			157.76
MOP	1.44	1.29			-10.42
NPKS	3.16	5.59			76.90
SSP	2.26	2.40			6.19
TOTAL	13.14	17.84			35.77

Source: Traders and market participants

over long distances. Once it reaches ports, LNG is reconverted into gas through a process called regasification and supplied to industries such as fertiliser, power and city gas distribution.

Sources said nearly 80 per cent of the raw material used to produce urea is natural gas, which is priced through a pooled mechanism.

India has already imported about 83 per cent more urea during April-January of FY26 due to a surge in domestic consumption.

Hefty shipping surcharges leave exporters in the lurch

MUKESH JAGOTA
New Delhi, March 5

INDIAN EXPORTERS, WHOSE goods crossed the Strait of Hormuz before the war broke out and were docked safely at West Asian ports, are now being asked to pay a contingency surcharge of up to a hefty \$4,000 per container before cargoes are unloaded. This has put exporters in a difficult situation with soaring freight costs, said Ajay Sahai, CEO and Director General of the Federation of Indian Export Organisations.

The ships had crossed disturbed sea lanes before the conflict, so the extra charge makes little sense, he said. For new cargo bookings, exporters can adjust the enhanced costs by raising prices or arranging terms with buyers. However, for goods that have already reached their desti-

nations, exporters are struggling for alternatives, including abandoning the goods, he added.

The \$4,000 is for a 40-foot container carrying perishables. For containers carrying hazardous items like chemicals, the surcharge is \$3,800, while the extra charge for a 20-foot container is \$2,000. As per the contract between the exporter and shipping line, the goods that are already handed over and the bill of lading has been issued, so the risk should be borne by the shipping companies, Sahai said.

An estimated 150-200 ships are currently anchored outside the Strait, unable or unwilling to enter. Nearly 140 container vessels are reported trapped inside the Persian Gulf, according to reports.

Due to the congestion, shipping companies are not taking bookings for

HORMUZ CHAOS

■ Container shortages risk rising due to stranded ships

■ Air cargo rates jump from ₹175/kg to ₹425/kg

■ India's West Asia exports worth \$58.8 bn at risk



■ Alternative UAE ports: Fujairah and Khorfakkan

■ Route diversion adds 14-20 days to voyages

■ Exporters asked to pay up to \$4,000 surcharge per container

■ Charge imposed even after ships safely reached

West Asia ports. The stranded ships would also put the availability of containers at risk.

Even air cargo prices have shot through the roof. The prices for goods from India to West Asia have gone up to ₹425 per kg from 175 per kg. The stoppage in routes will put a halt to

exports to the region, which stood at \$58.8 billion in the last financial year.

Because of the conflict, the shippers are exploring alternate ports not directly impacted by the blockage of Hormuz strait. The ports being examined are the Ports of Fujairah and Khorfakkan on the east coast of the

United Arab Emirates (UAE) that are designed to bypass the Strait of Hormuz. From India, the ships from Mundra Port in Gujarat and Nhava Sheva in Maharashtra.

However, not all is clear in Fujairah and Khorfakkan. Drone incidents and debris have targeted the Fujairah Oil Industry Zone, resulting in fires and forced suspensions of activity.

While shipments to West Asia are on hold, goods to the key western markets of the US and Europe are being loaded at Indian ports. For these markets, the ships will avoid West Asia and go through the Cape of Good Hope. This route will add 14 to 20 days to the voyage, leading to higher rates.

"The shipping companies are yet to come up with new rates for the route," chairman of the Engineering Export Promotion Council, Pankaj Chadha said.

Agriculture: From traditional farming to global opportunities



**HIMANSHU
VERMA**

Agriculture has been the backbone of human civilisation since the earliest settlements. From ancient subsistence farming to modern precision agriculture, the sector has continuously evolved to meet the changing needs of society. Despite rapid industrialisation, urbanisation, and technological advancement, the scope of agriculture cannot be halted or diminished. Instead, it continues to expand and diversify, playing a vital role in ensuring food security, economic development, environmental sustainability, and rural livelihood across the globe. In the coming decades, agriculture will remain one of the most essential and promising sectors for human survival and progress.

The primary and most fundamental importance of agriculture lies in its role in food production. With the global population projected to exceed 9 billion by 2050, the demand for food grains, fruits, vegetables, and livestock products will increase significantly. Agriculture remains the only sector capable of meeting this growing demand. Advances in crop breeding, improved irrigation methods, and climate-resilient farming practices are continuously enhancing productivity. Modern techniques such as precision farming, protected cultivation, and integrated nutrient management have further strengthened the capacity of agriculture to supply food to an ever-growing population.

Therefore, the need for agricultural production will always exist, ensuring that the scope of agriculture remains permanent and indispensable. Apart from food production, agriculture is a major contributor to employment generation. In many developing countries, including India, a significant portion of the population depends directly or indirectly on agriculture for their livelihood. Farmers, agricultural labourers, input suppliers, transporters, food processors, and marketers all form part of the agricultural value chain.

As new technologies and innovations emerge, new employment opportunities are also being created in areas such as agri-tech startups, digital agriculture services, farm mechanisation, agricultural consultancy, and rural entrepreneurship. Consequently, agriculture not only sustains traditional occupations but also opens new career pathways for educated youth.

Agriculture also plays a critical role in supporting various allied sectors. Industries such as food

processing, textile manufacturing, dairy production, poultry farming, fisheries, and biofuel production depend heavily on agricultural raw materials. For example, cotton supports the textile industry, sugarcane feeds the sugar industry, and oilseeds supply edible oil processing units. The development of agro-based industries strengthens rural economies and contributes significantly to national economic growth.

As the demand for processed food and value-added agricultural products increases, the interconnection between agriculture and industry will become even stronger. Another significant reason why the scope of agriculture cannot be stopped is its growing role in environmental sustainability. Agriculture is closely linked with natural resource management, including soil, water, and biodiversity conservation.

Modern sustainable farming practices, such as organic farming, conservation agriculture, agroforestry, and integrated farming systems, help maintain ecological balance while ensuring productivity. These approaches reduce chemical dependency, improve soil health, and promote climate resilience. In the era of climate change, agriculture is not only a sector affected by environmental challenges but also a key solution provider through carbon sequestration, sustainable land management, and climate-smart agricultural practices. Technological advancements have further expanded the scope of agriculture in recent decades.

Innovations such as remote sensing, geographic information systems (GIS), artificial intelligence,

The Pioneer
SINCE 1865

drones, and nanotechnology are transforming traditional farming methods into more efficient and data-driven systems. Precision agriculture allows farmers to apply water, fertilisers, and pesticides in a targeted manner, reducing wastage and improving crop yields. Similarly, biotechnology and genetic improvement techniques have enabled the development of high-yielding, pest-resistant, and climate-tolerant crop varieties. These technological integrations demonstrate that agriculture is not a stagnant sector but one that continuously evolves with scientific progress.

Agriculture also has an important role in ensuring nutritional security. Modern societies are not only concerned about producing sufficient food but also about producing nutritious food. The diversification of agriculture towards horticulture, pulses, oilseeds, millets, medicinal plants, and functional foods contributes to a balanced and healthy diet. Increasing awareness about organic food, natural farming, and farm-to-table concepts has further strengthened the connection between agriculture and human health. As people become more health-conscious, the demand for safe, fresh, and nutritious agricultural products will continue to grow. Furthermore, agriculture contributes significantly to rural development. Rural areas are the primary

centers of agricultural activities, and improvements in agricultural productivity directly influence the socio-economic conditions of rural communities. Infrastructure development, such as irrigation systems, rural roads, storage facilities, and market access improves farmers' income and overall quality of life. Government initiatives promoting farmer producer organizations, crop insurance schemes, and digital agriculture platforms are further strengthening the agricultural sector.

By improving rural livelihoods and reducing poverty, agriculture plays a central role in inclusive development. Global trade is another factor that expands the scope of agriculture. Many countries earn substantial foreign exchange through the export of agricultural commodities such as rice, spices, tea, coffee, fruits, vegetables, and processed foods.

International demand for agricultural products continues to rise due to globalisation and changing dietary preferences. As a result, agricultural exports contribute to economic stability and international trade relations. Developing countries have immense potential to strengthen their position in global markets by improving quality standards, supply chains, and value addition. Education and research in agriculture are also continuously broadening the sector's prospects.

Agricultural universities, research institutes, and extension services are working to develop innovative technologies and disseminate knowledge to farmers. Young professionals are increasingly entering fields such as agronomy, horticulture, agricultural engineering, soil science, agribusiness management, and agricultural biotechnology. These academic and research opportunities ensure that agriculture remains a dynamic and progressive discipline capable of addressing emerging challenges.

In conclusion, the scope of agriculture can never be stopped because it is fundamentally linked with human survival, economic stability, and environmental sustainability. The sector continues to adapt to new technologies, societal demands, and global challenges.

From providing food and employment to supporting industries and protecting natural resources, agriculture remains an essential pillar of development. As the world faces challenges such as population growth, climate change, and resource scarcity, the importance of agriculture will only increase. Therefore, rather than declining, the scope of agriculture will continue to expand, offering new opportunities for innovation, entrepreneurship, and sustainable development.

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Agri dept to embrace hi-tech for big boost

Technologies can also assist farmers in horticulture: Officials

BALU PULIPAKA | DC
HYDERABAD, MARCH 2

In a hi-tech push that has the potential to transform how Telangana farmers cope with crop losses, either due to pests or other reasons, the agriculture department is mulling widening a pilot project that provides real-time information on the stresses that plants are facing, across a wide variety of crops.

A pilot project in Dammapeta mandal in Bhadradri-Kothagudem district covering 22 villages with over 56,000 acres and more than 15,000 farmers, could well pave the way for extremely localised identification, navigating to the stressed area and providing self-diagnosis and remediation, including organic and chemical interventions, down to a nine-square metre area in a field.

"That is the area covered, 3x3 metres, by a single pixel in satellite images that read various parameters of the plants," said Adarsh Reddy Muri, senior vice-president, technology of Krishivaas, a Hyderabad-based company offering the service. The image will help identify which corner, or which spot, in a field where plants are beginning to

SEEDING THE FUTURE

- THE agriculture department is planning a pilot project in Dammapeta mandal in Bhadradri-Kothagudem district covering 22 villages with over 56,000 acres and more than 15,000 farmers.

- A SENIOR agriculture department official said the technology was being studied, along with another offered by Development Innovation Lab, India.



show signs of stress.

A senior agriculture department official said that this technology was being studied, along with another offered by Development Innovation Lab, India, which is run by a trust operated by the University of Chicago that aims to provide accurate weather forecasts directly to farmers. "This is something we hope we can put in place in the form of a full-fledged field study before this year's Kharif crop season begins," the official said.

This forecasting system can be drilled down to mandal— and village-level customisation. "Once the pilot study is completed, we will evaluate the results and make future plans," the official added.

Isn't using satellites for agriculture old hat? "What we are doing is different," Muri explained. "Our focus is on early stress detection in a crop." Providing accurate information to farmers on just where in the field the stress is beginning to show could help in limiting the damage.

"We have trained on 10,000 acres of paddy and maize by encouraging farmers to be a part of the exercise and found the results to be accurate. We support more than 60 different crops, including seasonal and plantation crops such as oil palm and coconut varieties," Muri said.

The satellite-imagery based analysis of plant health can identify quickly the stress a plant faces

even before a pest attack becomes visible, as was found in maize crops when the pests are invisible in the stalks, or even in the corn ears.

"The associated app on a smartphone will guide the farmer to the exact location on the ground," Muri said.

By acting early using this information, a farmer can cut down pesticide costs by up to 50 per cent, use much less of chemicals to kill the pests at the exact spot where the problem is starting, he said.

"This translates into substantial savings over a year, and with improved production as pest attacks, or even water or nutrient stress related issues can be identified and addressed, as they happen."

The agriculture department official said that such technologies could not just help farmers raising traditional seasonal crops but also those involved in horticulture, or even the increasingly popular palm oil plantations.

"The government is seriously looking into these technologies to assist farmers and help them improve their harvests, cut their costs, and earn better returns," the official said.

Urea makers trim output as conflict disrupts LNG flows

BLOOMBERG

New Delhi, 4 March

Fertiliser manufacturers in India are beginning to cut output after Qatari supplies of liquefied natural gas, a key feedstock, were suspended due to hostilities in West Asia

Some manufacturers, like Indian Farmers Fertiliser Cooperative, have started reductions at certain urea plants, according to people familiar with the matter who asked not to be identified. Any prolonged disruption may compel companies to shut facilities, the people added, without providing details. LNG is the primary feedstock for urea production, serving as both an energy source and a key input in manufacturing the most widely used fertiliser.

India's production cuts come as supply disruptions ripple through commodities markets, raising prices and stoking broader economic concerns. Rising prices of other raw materials used to make fertiliser, such as ammonia and sulfur, are adding to fears of higher production costs. Pakistan's Sui Northern Gas Pipelines also informed customers it cannot supply regasified LNG to their fertiliser plants, according to a company notice seen by *Bloomberg*.

PRICES DROP 5-6%

Basmati Prices Fall in Local Mkt as War Disrupts Exports

Prolonged slowdown in exports may increase local supply and pressure on prices: Industry execs

Jayashree Bhosale

Pune: Basmati rice prices have fallen 5% to 6% locally after disruption in exports to the Middle East, a region that accounts for about half of India's ₹50,000-crore overseas shipments.

The industry expects an even sharper correction in the coming weeks, with more than three-fourths of India's basmati output typically shipped abroad. Any prolonged slowdown in exports could increase local supplies and put further pressure on prices of the premium grain, said industry executives.

The escalation of the war in the Middle East has meant about 200,000 tonnes of basmati rice are stuck at ports and a similar amount is stuck in transit, said the Indian Rice Exporters Association (IREA). "Basmati rice prices have fallen by about 6% since the war broke out in the Middle East, which is a crucial market for Indian basmati rice exports," said Dev Garg, vice president, Indian Rice Exporters Federation (IREF). "If the war is prolonged, basmati rice prices in the domestic market can slide further."

PRICE ROSE 5-10% IN FEB

Basmati rice prices had surged locally in February by 5-10% across varieties due to strong export demand. Iran had increased imports of basmati rice substantially



amid the geo-political uncertainties in the region, said exporters. Iran accounts for nearly 40% share of India's basmati rice exports, shows government data.

However, as India exports more than 75% of the basmati production, lower prices may not generate higher demand.

"We are likely to see some more decline in basmati prices in 15-20 days. However, as there is regional preference for different varieties of rice, the fall in production may not lead to increased demand," said Rajesh Shah, an exporter of rice from Maharashtra.

Even the exporters are not resorting to panic sales. "We expect that the situation will normalise soon," said an exporter from Haryana, requesting not to be named.

The impact of lower prices on the farmers is also expected to be limited as most of the farmers have sold their produce. Meanwhile, the exporters have met various central authorities like the APEDA, DGFT and the Commerce Ministry seeking relief from port charges and from arbitrary insurance charges by the shipping companies.

West Asia turmoil chokes ₹50k-crore basmati trade

Punjab, Haryana exporters face shipment freeze, payment delays as Gulf conflict disrupts sea routes

Gurpreet Singh Nibber

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CHANDIGARH: The rice exporters from Punjab and Haryana are staring at payment delays and disruptions to shipments headed to Iran, Afghanistan and other Gulf countries following the US and Israeli military strikes on Iran.

Iran has retaliated with drones and small-scale missile strikes, hitting several cities in the Middle East, adding to the instability.

On Sunday, the association of Indian rice exporters advised its members to avoid entering into new 'cost, insurance and freight' (CIF) commitments to Iran and Gulf destinations amid escalating tensions in West Asia, warning that the situation could disrupt shipments and sharply increase freight and insurance costs.

Under CIF agreements, sellers bear the costs, insurance and freight for cargo transported via waterways until it reaches the buyer's port.

The advisory by the Indian Rice Exporters Federation (IREF) came after the United States and Israel launched a major attack on Iran on February 28, triggering fears of wider regional instability and possible restrictions on shipping through the Strait of Hormuz in the Persian Gulf. Both Punjab and Haryana contribute nearly 75% of the total premium aromatic basmati grain exported from the country.

While Haryana's share roughly stands at 35%, Punjab accounts for 40% of the total exports. To be sure, India is the world's leading exporter of basmati rice, commanding over 70% of global production and exporting approximately 60 lakh tonnes, which is worth nearly ₹50,000 crore.

India exported approximately 60 lakh tonnes of basmati rice during 2024-25, with demand primarily driven by the Middle East markets. Other



India exported approximately 60 lakh tonnes of basmati rice during 2024-25, with demand primarily driven by the Middle East.

HT FILE

major buyers include Iraq, the United Arab Emirates and the United States.

"The war has led the shipping companies to halt their cargo vessels where they are, and the movement of material and grain loaded in these vessels has also been stopped," said Ranjit Singh Jossan, vice president of basmati exporters association in Punjab. He believes that if the war stretches, halting the trade, the losses for the exporters will mount and will also cause a fall in basmati prices, impacting the growers of the aromatic grain.

Blocked trade routes to sting exporters

This is the second blow to the exporters in two months, because in January, due to the imposition of sanctions on Iran by US authorities, the Iranian currency fell to an all-time low, after which the local government refused to support the food trade.

The trade then stopped, and grain stocks worth ₹2,000 crore were stuck. "Since the past three weeks, the trade scenario eased again but has again been disrupted," Jossan added.

Rice exporters in Haryana also raised similar concerns. Karnal is the main hub of basmati exports, with Kaithal and Sonapat also contributing to the foreign shipments.

"Some impact of the conflict on the trade has already started," Sushil Kumar Jain, Rice Exporters Association's state

Grain trade in peril

TOTAL TRADE

₹50,000 cr

Annual basmati export from India

₹20,000 cr

Annual trade from Punjab

₹6,000 cr

Export (6.8 lakh tonne) to Iran (from April to Dec 2025)

* Source: APEDA figures

WHY ARE TRADE ROUTES SHUT?

The major trade passage at the Strait of Hormuz in the Persian Gulf, through which the grain is transported to Middle Eastern nations, has been shut due to war.

Movement of cargo vessels in the Red Sea (along Yemen) is also restricted because of the threat from Muslim radical Houthis, who declared to hit vessels from nations not aligned with Iran, impacting the trade route via the Red Sea, which is used to transport grains to North America (US and Canada) and Europe.

unit president, said on Sunday.

The shipments which were headed to Iran or even to Afghanistan via Iran's biggest port, Bandar Abbas, have been held up. "These shipments will remain stuck till the situation improves, and it will impact the market. Payments may also get delayed," Jain said.

According to Ashok Sethi, director of basmati exporters association, the ongoing situation is like never before, and it might push traders into bankruptcy if the war stretches.

"This is a major crisis as all shipment has been blocked at the high seas. It is Ramzan time when the exports are at their peak. At this stage All we can

say is that the losses are huge, but it will take time to assess," he said.

As per data from government of India's Agricultural and Processed Food Products Export Development Agency (APEDA), the basmati exports to Middle Eastern countries between April and December 2025 were ₹27,197 crore, which largely includes Saudi Arabia, Iran, Iraq, UAE, and Yemen.

During this time, though troubled, Iran alone imported premium grain worth ₹6,000 crore. Neeraj Kumar, a rice miller from Karnal, said, "Since yesterday, there has been a situation of uncertainty after the conflict began. Within one day

of the conflict, trade has impacted, causing a fall of nearly ₹4-5 per kg in basmati rates, which accounts for ₹400-500 per quintal."

"Last time in June there was an impact," Kumar said, referring to the Iran-Israel conflict in June last year.

"Iran is our biggest buyer of basmati, while it is also exported to other countries, including the UAE, Oman, Yemen and Iraq. The shipments for March will be affected. The actual impact on the trade will depend on how long the conflict lasts," he added.

Houthi's threat

The announcement by Yemen's Houthi group to target cargo vessels in the Red Sea has increased risks along critical maritime trade routes. If tensions extend to the Strait of Hormuz, freight rates could surge sharply, shipment costs may rise, and supply chains could face significant disruption. Currency volatility may further impact export margins.

With the threat from Yemen-based radical Houthi group that cargo vessels from nations other than the allies of Iran will be destroyed, it has also negatively impacted the trade to Europe, Canada and the USA via the Red Sea, making basmati export come to a complete standstill.

Further, according to Jossan, Iran's largest operational seaport, Bandar Abbas, a vital trans-shipment hub connecting Afghanistan, Turkmenistan, Turkey, Uzbekistan, Tajikistan, Armenia, and parts of Russia, has also been declared non-functional for commerce and trade. He added that huge stocks worth hundreds of crores are in transit, and if the situation continued the grain quality will also suffer.

Meanwhile, IREF advised exporters to conclude sales on 'free-on-board' (FOB) terms wherever feasible so that freight, insurance and related risks remain with international buyers. The federation noted that five of the leading Basmati destinations -- Saudi Arabia, Iran, Iraq, the United Arab Emirates and Yemen -- are located in West Asia and together account for around 50% of India's Basmati exports.

With inputs from PTI

Australia eyes more agri exports to India

SANDIP DAS
New Delhi, March 9

AUSTRALIA AIMS TO step up exports of sheep meat, lamb, avocados, almonds, and pulses to India, taking advantage of the bilateral Economic Cooperation and Trade Agreement (ECTA) signed three years ago, a senior trade official said on Monday.

"We are at the implementation stage of ECTA, signed in December 2022, where several agricultural products are being offered as part of market access," Paul Grimes, chief executive officer, Australian Trade and Investment Commission, told *FE*. While expanding export of sheep meat is an area of focus, products like avocados and almonds are also being increasingly traded to India following market access, he said.

"Besides seasonal shipments of apples, Australia has been supplying chickpeas or Bengal gram and masoor or lentils to boost India's domestic supplies," Grimes stated.

India imports about 18%-20% of its pulses consumption. The country imports chickpeas and lentils mostly from Australia and Canada.

The official noted that 44

INCREASED ACCESS

■ India imports about
18%-20%
of its pulses consumption



■ Australia's exports to India were valued at
\$35 bn in FY25

food and beverage companies from Australia will participate in the 40th edition of AAHAR, showcasing India's food and hospitality sectors. Commerce Minister Piyush Goyal will inaugurate AAHAR on Tuesday.

Since the signing of ECTA, Australia's exports to India, excluding coal and gold, have grown at an average annual rate of 16%, Grimes stated. Over the last five years, India's exports to the world have grown by 40%, while shipments to Australia have increased by 200%, he added.

PM Modi highlights government initiatives to secure farmers' livelihoods & drive agricultural growth



STATESMAN NEWS SERVICE
New Delhi, 6 March

Prime Minister Narendra Modi on Friday emphasised that various government initiatives have reduced risks for farmers and provided them with basic economic security, affirming that agriculture will remain a foundational pillar of India's long-term development.

Speaking at the third post-Budget webinar focused on agriculture and rural

prosperity, Mr Modi underscored the impact of flagship welfare schemes and urged greater efforts to transform the farm sector through diversification, exports, and sustainable practices.

"Various government schemes have lowered risks for farmers and given them basic economic security," Modi said, noting that the Centre has disbursed more than Rs 4 lakh crore to farmers under the Pradhan Mantri Kisan

Samman Nidhi scheme.

He stressed that agriculture plays a strategic role in India's development journey and affirmed the government's commitment to increasing farmers' income and strengthening the rural economy. "Agriculture is a strategic pillar for India's long-term development journey," he said.

Mr Modi also highlighted the government's focus on rural prosperity and women's empowerment, sharing the goal of significantly increasing the number of rural women earning sustainable incomes through self-help groups. "Our government is focused on rural prosperity, and India has set a goal to add another three crore 'Lakhpati Didi's' by 2029," he said, referring to the initiative aimed at enabling women from self-help groups to earn an annual income of

at least Rs 1 lakh.

Underlining the importance of crop diversification to boost farmers' earnings and ensure sustainable agricultural growth, Mr Modi said: "We are focusing on crop diversification and need to encourage states to increase their focus on the farm sector." He called for a shift toward environmentally sustainable farming methods and stressed that India must strengthen chemical-free and natural farming practices, especially with an eye on global markets.

"We need to strengthen chemical-free farming and natural farming with a focus on exports," he added.

The Prime Minister further emphasised the need to expand high-value agriculture while improving the quality, branding, and standards of Indian agricultural products.

Govt plans certification for natural farming to tap global markets: PM

MODISPEAK. Currently, only organic produce is certified and it follows strict chemical-free standards

Prabhudatta Mishra
New Delhi

Prime Minister Narendra Modi said on Friday that the government is considering establishing laboratories to certify agricultural produce cultivated through "natural farming" to help Indian produce reach global markets.

Currently, only organic produce is certified, which is also chemical-free and must meet specific procedures to be labelled "organic".

NATURAL FARMING PUSH

Addressing a post-budget webinar on "Agriculture and Rural Transformation", Modi said: "There is a lot of interest in holistic health-care, and within that, organic diets and organic food. In India, we must emphasise chemical-free agriculture and natural farming."

He emphasised that natural farming, with its chemical-free products, creates a pathway for India to reach

the global market. "The government is considering certifications and laboratories for this purpose. But please share your thoughts on this," he told the participants.

GOVT'S FOCUS

The stress on natural farming and organic produce amid the war against Iran also underscores the government's focus, as there has been continuous growth in the use of chemical fertilisers and pesticides despite periodic schemes announced over the last 12 years.

BOOST FARM EXPORTS

The Prime Minister called for a "unified approach involving experts, industry, and farmers to meet global quality and branding standards," and appealed to stakeholders to set clear goals to connect local farmers with global markets.

"Today, world markets are opening up, and global demand is changing. This we-



"We have a diverse climate and are very rich in agro-climatic zones; we must take full advantage of this

NARENDRA MODI
Prime Minister



binar should also focus on making our agriculture export-oriented.

"We have a diverse climate and are very rich in agro-climatic zones; we must take full advantage of this," he said.

To mitigate risks, Modi advocated for crop diversification and said that States must be inspired to fulfil their budgetary responsibilities.

Commenting on the Budget proposals, he said that they offer countless new

opportunities.

HIGH-VALUE CROPS

"It sets the direction for increasing productivity and fostering export strength. We focused on high-value agriculture. We discussed the region-specific promotion of products like coconut, cashew, cocoa, and sandalwood.

"Our southern States, especially Kerala and Tamil Nadu, produce a lot of coconut. But now, those crops and trees are so old

that they no longer have that capacity. This year, the farmers of Kerala and Tamil Nadu should benefit from the special emphasis placed on coconut," he said.

The Budget for 2026-27 focused on high-value agriculture, including cashew, cocoa, and sandalwood, Modi said, adding that the National Mission on Edible Oil and Pulses and the National Mission on Natural Farming are all strengthening the agriculture sector.

"If we scale high-value agriculture together, it will transform agriculture into a globally competitive sector," Modi said.

He said India is the world's second-largest fish producer, with an annual production of about 4.5 lakh tonnes from reservoirs and ponds. However, there is potential for an additional 20 lt of production, he said, adding:

"Fisheries can become a major platform for export growth."

Govt says it has ample stocks of fertilizers to meet kharif demand

Prabhudatta Mishra

New Delhi

The Union government has assured farmers that there is sufficient stock of fertilizers in the country and it has started making efforts to ensure adequate availability in the upcoming kharif season. Sowing of kharif crops will start from June in different phases across different States.

The total stock of fertilizers as of Friday was 177.31 lakh tonnes (lt) – 59.30 lt of urea, 25.13 lt of di-ammonium phosphate (DAP), 55.87 lt of complex (combination of N, P, K nutrients) – which is 36 per cent higher from 129.85 lt in the year-ago period, the Department of Fertilizers said in a statement. However, there was no men-

tion of the muriate of potash (MOP) stock.

In the last kharif season, fertilizers sales were 193.2 lt of urea (against 185.4 lt of estimated demand), 46.33 lt of DAP (56.99 lt demand), 10.95 lt of MOP (11.13 lt demand) and 81.48 lt of complex (76.51 lt demand) during April-September period. The demand for 2026 kharif season will be estimated at the Agriculture Ministers of States meeting at annual kharif conference, likely in April.

LARGE BUFFER

With the aggressive strategy of advance storage in low consumption phase, the government has created a large buffer stock of fertilizers, it said.

“The stockpiles data of different fertilizers show that India will be able to withstand

the global supply shock in the coming kharif season. It will be ensured that fertiliser is made available to the farmers without hindrance despite international logistics barriers,” the Ministry said.

To ensure continuity of supplies of all grades of subsidised fertilizers, the Department has already tied up critical incoming shipments. The government has so far imported 98 lakh tonnes of finished fertilizers up to February 2026, and further imports of more than 17 lakh tonnes are already lined up for the next three months.

Furthermore, to insulate the country from regional pricing and supply volatility, Indian companies have secured long-term supply agreements with major international producers for P&K fertilizers.

Exporters, Shipping Cos Clash over War Surcharge

Row has prompted talks between suppliers and govt officials as industry seeks relief from these ‘arbitrary charges’

Jayashree Bhosale

Pune: Exporters of fruits and vegetables are locked in a dispute with shipping lines over war-risk surcharges carriers want to levy even to cargo already loaded or at sea before the charges were announced, triggering a scramble for government intervention.

The issue has led to marathon meetings between exporters, the commerce ministry and other central government authorities, with industry groups seeking relief from what they termed as “arbitrary charges”. While some exporters are considering arbitration, others are looking to negotiate with shipping lines directly.

Exporters of perishable goods face the toughest option as bringing shipments back could mean heavy losses if the cargo gets spoiled, while paying the new charges can wipe out margins.

“Many small exporters are sta-

ring at bankruptcy due to an increase of 10-20 times in shipping charges, the war surcharge, and every expense arising from the disturbance of the shipping routes which the shipping lines have asked the exporters to bear,” said an industry official.

Exporters of perishables risk losses if shipments are bought back and face wiped-out margins if they pay new charges

Exporters, who may be forced to sell their quality produce at less than half of the procurement cost after bearing expenses arising from shipping-related challenges, are also worried about mounting losses.

At a meeting with the Agricultural and Processed Food Export Development Authority (APEDA), exporters of grapes, bananas, pomegranates, and other fresh fruits and vegetables urged the Centre to inter-

vene with shipping lines to regulate undue profiteering, similar to steps taken to control airline fares during the IndiGo crisis last year.

“The price of export-quality grapes had almost doubled compared with last year as production had been affected due to prolonged rainfall,” said Azhar Tambuwala, executive director at Sahyadri Farms Post Harvest Care.

Exporters of perishable fruits and vegetables said port authorities and shipping lines are trying to profit at their cost and also claim to be facing malpractice while attempting to change the destination of goods that can’t be delivered to the war-affected regions in West Asia.

Insurance companies have also stopped extending cover for some exports, adding another layer of risk.

Shipping charges, about \$300 per container earlier, have surged more than 20 times amid the crisis. The war-risk surcharge alone has risen

from about \$2,000-\$4,000 per container to around \$7,000 as of Friday, exporters said.

“The carrier shall not be liable for any loss, delay, or non-performance arising from Force Majeure conditions,” a shipping line wrote to a customer in Maharashtra. For vessels returning to Nhava Sheva port, the company said the “carrier and its agents bear no responsibility for any storage, plug-in, or other port-related charges

which will incur.”

Exporters say containers destined for Saudi Arabia have been unloaded at Sohar in Oman, while shipments meant for Syria have been diverted to Sri Lanka. After unloading them at locations other than the final destination, the shipping lines have taken no further responsibility, exporters said.

“We have no contact with the shipping line officials at the new destination,” said an exporter.



Govt working to 'optimise' gas supply as Gulf war hits LNG flow

Cuts Seen In Non-Priority Sectors, Fertiliser Sector May See Minor Dip

Dipak Dash & Sidhartha TANK

New Delhi: With nearly 40% of India's LNG flow hit due to the West Asia conflict, govt is working on an "optimisation plan" for industries, including priority segments such as fertiliser. Those familiar with the discussions said the petroleum ministry could work out the arrangement as early as Tuesday, with a reduction in supply to fertiliser sector not ruled out.

"Fertiliser units will be given enough supply for them to operate at optimum level," said a person in the know.

Some of the fertiliser units are said to be advancing their maintenance shutdowns, and the lower gas availability won't

be so much of a concern for now due to the lean season. Besides, with sufficient urea stocks at its disposal, the industry is not overly worried. Fertiliser Association of India (FAI) said that India is entering agricultural lean season and kharif sowing will begin in June. "During this phase, fertiliser consumption typically remains moderate, allowing the industry to replenish inventories and undertake routine maintenance operations at production facilities."

Amid concerns over a possibly sharp cut, an industry executive said that fertiliser is a priority for govt and the reduction will not be drastic.

The non-priority sectors will, however, need to make

STATUS OF STOCKS

- > Fertiliser stock up 36.5% to 17.7 million tonnes on March 6
- > Urea stock at 5.9 million tonnes
- > DAP at 2.5 million tonnes and NPK stocks at 5.6 million tonnes
- > Imports of 1.7 million tonnes tied up over next 3 months



do with lower supplies and make alternate arrangements to meet their fuel requirements, insiders indicated.

Company executives said India continues to get 60% of its LNG supply from sources other than West Asia and efforts are underway to tie up more supplies, including from countries such as Australia and Canada. One of the challenges will be arranging for tankers that can ship the gas as well as ensuring that new

sources of gas have surplus capacity to liquify the gas before it is loaded onto vessels.

According to official data, there is sufficient stock of fertiliser, estimated to have increased 36.5% to 17.7 million tonnes as of Friday, compared with nearly 13 MTs a year ago. DAP and NPK inventories are 70-80% higher than last year, FAI said, adding that in case of phosphatic fertilizers India has diversified supplies, which offset the

risk from one region.

"Fertiliser reserves, which are significantly higher than last year, provide a vital operational cushion, ensuring that international logistics bottlenecks do not translate into domestic farm-gate shortages," the fertiliser department said in a statement on Friday. It added that

West Asia Crisis, P9

agencies had imported the soil nutrients in large quantities, which added up to 9.8 MTs till the end of Feb. Import of another 1.7 MTs has been tied up for the next three months. Some of this, however, may face disruption due to the conflict in West Asia.

Currently, 60% of LNG used in urea manufacturing is imported from Qatar, which has been forced to stop production after a hit on the Qatar Energy facility by Iran.

Farmers' earnings may come under pressure if export issue persists

SANJEEV MUKHERJEE
New Delhi, 6 March

Farmers' income, already under stress this year due to low inflation, will be further hit if shipments of major export commodities remain stuck longer, according to their representative groups.

This, despite Union Commerce Minister Piyush Goyal assuring exporters that the Centre will use all its resources to help them deal with the West Asian crisis.

Apart from basmati and bananas, around 300 containers of grapes bound for West Asia are stuck at ports, putting almost 6,000 tonnes at risk, according to sources. That apart, 5,400 tonnes of onion from Nashik and around 8 million units of eggs destined for West Asian markets are at risk of being spoiled or being damaged due to shipment delays.

West Asia is a major destination of Indian eggs, with Oman, the United Arab Emirates (UAE), and Qatar being major buyers. These export consignments bound for West Asia could also have an impact on pulling down the food-inflation rate, which was showing some signs of moderation after being in the negative for seven straight months till December 2025. Due to low inflation, the latest data showed that at current prices, gross value added for agriculture and allied activities is projected to grow at just 0.3 per cent in FY26, down from 9.2 per cent in the previous financial year, according to the new series.

Regarding basmati, trade and market sources said farm-gate prices had dropped



7-10 per cent in the past few days because consignments totalling 200,000-400,000 tonnes (worth about ₹3,200 crore) bound for West Asia was stranded in various places (200,000 tonnes at ports and 200,000 tonnes at sea).

On bananas, trade sources said around 1,200 containers from Solapur alone were stuck in cold storage. This has stalled harvesting with farmers facing demurrage charges of ₹8,500 per container daily.

On Thursday, the Indian Rice Exporters Federation (IREF), in a representation to the Agricultural and Processed Food Products Export Development Authority (APEDA), said that international freight rates had risen by an estimated 15-20 per cent, while war-risk surcharges and insurance premiums for Gulf-bound shipments

Price metrics

Food inflation rate (Y-o-Y %)



Source: CME

increased significantly. The costs of bunker fuel have climbed, with prices of marine fuel rising to around \$80 per tonne from about \$20, it said. Sources said prices of Indian basmati in international markets had softened by around \$50 per tonne as shipping costs had gone up by almost \$200 per tonne due to the conflict. "NAFED (National Agricultural Cooperative Marketing Federation) and FCI (Food Corporation of India) must immediately purchase all stranded perishable produce (onions, bananas, grapes) at pre-crisis support prices (minimum 25/kg for onions, 25/kg for bananas) to prevent distress sales and rotting and also provide an immediate subsidy of ₹2,500 per quintal for onions and other stranded commodities, as demanded by farmers," the All India Kisan Sabha, a

Left-affiliated body, said in a statement.

West Asia food dependency

Countries of the Gulf Cooperation Council (GCC), which include nations currently at war with Iran, are increasingly focusing on producing food at home and lowering reliance on imports, according to a report by Alpen Capital.

As in 2023, the report said in terms of self-sufficiency, food produced in the GCC was able to meet 38.8 per cent of local demand, higher than the 28.4 per cent recorded in 2018. The various initiatives taken by governments there to boost production across the value chain have led to substantial improvement over the years.

Between 2018 and 2023, the region's domestic food production expanded at a compound annual growth rate (CAGR) of 4.6 per cent and exports at a CAGR of 2.9 per cent, while net imports declined at a compounded rate of 4.8 per cent. "This further affirms the GCC nations' success in achieving their food security goals," the report states. GCC nations import more than half their food items from countries like India, Brazil, and the US.

Another report by Ardent Advisory and Accounting said GCC countries, led by Saudi Arabia and the UAE, had prioritised agricultural development through strategic investment in modern farming technologies like greenhouses and vertical farming. "Rising health awareness has boosted demand for fresh, high-quality vegetables, thereby driving local production," the report said.

Fertilisers

Putting speculation about an impending shortage of fertilisers due to disruption in gas supplies from West Asia at rest, the Department of Fertilisers on Friday said as of March 6, the country had fertiliser stocks equivalent to 17.7 million tonnes, which is 36.5 per cent more than the 12.98 million tonnes held during the same period last year. The government in an official statement said that produce-wise, stocks of DAP (di-ammonium phosphate) are now estimated at 2.5 million tonnes, followed by 5.58 million tonnes of NPFS (nitrogenous phosphorus, potassium, and sulphur) and almost 6 million tonnes of urea.

"This robust, data-backed inventory conclusively demonstrates that the nation is exceptionally well-stocked and fully insulated against any global supply chain shock, as we approach the peak kharif sowing season," the government said.

It said to ensure continuity in supplies, the government had imported 9.8 million tonnes of finished fertilisers in February while another 1.7 million tonnes are lined up for the next three months.

The government said Indian entities had secured long-term supply agreements with major international producers for P&K fertilisers. On the critical question of ensuring adequate supplies of liquefied natural gas (LNG), largely imported from West Asia, for the fertiliser sector, the government said it was actively manoeuvring to optimise resources and has assured fertiliser companies that gas supply remained a top national priority.

Agri cargoes return to Indian ports

SANDIP DAS
New Delhi, March 11

EXPORTERS ON WEDNESDAY said that several consignments of agricultural products destined for West Asia returned midway to Indian ports such as Mundra, Gandhidham and Mumbai's JNPT. They said that only a few cargo consignments headed to Saudi Arabia and the United Arab Emirates (UAE) were terminated at Khorfakkan, Dubai, and the port of Salalah, Oman instead of Dubai's Jebel Ali, the

region's busiest port.

The consignments being returned to India carries onions, bananas, grapes and cereals among other items.

"Further movements of cargo from these ports for shipments to other countries have been slow while exporters have been incurring losses because of uncertainty surrounding cargo movement," Narendra Bhatia, partner at Asar Brothers, a Mumbai-based exporter of fruits, said.

Ajit Shah, a leading onion exporter said that several con-

signments en route to Jebel Ali port, Dubai early this month were rerouted to ports like Khorfakkan and Fujairah where consignment is yet to be unloaded due to a lack of infrastructure.

Dubai Customs earlier this month introduced a temporary facilitation for cargo destined for Jebel Ali Port through the ports of Khorfakkan and Fujairah, from where containers may be transported by road.

A major chunk of the country's horticulture exports to Gulf countries passes through Dubai.

Rice cargoes stuck at ports, in transit

SANDIP DAS

New Delhi, March 5

AS ALL MAJOR global shipping lines have abruptly and unrealistically hiked ocean freight rates, India's rice exporters are facing a severe profit squeeze. A leading Basmati rice exporter said that the cost of shipping a 20-foot container to certain ports, which was earlier around \$450, has now surged to nearly \$3,700—an increase they said is 'highly unreasonable'.

In addition, exporters said bookings and new shipments to ports connected with the Strait of Hormuz have reportedly been completely suspended.

Satish Goyal, President of the All India Rice Exporters Association, said around 0.25 million tonne (MT) of basmati rice is stuck at the Indian ports, including Mudra. Additionally, 0.25 MT of aromatic rice is in transit or has reached ports in Iran and other Gulf countries, but cannot be unloaded because of the geopolitical situation.

"The situation is particularly serious for exporters sending rice and other goods to Iran. Shipments bound for Bandar Abbas port are reportedly facing severe operational challenges, with no clear handling arrangements available," Ranjit Singh Jossan, vice president of the Basmati Rice Millers and Exporters Association, Punjab, told FE.

Jossan said that even consignments that had already reached Iranian ports before tensions escalated are unable to move out due to delays in issuing release orders. Reports of major disruptions in internet and telecommunications services in Iran have further complicated communication with local partners and agents.

THE ROADBLOCK



■ Rice exporters face severe profit squeeze

■ Freight rates jump from \$450 to \$3,700 per container

■ Bookings to Hormuz-linked ports suspended

■ Iran among largest buyers of Indian aromatic rice

0.25 MT basmati stuck at Indian ports

0.25 MT aromatic rice stranded in transit/Gulf ports

Iran has been among the largest importers of aromatic long-grain rice from India for several years, along with Saudi Arabia, Iraq, and the United Arab Emirates. "The government has assured us that they will look into this issue of higher freight imposed by shipping companies," Goyal said.

Trade sources said the Government Trading Corporation of Iran placed an order for around 0.6 MT of basmati with Indian exporters last month to bolster domestic grain stocks, anticipating a possible US attack. India has been the world's biggest rice exporter in the last decade, with a market share of around 35% to 40% in the grain trade. In FY25, India's rice exports were valued at a record \$12.95 billion. During the April-Jan period of FY26, India shipped rice valued at \$9.33 billion, a 7.5% fall year-on-year.

MSP fixed for rabi crops

TRIBUNE NEWS SERVICE

CHANDIGARH, MARCH 3

State Chief Secretary Anurag Rastogi today chaired a review meeting to assess the arrangements for the procurement of mustard, gram, lentil, sunflower and moong under the Price Support Scheme (PSS) for the Rabi Marketing Season 2026-27.

Lentil will be procured from March 20 to April 30; mustard from March 28 to May 1; gram from April 1 to May 10; moong from May 15 to June 20; and sunflower from June 1 to June 30. The meeting focused on ensuring farmer-friendly procurement.

It was informed that the area under cultivation and production of key crops have registered growth in 2025-26. The MSP for mustard has been fixed at Rs 6,200 per quintal, for gram Rs 5,875 per quintal, for lentil Rs 7,000 per quintal, for sunflower Rs 7,721 per quintal and for summer moong Rs 8,768 per quintal.

Officers were directed to ensure awareness among farmers regarding MSP and procurement modalities. The Chief Secretary directed agencies to adhere to norms, including the 25% procurement limit under PSS.

Imported LNG, fertilisers may turn costlier & strain the fisc

SAURAV ANAND, SANDIP DAS & RAGHAVENDRA KAMATH

AS HOSTILITIES INTENSIFY and shipping activity through the Strait of Hormuz faces disruption risks, India's fertiliser, LNG and LPG supply chains are emerging as critical pressure points, with potential implications for the farm economy, cooking fuel supply and macro stability.

The Strait of Hormuz remains a critical global energy choke point, with nearly 20% of global liquefied natural gas (LNG) shipments transiting through the route. "In FY25, about 54% of India's LNG imports were routed through the Strait of Hormuz," said Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icri. As per Vortexa data, around 20% of global LNG transits the Strait of Hormuz, and over 90% of Qatar's LNG exports must pass through this route.

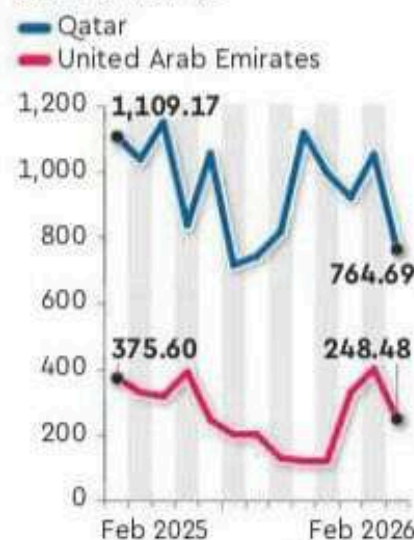
Fertiliser industry sources said that if the conflict prolongs, it could impact LNG supplies — a key feedstock for urea manufacturing in India. Currently, 60% of LNG used in urea manufacturing is imported from Qatar, with India having a long-term agreement in place. About 87% of the country's annual urea demand — 38.79 million tonne (MT) in FY25 — was met locally. However, India imports a significant volume of natural gas to produce that urea. At present, 30 out of 32 urea units use natural gas as feedstock.

"While we hold sufficient stocks of LNG for urea manufacturing, if the Iran conflict persists, it would pose a challenge for feedstock supplies," an official with a leading fertiliser company told *FE*. Any sus-

CHOKES POINT



India's LNG imports via Strait of Hormuz



Note: Values in thousand tonne
Source: Kpler

tained supply bottleneck could tighten feedstock availability and potentially impact production costs, even if physical shortages do not materialise immediately.

Beyond urea, the risk extends to imported finished fertilisers and raw materials. Industry sources indicated that imports of diammonium phosphate (DAP) and its key inputs — rock phosphate and phosphoric acid — could also be affected if the conflict continues, as India sources significant volumes of soil nutrients from Saudi Arabia and North African countries.

Last year, three Indian fertiliser

firms — IPL, KRIBHCO, and Coromandel — signed a five-year agreement with Saudi Arabia's Ma'aden to import 3.1 MT of DAP annually starting this financial year. Two-thirds of India's DAP consumption is met via imports from Saudi Arabia, Jordan and Morocco, increasing the sector's exposure to regional shipping and pricing volatility.

Structural vulnerability appears sharper in LPG

"The more structural vulnerability lies on the LPG side," said Nikhil Dubey, senior refining analyst at Kpler. "India is heavily dependent on Persian Gulf LPG imports routed through Hormuz and does not have any strategic LPG reserves. Unlike crude, LPG sourcing flexibility and storage buffers are limited, making the supply chain significantly more sensitive to regional instability." The absence of strategic LPG reserves, unlike crude oil, makes the cooking gas supply chain more exposed to shipping disruptions or price spikes.

Macro risks in focus

"The situation in West Asia is unfolding and the extent that it prolongs and widens would have a bearing on India's macros, including the impact of fuel prices on inflation and the twin deficits, as well as remittances," said Aditi Nayar, chief economist, Icri. Brent has already moved to a seven-month high of around \$72.8/barrel, and scenario analysis suggests that Hormuz disruption could push prices above \$90/bbl, while a broader regional conflict could take crude beyond \$100/bbl," JM Financial Institutional Securities noted.

Urea cos shut plants as war hits LNG flows

Some urea companies in India have shut down plants or moved up annual maintenance after Qatari supplies of liquefied natural gas (LNG), a key feedstock, were suspended due to the Iran war.

Manufacturers, including top producer Indian Farmers Fertiliser Cooperative Ltd, have either halted some of their facilities or started routine upkeep, according to people familiar with the matter.

Restarting a paused plant could take as long as a month, provided LNG supplies resume, they added, asking not to be named because the matter is private.

LNG is the primary feedstock for urea production, serving as an energy source and a key input in making the world's most widely used fertilizer. Gas supplies to India's fertilizer industry are currently about 70% of their requirement, the people added. **BLOOMBERG**

Don't spray fungicide in wheat showing purple discolouration, say PAU experts

Scientists stress that it is not a disease & the developing grain is healthy

MANAV MANDER
TRIBUNE NEWS SERVICE

LUDHIANA, MARCH 15

In a repeat of what was seen in March 2022, wheat crops across the state are showing purple discolouration on glumes and peduncles due to above-normal temperatures in February and March, said experts.

Experts from Punjab Agricultural University (PAU) said this pigmentation is not a disease and does not affect the developing grain. They cautioned farmers against spraying fungicides unnecessarily.

DS Bhuttar, head, Department of Plant Pathology, said, "Most of the wheat crop in the state is in the earing phase. Lately, farmers have shown concern over the appearance of purple pigmentation on wheat glumes and peduncles. Few farmers have already



DON'T PANIC, GRAIN IS HEALTHY

“Few farmers have already sprayed fungicides without consulting scientists or extension experts. The grain does not show any discolouration. Need-based irrigation and spray of potassium nitrate, as recommended by the PAU, will help counter the heatwave and ensure a good yield.”

—DS Bhuttar, HEAD, DEPARTMENT OF PLANT PATHOLOGY

“According to the experts, the purple discolouration in the crop is aggravated by the above-normal temperatures in February and March. FILE PHOTO

sprayed fungicides without consulting scientists or extension experts.”

“Scientists from the PAU have undertaken extensive surveys to study this problem, and found that it is not a disease and the discolouration is only on the glumes.

The developing grain is healthy and does not show any discolouration,” he added, recalling the similar state that was seen in 2022.

Bhuttar said the likely cause for the discolouration was appearance of melanin pigment, which might be the

inherent character of some popular wheat varieties. He said the above-normal temperatures in February and March have aggravated the problem and the level of glume pigmentation varied with different wheat varieties being cultivated across the state.

“Since it is not a disease, there is no need to spray any fungicides,” he advised the farmers, urging them to instead ensure need-based irrigation and spray potassium nitrate, as recommended by the PAU. According to him, it will help counter the heatwave and ensure a good yield.

Experts advised the farmers to remain vigilant and rely on scientific advisories rather than resorting to panic measures. According to them, the indiscriminate spraying adds unnecessary cost and poses risks of chemical residues in the environment. They said by following recommended practices, growers can safeguard crop health and soil sustainability, ensuring that the state's wheat belt continues to deliver high yields.

US Supreme Court's tariff ruling changes little

Trump can theoretically reimpose all the country-specific tariffs by using 'national security' and 'unfair trade practices' levers

Shang-Jin Wei

The US Supreme Court's rejection of Donald Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose country-specific tariffs has generated an explosion of headlines and rabid denunciations from the president himself. But the ruling's economic impact on other countries and world trade is likely to be limited.

The IEEPA tariffs were probably already illegal under World Trade Organization rules, as they violated the principle of equal treatment. In any case, Trump has since imposed a new across-the-board 10 per cent tariff under a different law (Section 122 of the Trade Act of 1974), which he is threatening to raise to 15 per cent (the maximum allowed). Such a response is not good news for American households and firms, but it does bring the US closer to compliance with global trading rules.

In the near term, the new surcharge will create winners and losers. Before the IEEPA ruling, trade-weighted effective tariffs were roughly 36.8 per cent on Chinese exports, 22.3 per cent on India, 21.6 per cent on Vietnam, 23.5 per cent on Indonesia, 19.4 per cent on Thailand, 14.9 per cent on Japan, 12.8 per cent on South Korea, 11.6 per cent on Malaysia, and 6.7 per cent on Singapore. But now, with the new 10 per cent Section 122 tariffs, China's effective rate will fall to about 26.9 per cent, India's to 13.9 per cent, Vietnam's

to 16 per cent, Indonesia's to 16.4 per cent, and Thailand's to 14.8 per cent, while Japan and South Korea will face modest increases to 13.5 per cent and 12 per cent, respectively.

Similarly, the European Union and the UK will be worse off than before the court's ruling, because they have made concessions to the US in their bilateral negotiations; but the concession from the US is in fact smaller than the removal of the IEEPA tariffs itself.

Trump's Trade Representative, Jamieson Greer, declared that the US will reconstruct the country-level tariffs through other means. Perhaps the winners and losers from the Supreme Court ruling are only temporary.

REIMPOSING PREVIOUS TARIFFS

The Trump administration has started a process of tapping into Section 232 (on national security) and Section 301 (on unfair trade practices) of the Trade Act of 1974 to restore many elements of the previous tariff landscape. Section 232 allows product-specific tariffs — such as a 25 per cent levy on steel — after a Commerce Department investigation, while Section 301 permits country-specific retaliation following a US Trade Representative inquiry. Because such investigations generally entail a great deal of discretion, Trump could theoretically reimpose all the country-specific tariffs that were in place before the Supreme Court's ruling.

While China appears to have benefited the most from the Supreme Court decision, the relief will be



COURT RULING. Unlikely to alter US trade barriers significantly Reuters

temporary. The first Trump administration already used a Section 301 investigation to justify its high tariffs on Chinese imports. The Biden administration concluded in a subsequent review that some of China's unfair trade practices had persisted and continued the Trump tariffs.

Trump can simply cite the Biden administration's review as a basis to introduce new tariffs, with rates potentially higher than the IEEPA ones. Though he may refrain from doing so before his visit to Beijing in April, he could make the announcement thereafter.

In principle, other countries can challenge unfair applications of Section 232 and Section 301 tariffs at the WTO, as both the EU and China have done in the past. But these efforts will not get very far, because the WTO Appellate Body has been inoperative since 2019, owing to America's refusal to allow new judicial appointments. Indeed, a WTO

panel ruled in 2020 that the first Trump administration's 301 tariffs on China were not justified; but since the Appellate Body was not functioning, no final ruling could be issued.

The US has two additional advantages over other countries: its ability to “weaponize commerce” and its ability to “commercialize weapons.” The US government can leverage its position as the world's largest importing market to extract concessions from others, and it can leverage allies' security dependencies to “induce” them into investment and trade concessions.

Trump's willingness to use both levers will make other governments think twice before taking the US to the WTO. For Japan, South Korea, and parts of Europe, security considerations would likely outweigh the benefits of litigation. The legal availability of a WTO dispute-settlement process is one thing; the political willingness to use it is quite another.

In the end, the Supreme Court's ruling on Trump's tariffs may modify the legal facade of US trade policy, as well as produce a brief surge of imports into the US. But it is unlikely to reduce the overall height — or significantly alter the country composition — of US trade barriers.

The writer, a former chief economist at the Asian Development Bank, is Professor of Finance and Economics at Columbia Business School and Columbia University's School of International and Public Affairs. Copyright: Project Syndicate, 2026. www.project-syndicate.org

Fertiliser stocks at record high, insulated from Middle East crisis

NEW DELHI: India's fertiliser inventories have surged to their highest level ahead of the kharif (summer) crop season, the government said on Friday, seeking to reassure farmers and markets that domestic supplies remain unaffected by geopolitical tensions roiling West Asia and the Strait of Hormuz.

Total fertiliser reserves stood at 177.31 lakh tonnes as of Friday, up 36.5 per cent from 129.85 lakh tonne a year earlier, the Department of Fertilizers said in a statement.

"Farmers are the priority of the government, and their interests will not be compromised under any circumstances," the department said.

Farmers have been urged to proceed with kharif preparations without panic. Sowing of kharif crops like rice begin with

the onset of southwest monsoon from June.

Stocks of urea — the most consumed fertiliser and one heavily dependent on natural gas feedstock — stood at 59.30 lakh tonne. Diammonium phosphate (DAP) inventories were at 25.13 lakh tonne, while NPKS fertilisers reserves reached 55.87 lakh tonne.

The government said it has imported 98 lakh tonne of finished fertilisers up to February 2026.

A further 17 lakh tonne of shipments are already lined up for delivery over the next three months.

Indian companies have also secured long-term supply agreements with major international producers for phosphatic and potassic (P&K) fertilisers to guard against regional pric-

ing and supply volatility, the statement said.

On concerns over LNG supply disruptions, the department said gas allocation to the fertiliser sector has been accorded top national priority following a high-level review meeting.

Fertiliser companies have also agreed to prepone scheduled plant shutdowns for maintenance to March, the department said, adding that the move will allow firms to utilise the period of global disruption productively without affecting peak-season output.

The Department of Fertilizers, in coordination with the Ministry of Petroleum and Natural Gas, is monitoring the global energy situation in real time and stands ready to take swift action as circumstances evolve, it added. PTI

Corteva creates awareness on IPM to control black thrips in chilli

Our Bureau
Hyderabad

Corteva Agriscience said Friday that it was actively addressing the challenges posed by the severe infestation of black thrips by empowering farmers through science-backed, integrated pest management (IPM) strategies to ensure sustainable productivity and economic stability.

Chilli farmers are struggling with severe infestations of black thrips, leading to yield and quality losses. Repeated use of insecticides with the same mode of action is delivering poor control while increasing residue risks, the company said.

Andhra Pradesh Agriculture Minister Kinjarapu Atchannaaidu recently directed the officials in the State for an immediate report on the black thrips infestation and emphasised on the need

to guide farmers on pest-management practices, particularly on the safe and effective use of pesticides. Corteva said it has responded to this crisis by establishing five crucial model plots. These plots rigorously studied and implemented cutting-edge management protocols.

Initiatives emphasized green-chemistry principles and IPM recommendations. Paired with vital education on resistance and residue management, the strategy promoted robust crop health and environmental stewardship, the company said.

MEASURABLE IMPACT

Corteva said its field scientists and farmer-facing teams are creating significant, measurable impact through their on-ground efforts. Observations consistently demonstrate superior black thrips control under IPM

protocols. This translates to visibly improved crop vigour, enhanced greenness, and prolific flowering. Reduced damage symptoms confirm the approach's efficacy, reinforcing farmer confidence and securing harvests.

Corteva said it has been proactively working with the State Department of Agriculture and Horticulture to align on key performance indicators like return on investment (ROI), productivity improvements, and maximum residue limit (MRL) compliance. Recently, Corteva conducted extensive field days reaching approximately 1,000 farmers across 50 villages, along with targeted residue testing programmes to raise awareness on MRL standards and compliance.

This ensured farmers can access demanding export markets for their quality produce.

India, Canada deepen agri-food ties

PRESS TRUST OF INDIA

■ New Delhi

India and Canada strengthened bilateral cooperation in the agri-food sector with the signing of a five-year Memorandum of Understanding between the National Institute of Food Technology Entrepreneurship and Management-Kundli (NIFTEM-K) and the University of Saskatchewan (USask).

The agreement was signed by NIFTEM-K Director Harinder Singh Oberoi and USask Vice President (Research) Baljit Singh in the presence of Saskatchewan Premier Scott Moe and senior officials of India's Ministry of Food Processing Industries, according to an official statement.

The partnership follows the announcement by the Prime Ministers of both countries of a jointly supported Centre of Excellence in Pulse Protein, to be led by NIFTEM-K and USask.

The MoU provides for joint research projects, online



teaching and training programmes, faculty and student exchanges, integrated degree programmes in Food Processing Technology, and industry-oriented short courses. It also envisages collaborative funding proposals, seminars and workshops aimed at advancing innovation, sustainable food

systems, food security and value-chain development.

Officials said the collaboration is expected to boost research-driven industrial growth and further strengthen India-Canada cooperation in the agri-food sector while expanding NIFTEM-K's global engagement in food technology and entrepreneur-

ship. "Both institutions emphasised that the collaboration will enhance research-driven industrial growth and strengthen bilateral cooperation in the agri-food sector, further expanding NIFTEM-K's global engagement in food technology and entrepreneurship," the statement said.

Wheat output may rise to new high of 120 mt on higher area, good weather

ABOVE AND BEYOND. Crop planted later in the season may be hit; procurement pegged at 30.3 mt

Prabhudatta Mishra
New Delhi

Wheat production in the current crop year (July-June) is likely to be close to 120 million tonnes (mt), exceeding the government's target of 119 mt, due mainly to higher acreage and conducive weather throughout the season. However, in some areas where the crop was planted late, the yield may be impacted by the rise in temperature.

"Production is projected to be around 120 mt, according to both manual and digital surveys, and similar feedback was also received from wheat-growing States at the recently held meeting to plan the official procurement," a senior official said.



LOWER YIELD. FAO expects 2026 wheat output to decline

Wheat output in 2024-25 was 117.95 mt.

The Agriculture Ministry is likely to release this week the second advance estimates of production of crops, including wheat, mustard,

chana (gram) and masur (lentil), grown in the rabi season. According to the first estimates, released in the last week of November, food-grain output in the kharif season is estimated to be

173.33 mt, which includes 124.5 mt of rice, 7.41 mt of pulses, 28.3 mt of maize and 13.11 mt of nutri cereals.

Estimates for procurement for the ensuing 2026-27 rabi marketing season (RMS), which will commence from April 1, have been fixed at 30.3 mt for wheat, 7.6 mt of rabi-grown rice, and 0.78 mt of maize and millets, the Food and Public Distribution (DFPD) Ministry said March 6.

The estimates were arrived at in the day-long meeting of the State Food Secretaries, chaired by Food Secretary Sanjeev Chopra. Factors impacting procurement, including public distribution and storage of food grains, were reviewed during the meeting, the Ministry said. The government also

said sufficient packaging material would be provided for smooth purchase of the crops, for which 7.83 lakh bales of jute (of 180 kg each bale) and 9.22 lakh bales of HDPE bags will be allotted to the agencies.

AIDING EXPORT

India's higher wheat production may help the country to export the grain for the first time after a four-year ban was recently lifted, with the government announcing to permit 2.5 mt.

The Food and Agriculture Organisation (FAO) said in its latest report that global wheat production is expected to decline in 2026 by nearly 3 per cent to around 810 mt in 2026 due to reduced acreage and lower yield than 2025.

Centre to buy 1.25L tonnes rabi pulses and oilseeds from Telangana at MSP

NEW DELHI: About 1.25 lakh tonnes of pulses and oilseeds grown during the current 2025-26 rabi season will be procured from Telangana at a minimum support price (MSP), the agriculture ministry said on Wednesday. The procurement at MSP will cost about Rs 894 crore.

Currently, pulses and oilseeds grown in the rabi (winter) season are underway. The procurement will be undertaken under the Price Support Scheme (PSS), as part of the PM-AASHA framework.

PSS activates during peak

harvest if prices drop below MSP, with procurement limited to 25 per cent of national production.

In an official statement, the ministry said 29,860 tonnes of gram, 37,020 tonnes of black gram, 55,285 tonnes of groundnut, and 3,690 tonnes of sunflower seed will be procured under PSS from Telangana. Agriculture Minister Shivraj Singh Chouhan said the procurement will not only ensure remunerative prices for Telangana farmers but will also boost the production of pulses and oilseeds. **PTI**

Iran war threatens Asia fertiliser supplies ahead of planting season

Escalating war in West Asia has shut down fertiliser plants in the region and severely disrupted shipping routes, potentially curbing supplies to key Asian importers just as farmers gear up for their major cereal planting season.

The world's most populous countries, India and China, as well as key farm product exporters Australia and Indonesia could face pressure on supplies of plant nutrients such as nitrogen and phosphate fertilisers,

traders and importers said.

Shipments from the West Asia are likely to drop not only because transit through the Strait of Hormuz, the conduit for about one-third of global trade for the nutrients, has all but stopped, but also due to cuts in production.

Qatar Energy has had to stop production at the world's largest single-site urea plant, as it lost its source of natural gas feedstock after the company shut down gas output due to attacks on its LNG facilities. **REUTERS**

War may hit kharif crop with fertiliser shortage

Diamonds, industrial raw goods, metals, construction materials also hit

SANGEETHA G.
CHENNAI, MARCH 5

The impact of West Asia tensions has extended beyond the supply of crude oil and natural gas to fertilisers, diamonds, industrial raw materials, metals and construction materials. Closure of fertiliser plants in the West Asia may affect the Kharif sowing in India.

In 2025, India imported \$98.7 bn worth goods from West Asia, making the region a crucial supplier for energy, fertilisers and industrial raw materials.

The region includes the six Gulf Cooperation Council countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE — along with other regional economies such as Iran, Iraq, Israel, Jordan, Lebanon, Syria and Yemen.

"If disruptions to shipping through the Strait of Hormuz continue beyond a week, the effects could quickly spread from energy markets to fertiliser supplies, manufacturing inputs, construction materials and export industries such as diamonds," said Ajay Srivastava, founder, GTRI.

Several fertilizer plants in the West Asia have stopped operations after the shipping routes were

● **INDIA IMPORTED** \$98.7 bn worth of goods from West Asia in 2025.

● **GULF REGION** is a crucial supplier for energy, fertilisers and industrial raw materials.

● **FERTILISER PLANTS** in West Asia have stopped operations after shipping routes closed.

● **INDIA RECENTLY** concluded deal to buy 1.3MT of urea, with some of that supply likely to be sourced from West Asia.

● **THERE IS** a risk of these supplies not reaching India on time.

DISRUPTION AT STRAIT OF HORMUZ

● **INDIA BUYS** more than 40% of its urea, phosphatic fertilisers from West Asia.

● **WEST ASIA** exports about 40.6% of \$6.8 bn worth rough diamonds, supplies \$129 mn worth of gypsum and \$483 mn worth limestone.

● If disruptions to shipping through the Strait of Hormuz continue beyond a week, the effects could quickly spread across the industries.

— AJAY SRIVASTAVA, Founder, GTRI.



closed, making availability of plant nutrients such as nitrogen and phosphate fertilisers, as well as sulphur scarce. Production of urea in Qatar, Iran and Saudi Arabia also has been affected, as per agency reports.

India recently concluded a deal to buy 1.3 million tons of urea, with some of that supply likely to be sourced from the West Asia. According to analysts, there is a risk of these supplies not reaching India on time. India buys more than 40 per cent of its urea and phosphatic fertilisers from the

West Asia.

In 2025, India imported \$3.7 billion worth of fertilisers from West Asia. This included \$2.2 billion of mixed fertilisers (NPK) and \$1.5 billion of nitrogen fertilisers. The region also supplied \$420 million worth of sulphur.

Further, around \$6.8 bn worth of rough diamonds came from West Asia, accounting for 40.6 per cent of imports. Any disruption in raw diamond shipments could slow production and affect employment in jewellery sector.

India imported \$1.2bn worth of polyethylene

polymers from West Asia, accounting for 35.6 per cent of imports of this plastic feedstock. Supply shortages could disrupt packaging and consumer goods manufacturing.

West Asia also supplies \$129 mn worth of gypsum and \$483 mn worth limestone and shortages can push up cement prices and delay infra projects.

Among metals, \$190 mn worth of direct reduced iron is used for steelmaking and \$869 mn worth of copper wire is used in power transmission, electrical equipment and renewable energy infra.

Rice exporters asked to shift shipping cost risks to buyers amid escalating Iran tensions

NEW DELHI: The Indian Rice Exporters Federation has advised its members to avoid fresh cost, insurance and freight (CIF) commitments for Iran and parts of the Gulf as the security situation in the region deteriorates and fears of restricted movement through the Strait of Hormuz mount.

The federation, in an advisory to its members on Sunday, asked exporters to switch, wherever possible, to free on board (FOB) terms — a structure under which the international buyer bears freight, insurance and related risks so that Indian exporters are not left exposed to runaway costs on fixed-price contracts. "Developments in Iran and the UAE could push up bunker prices, the fuel that powers cargo vessels ... container and bulk freight could



increase sharply at short notice," the exporters' body warned, adding that insurance premiums could also spike steeply.

The scale of vulnerability is significant. India's rice trade with Africa and the Middle East together accounts for roughly half of the national rice exports. During April-December 2025, shipments to the Middle East totalled 3.90 million tonnes, while Africa received 7.16 million tonnes. For basmati, the exposure is even more concentrated. The five largest buyers — Saudi Arabia, Iran, Iraq, the

UAE and Yemen — are all in the Middle East and together account for about 50 per cent of India's basmati exports.

With basmati wholesale prices already 10-15 per cent higher than a month ago and Iran being a critical destination, the federation warned of "heightened volatility in basmati prices in the coming days."

IREF has also called on exporters to exercise restraint in taking on new orders and to avoid open-ended, unhedged positions, language that signals real anxiety about the pace at which market conditions could shift. The federation said it is monitoring the situation closely and is in contact with exporters whose consignments are in transit or awaiting port clearance. Members facing difficulties have been asked to seek its

assistance directly.

Further advisories will be issued as the situation develops, IREF said. "The escalating Iran-Israel conflict is sending ripples through India's rice export market, particularly for key varieties like Basmati, Gobindo Bhog, and Sona Masoori. With Middle East countries accounting for over 70% of India's rice exports, the crisis could have a huge impact on the industry," Villa Group CEO Suraj Agarwal said in a statement.

These varieties saw a surge in demand from the region this year, driving prices up. "However, the ongoing tensions may disrupt trade, affecting shipments and payments. This could lead to a surplus of these varieties in the domestic market, potentially causing prices to fall."

LNG squeeze may impact urea output ahead of kharif season

No Immediate Crisis As It's Lean Season: Experts

TIMES NEWS NETWORK

New Delhi: India may face serious disruptions in supply of fertilisers and raw materials in the next kharif season — starting in June — if the blockade of the Strait of Hormuz continues due to the conflict in West Asia, industry insiders said. They added that there is no immediate crisis because it is a lean season.

Any reduction in supply of liquefied natural gas (LNG) to urea manufacturers in the coming weeks could impact production of the key soil nutrient ahead of the kharif planting season, a fertiliser company executive said, adding that they are keeping a close watch on developments. Kharif crops account for more than half



SUPPLY STRAIN

of India's food grain production, as major crops such as rice, pulses, oilseeds, cotton, and sugarcane are sown during this season.

On average, fertiliser companies produce around 2.5 million tonnes (MT) of soil nutrients per month. If LNG supplies are not normalised, production could be severely affected, industry watchers said, highlighting that production and stocking of fertil-

isers usually begins from March to ensure smooth distribution.

At present, 60% of LNG used in urea manufacturing is imported from Qatar, and India has a long-term agreement in place. Currently, 30 out of 32 urea manufacturing units use natural gas as feedstock.

Industry watchers also said that apart from supply issues, blockade of key shipping routes in the Gulf would push up prices of DAP and urea, which would directly impact the govt's food subsidy expenses.

Regarding the current level of stocks, people involved in the sector said that by the end of Feb, urea stocks stood at 5.5 MT compared to 4.9 MT a year ago. The current DAP stock with companies is projected at around 2.5 MT, against 1.3 MT a year earlier. In the case of complex fertilisers, NPK (nitrogen, phosphorus, and potassium) stocks are higher than 5.4 MT compared to 3.2 MT a year ago. The increased stock is due to a surge in imports during the current financial year.

Cut in gas supply forces fertilizer cos to advance maintenance work

GROUND REALITY. Companies confident of meeting kharif season demand even as price spike fears linger

Our Bureaus
Ahmedabad | Kochi |
New Delhi | Mumbai

The government's decision to cut gas supply for industrial use is seen lowering production by fertilizer companies and pushing up prices during the kharif season. Many large fertilizer producers have advanced their annual maintenance schedule by a month and closed plants due to the non-availability of gas.

An IFFCO official, on the condition of anonymity, clarified that overall production will not get affected, provided the gas supply normalises by April when the company originally had planned to close the plant for maintenance.

Sources in the fertilizer industry said that urea plants, which make the fertilizer mainly on imported gas, are currently getting 30-50



AIDING GROWTH. As of February, India's urea stocks stood at 5.5 million tonnes against 4.9 mt in the same period last year

per cent of their requirement. Sources said the government has informed fertilizer companies not to make public the issue of non-availability of gas. Queries sent to the Fertilizer Association of India were not replied till evening.

UREA PRODUCTION
India has 32 functional urea manufacturing plants, of which 31 use gas as their feedstock, while one takes coal-gasification route to

produce nitrogen. S Sakthimani, Chairman and Managing Director, Fertilisers and Chemicals Transtare (FACT), said the company uses three key inputs — rock phosphate, sulphur and RNLG — and has sufficient stock currently.

FACT has tied up with countries such as Togo for the supply of rock phosphate, and has enough stocks to meet production needs for the next three months. BPCL has assured adequate supply

of sulphur, while RNLG supply has been moderated due to prioritisation to other sectors, he told *businessline*.

This is the off-season for fertilizers, and the company is utilising the period to undertake maintenance activities at its plants. "We will be in a position to cater to market requirements in the coming season in June-July," he said, adding that FACT currently holds about 1.4 lakh tonnes of fertilizer stocks.

Gujarat Narmada Valley Fertilizers & Chemicals sources a significant portion of its ammonia production from natural gas, which accounts for about 60 per cent of total ammonia output, said official sources.

Earlier this month, GNFC reported that supply constraints from its RNLG supplier, GAIL (India), triggered by a *force majeure* notice from Petronet LNG. While the company indicated that production of neem-coated

urea could be impacted, other product lines were largely unaffected and the overall impact remains uncertain.

Officials of the state-promoted Gujarat State Fertilizers & Chemicals declined to comment on the potential impact of the Strait of Hormuz closure on natural gas availability.

The inventory available with fertilizer companies seems comfortable before the kharif season begins. As of February, India's urea stocks stood at 5.5 million tonnes against 4.9 mt in the same period last year. Inventory of DAP was at 2.5 mt against 1.3 mt recorded last year. However, stocks of muriate of potash were lower at 1.29 mt (1.5 mt).

India's annual fertilizer consumption is around 65 mt. Urea accounts for nearly 40 mt of this demand, while DAP consumption is about 10 mt.

US-Iran war leaves 70,000 tonnes of basmati to Gulf stuck on high seas

Prabhudatta Mishra
New Delhi

Basmati exporters, who were pinning their hopes on registering record-high exports this fiscal year, are now praying for an early end to the war. Industry officials noted that the conflict has disrupted shipments to West Asia, a key market for the aromatic rice, with an estimated 60,000-70,000 tonnes currently on the high seas, some of which are near the Bandar Abbas port.

During the April-January period of 2025-26, 5.38 million tonnes (mt) of basmati rice were exported — an 11 per cent increase over the 4.84 mt recorded in the same period last year, according to Satish Goel, President of the All-India Rice Exporters Association (AIREA).

"We were on target to

achieve a record 6.5 mt of basmati export this year, but for this war. If it ends in a week, it is still possible to meet the target; it will be difficult," Goel said, adding that exporters are scheduled to meet the Apeda Chairman and other officials on Tuesday to discuss potential outcomes and how the government might provide support.

When asked about the quantity currently stuck at sea, he mentioned that the association is still assessing the figures with the government, though he added it is possible that 60,000 to 70,000 tonnes are affected.

Goel said that while there has been no increase in shipping charges so far, the situation remains so fluid that it is impossible to predict what will happen next.

TARN TARAN SUFFERS
Sources at Apeda said they

are attempting to assist exporters reaching out to them, as the crisis is impacting all products, including agriculture.

"Basmati rice export from Tarn Taran and surrounding areas has been completely disrupted due to the eruption of war during the month of Ramzan," said Ashok Sethi, Director of the Punjab Rice Millers Exporters Association. He said the majority of the industry players in this region, which dominates due to its excellent quality, usually export 70 per cent of their basmati to West Asian countries.

Punjab rice exporters fear delayed payments as a large number of shipments are being held at Indian ports or are stranded en route, potentially missing delivery schedules for Ramadan.

Sethi said the association has sought the Central Gov-

ernment's assistance for the basmati industry.

ACTIVE BUYING

Former AIREA President Vijay Setia noted that Iran bought rice actively over the past two months, likely in anticipation of a conflict. Consequently, basmati prices increased by ₹10-15 a kg due to Iranian demand.

"Shipping liners have announced *force majeure*. The Government should issue a directive to container companies not to penalise exporters or impose charges for delay (in emptying containers)," Setia said, adding that ships are also taking U-turns or being rerouted, resulting in delayed deliveries.

BV Krishna Rao, President of The Rice Exporters Association, confirmed that rice exports to the Gulf will be hampered by the stand-off with Iran.

Kerala exporters feel the pinch

ARJUN RAGHUNATH
THIRUVANANTHAPURAM,
DHNS

Exporters of perishables such as vegetables and fruits from Kerala to Gulf countries are feeling the pinch of the conflict in West Asia, as exports have stopped due to flight cancellations.

The export of fruits and vegetables is usually on the higher side during the month of Ramadan. Hence, the impact is harsher for the exporters.

According to the Agricultural Products and Processed Food Exporters' Association (APEXA), around 140-150 tonnes of fruits and vegetables were being exported daily to Gulf countries through four airports in Kerala. It has completely stopped in view of the cancellation of all flights.

"In view of the Ramadan fasting, fruits like pineapple, banana, and plantain were witnessing more demand. The average price of the consignments is around \$1.5 per kilogram. The exporters are now left with no option other than selling the products at



Fishermen sit in a trawler navigating past containers staked on a ship at a port in Vallarpadam in Kochi. REUTERS FILE PHOTO

throwaway prices in the local markets," APEXA president Abraham Thomas told *DH*.

Exporters of processed food have not yet been affected, as their consignments are generally sent by sea and the products have a longer shelf life.

Dry-fruit traders in the state are concerned that a prolonged conflict might affect the import of dates, because a major chunk of good-quality dates is imported from Iran.

Saudi-bound vessel docks

Zaki Vision, a brand-new off-

shore vessel bound for Saudi Arabia from China, has docked in the Kollam port in Kerala owing to tensions in West Asia.

The offshore support vessel was en route from China to the Ras Tanura port in Saudi Arabia. It is expected to resume its journey once the situation permits.

The Saint Kitts and Nevis flag carrier has 12 crew members, all foreign nationals.

Kollam port authorities said that the permission to dock at the port was given after obtaining clearance from Central agencies.

'Global agricultural subsidies directly linked to deforestation'

Vijay C. Roy
vijay.roy@livemint.com
NEW DELHI

Governments are spending billions of dollars subsidizing fertilizers that are increasingly delivering limited productivity gains while contributing to environmental damage, prompting the World Bank to push nations, including India, to rethink how agricultural support is designed.

In an interview, World Bank Group's global environment director Valerie Hickey said around 14% of global agricultural subsidies are directly linked to deforestation. In many countries, including India and Zambia, traditionally, a large part of subsidies in the agriculture sector was for the provision of inputs such as fertilizers, Hickey said. She added that global agricultural subsidies amount to nearly \$2 billion a day, but a significant portion is "nature negative."

Highlighting fertilizer misuse, she said that in some places, in emerging markets and developing economies, rising fertilizer application is actually



Valerie Hickey, World Bank's global environment director.

decreasing productivity because the soil is already oversaturated with fertilizer.

She argued the real challenge is not the quantity of finance but its quality and impact.

"In some regions, excessive fertilizer use has even reduced yields due to soil degradation. It's a waste of government money, and so this is not that there isn't enough money, but it's about thinking differently how to spend existing money. So, that's why we're having dialogues with many countries around the world on their agricultural subsidies, to move

away from being input-based, from supporting fertilizers, to thinking about, how do you support research and development," she added.

The consequences extend beyond farm output. Hickey noted that while a 10% increase in fertilizers usage results in a 2% increase in productivity, there is also a 3% increase in respiratory illness.

India has earmarked ₹1.71 trillion as fertilizer subsidy for FY27. The support goes to plant nutrients such as urea, phosphorous and potash, with the subsidy system designed to partially absorb price spikes faced by farmers arising from global commodity shocks.

At the same time, policymakers have begun encouraging alternatives. Prime Minister Narendra Modi has been promoting fertilizer-free natural farming for several years now. Taking a step in this direction, India launched National Mission on Natural Farming (NMNF), in November 2024 as a standalone centrally sponsored scheme.

For an extended version of this story, go to livemint.com.

Let's work on stepping up India's agri exports to the EU

ARPITA MUKHERJEE & LATIKA KHATWANI



Arpita Mukherjee and Latika Khatwani are, respectively, professor and research assistant, Indian Council for Research on International Economic Relations.

The India-European Union free trade agreement (FTA) has reduced tariffs on many agricultural exports, but these alone won't secure market access unless our exporters meet high EU import standards and sustainable production requirements. The EU, through its Green Deal and subsequent directives such as those on deforestation (EU Deforestation Regulation) and Corporate Sustainability Due Diligence (EU CSDD), has implemented strict regulations covering food safety, soil health and environmental and labour standards, including rules on greenhouse gas emissions and the wages, health, gender balance, age adequacy and work conditions of workers. These issues are covered under different chapters of the India-EU trade deal. In the chapter on Trade and Sustainable Development, for example, both sides commit to environment protection, labour standards and sustainable production across the agricultural value chain. The EU is among India's top agri-export markets, accounting for over 10% (\$5.25 bil-

lion) of our exports in 2024-25. While the FTA will help reduce tariffs and enhance the export prospects of marine products, grapes and other items, some of our core export items like rice and tobacco do not get any tariff reduction. In 2024-25, unmanufactured tobacco was India's third-largest agri-export to the EU, accounting for 0.7% of such exports (\$518 million) while basmati rice ranked eighth with a share of 4.7% (\$269 million). Securing export markets for such products is a necessity and requires meeting EU standards. Indian rice exporters have been under the EU's scanner for food safety, stubble burning and child labour. Between 2020 and 2023, 136 notifications were issued to the EU's Rapid Alert System for Food and Feed on Indian rice exports, of which 77 were due to tricyclohexane, a pesticide banned in the EU since 2006. In the case of tobacco, excessive use of inorganic fertilizers, mono-cropping and poor quality of irrigation water have been degrading soil fertility. Curing tobacco leaves in wood-fired barns leads to significant greenhouse gas emissions. Labour-related issues like lower wages for women and migrant workers and occupational hazards such as green tobacco sickness have been cited by multiple studies. If we don't

address them, we may lose the EU market to our competitors. Most Indian farmers and small-and-medium-enterprise (SME) exporters lack knowledge about the EU's requirements and don't have funds for investment in technology and processes. They often go for the cheapest option rather than the best. Foreign direct investment (FDI) is not allowed in many agricultural fields, making it difficult for EU importers and manufacturers to work with supply chain partners here. In fact, many of them are unable to connect beyond Tier 1 suppliers. There is an urgent need for supply chain traceability. India's Tobacco Board assigns origin codes to bales of Flue-cured Virginia tobacco, but there is no farm traceability for Bunkley. There is hardly any traceability to the field for rice—most sourcing is done from auctions. Our survey of EU importers found that from a distance, they are unable to manoeuvre through our fragmented supply chain.

Indian farmers and SMEs are often not told that their products are for export, so that they don't demand higher prices. This leads to a situation where they get low prices while their cost of production must rise to meet sustainability requirements. Lack of awareness about carbon credits keeps them from claiming these. Government agencies like the Tobacco Board and National Institute for Research in Chemical Agriculture have identified key risks and set targets to reduce the use of fertilizers by 20% and of pesticides by 50% within a stipulated period. They have also identified technologies to help meet EU requirements, but implementation requires funding. Our survey found that while some Indian companies are working with farmers, these efforts need to scale up quickly. There are many complexities. As part of India-EU trade an investment agreement, some stakeholders want FDI restrictions to protect certain agricultural fields. Policies on direct sourcing from farmers vary across

states. The Centre had tried to let the private sector source directly from farmers through its farm bills, but these were withdrawn in the face of opposition. FDI is prohibited in tobacco manufacturing and EU companies don't know how they can invest in SMEs, as suggested in the EU CSDD. Meanwhile, some of our competitor countries have allowed FDI in support of exports. Brazil and Indonesia allow FDI in tobacco and so their firms can easily join the supply chains of EU companies. In China, the entire supply chain is state-owned, but the government is investing heavily to meet export requirements. India should review its FDI restrictions and think of smart options for exports that could be made part of an India-EU investment agreement. A well-designed, export-oriented investment strategy that is grounded in sector-specific requirements is essential for export success. This will require fine-tuning domestic policies so that local producers can meet global standards. Indian export agencies should work with EU companies to identify their requirements and with New Delhi to address them. India has recently eased FDI from China. Perhaps it's time for New Delhi to rethink its position on joining the Investment Facilitation for Development group at the WTO.

Our farmers and small firms must make the most of new export openings but they will require a lot of help

Gulf tensions may drive fertilizer subsidy bill higher

Vijay C. Roy & Rituraj Baruah
NEW DELHI

India's fertilizer subsidy bill is likely to increase in the current and next fiscal years, as tensions in the Gulf region threaten to drive up natural gas prices and freight costs, industry officials and analysts said.

While the government makes a provisional estimate of the fertilizer subsidy at the start of the fiscal—based on sowing patterns, irrigated area and historical demand—it carries an implicit obligation to enhance the allocation if unforeseen developments arise.

The fertilizer subsidy is projected at ₹1.71 trillion for the next financial year, slightly lower than the revised estimate of ₹1.86 trillion for the ongoing 2025-26 fiscal (FY26).

"If the crisis persists for long, the fertilizer prices are expected to go up which might require higher subsidies," said an industry official requesting anonymity. In the past, the government has been making special financial provisions for additional subsidies in case of a spike in global prices.

Natural gas, the primary feedstock and energy source for urea production, accounts for 75-80% of the manufacturing costs, making the sector highly sensitive to price spikes.

Research firm Zero Carbon Analytics said of the nations that import oil and gas via the Strait of Hormuz, Japan faces the most direct risk of disrup-



Fertilizer subsidy is projected at ₹1.71 tn for the next fiscal. MINT

tion, due to its high share of oil & gas trade through the route. South Korea ranks second-most at risk and India third.

The Strait of Hormuz, which handles nearly a fifth of global crude flows, has seen carriers pause sailings after the US and Israeli strikes on Iran and retaliation by Tehran. While India has over the past few years been diversifying its energy sources, a potential disruption of liquefied natural gas (LNG) flows will potentially have an impact on global pricing.

Pushan Sharma, director, Crisil Intelligence, said India is the world's second-largest producer of nitrogenous fertilizers after China, with about 14% of global output. Urea is the most widely consumed, produced, and imported by volume.

India's urea production stood at about 30.6 million tonnes (mt) in FY25.

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For an extended version of this story, go to livemint.com.

Wheat crop likely to be hit by early heatwave conditions in Punjab

Karam Prakash

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PATIALA: Punjab is witnessing unusually high temperatures for early March, with maximum temperatures soaring nearly 7.5 degrees Celsius above normal, raising concerns among wheat farmers about the potential impact on their standing crop.

The sharp rise in temperatures has prompted warnings from weather officials and agricultural experts, who fear that prolonged heat during the crucial grain formation stage could adversely affect wheat yields.

"There has been a rise in the average maximum temperature over the past 24 hours. It is markedly above normal by 7.5°C in the state. There will be a steady rise in the maximum temperature by about 2-3°C during the next four days, and no large change thereafter," the IMD said in its bulletin.

Meteorological data revealed that all 23 districts of Punjab recorded maximum temperatures above 30°C on Friday, an unusually high level for this time of year. Weather officials pointed out that such conditions are typically observed towards the end of March or even early April, making the current spike particularly concerning.

Among the districts, Ferozepur recorded the highest tem-

perature at 33°C, making it the hottest place in the state on Friday. Ludhiana also experienced intense heat, with the maximum temperature touching 32.8°C.

The sudden rise in temperatures has triggered anxiety among farmers, as the wheat crop is currently in the grain formation stage, a critical phase that determines final yield. Agricultural experts warn that prolonged exposure to higher-than-normal temperatures during this stage can accelerate crop maturity and reduce grain size, ultimately affecting productivity.

Punjab Agricultural University vice chancellor Satbir Singh Gosal said the university had anticipated the possibility of early heatwave-like conditions and had already issued advisories to farmers.

"We had anticipated the possibility of early heatwave-like conditions and therefore issued an advisory in advance. Now, we have started disseminating detailed guidance through the krishi vigyan kendras across the state. Wheat farmers should follow the advisory carefully to protect their crop from heat stress," Gosal said.

He advised farmers to carry out light irrigation in their fields to help the crop withstand rising temperatures and minimise potential damage.

Beyond oil: Iran conflict threatens fertiliser supplies

Shipping disruption at Hormuz may squeeze nitrogen fertilisers and drive food inflation

NIMA SHOKRI

TEHRAN is moving to restrict or effectively close the Strait of Hormuz to shipping, as part of the latest escalation in the war involving Iran. Markets have reacted to the global impact of closing this incredibly busy shipping channel, focusing on the risk to oil and gas flows, the prospect of higher crude prices and the inflationary pressures that would follow. That concern is justified. But it captures only part of the story. A sustained disruption of traffic through Hormuz would not simply constitute an energy crisis. It would also represent a fertiliser shock (where prices go up dramatically and supply goes down) and, by extension, a direct risk to global food security. Modern agriculture runs not only on sunlight and soil, but on natural gas.

When German chemists Fritz Haber and Carl Bosch developed their nitrogen fixation method in the early 20th century, they did more than just manufacture ammonia at scale. They launched a global chemical revolution that remains a cornerstone of modern civilisation and agriculture. Through this process, methane is transformed into ammonia, and ammonia into nitrogen fertilisers such as urea the most widely used nitrogen fertiliser.

Those fertilisers allow crops to reach the yields on which today's global population depends. Without it, harvests of wheat, maize and rice would fall dramatically. Around a third of globally traded urea passes through the Strait of Hormuz. The Persian Gulf sits at the centre of this system for two structural reasons. First, it offers access to some of the world's cheapest natural gas, essential for ammonia production. Second, over decades, vast capital investments have built ammonia and urea capacity in countries within the region, including Qatar, Saudi Arabia, and the United Arab Emirates. This is aimed at the export market. A



India relies heavily on LNG imports from the Persian Gulf to run its domestic urea plants. Brazil depends substantially on imported nitrogen and phosphate fertilisers to sustain soybean and maize production.

significant share of globally traded nitrogen fertiliser and the liquefied natural gas (LNG) that powers fertiliser plants elsewhere must therefore travel through the Strait of Hormuz.

A closure of the strait would threaten not only oil and gas exports but also the physical flow of nitrogen-based fertilisers and what is needed to make them. The immediate effect would be delays to shipments of ammonia, urea and LNG. They could be stopped completely or become prohibitively expensive through higher freight and insurance costs. But the deeper impact would unfold in the months ahead at farms around the world. In the northern hemisphere, fertiliser purchases accelerate before planting seasons. A delay of weeks can be disruptive; a disruption of months can make a huge difference. If shipments fail to arrive on time, farmers face difficult choices such as how to pay sharply higher prices, reduce application rates, or alter crop mixes. Because of how crops respond, even modest reductions in nitrogen use can produce disproportionately large declines in yield. That could translate into millions of tonnes of lost crops. The consequences would ripple through global supply chains into feed markets, livestock

production, biofuels and ultimately retail food prices.

Do countries not have their own supplies?

Some countries have supplies of fertilisers, but self-sufficiency is rarer than it appears. India, for instance, relies heavily on LNG imports from the Persian Gulf to run its domestic urea plants. Brazil depends substantially on imported nitrogen and phosphate fertilisers to sustain soybean and maize production. Even the United States, one of the world's largest fertiliser producers, imports meaningful volumes of ammonia and urea to help meet regional demand and reduce prices. In sub-Saharan Africa, the use of fertiliser is already low. A further rise in prices is likely to reduce use even more, cutting yields and increasing food insecurity. The system's fragility extends beyond nitrogen. Sulphur as an essential nutrient for plant growth is largely a byproduct of oil and gas processing. If energy shipments through Hormuz are disrupted, sulphur output falls alongside fuel exports. So, the shock would not only reduce fertiliser shipments but also restrict ways to produce them elsewhere. Meanwhile, the production of synthetic nitrogen is tightly coupled to energy markets because it is manu-

factured continuously from natural gas. A disruption in gas supply or ammonia trade immediately constrains global nitrogen availability.

Estimates suggest that without synthetic nitrogen, the world could feed only a fraction of its current population. The Strait of Hormuz, therefore, sits at the intersection of energy and food security. Changing where fertiliser is produced cannot happen overnight. Financing and constructing new ammonia plants takes years. A double-digit contraction in exports from a key region cannot be swiftly offset. In the interim, prices would rise, trade flows would re-route, and planting decisions would be made under uncertainty. Food price inflation, historically correlated with social unrest, could intensify. Central banks, focused primarily on fuel-driven inflation, could underestimate the contribution of fertiliser scarcity to prices overall. Crucially, fertiliser shocks do not register with the same immediacy as oil shocks. Petrol prices change overnight. Crop yields reveal themselves months later. Yet the latter may prove more destabilising. Controls and closure of this narrow maritime chokepoint would reshape the cost-of-living well beyond the Persian Gulf. If the 20th century taught policymakers to fear oil embargoes, the 21st should teach them to fear a fertiliser shock. Energy markets can absorb shocks through reserves and substitution. But the global food system has far thinner buffers. A prolonged disruption at Hormuz would not simply reprice crude; it would test the resilience of the industrial nitrogen cycle on which modern civilisation depends. Oil powers cars. Nitrogen powers crops. If the Strait of Hormuz closes, the most consequential price may not be Brent crude but the cost of feeding the world.

(The writer is Director and Professor at Hamburg University of Technology, Germany)

No subsidy on seeds, fertilisers: Farm bodies

HT Correspondent

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KARNAL: Terming the 2026-27 budget as anti-farmer and anti-rural, Bharatiya Kisan Union's state president Rattan Mann said that it was away from the ground reality. He said the government made no concrete and clear provisions for increasing farmers' income, remunerative crop prices, loan waivers or expanding irrigation facilities. He further mentioned that the compensation process for farmers affected by natural disasters should be simple.

"The shortcomings in the crop insurance scheme should be addressed. Claims should be paid within the stipulated timeframe," he said while criticising the state for broken roads and canal cleaning.

Meanwhile, All India Kisan Sabha's (AIKS) state committee



There is no mention of loan waiver even as thousands of farmers are burdened.

SUMIT SINGH, leader, All India Kisan Sabha

said no subsidy was announced on key agricultural inputs, such as fertilisers, seeds, pesticides, etc. "Thousands of farmers are burdened with debt, yet the budget makes no mention of loan waiver or a comprehensive interest-free credit scheme. There is no discussion on promoting cooperative farming under government protection," Sumit Singh from the AIKS said.

India's basmati rice exports likely to remain steady despite Iran war

Demand from Saudi Arabia, Iraq and UAE likely to offset losses, says ratings agency Crisil

WAR IMPACT

- Iran accounted for 14% of India's basmati exports last fiscal
- Other Middle East and West Asian nations received 70-72%
- The ongoing Iran war disrupted supply chains
- Exporters are exploring alternative routes to avoid Strait of Hormuz

NEW DELHI



INDIA'S basmati rice export volume is expected to remain steady in FY26 and FY27, with growth of up to 2 per cent over the export volume of 6.06 million tonne (MT) logged last fiscal, despite the ongoing Middle East conflict, a report said

on Monday.

Higher demand from Saudi Arabia, Iraq, United Arab Emirates and Yemen

will offset losses from drop in exports to Iran, a key market, the report from ratings agency Crisil Rat-

ings said. Iran accounted for around 14 per cent of the variety's export volumes last fiscal, while the Middle East

"The working capital cycle of basmati rice exporters is likely to stretch due to logistical hurdles such as inadequate availability of ships, longer transit times and payment-related challenges, resulting in a rise in working capital debt," the report said

and other West Asian countries together accounted for 70-72 per cent. The ongoing conflict has disrupted supply chains and could impact exports, especially to Iran.

If the logistical challenges persist for around a month, basmati rice trade volume might be impacted by 3.5-3.7 lakh tonne, the ratings agency forecasted.

"Indian basmati rice export volume is likely to remain resilient due to 5-6 per cent higher demand expected from other Middle Eastern countries which account for 55-60 per cent of the export volume," said Nitin Kansal, Director, Crisil Ratings.

Further, exporters will pass on any increase in freight and insurance cost to customers, which will help protect their operating profitability. Balance sheets should remain healthy despite the uptick in debt levels, keeping credit profiles stable, the report noted.

"The working capital cycle of basmati rice exporters is likely to stretch due to logistical hurdles such as inadequate availability of ships, longer transit times and payment-related challenges, resulting in a rise in working capital debt," the report said.

Basmati rice exporters are also exploring alternative routes to ensure supply to the Middle East region.

But this could raise transit times, lengthening the working capital cycle, causing a 10-15 per cent increase in working capital requirements.

Basmati rice realisation is expected to be steady in FY27 because of resilience in demand and near-stagnant production of basmati paddy in key producing areas following excess rains, the ratings agency noted.

India is the largest producer and exporter of basmati rice, constituting close to 85 per cent of the global basmati rice volume.

Exports constitute nearly two-third of India's annual basmati rice sales by volume, making the industry highly vulnerable to geopolitics.

Conflict disrupts fertiliser supply

SUBHASH RAJTA
THE HINDU NEWS SERVICE

SHIMLA, MARCH 25

The ongoing conflict in West Asia has begun to ripple through Himachal Pradesh's agricultural supply chain, triggering a shortage of key fertilisers and forcing authorities to introduce rationing measures. The Himachal Pradesh State Cooperative Marketing and Consumers Federation Limited (Himfed) has started regulating the distribution of urea and nitrogen-phosphorus-potassium (NPK) fertilisers to manage rising demand.

Himfed chairman Maheshwar Chauhan said the federation is ensuring equitable distribution despite constrained supplies. "Demand is high at this time, so we have started some rationing to ensure availability for all," he said.

The disruption is being attributed to multiple factors. A significant portion of fertiliser raw materials is imported and global supply chains have been affected by the ongoing war. Additionally, fertiliser manufacturing depends heavily on Liquefied Natural Gas (LNG), the supply of which has been impacted, forcing several plants to operate below optimal capacity.

Chauhan also pointed to delays at the policy level, stating that late fertiliser allocation by the Union Government to National Fertilizers Limited (NFL) further strained the supply chain. "We have taken up the matter with the Centre. The delay, combined with the global situation, has affected availability," he said.

To mitigate the crisis, Himfed has secured financial support through a loan from the National Cooperative Development Corporation to maintain adequate stocks for the coming months. Chauhan expressed confidence that supplies would stabilise by May, when demand typically peaks.

The current shortage comes at a critical time, particularly for apple growers who rely heavily on fertilisers ahead of the bloom season. While demand for urea, NPK and muriate of potash (MOP) remains high, growers say the situation is manageable for now.

"There is some shortage, but it is not severe yet. Supply is restricted compared to usual levels," said an orchardist, adding that early procurement by many farmers has helped cushion the impact so far.

Special cell set up to curb black marketing of fertilisers



NEW DELHI

UNION Agriculture Minister Shivraj Singh Chouhan on Wednesday convened a review meeting and stressed shoring up fertiliser supplies, curbing black marketing and other measures amid conflict in the Middle East, according to an official statement.

The meeting also sought to ensure strategic preparedness for the upcoming Kharif season, the Ministry of Agriculture and Farmers Welfare said in the statement.

Singh emphasised the need to ensure an equitable and uninterrupted supply of fertilisers and directed officials to expedite the work on 'Farmer IDs' to make the distribution system transparent and that he would soon meet chief ministers and state agriculture ministers to coordinate the effort.

Further, instructions were issued to take strict action against black marketing and hoarding of fertilisers and seeds to profit from the glob-

A 'Special Cell' was established for the round-the-clock monitoring of the agricultural sector. The cell will submit a weekly report to the Union Agriculture Minister regarding the availability of fertilisers, seeds and pesticides

al crisis, the minister said.

Chouhan said that state governments will also be encouraged to take stringent measures in this direction.

The meeting reviewed the availability of agro-chemicals and the essential gases required for Drying Seed, while the minister emphasised adequate packaging materials, particularly for milk and other agricultural products, amidst the global crisis. He also issued directives to coordinate with the Ministry of Petroleum and other relevant departments to ensure supplies.

China rejects rice cargoes, citing GMOs

STRATEGIC TRADE PLANNING? Rejection comes despite prior-shipment certification by Chinese agency

Prabhudatta Mishra
New Delhi

China has turned away three shipments of Indian rice, alleging the presence of genetically modified organisms (GMO) in what appears to be a calculated attempt to gain leverage in trade talks. The rejection comes despite the fact that the non-basmati rice consignments were tested and cleared by a Chinese agency before they were shipped.

India has yet to permit the commercial cultivation of any GM food crops, with cotton remaining the only genetically modified one authorised in the country. The affected companies have taken up the matter with India's agri-export promotion body, Apeda, as well as the Indian Council of Agricultural Research, according to industry sources.



GROWING MARKET. India exported 1,80,805 tonnes of non-basmati rice worth \$79.43 million to China in 2024-25

In its representation to ICAR, Nagpur-based Shriram Food Industry said Chinese buyers and authorities were demanding an official declaration confirming that rice grown in India is non-GMO, even though only non-GMO paddy is cultivated nationwide. The company requested that ICAR issue a general statement or declaration confirming this.

"This would be extremely helpful for exporters like us

as several shipments to China are currently facing difficulties during clearance due to the absence of such a document," the firm noted in its communication.

Anup Goyal, Chairman and Managing Director of Shriram Food, said the India office of the China Certification & Inspection Group (CCIC), a Chinese State-owned company, had inspected and certified the shipments, yet they were rejected

by Chinese customs upon arrival.

Goyal stated that they had requested Apeda to investigate how these consignments were rejected on grounds of GMO presence after receiving prior clearance.

Industry sources pointed out the irony in the situation, noting that China itself grows GM rice. In 2006, the European Union even flagged concerns regarding GM contamination in Chinese rice exports.

WHY ONLY INDIA?

Foreign trade policy expert S Chandrasekaran wondered why China is demanding GM-free declarations specifically from India and not from competitors like Thailand, Vietnam, Pakistan or Myanmar. He said China may be engaging in strategic trade planning regarding its rice supply.

Data show that India ex-

ported 1,80,805 tonnes of non-basmati rice worth \$79.43 million to China in 2024-25. During the April-January period of the current fiscal year, the volume was higher at 1,86,013 tonnes, though the value was lower at \$65.59 million. Because China previously restricted Indian rice through non-tariff barriers, exports were minimal until 2019-20, totalling only 567 tonnes, but surged to 3,31,571 tonnes in 2020-21 after the curbs were removed.

USDA data indicate that China's rice imports are estimated to rise to 3.1 mt in 2025-26 from 2.3 mt in 2024-25. Chandrasekaran said while India had deregulated certain modern breeding techniques to enhance climate resilience, China maintains a high-security, process-based approach that may view these techniques as a biosafety risk.

Fertiliser production to fall 10-15 per cent if West Asia tensions persist: Crisil

STATESMAN NEWS SERVICE
New Delhi, 26 March

Ongoing tensions in West Asia could reduce India's domestic production of urea and complex fertilisers by 10-15 per cent if disruptions persist for about three months, data analytics major Crisil Ratings has warned. The supply chain disturbances at a critical juncture ahead of the kharif season may strain availability, raise costs and pressure manufacturers' profitability, it added. Manufacturers' profitability could decline amid lower capacity utilisation due to supply constraints on key raw materials.

Further, the rise in raw material and imported fertiliser prices is likely to increase industry players' working capital requirements and raise the government's subsidy bill

by Rs 20,000-25,000 crore. Nevertheless, two factors will support credit profiles — firstly, the strong liquidity of large fertiliser companies and secondly, the government's track record of supporting the sector over time with adequate and timely subsidy disbursements.

Ammonia prices have already risen about 24 per cent since the onset of the conflict. The region remains a key supplier, accounting for about 40 per cent of India's urea and diammonium phosphate (DAP) imports in the first nine months of FY26. Dependence is even higher for inputs, with 60-65 per cent of liquefied natural gas (LNG) and 75-80 per cent of ammonia imports sourced from there.

Therefore, any prolonged disruption could significantly affect domestic output, according to Crisil. Lower availability of raw materials could reduce capacity utilisation, denting



profitability — especially for urea makers, where efficiency is closely tied to plant utilisation. While natural gas costs are largely passed through, reduced operating efficiency due to sub-optimal utilisation can erode margins. However, companies with multiple plants

may partially offset the impact by optimising gas allocation. The crisis may also increase working capital requirements as input costs rise, pushing up the government's fertiliser subsidy bill by Rs 20,000-25,000 crore due to higher import prices.

According to Arund Kulkarni, Director at Crisil Ratings: "The ongoing issues in the West Asia could disrupt the fertiliser supply chain at a crucial time for the kharif season. Disruption in LNG and ammonia supplies continuing for about three months could cut domestic

India's fertiliser consumption is dominated by urea, which accounts for around 45 per cent, followed by complex fertilisers such as DAP and NPK, about one-third. Despite strong domestic production, import dependence remains significant — about one-fifth of urea and one-third of complex fertilisers are sourced from overseas. Key raw materials, including natural gas, ammonia and phosphoric acid, are also largely imported.

Iran war likely to hit global fertilizer market

SUPPLY BOTTLENECK. Experts say a squeeze of key chemicals like sulphur will affect supplies to global manufacturers

Subramani Ra Manombaru
Chennai

With shipments across the Strait of Hormuz stranded due to the Iran war, a squeeze in supplies of key chemicals such as sulphur will likely affect the fertilizer market, analysts and experts said.

The development could particularly affect the Indian agriculture sector, though one-third of the global fertilizer trade could be disrupted.

Fertilizers account for nearly 25 per cent of agricultural commodity production costs.

"The shipment of natural gas has declined precipitously, which affects feedstock for nitrogenous-based fertilizers," said Michael Werz, Senior Fellow at the US-based Council on Foreign Relations (CFR).

SHORT-LIVED CONFLICT

According to research agency BMI, a unit of Fitch Solutions, the Iran war may be short-lived, and it is

shielding the US and China for now. India faces the most imminent risk among major agricultural markets.

The timing is particularly critical. While the current disruption falls outside peak import season for several major markets, India's fertilizer demand window is fast approaching — late March through April, said the research agency. The peak phosphate production season begins in June.

"This means the conflict is occurring during a key import window ahead of both peak application and production periods," said BMI.

Joseph Glauber, Research Fellow Emeritus, International Food Policy Research Institute (IFPRI), said 20-30 per cent of global fertilizer exports, including urea, ammonia, phosphates and sulphur, pass through the Strait of Hormuz.

FOOD SECURITY

"A prolonged conflict would likely choke global sea trade with the Persian Gulf region, raising the costs of energy



TWIN THREATS. The risks from the Iran war are compounded by the emerging likelihood of an El Nino event as reduced fertilizer application could significantly dent crop yields

and fertilizer prices globally, directly threatening food security," Glauber said.

Conflict-affected Bahrain, Oman, Qatar, and Saudi Arabia are critical exporters of urea, diammonium phosphate (DAP) and anhydrous ammonia, said CFR's Werz.

"With shipping activity through the Strait of Hormuz affected, the effect on global fertilizer exports is enormous and will generate

cascading effects," he said. BMI said the Iran war risk is compounded by the emerging likelihood of an El Nino event, where reduced fertilizer application, amid the already stressed growing conditions, could significantly impact yields.

CUT IN APPLICATION

It would be difficult to see how production lost due to gas shortages can be mean-

ingly replaced through ramped-up production elsewhere. "At that point, a reduced application becomes unavoidable," said the research agency.

IFPRI's Glauber said the conflict could affect sowing decisions and yields in the Southern Hemisphere, as well as fertilizer applications for rice in South and South-East Asia.

He said the plunge in shipping activity through the Strait of Hormuz had pushed global fertilizer prices higher.

Falling shipments of natural gas — an important feedstock for nitrogenous-based fertilizers — have driven up prices, while fertilizer exports from the Persian Gulf have dropped precipitously.

Werz said countries across the world had increasingly relied on the Gulf region to offset fertilizer losses from the Ukraine war and growing Chinese export restrictions.

PRICES SURGE

"But with about one quarter

of global fertilizer production passing through the Strait of Hormuz, prices are already spiking. In the Middle East, urea price rose by 19 per cent within a week, creating new fiscal challenges for agriculture sectors across the globe," he said.

BMI said sulphur is essential for nitrogen blends and phosphate production. It represented a significant risk to the global fertilizer industry, though the impact will be moderate.

The research agency said the second-month US Gulf f.o.b granular urea prices shot up 15.9 per cent between March 2 and March 11.

Glauber said Middle East urea prices closed over \$590 per tonne on March 5, up over \$90 compared to a week earlier. US Gulf DAP prices hit \$655/tonne, up 5 per cent.

BMI said China, which depends on sulphur imports from the region for phosphate fertilizer production, faces more pronounced risks, though they remain manageable.

Food crisis likely if war goes on for a month: Brazil Potash CEO

Q&A Global fertiliser rates have jumped due to the crisis in West Asia. In addition, supplies of liquefied natural gas (LNG), the main ingredient in making urea, are running short. In a virtual interview with **Sanjeeb Mukherjee, Matt Simpson**, chief executive officer (CEO) of Brazil Potash, said that the world might face a food crisis if the war continued till the end of April, as it could have a dramatic impact on planting in Europe and North America. Simpson, the top officer of Brazil Potash, which is engaged in exploration and development of potash (one of the main plant nutrients) in Brazil, said to tide over crises like the Iran-Israel war, countries should look at long-term trade partnerships where one country, say India, incentivises production of fertilisers in another, say Brazil, and in return gets an assured supply of surplus agricultural goods like soybeans, etc. Edited excerpts:

Given that we are facing a lot of turbulence the world over due to the West Asia crisis, how do you see the fertiliser markets moving from here onwards?

Well, all depends on what happens, not only with the war in West Asia, but also in Russia's war with Ukraine, because we have almost half of the world's fertiliser now exposed to global conflicts.

So, when you look at just West Asia, you have about half of the world's sulphur, which is a key input to make the phosphate fertiliser. You have about 40-45 per cent of urea, which is key for nitrogen, and about 10 per cent of potash just in West Asia. And if we now layer it on what's going on in Russia and Ukraine, you have almost 50 per cent of the world's potash in countries that are sanctioned or at war. And, it's a huge issue, although everyone right now is talking about gas prices, especially in North America. What they're not realising is that if this war continues even for just another

inputs are concerned? How should we move forward now that we have faced two crises back to back?

Well, I think this is a real eye-opener to the concept of selective globalisation. And, what I mean by that is in economics class, a lot of people are taught this concept called globalisation, where goods and services should be made in the country that can provide it at the lowest cost. While that theory works really well when we have reliable suppliers, it doesn't factor in some of these crazy geopolitical events, or things like Covid, that are completely unexpected. And when these unexpected things happen, we realise that there are certain goods and services — which are absolutely essential for our survival or for our economy — that should be produced domestically. And when you do have that possibility, you should 100 per cent be doing it (produce locally) to protect your people and your economy. So, I'd say there's a lot of focus especially on things



like rare earth metals. These days, people are really focused on technology applications, but what they are not focused on enough is ensuring our food supply.

At the beginning of the discussion, you mentioned that 50-55 per cent of crop nutrients come from Russia, Belarus as well as West Asia. So, does this crisis nudge countries to go for indigenous production? But many countries like India have limited raw

material that goes into making inputs like fertilisers...

Yeah, definitely. I mean where you don't have the ability to produce domestically, I think you need to look to other countries that do have that capability to diversify your supply. And what better example than potash, today 80 per cent of the world's potash is produced in just three countries — Canada, Russia and Belarus. It's an oligopoly, and Brazil has potentially the second-largest basin of potash in the world, but yet it only produces about 350,000 tonnes in a 65 million tonnes per year market. So, it's absolutely crazy that this basin in Brazil is not in production... It can make Brazil a fourth major supplier of potash that's outside of conflict regions. It gives us an option outside of those three countries to have a large scalable supply. People might be very comfortable with Canada as a trade partner.

So, you're saying, if the war continues even for a month, it will have a terrible impact on the planting season in Europe and North America?

Yes, I mean, the combination of lack of availability with much higher prices is going to force farmers to reduce application rates of fertiliser, and if they reduce application rates, then it will have an impact on the amount of crops that are grown, which then impacts availability of food and the prices of food later on.

If the war continues in April, what impact do you see for countries in Asia, particularly for India, which are big importers of both nitrogen and phosphatic fertilisers?

It's going to mean that farmers are put in a very difficult situation where they have to make a decision on how much fertiliser they can afford to apply to optimise how much they grow profitably. So, I think, it really exposes just how fragile our food supply system is today, where people, at times, just look at supply versus demand, and don't always factor in... where our supply comes from.

What lessons should the world learn from such crises as far as critical agriculture

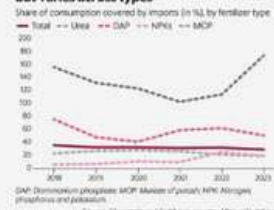
Full interview on [business-standard.com](https://www.business-standard.com)

THE RISING RISKS OF A FERTILIZER SQUEEZE

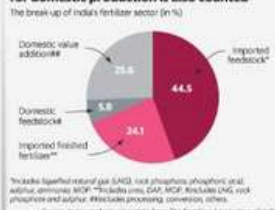
BY PRAGYA SRIVASTAVA & PAYAL BHATTACHARYA

The West Asia conflict is choking India's fertiliser imports as well as domestic production. The rising prices and supply shortage threaten a repeat of the Ukraine war-era subsidy and price pressures.

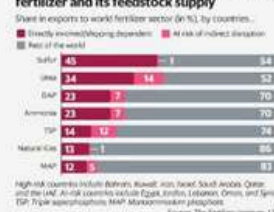
India's fertiliser import dependence is 30%, but varies across types



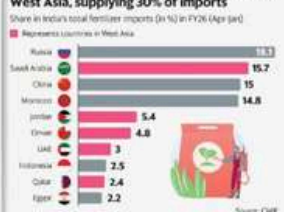
Real import share may be 70% when input for domestic production is also counted



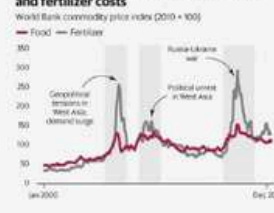
West Asian conflict can disrupt up to 45% of fertiliser and its feedstock supply



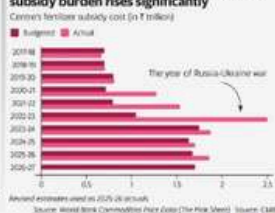
Five of India's top 10 fertiliser sources are in West Asia, supplying 30% of imports



There is a direct link between global food and fertiliser costs



As government absorbs fertiliser costs, its subsidy burden rises significantly



The West Asia conflict has already hit India's gas supplies, but the fallout won't stop there. As this feedstock becomes scarce, the resulting disruption to domestic fertiliser production — along with import squeeze from the region — could have ripple effects on the Indian economy. Although the government policy focuses on farmers from fertiliser price volatility, the escalating costs inevitably inflate the Centre's subsidy burden. Moreover, the strong link between global fertiliser and food costs ensures that price pressures eventually feed into the Indian economy through imported inflation. This is how it played out during the last crisis — the Russia-Ukraine war.

The real exposure India appears less import-dependent in fertilisers than in energy. Oil import dependence stands at 80-90%, and liquefied petroleum gas (LPG) at about 62%. Fertiliser imports account for roughly 30% of consumption.

That headline number masks wide variation across nutrients. Urea, the most used fertiliser, relies on about 20% imports, with similar dependence for nitrogen, phosphorus and potassium (NPK). For diammonium phosphate (DAP), import dependence rises to 50-60%, while murate of potash (MOP) is fully imported.

The risk is compounded by stress in domestic gas supply. The ongoing crunch has forced the government to divert supplies from industry to households, raising the prospect of lower fertiliser output even though domestic production meets about 70% of demand.

An analysis by the Indian Council of Research in International Economic Relations (ICRIER) shows the dependence runs deeper. Including feedstock such as natural gas, rock phosphate, phosphoric acid, sulphur and ammonia, India's effective import reliance rises to about 69%. "Overall, these dependencies mean that India's fertiliser security is not insulated from external shocks and market instability," it noted in a March 2024 policy brief.

Shipment squeeze

The concentration of global supply in West Asia adds to the risk. The Strait of Hormuz is a critical artery not just for oil, but for fertilisers and their inputs. According to the US-based Fertiliser Institute, 45% of global potash trade, 34% of urea, and 25% of DAP and ammonia depend on routes directly involved in the conflict, including Bahrain, Kuwait, Iran, Israel, Saudi Arabia, Qatar and the United Arab Emirates. Including other at-risk countries such as Egypt, Jordan, Lebanon, and Syria raises potential disruption further.

India is directly exposed. About 30% of its fertiliser imports come from West Asia, with Saudi Arabia alone accounting for 15%. After the Ukraine war, India halted purchases from Russia, raising its share from roughly 6-7% pre-war to about 18%.

Even so, reliance on West Asia has largely persisted. Iran's share had fallen from an 80% in 2008-09 to negligible levels after US sanctions. China accounts for about 15%, down from 20-25% five years ago. With supplies at risk, New Delhi is exploring alternatives.

AT A GLANCE

- The West Asia war disrupted gas supplies, tightening availability of key fertiliser inputs and raising risks to domestic production, which meets nearly 70% of India's demand.
- India imports about 30% of fertilisers, but dependence rises to nearly 70% when feedstock is included, exposing the sector to global supply shocks and price volatility.
- Reliance on West Asia for fertiliser imports leaves India vulnerable to disruptions, with limited diversification despite increased sourcing from Russia after the Ukraine war.
- Higher global fertiliser prices could inflate subsidy costs and lead to higher imported inflation, as seen during the Ukraine war, straining fiscal balances.

reported on Monday. India has built up fertiliser stocks of about 18 million tonnes, enough to cover roughly two months of consumption. With the market expected to remain tight, the buffer offers near-term relief.

The macro risks

The broader concern is the transmission to prices and public finances. The Russia-Ukraine war triggered a surge in crude, gas, and fertiliser costs, driving inflation globally and in India. The current conflict risks a similar dynamic.

Fertiliser prices have risen as much as 30% since the start of the war. The World Bank's food and fertiliser indexes show that food prices tend to rise in tandem with fertiliser costs, a pattern seen in past geopolitical disruptions in West Asia.

In India, subsidies shield farmers and food prices from fertiliser cost swings, but shift the burden to the government. During the Ukraine war, the subsidy bill ballooned to around 2.5 times the initial budget, constraining spending and straining fiscal health.

That insulation is also incomplete: India's food inflation rose from 3.5% in February 2022 to 7.8% in the following month after the war began. A global cereal crash, driven by elevated fuel and fertiliser prices and the impact of El Niño in 2022, prompted the Indian government to impose export restrictions on wheat and rice to manage prices. While export restrictions can avert 10% for more than a year from August 2022, India faced additional pressures from imported inflation. The current war intensifies several of those conditions: a war, rising fuel and fertiliser prices, and the prospect of El Niño. The risk is that the West Asian shock could extend

India must put farmers first in the US deal

The US trade deal appears tilted towards American interests. With trade policy needing to prioritise national welfare, India faces a tightrope walk between global ambition and safeguarding its farmers and markets



SUBODH KUMAR MEHTA

Modern India envisions its freedom as a victory not only of a nation but of foundational truths. Our founding fathers of the Constitution equated national interest with fairness. While conducting bilateral trade agreements, the fundamental principles should be national interest and the well-being of the people. The vision must be based on advantage for the masses and not merely on international goodwill.

The ongoing US-India Bilateral Trade Agreement is said to be mutually beneficial and aims to double bilateral trade to USD 500 billion by 2030, from the current USD 191 billion. Donald Trump announced an interim trade agreement with India on his social media platform, "Truth Social." However, the actual text of this trade agreement remains veiled in secrecy. Washington has unilaterally made announcements regarding the agreement. On the other hand, the Government of India has not categorically rejected these claims. Officials, during interactions with the Parliamentary Committee, have stated that India is working on finalising the interim agreement with the USA and will issue a joint statement in due course.

Meanwhile, the Supreme Court of the United States pronounced a judgment stating that it is Congress that has the power, and not the President, to impose tariffs "unbounded in scope, amount, and duration" on any product from any country. In light of this judgment, both countries have decided to postpone the interim bilateral trade meeting until further notice. However, following the Supreme Court judgment, President Donald Trump confirmed that there would be no change to the US-India trade deal.

The main apprehensions and contentions about the interim deal concern the procedure and path being followed to review and relax restrictions on agricultural imports at the behest of Washington. Capitol Hill seeks access for agricultural products such as maize, wheat, soybeans, pulses, almonds, dairy products and other commodities. The interim agreement indicates that India may accept commitments in sectors such as defence, clean energy, crude oil, LNG, ethanol and civil aviation. On the other hand, India wants the USA to reduce tariffs further so that Indian goods can gain better access to the American market. Moreover, India is hesitant to negotiate on agricultural products and maintains silence on this contentious issue.

If India opens its market to US agricultural products, it will have cascading effects on Indian farmers in particular and the domestic market in general. India is also cautious regarding subsidies,



THROUGH THE US-INDIA BILATERAL TRADE AGREEMENT, THE USA SEEKS TO UTILISE THE INDIAN MARKET AS A DUMPING GROUND FOR GENETICALLY MODIFIED (GM) GRAINS, WHICH MAY ULTIMATELY AGGRAVATE FARMERS' DISTRESS.

as the WTO has been pressurising India to reduce subsidies and restrict the Minimum Support Price system. India is further cautious about the dairy sector because the American animal husbandry system allows non-vegetarian feed for cattle, whereas Indian cattle are fed vegetarian feed. This difference may have cascading effects on cultural and religious sentiments.

Through the US-India Bilateral Trade Agreement, the USA seeks to utilise the Indian market as a dumping ground for genetically modified (GM) grains, which may ultimately aggravate farmers' distress. Indian farmers cannot compete with highly subsidised American farmers and powerful corporate lobbies. Hence, it is of utmost importance to protect the interests of Indian farmers. One of the important reasons for the USA to seal the deal is that India currently imports nearly 18 per cent of its agricultural products. Due to high subsidies provided to American farmers, their produce enjoys cost advantages. In contrast, Indian farmers receive comparatively minimal subsidies, resulting in higher production costs. Thus, Indian farmers may face severe distress if India agrees to the proposed terms. US and Indian farmers do not operate on the same platform; therefore, any policy must be framed after analysing this structural difference. The WTO must also adopt a more just approach, as the Agriculture Agreement of 1995 is widely perceived as inequitable due to differences in farm inputs and government subsidies between India and the USA. The main bone of contention in the tariff tussle between India and the USA appears to be shifting towards the energy and agriculture sectors. This may put pressure on jewellery, textiles, leather and engineering goods, which employ millions of citizens. Moreover, as per Executive Order 14257 of the USA, there is a complete ban on certain Indian food items entering the US market. To resolve this, a monitoring committee may be constituted by the USA. At this juncture, the USA may reduce tariffs further if

India agrees to open its agricultural market, as the USA is eager to sell soybean, maize and corn for ethanol production. However, such imports may adversely affect Indian producers. India already has surplus stocks of animal feed. Ethanol producers argue that such imports would disrupt the domestic ethanol supply chain because India's production capacity could exceed consumption levels.

Five major aspects of the bilateral trade agreement merit attention. First, while India may not formally open its agricultural sector, the interim agreement suggests that the USA may derive significant benefits, particularly through increased agricultural exports to India and improved prices for American farmers. Second, India does not permit genetically modified food products such as maize, soybean and certain dry fruits

due to concerns about potential impacts on human health. Allowing imports of GM animal feed products must be assessed in terms of long-term toxicity, allergies, inter-generational effects and broader public health concerns. Third, the issue of dairy products derived from cattle fed non-vegetarian feed may disturb cultural and religious sensitivities in India. Fourth, the ramifications of this deal may distort India's approach to pursuing national interest in an era of multi-lateralism and a multipolar world. Fifth, the disparity in farm subsidies between the USA and India remains significant, and the WTO Agreement of the Uruguay Round (1995) is often viewed as favouring developed countries like the USA.

Both nations must balance domestic economic concerns, commercial interests and cultural sensitivities. At present, bilateral negotiations appear tilted towards US farm products and bio-fuels, without sufficient clarity on improved market access for Indian exports. The Government of India must exercise extreme caution before granting any concessions on genetically modified products or opening the agricultural sector to external pressures.

The Pioneer
SINCE 1865

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Normalcy in fertiliser supply may be short-lived, kharif key test

THE RIPPLE EFFECT — IV

SAURAV ANAND & SANDIP DAS
New Delhi, March 25

DESPITE THE BLOCKADE caused by the war in West Asia, India's farmers haven't complained about any shortage of fertilisers so far. This is, however, a short-term facade of normalcy, thanks to the current lean season for farming. The war has already had a telling impact on the country's soil nutrient manufacturers, with reduced availability of gas/LNG forcing them to cut output. In some cases, the production squeeze is already 50-60%; many units have also advanced their annual maintenance closure dates.

As kharif fertiliser demand becomes visible from mid-May, policymakers may need to brace themselves and resort to multiple options, including higher imports from Russia to keep supplies intact in case the war doesn't end. If supply disruptions persist, the plausible scenarios include higher landed costs of inputs and finished fertilisers, weaker import economics and pressure on government finances on account of higher subsidy bill, notes DAM Capital Research.

Companies will have to be more cautious about inventory decisions. In the short term, they could reap windfall gain from liquidation of existing inventory, but this won't be feasible beyond Q1 FY27. In the medium term, inventory gains and subsidy support may be offset by higher replenishment cost. How the

DISRUPTION AHEAD

Fertiliser availability (mn tonne)

● Fertiliser availability as on March 10, 2025
● Avg sales in Mar-July period of CY24/CY25



Source: Government Data, CEC, DAM Capital
Research: *further supply of 1.7mn tonne scheduled in the pipeline for the next three months

government chooses to keep nutrient based subsidy (NBS) rates in the next revision will be a crucial determinant.

Diammonium phosphate (DAP) remains the most exposed due to import dependence and import-chain vulnerability. Single superphosphate (SSP) and NPK (nitrogen, phosphorus, potassium) players look relatively better placed for now, with stronger finished-goods and raw-material cover.

In recent years, the government has been liberal in offering subsidies on P&K fertilisers, even though, for the record, a "fixed-subsidy" was introduced for these products way back in 2010. Urea, which has a share of over 55% in the total consumption of fertilisers, is provided to the farmers through 0.3 million retail outlets at a notified maximum retail price of ₹242 for a 45 kg bag. Since March 2018, the final price of this fertiliser to the farmer remained unchanged, even as the subsidy

is 85-90% of the retail rate.

According to Ramesh Chand, acting director and principal economist at the National Centre for Agricultural Economics and Policy Research, the country would require ~18 million tonne of urea till August 2026. Assuming a 20% reduction in monthly urea production, the domestic production would be close to 10 MT in the next 5 months. Given the current stock of ~6.2 MT, the gap is of ~2 MT, which needs to be imported and is prone to supply shocks.

Urea can be imported from Russia through the Suez route. One option is to ramp up these imports. Currently, Russia supplies over a third of MOP (muriate of potassium) and 10-15% of urea and DAP. "Global freight stress, conflict and supply risk can raise the cost of urea, ammonia, and other key inputs," according to an official note on India's \$46-billion fertiliser industry.

While around 3 bags of urea (45 kg each) is required for an acre

for paddy, Punjab farmers often apply at least 6 bags of the fertiliser. As the Economic Survey 2025-26 pointed out, those who over-apply urea need a clear incentive to shift towards balanced usage. A modest hike in retail urea prices may be needed.

While that being one of the long-term fixes, urea production needs to be ramped up immediately to address the instant crisis. Around 31 MT of urea is expected to be manufactured domestically during FY26 while consumption is projected to be 40 MT. The current urea stocks 6.11 MT against 5.52 MT reported a year ago, while around 17 MT of urea is required for next kharif season, 2026. India has 33 gas-based urea plants with a total annual capacity of around 27 MT, producing beyond the rated capacity. Fifty seven fertiliser units manufactured 52 MT of several variants of soil nutrients including urea in 2024-25.

A senior industry official said that LNG supplies remain

volatile. As shipments from Qatar and the UAE are hit, supplies are reduced by a third. In normal times, 50% of LNG used for domestic urea manufacturing is imported from Qatar, under a long-term agreement. These supplies have been disrupted.

For the first time for ensuring supply of natural gas, to the fertiliser plants, the government evoked Essential Commodities Act for LNG use. Supply of natural gas to the fertiliser plants is ensured up to 70% of their past six-month average gas consumption.

About 80% of India's urea production relies on imported LNG while the rest uses domestic gas. Petronet LNG has of late declared *force majeure* after upstream suppliers expressed their inability to deliver contracted volumes. So the government has recently started to buy LNG from spot markets in Australia, Russia and the United States. Currently, around 10-15% of LNG is purchased from the spot market.

"Domestic urea production is projected to climb by close to 23% from 54,500 tonne a day from to 67,000 tonne a day," according to an official note issued on March 17. Reportedly, China is tightening fertiliser export restrictions amid disruptions from the war. A Morgan Stanley report indicated that West Asia crisis-related supply disruptions are impacting ~10 MT of fertiliser capacity, especially affecting India and Bangladesh. The crisis has tightened nitrogen fertiliser supply, affecting about 4% of global urea output. Increased feedstock costs and shortages, particularly in petrochemical inputs, are driving up fertiliser manufacturing costs.

SURESH KUMAR CHAUDHARI, DIRECTOR GENERAL, FERTILISER ASSOCIATION OF INDIA

On the urea front, production planning and gas allocation are being optimised to ensure uninterrupted output

For phosphatic fertilisers, diversified sourcing strategies and long-term supply arrangements are helping mitigate regional risks



Centre committed to ensuring fair price for farmers: Shivraj Singh Chouhan

STATESMAN NEWS SERVICE
New Delhi, 24 March

Union Agriculture & Farmers' Welfare and Rural Development Minister Shivraj Singh Chouhan on Tuesday reaffirmed the government's commitment to ensuring that farmers receive a fair price for their produce in every situation, and said no effort will be spared at any level to rescue the 'annadatta' (food providers) from crisis.

He said the NDA government has provided a strong security shield to farmers' income through record purchases at Minimum Support Price (MSP), PM-AASHA, Pradhan Mantri Fasal Bima Yojana, price difference payment, and Market Intervention Scheme, and farmers' incomes have doubled.

While answering various questions raised by MPs in the Lok Sabha, Chouhan said that to increase farmers'



incomes and protect their interests, the central government has taken several historic steps in the past years.

He informed that agricultural production has increased by nearly 44 per cent, and a comprehensive campaign has been launched to simultaneously enhance farmers' productivity and income.

Chouhan said that in the previous governments' time, excuses were made in the name of implementing the Swaminathan Commission recommendations. In contrast, the NDA government decided to determine the Minimum Support Price by taking into account 50 per cent profit on production cost and continuously

implemented it, enabling farmers to get better returns for their hard work.

He stated that merely announcing MSP is not enough; actually procuring at that price is more important, and in this direction, the government has provided direct benefits to farmers through record purchases at MSP not only

for wheat, paddy, pulses, and oilseeds but also for various other crops.

He said this government has not remained limited to grains only but is also actively intervening for pulses, oilseeds, fruits, and vegetables so that farmers do not suffer losses if prices of any crop fall.

Chouhan informed that the Pradhan Mantri Annadatta Aay Sanrakshan Abhiyan - PM-AASHA scheme, a significant initiative launched during Prime Minister Narendra Modi's tenure, provides security to those crops whose prices often fall below MSP. He said that under PM-AASHA, three types of arrangements have been made - direct purchase of pulses and oilseeds through Price Support Scheme, bridging the gap between MSP and market price through price difference payment mechanism, and providing protection to farmers through other means, if needed.

यूरिया उत्पादन 22% बढ़ने की संभावना

संजीव मुखर्जी

पश्चिम एशिया में छिड़ी जंग के बीच उर्वरक क्षेत्र में व्याप्त निराशा के बीच अच्छी खबर यह है कि मार्च के अंत तक भारत का दैनिक यूरिया उत्पादन मौजूदा करीब 55,000 टन से 22 फीसदी बढ़कर 66,500 टन तक पहुंच सकता है। कारोबारियों और बाजार सूत्रों के मुताबिक ऐसा इसलिए हो सकता है कि वैश्विक हाजिर बाजारों से तरल प्राकृतिक गैस (एलएनजी) की उपलब्धता 23 फीसदी बढ़ गई है।

सूत्रों का कहना है कि इससे उर्वरक इकाइयों को कुल एलएनजी आपूर्ति में वृद्धि होने की उम्मीद है। ऐसे में यह उनकी औसत गैस आवश्यकता के लगभग 76 प्रतिशत तक पहुंच जाएगी, जबकि पहले 70 प्रतिशत का वादा किया गया था। इस एलएनजी को आक्रामक बोली प्रक्रिया के माध्यम से प्राप्त किया गया, हालांकि इसकी कीमत लगभग 18-20 डॉलर प्रति मिलियन मीट्रिक ब्रिटिश थर्मल यूनिट (एमएमबीटीयू) रही, जबकि संकट से पहले इसकी दरें करीब 10-12 डॉलर प्रति एमएमबीटीयू थीं। सूत्रों ने कहा कि सरकार के सक्रिय दृष्टिकोण के कारण हाजिर गैस बाजारों से भारत ने 18 मार्च से लेकर महीने के अंत तक उर्वरक इकाइयों के लिए लगभग 393.1 करोड़ मीट्रिक स्टैंडर्ड क्यूबिक मीटर प्रति दिन (एमएमएससीएमडी) गैस की आपूर्ति की व्यवस्था कर ली है, जबकि पहले दौर्घकालिक अनुबंधों के तहत 32 एमएमएससीएमडी का वादा किया गया था। अब यह लगभग 76 प्रतिशत एलएनजी की जरूरत पूरी कर रहा है, जो यूरिया उत्पादन के लिए लगभग 52 एमएमएससीएमडी आंकी गई है। 52 एमएमएससीएमडी एलएनजी की जरूरत पिछले छह महीनों (सितंबर 2025-फरवरी 2026) में यूरिया बनाने वाली इकाइयों द्वारा औसत प्राकृतिक गैस खपत पर आधारित है।



सरकार ने यूरिया आयात के लिए फरवरी के मध्य तक 13.5 करोड़ टन उर्वरक का ऑर्डर दिया है, जिसका लगभग 90 प्रतिशत मार्च के अंत तक आने की उम्मीद है।

सरकार द्वारा एक आधिकारिक आदेश के माध्यम से उर्वरक इकाइयों को एलएनजी गैस आपूर्ति को युक्तिसंगत बनाए जाने के बाद, उर्वरक इकाइयों को कुल गैस आपूर्ति घटकर 32 एमएमएससीएमडी गई थी। सूत्रों के मुताबिक आपूर्ति बढ़ाने के लिए, उर्वरक इकाइयों ने 18 मार्च से 31 मार्च की अवधि के लिए हाजिर बाजारों से 8.65 एमएमएससीएमडी अतिरिक्त गैस की मांग रखी थी, जिसमें से सरकार ने अब 7.31 एमएमएससीएमडी की आपूर्ति सुनिश्चित कर ली है, जबकि शेष की व्यवस्था भी की जा रही है। भारत ने हाजिर बाजारों से उर्वरक संयंत्रों के लिए गैस आपूर्ति तुरंत बढ़ाने के लिए 600 करोड़ रुपये का कोष तैयार किया है। सूत्रों ने कहा कि उर्वरक संयंत्रों के लिए एलएनजी गैस की अधिक हाजिर खरीद की आवश्यकता इसलिए उत्पन्न हुई है कि सरकार का मानना है कि यदि ईरान संकट अपेक्षा से

अधिक लंबा खिंचता है तो गैस की वास्तविक उपलब्धता पर असर पड़ सकता है।

भारत में आमतौर पर खरीफ मौसम (मई के मध्य से अक्टूबर तक) में लगभग 3.2-3.3 करोड़ टन उर्वरक का उपयोग होता है। इसकी बिक्री आमतौर पर दक्षिण भारत से शुरू होती है। घरेलू बाजार में लगभग 37 यूरिया निर्माण इकाइयों में से अधिकांश एलएनजी पर निर्भर हैं, जो उनके कच्चे माल की लागत का 80 प्रतिशत से अधिक हिस्सा बनाती है। खरीफ के मौसम में यूरिया सबसे ज्यादा इस्तेमाल होता है क्योंकि घान और मक्के की खेती में इसका खूब प्रयोग किया जाता है।

सूत्रों के मुताबिक वित्त वर्ष 2026 में भारत लगभग 4 करोड़ टन यूरिया का उपभोग करने वाला है, जिसमें से लगभग एक करोड़ टन आयात किया जाएगा। इस बीच, सूत्रों ने कहा कि हाजिर बाजारों से एलएनजी आपूर्ति बढ़ाने के लिए वित्तीय कोष को मजबूत करने के अलावा, सरकार ने खरीफ बुवाई के लिए आपूर्ति सुरक्षित करने हेतु तैयार उर्वरकों के आयात को भी तेज कर दिया है। हाल ही में सरकार ने यूरिया आयात के लिए एक वैश्विक निविदा जारी की है और फरवरी के मध्य तक 13.5 करोड़ टन उर्वरक का ऑर्डर दिया है। इस ऑर्डर का लगभग 90 प्रतिशत मार्च के अंत तक आने की उम्मीद है।

Cabinet okays ₹1,718.56 cr MSP funding to CCI



NEW DELHI

IN a key step towards farmer welfare, the Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi, on Wednesday approved minimum support price (MSP) funding of Rs 1,718.56 crore to the Cotton Corporation of India (CCI) for the cotton season 2023-24.

The funding aims to provide direct price support to cotton farmers across the country.

During the 2023-24 cotton season, the area under cultivation was estimated at 114.47 lakh hectares, with production pegged at 325.22 lakh bales, accounting for nearly 25 per cent of global cotton output.

The government fixes the MSP for seed cotton (kapas) based on the recommendations of the Commission for Agricultural Costs and Prices (CACP).

According to the CCEA, the MSP operations are undertaken to safeguard the interests of cotton farmers, particularly during periods when market prices fall below the MSP.

“These interventions play a crucial role in stabilising cotton prices, preventing distress sales, and ensuring remunerative returns to farmers.

By enhancing inclusivity in agricultural markets, MSP operations contribute significantly to the economic security of cotton-growing communities,” according to an official statement.

Staring at energy and fertiliser crisis if war continues: Rajnath

'No Country, Including India, Will Be Spared'

Kautilya.Singh
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New Delhi: Defence minister Rajnath Singh on Saturday said the continuing conflict in West Asia could lead to an energy and fertiliser crisis in the future and warned that no country, including India, could remain untouched if the situation worsened.

Addressing a public gathering in Haldwani to mark four years of Pushkar Dhami govt in Uttarakhand, he said dialogue and diplomacy were the only way to resolve such crises. He added that the continuous attacks in West Asia were a matter of concern not only for India but for the entire world.

Warning of the wider fallout of a prolonged conflict, Singh said, "No country in the world can remain unaffected. In this hour of crisis, India, too, could be impacted." At the same time, he credited PM



Rajnath Singh addresses a public gathering in Haldwani, Saturday

Modi with ensuring that India had so far avoided getting trapped in such a crisis.

Singh appealed to people to support the govt's efforts on the global stage. "I want to appeal to everyone — the efforts being made by Modi ji to resolve the crisis... the people of Uttarakhand should also extend their support," he said.

He said India's position on international issues now carried greater weight than it did before 2014. "Earlier, when India spoke on international platforms, India's words were not taken with the seriousness they deserved. But today, the entire world listens to what India is saying," he said.

Why a transition to natural farming is a necessity

We cannot easily control conflicts, wars or energy markets. But we can definitely redesign how we grow food

PVS Suryakumar

Human civilisation rests on a simple foundation: the ability to grow healthy and nutritious food reliably. That foundation is now under growing strain.

A disruption in energy or fertilizer markets can ripple through food systems faster than policy can respond. Modern agriculture is tightly linked to fossil fuels, global supply chains and ecological services — and when these links weaken, livelihoods and health suffer first.

The Fuel to Fork analysis by IPES-Food [2024/25] estimates that food systems consume nearly 40 per cent of petrochemicals and about 15 per cent of fossil fuels globally, tying every plate to volatile energy markets. The world is beginning to acknowledge this reality and must now find a way forward.

The system's industrial dependence compounds the risk. Analyses by Vaclav Smil and FAO suggest that about 40 per cent of global dietary protein intake depends on synthetic nitrogen fertilizer made via the energy intensive Haber-Bosch process. When energy tightens, fertilizer costs rise — and food prices follow. Current urea prices are already elevated (around \$585/tonne),

with analysts warning of \$650-700/tonne under extended stress. Trade concentration amplifies this. According to Kpler's trade data (2024), over two-thirds of India's ammonia and sulphur imports originate in the Gulf region. So regional shocks quickly tighten global availability.

The scientific picture is also plain. The IPCC warns that, intensifying heat and shifting rainfall are already shortening growing windows. In India this is tangible: recent temperature spikes have lowered wheat yields in affected districts, and higher night-time temperatures reduce rice grain filling — material threats where wheat and rice anchor food security.

Given these multiple uncertainties, India's cropping patterns will need gradual diversification. Pulses, oilseeds and millets offer nutritional and ecological advantages, though consumer acceptance, processing ecosystems and agronomic adaptation will determine how far and how fast such shifts occur.

Ecological and health signals deepen the alarm. Global assessments (IPCC-AR6, IPBES, FAO) show biodiversity loss, pollinator declines and soil degradation are eroding ecological services destabilising yields. Public-health reviews (WHO) are increasingly concerned about chemical



HEALTHY FOOD. Reducing chemical use in agriculture is key

exposures and rising non-communicable diseases. These are not separate problems: degraded soils and chemical-laden foods undermine both production and public health.

A sensible policy is neither one of panic, nor prohibition. A disciplined and financed transition — phased across crops, regions and over time — can reduce dependency while protecting farmers' welfare.

FOR A CREDIBLE TRANSITION This has to be practical and subtle. First, improve nutrient-use efficiency and replace part of the input mix with biological alternatives where they are ready to deploy.

Second, fund public agricultural research on soil health, microbial partnerships and cropping systems that

integrate trees, livestock and legumes and back it with extension. Third, redesign subsidies and procurement to reward soil health, improved soil carbon, biodiversity, and ecosystem services.

Finally, build markets and supply chains that pay for the public goods produced by ecological agriculture, so farmers who make the transition are not left isolated and unpaid for their stewardship.

India's embrace of natural farming can anchor this agenda and can be strategically phased temporally and spatially. Natural farming — with R&D, extension, assured markets and transition finance — can organically scale without forcing risky, abrupt change on farmers.

Gradually reducing chemical dependence in agriculture will make our food systems more resilient and healthier for both people and nature.

We cannot easily control conflicts, wars or energy markets. But we can definitely redesign how we grow food. If institutional incentives, research and markets align behind resilient, ecological farming, we will reduce fragility where it matters most — at the soil and at the plate.

The writer is former Deputy Managing Director, NABARD. Views are personal

Iran shock hits fertilizer supply. But the answer may be up in the air

SWAMINOMICS



SWAMINATHAN S ANKLESARIA AIYAR

The war on Iran has not just interrupted supplies of cooking gas and crude but also fertilizers and raw materials (mainly liquefied natural gas) for manufacturing fertilizers in India. Agricultural experts are now demanding major projects for improving fertilizer self-sufficiency, entailing huge capital outlays that will take decades to implement.

Yet, an intriguing, underexplored possibility lies much closer to home. India suffers from terrible air pollution, with high emissions of nitrogen and sulphur contributing to the muck. This is a major health threat. Particulate matter smaller than 2.5 microns (PM2.5) causes fatal heart and respiratory diseases.

Few people have noted that the nitrogen and sulphur in India's air are also the raw materials for manufacturing fertilizers. These combine in polluted air to produce ammonium sulphate and ammonium nitrate, two valuable fertilizers. Why not just extract these fertilizers out of thin air (oops, I mean polluted air), reducing health hazards even while making India a massive fertilizer producer?

Does that sound too good to be true? A study by Manojkumar N and Rosa Gierens of the Centre for Research on Energy and Clean Air (CREA) reveals that secondary particles contribute roughly one-third of India's PM2.5 pollution. These particles are not directly emitted but formed through atmospheric reactions involving sulphur dioxide (SO₂), nitrogen oxides (NO_x), and ammonia (NH₃). The result is the formation of ammonium salts.

CREA finds that ammonium sulphate alone accounts for about 34% of PM2.5 mass on average across India. The combined concentration of ammonium sulphate and ammonium nitrate could be 50%. This is a remarkable statistic because ammonium sulphate and ammonium nitrate are the most widely used fertilizers, supplying essential nitrogen and sulphur to crops. CREA finds that 43 cities have ammonium sulphate concentrations of 31-35% of total PM2.5; another 58 cities are in the 36-40% range; and 9 major cities have concentrations exceeding 40%. Four of the five worst cities have coal-based industries — Korba (43.1%), Bhilai (42.5%), Anpara (42.3%), and Raipur (42.1%). The five cities with the lowest concentrations are Jodhpur (20.5%), Srinagar (23.5%), Rajkot (23.8%), Ahmedabad (25.9%), and Jammu (26%).

A two-stage process will probably be required. First, coarser particles above PM2.5 will have to be filtered out using industrial filtration systems. The second stage will filter out the remaining PM2.5 particles to yield a solid rich in nutrients. Unlike conventional fertilizer production, which depends on energy-intensive chemical processes and imported LNG, this new approach uses simple physical filtration technologies such as high-efficiency



EYE ON SKY & SOIL: Air-extracted fertilizers can counter high subsidies and help improve soil quality

filters or electrostatic precipitators. The residue will be diluted fertilizer, but so what? It will be very cheap so farmers can use more of it.

Indeed, air-extracted fertilizers can finally make possible what has long been politically impossible — the dismantling of the current high-subsidy regime that imposes huge costs on the govt while encouraging farmers to grossly over-use urea, the most-subsidised fertilizer. Farmers' focus on urea has meant using excessive nitrogenous fertilizer at the cost of phosphoric and potassic fertilizers essential for soil health. Thus, the subsidy is steadily ruining the quality of India's soil. Cheap, air-extracted fertilizers can help end the current subsidy regime.

A compelling aspect of air extraction is its decentralised nature. Instead of large fertilizer plants dependent on global supply chains and imported equipment and raw materials, modest filtration units can be deployed across all districts, especially pollution hotspots. These units can continuously extract fertilizers for local use. This will reduce transportation costs, lower transport emissions, and harness urban pollution to support rural agriculture. The CREA report shows that secondary particles are highly mobile and travel across regions. This means the 'fertilizer resource' in polluted air is not confined to industrial zones but is widely distributed across India. Astonishingly, nobody has ever looked to tap this hidden fertilizer potential.

Various challenges will arise. Ammonium sulphate and nitrate are suitable for alkaline soils but not acidic soils, so some chemical processing may be needed for the latter. Polluted air may contain heavy metals and other toxins, and these will have to be removed by careful filtration. Also, one may need huge volumes of air to collect a meaningful amount of fertilizer.

But wild as it sounds, it's an idea worth exploring through pilot projects across the country. Once the attendant problems are identified and sorted out, filtration can become a national project of the highest priority. Imagine, we can hugely reduce heart and lung disease, reduce our dependence on imported fertilizers, and end the crippling fertilizer subsidy, all in one go. What are we waiting for? ■

India's urea plants at half capacity as West Asia crisis choke LNG flows

Petronet LNG Ltd declared force majeure after suppliers cited their inability to deliver contracted volumes amid disruptions to cargoes

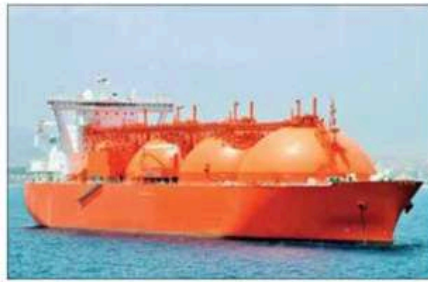
NEW DELHI: India's urea plants are running at half capacity after force majeure declarations disrupted liquefied natural gas (LNG) flows through the Strait of Hormuz amid escalating West Asia tensions, industry sources said on Sunday.

Petronet LNG Ltd, which operates India's largest liquefied natural gas receiving terminal, declared force majeure after upstream suppliers cited their inability to deliver contracted volumes amid disruptions to cargoes transiting the Strait, sources said.

The move triggered supply curtailments by state-owned gas distributors GAIL (India) Ltd, Indian Oil Corporation Ltd (IOC) and Bharat Petroleum Corporation Ltd (BPCL), which supply gas under RasGas contracts to fertiliser units across the country.

"Gas supplies have been curtailed to approximately 60-65 per cent of normal levels," a senior industry official said, adding that when scheduled plant turnarounds over the past six months were factored in, effective supply at some units had fallen below 50 per cent.

Urea output at affected



The move triggered supply curtailments by state-owned gas distributors GAIL (India) Ltd, Indian Oil Corporation Ltd (IOC) and Bharat Petroleum Corporation Ltd (BPCL), which supply gas under RasGas contracts to fertiliser units across the country

plants has consequently dropped by around 50 per cent. Paradoxically, energy consumption at these facilities had climbed by as much as 40 per cent as large ammonia-urea trains running at reduced loads suffer a sharp deterioration in thermal efficiency, according to plant officials.

"Plants of this scale are not designed to ramp up and

down at will," one plant operations manager said. "Operating under these conditions means you are burning more energy to produce less fertiliser, and that is a direct financial hit."

The situation has been compounded by what fertiliser company officials described as a breakdown in operational coordination. Following Ras Laffan LNG Company's force majeure

Highlights

- » 'Gas supplies have been curtailed to approximately 60-65% of normal levels,' a senior industry official said
- » The situation has been compounded by what fertiliser company officials described as a breakdown in operational coordination
- » India is among world's largest urea consumers & a sustained domestic shortfall could affect fertiliser availability ahead of the upcoming kharif sowing season

invocation, gas consumption mandates have at times been communicated to fertiliser units late at night, leaving plant managers scrambling to make abrupt load adjustments.

"Sudden load variations of this nature are not practically feasible for large train-based ammonia-urea plants," another industry source said. "Their risk equipment failures, plant trip-

pling and, most critically, safety risks to operating personnel."

Several plants, sources said, were compelled to overdraw gas allocations momentarily to keep operations within safe parameters. A further complication emerged on the pricing front. GAIL informed fertiliser companies by letter dated March 15 that long-term RLNG quantities would henceforth be invoiced at multiple price points, including contract price, GAIL Pooled Price and Gazette Pooled Price, effective March 1, 2026.

The pooled price, sources noted, is provisional and subject to retrospective reconciliation under applicable government guidelines, introducing an additional layer of financial uncertainty for producers already absorbing production losses.

India is among the world's largest consumers of urea, and a sustained domestic shortfall could affect fertiliser availability ahead of the upcoming kharif sowing season, analysts noted. As of March 19, India has a total urea stock of 61.14 lakh tonne, higher than 55.22 lakh tonne in the year-ago period. AGENCIES

Lack Of Registry Masks True Toll Of Paraquat Poisoning In State

Thousands of deaths linked to paraquat poisoning are being reported in state each year, but the absence of official data and easy availability of the toxic herbicide continue to deepen the crisis

Ajay Desai @imesofindia.com

Notwithstanding the staggering number of deaths linked to the highly toxic herbicide paraquat and growing clamour for its ban, the health department has no consolidated data or a registry to track such fatalities across the state.

Experts say absence of official records makes it difficult to assess the true scale of the problem.

According to estimates by Indian Medical Association (IMA) Telangana and Doctors Against Paraquat Poison (DAAP), some 3,550 to 6,000 deaths occur annually in Telangana due to paraquat poisoning. The organisations estimate that nearly 1,000 such cases are reported every month across India.

MANY CASES GO UNRECORDED

"We have filed several RTIs with the state health department, but there has been no response so far," said Dr Mahesh Reddy, president of DAAP. He said the actual number could be significantly higher, as many patients are treated in private hospitals where such cases often go unrecorded.

Doctors from the nephrology departments of Nizam's Institute of Medical Sciences, Gandhi Hospital, and Osmania General Hospital said each facility handles around 200 to 250 paraquat poisoning cases annually, with admissions occurring almost every other day.

The situation in the districts is similarly concerning. Dr Mahesh noted that across the 10 erstwhile districts of Telangana—Adilabad, Karimnagar, Nizamabad, Medak, Warangal, Khammam, Hyderabad, Rangareddy, Nalgonda, and Mahabubnagar—each reports about 100 to 150 cases every month, with 40 to 50 deaths monthly. Dr Karthik Nagari, a forensic expert at Gandhi Hospital,

RECENT CASE STUDIES

Feb 2026

A girl, 16, from Jagtial consumed paraquat after allegedly facing bullying at school. She suffered vomiting and was rushed to hospital. She succumbed after eight days.

AUG 2025

Rishi Reddy, a 60-year-old farmer from Laxmipur in Jagtial, died after ingesting paraquat due to financial distress.

July 2025

A 24-year-old doctor from Peddapalli, who completed his MBBS at Gandhi Medical College, was distressed after not securing NEET PG rank he had aspired to. One afternoon, he went to his agricultural field and ingested paraquat.

June 2025

A 14-year-old child died after mistaking paraquat stored in a soft drink bottle.

May 2025

An 18-year-old boy died in Bhadraji Kothagudem after consuming paraquat due to his parents' scolding.

An intermediate student from Bhadraji Kothagudem died after drinking paraquat following an argument with his father about buying a new mobile phone.

Sheeshaji, a 52-year-old farmer from Karimnagar, died after paraquat exposure while spraying in the field. The chemical reportedly entered his body through an existing wound on his foot.

Most paraquat poisoning deaths reported in India: Telangana, Odisha, Punjab, Haryana, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh, Tamil Nadu & Kerala.



said six to seven of every 10 poisoning deaths they examine are due to paraquat.

Meanwhile, a senior health department official said no statewide data is maintained to determine the total death toll in Telangana, with each govt hospital keeping its own records.

AVAILABLE ONLINE

A 250ml bottle of paraquat dichloride, widely used for weed control, is available at fertiliser shops for 200. When TOI checked, the bottle was also available on e-commerce plat-

forms at the same price.

"With paraquat now being bought through e-commerce platforms and delivery apps, the crisis is spreading beyond the farming community to urban areas too," said Dr Manjusha Yadla, head of Nephrology at Gandhi Hospital.

WHAT PARAQUAT DOES

Doctors said, with no antidote available, paraquat causes irreversible damage to the kidneys, liver and lungs. The lethal dose is remarkably small at around 10ml-30 ml, with a

mortality rate of 80-100%.

"Many patients first go to smaller hospitals, which causes a delay. By the time they reach a tertiary centre such as Gandhi or OGH, the delay is usually a day and a half to over two days. By then, paraquat has been deposited in vital organs such as the lungs and kidneys, as well

as in fat tissue. This affects cellular mechanisms and the toxin is released slowly making treatment difficult," Dr Yadla explained. "The major problem with this type of poisoning is that we do not have an antidote," said Dr Gangadhar, head of department at NIMS.

With paraquat now being bought through e-commerce platforms and delivery apps, the crisis is spreading beyond the farming community to urban areas too — Dr Manjusha Yadla | HEAD OF NEPHROLOGY AT GANDHI HOSPITAL.

Ban now & switch to alternatives, urge experts

Hyderabad: Although paraquat has been banned in around 70 countries, including EU nations, China and Brazil, regulatory action in India is still pending.

"While paraquat is regulated at a central level in India for its registration, manufacture and approval, its use and distribution are handled by state govt," said a health official.

Recently, Telangana MLC Balmiser Venkat demanded a complete ban on paraquat. Further, the Telangana Agriculture and Farmers Welfare Commission, led by chairman M Kodanda Reddy, submitted a representation to chief minister Revanth Reddy following a meeting.

"The commission sought the opinion of the state agriculture department and agricultural universities. However, they emphasised the need for more regulatory checks. But how is it possible when this chemical is so widely available and can even be purchased through e-commerce platforms?" asked Kodanda Reddy.

In Feb, the Telangana high court sought responses from the state and central govt over their stance on banning paraquat, highlighting the excessive use of the chemical leading to loss of lives.

Dr P Kishan, president of IMA in Telangana, said: "Weed control can be achieved through the use of brush cutters, power weeders, mulching, inter-cultivation and integrated weed management practices. These alternatives are practical, scalable and already in use."

'FATAL EVEN IN SMALL QUANTITIES'

Paraquat banned in about 70 countries including EU nations, China, Brazil and others, but regulatory action in India is still pending.

Odisha & Kerala banned but revoked within 30 days.

Experts warn that for those by no means so pesticide, fatal even in small quantities & safer alternatives exist.

Telangana govt first wants feedback on where all paraquat herbicide is being globally.

Farmers raise concerns over draft new seeds bill

NEERAJ KUMAR | DC
HYDERABAD, MARCH 15

The draft Seeds Bill, 2025 has triggered protests from farmers' organisations across several states, including Telangana, with critics alleging that the proposed law could increase corporate control over India's seed sector.

The Union agriculture ministry released the draft Bill on November 12, 2025, proposing to replace the Seeds Act of 1966. The government said the legislation aims to strengthen quality control following reports of widespread circulation of spurious seeds that have caused losses to farmers. The Centre invited public feedback and comments on the draft until December 11 after receiving representations from farmers' bodies and state governments.

The draft Bill proposes mandatory registration of all commercially sold seed varieties, both public and private, based on Value for Cultivation and Use (VCU) performance. It also proposes QR code-based traceability and stricter standards for germination and seed health.

The Bill states that farmers can continue to save, exchange and sell farm-saved seeds, except branded varieties. It also proposes compensation mechanisms for underperforming registered seeds and prescribes penalties ranging from fines to imprisonment in cases of fraud. A central seed committee is proposed to oversee a zone-based regulatory system and accredited agencies nationally to facilitate interstate trade, while allowing imports of tested seed varieties.

However, farmers' organisations and some state governments have raised concerns that the bill centralises regulatory powers and does not adequately address compensation for crop losses caused by faulty seeds. Experts have also warned that the proposed framework could undermine traditional practices and indigenous seed varieties.

Farmers in rain-fed regions of southern India, including Telangana, rely on locally adapted varieties of paddy and millets. Critics argue that increased reliance on uniform hybrid seeds could lead to genetic erosion and greater dependence on commercial seed sup-

BILL GUARANTEES VS OPPOSITION CONCERNS

Bill Guarantees

- **Mandatory registration with VCU tests for quality seeds**
- **Compensation for underperforming registered seeds**
- **Farmers can save/exchange unbranded farm-saved seeds**

- **QR codes and traceability for spurious seed crackdown**
- **Zone-based committees for interstate trade**
- **Penalties for fraud (fines to jail)**

Concerns of farm bodies and state governments

- **No mechanism to save affected farmers**
- **Burdens small farmers**
- **Pushes dependency on costly branded hybrids, eroding traditional practices**
- **Centralises control, stripping states' rights**
- **Risks of untested imports/GM seeds, threatening biodiversity and food sovereignty**
- **Enables bio-piracy of indigenous varieties**



pliers, placing additional financial pressure on small landholders.

Punjab Chief Minister Bhagwant Mann has also raised objections to the draft, while the Samyukta Kisan Morcha has alleged that the proposed law could open the door for genetically modified seeds and does not provide an effective grievance redressal mechanism for small farmers, who constitute the majority of landholders. In Telangana, the state government, agriculture university experts and farmers' unions have sought amendments to the Bill. Agriculture minister Tummala Nageswara Rao said states would have limited authority to enforce the law without explicit provisions.

"The Centre encroaches on state issues, reducing our rights. For farmers of local level, in local regions with local weather conditions, the local governments must have control over it," he said at a state-level stakeholders' consultation on the draft bill.

The state government has sought clear compensation provisions for farmers affected by crop losses due to faulty seeds, greater regulatory powers for states and safeguards to address the problem of spurious seeds. Telangana accounts for more than 40 per cent of India's seed production but has also faced issues related to fake seeds. Professor Jayashankar Telangana State Agricultural University vice-chancellor Aldas Janaiah submitted a representation highlighting 13 concerns in the

draft bill, including reliance on data generated by the Indian Council of Agricultural Research for seed registration.

"State seed committees must register varieties tested locally for at least one season, with mandatory certification by recognised agencies for marketed seeds," he said, while also recommending minimum educational qualifications for seed dealers, state powers for emergency price regulation and two-year multi-location trials for imported seeds. Telangana Kisan Congress chairman S. Anvesh Reddy submitted suggestions to the Centre, stating that seeds respond to agro-climatic conditions rather than administrative boundaries. He proposed that registration should primarily take place at the state level, with varieties tested across multiple agro-climatic zones being recognised as national varieties. Farmers' organisations, including the All India Kisan Sabha, have opposed the draft Bill, alleging that it could strengthen corporate control over the seed sector while increasing input costs for farmers and weakening the role of the public sector.

National vice-president Sarampally Mallareddy criticised the draft Bill and said farmers in Telangana already suffer losses on about five lakh acres every year due to spurious seeds. He also alleged that the draft does not provide time-bound compensation for affected farmers and places the burden of proof on growers seeking relief.

PM takes stock of fuel, power, fertiliser supply

ARCHIS MOHAN
New Delhi, 22 March



At a Cabinet Committee on Security (CCS) meeting attended by senior ministers and key officials, Prime Minister (PM) Narendra Modi on Sunday reviewed the availability of crude oil, gas, and other petroleum products, as well as the situation in the power and fertiliser sectors, against the backdrop of the conflict in West Asia and the evolving regional scenario.

The PM directed the creation of a group of ministers and secretaries to work "dedicatedly in a whole-of-government approach" and instructed sectoral groups to coordinate with stakeholders, the government said.

Cabinet Secretary T V Somanathan provided a detailed presentation on the global situation and the mitigating measures implemented so far, and those planned by various ministries and departments.

Modi said the conflict is evolving and affects the entire world in some form. "In such a situation, all efforts must be made to safeguard citizens from the impact of this conflict," he said. He called for all arms of the government to work together to minimise inconvenience to the public and sought proper coordination with state governments to prevent black marketing and hoarding of essential commodities.

The meeting agreed that the ongoing conflict in West Asia will have significant short-, medium-, and long-term impacts on the global economy. Its effects on India were assessed, and both immediate and long-term countermeasures were discussed, the government said.

Officials reviewed the expected impact of the conflict on sectors including agriculture, fertiliser, food security, petroleum, power, micro, small, and medium enterprise, export, shipping, trade, finance, and supply chain. Measures already taken and additional steps to be implemented were also discussed. "The overall macroeconomic scenario in the country and further measures to be taken were also discussed," a statement said.

The Cabinet Committee was briefed on the availability of critical needs, including food, energy, and fuel security. Short, medium, and long-term measures to ensure an uninterrupted supply were considered. The meeting also evaluated farmers' requirements for fertilisers for the kharif season and explored alternative sources to prevent disruption.

The committee "determined that adequate coal supplies at all power plants will ensure no electricity shortage in India", the statement added. Several measures were discussed to diversify import sources for the chemical, pharmaceutical, petrochemical, and other industrial sectors.

New export destinations to promote Indian goods are being explored. Ministries have been tasked with proposing

PM Narendra Modi directed the creation of a group of ministers and secretaries to work "dedicatedly in a whole-of-government approach"

measures to be implemented in consultation with stakeholders, the government said.

With the conflict in West Asia entering its third week and the Strait of Hormuz remaining closed to navigation, India has reached out to countries including Russia, Jordan, Morocco, and Tunisia for fertiliser and oil imports. Since Thursday, the PM has conveyed Eid greetings to leaders of Jordan, the Gulf countries, Malaysia, and Iran.

The PM-led CCS meeting on Sunday evening — his second since the West Asia conflict began — followed his conversation on Saturday with Iranian President Masoud Pezeshkian. External Affairs Minister S Jaishankar also spoke with his Iranian counterpart Abbas Araghchi. On Monday, Jaishankar and Russian Foreign Minister Sergei Lavrov will address a virtual conference where experts will discuss navigating tensions in the Gulf region. The US Under Secretary of War for Policy Elbridge Colby is also scheduled to visit India this week.

After the review meeting, officials said the government is focusing on ensuring uninterrupted supply, stable logistics, and efficient distribution across the country. Proactive steps are being taken to safeguard energy security and maintain adequate availability, with continuous monitoring of global developments to protect consumers and industry.

The Confederation of Indian Industry flagged disruptions faced by Indian companies, including shipment delays and shortages of key raw materials.

Officials said the government is working to secure oil, gas, and fertilisers. During his conversation with President Pezeshkian, Modi condemned recent attacks on the region's energy infrastructure. With 22 Indian-flagged merchant vessels carrying liquefied natural gas, petrol, and diesel stranded near the Strait of Hormuz, Modi reiterated the importance of safeguarding freedom of navigation and keeping international shipping lanes open.

More on business-standard.com



House panel pulls up govt for not fixing MSP for organic crops

A PARLIAMENTARY PANEL on Friday pulled up the Union Agriculture Ministry for not fixing a minimum support price (MSP) for all organic crops in addition to traditional crops to protect the interest of farmers.

This recommendation was made by the Parliamentary Standing Committee on Agriculture, Animal Husbandry and Food Processing, made in its 17th report for the ministry to respond and take action. Placing the action taken report in the Rajya Sabha, the ministry informed that the MSP is fixed for 22 commodities and a fair and remunerative price for sugarcane at the all-India

level is based on the recommendation of the Commission for Agricultural Costs and Prices.

Rejecting the reply of the ministry, the committee said, "Organic farming requires extra labour for composting, weeding, and on-farm input preparation, as well as expenditure on certification and segregation, which are not adequately covered by conventional MSP calculations."

Fixing MSP will protect farmers from price risk, compensate them for higher costs and lower initial yields, and mainstream organic and natural farming as a scalable production system, it said. **PTI**

Farmers hit by urea shortage

M. Nacchinarkkiniyan
TIRUCHI

A shortage of urea in private fertilizer outlets has begun to disrupt farming operations at a critical juncture in Tiruchi district.

The current spike in demand coincides with land preparation and early sowing activities for *kuruvai* and maize cultivation in the district. Farmers typically apply basal doses of fertilizers during the phase, making urea – the primary source of nitrogen essential for early vegetative growth – critical at this stage.

Retailers across the district said supplies had failed to keep pace with demand over the past week. “I have told at least 10 customers today that we do not have stock. Urea is essential as other fertilizers will not work without it,”



A private fertilizer shop at Athavathur in Tiruchi district.

said R. Raman, a fertilizer shop owner in Athavathur.

Echoing his concern, K. Ravi, another dealer, said the uncertainty over replenishment had added to the strain. “We do not have urea stock now, and we do not know when fresh supplies will arrive. There is a steady demand from farmers. We have requested companies for more

stocks, but nothing has reached us yet.”

Dealers pointed out that while the government-fixed price of urea was ₹266 per bag, the retail price in private shops often touched around ₹300 due to loading, unloading, and transport costs. Some also flagged supply-linked practices by companies, including bundling of micronutrients along with urea, which increased the costs for retailers and, in turn, farmers.

Crucial period

Farmers’ representatives warned that the shortage could affect timely agricultural operations. “This is a crucial period, and farmers should be adequately supplied with urea through all channels including private shops. The upcoming season will require higher fertilizer use,” said N. Rajendran of

Tamil Maanila Congress farmers’ wing.

He also raised concerns over reports of panic buying due to the ongoing West Asian conflict and localised hoarding and called for stricter monitoring.

Agriculture officials, however, maintained that there was no overall shortage at the district-level. Around 3,800 metric tonnes of urea stock was available with Primary Agricultural Cooperative Societies, which received supplies directly from TANFED, ensuring relatively stable availability through the cooperative network.

However, several farmers often depended on private outlets for immediate access, especially during peak agricultural operations, leading to localised stress in supply, they said.

GOVT STEPS IN TO EASE IMPACT OF WEST ASIA WAR ON ENERGY SUPPLY, BUSINESSES

More relief for exporters this week

● Easing logistics constraints and insurance support on the cards: Govt

MUKESH JAGOTA
New Delhi, March 16

THE GOVERNMENT WILL announce a clutch of measures later this week to support exports, particularly to West Asia, which has been disrupted by the conflict in the region, Commerce Secretary Rajesh Agrawal said on Monday.

Along with the support measures for exporters, the government is working with the countries of the region to address logistics challenges, as they also depend on India for multiple product categories, he added. Logistical challenges are being faced regarding the movement of ships and even air cargo is facing certain challenges due to disruptions in flights and the movement of air freighters in that region. The region takes in \$58.8 billion worth of Indian goods each financial year. Cereals, fish, meat, dairy, coffee, tea, fruits and vegetables are major Indian exports to the region.

SOFTENING BLOW

■ India is working with countries to address logistics challenges

■ Support measures for exporters could include help on insurance front

■ West Asia takes in \$58.8 billion worth of Indian goods each financial year



■ Cereals, fish, meat, dairy, coffee, tea, fruits and vegetables are major Indian exports to the region

The conflict has led to shipping companies avoiding sending vessels through the region. Many ships remain stranded and those going to Europe and the US have taken detours through the Cape of Good Hope. Congestion and longer journeys have even impacted schedules on other routes.

Earlier, an official had said that support measures for exporters could include help on the insurance front.

In the meantime, the Inter-Ministerial Group under the Director General of Foreign Trade (DGFT) meets daily to take feedback from the ground on the export-import situation

and ensure that whatever challenges can be resolved through the Ministry of Ports, Shipping and Waterways, and the Central Board of Indirect Taxes and Customs (CBIC) are addressed.

Already some steps have been taken like the export obligation time period under the Export Promotion Capital Goods Scheme and Advance Authorisation have been extended by four more months to till August 20.

The CBIC has brought in certain regulations to ensure the return of cargo stuck at sea back to India. Some port charges have been waived as cargo clearance is taking longer.

Basmati exports may rise despite war impact: Crisil

SANDIP DAS
New Delhi, March 16

INDIA'S BASMATI EXPORTS are expected to be steady and likely to witness a growth of over 2% year-on-year in FY26 to 6.06 million tonne (MT) despite being impacted by the West Asia conflict, Crisil ratings said in a report on Monday.

While exports of the aromatic and long-grain rice to Iran, one of the biggest destinations for basmati, are likely to be affected, higher demand from other markets in the region, such as Saudi Arabia, Iraq, the United Arab Emirates and Yemen will provide an offset, the report noted. It stated that if logistical challenges persist for a month, basmati rice trade volume might be impacted by 0.35-0.37 MT.

“However, demand from other import-dependent countries in the region where bas-

mati rice is a staple, to maintain food security, will help offset this impact,” according to the report.

“Disruptions in the Strait of Hormuz, which is a critical transit route for rice exports to West Asia, could lead to blockage of goods and delayed payments

from customers in the near term,” Nitin Kansal, director, Crisil Ratings, said. Basmati rice exporters are also exploring alternative routes to avoid the Strait of Hormuz to ensure supply to the region, the agency has stated. The

exporters are, however, likely to pass on any increase in freight and insurance cost to customers, which will help protect their operating profitability.

India’s exported basmati rice valued at \$5.94 billion in FY25. Saudi Arabia (20.25%), Iraq (14.3%), Iran (12.67%), the UAE (6.13%) and Yemen (6.03%) had a major share in the shipment last fiscal.

Disruptions in the Strait of Hormuz could lead to blockage of goods and delayed payments from customers in the near term

Yet again, this March, unexpected rainfall affected crops across large swathes of the country. Met experts link the unseasonal downpour, including hailstorms and snow in some areas, to increased western disturbances. Ripe rabi crops such as wheat and mustard become highly vulnerable due to such events. Current on-field damage assessments indicate a loss of harvest of 15-25 per cent in areas that faced wind and hail affects, and 5-10 per cent higher post-harvest fungal losses in cereals that are under the wet conditions.



Jayanta Bhattacharya
Senior Journalist

As usual, the farmers' plight has political connotations. The Government swung into immediate action, but stressed that its focus extended beyond production to the scientific assessment of damages, proper settlement of insurance claims, and timely assistance to the farmers. Union agriculture minister, Shivraj Singh Chouhan, chaired a high-level, comprehensive meeting to review the conditions of the agriculture sector. He stressed the immediate needs of farmers, which included the processing of the insurance claims, and functioning of relief mechanisms. "If farmers have suffered losses, their insurance claims should be prepared properly and scientifically so that we can support our farmer brothers and sisters," said Chouhan.

For the farmers' unions, such language smacks of a proper delay in immediate actions to save the growers, and provide inadequate compensations. "We cannot allow the suffering of March 2026 to become a footnote in a government report. If the Centre can arrange funds for corporate bailouts, it must find funds to save farmers. We will not forgive this dance of death between the Centre and states," warned Rajan Kshirsagar, president, All India Kisan Sabha (AIKS), a Left-leaning farmers' group. A Communist Party of India (CPI)-affiliated organisation attacked the policy-makers at the Centre and states with charges of "gross negligence, deliberate underreporting of losses, and a callous delay in releasing pending relief measures."

Media reports warned that repeated unseasonal weather conditions tighten supplies, push the prices of staple food upwards, and stress farm incomes. This is especially true because farming contributes a large share to employment, as well as GDP. Agriculture con-

Rain dance, or 'dance of death'

Unexpected showers, hailstorms rain more woes on farmers



tributes around 18 per cent to the GDP, and employs nearly 45 per cent of the workforce, according to the World Bank. The month of March is usually the harvest time for major rabi crops such as wheat, mustard, gram, and potatoes. Sudden changes in weather affect produce, and send shockwaves among the farming community.

As per the current estimates, wheat and mustard crops are under extreme stress, and may cause distress for the growers the season. Hence, the situation in some sensitive states is rocky. In addition, the post-harvest crops left in the fields tend to absorb extra moisture due to the untimely rains, and develop fungi, which leads to losses. Thus, multiple factors can impact production. Coming as it does during a period of geopolitical disruptions due to the Iran war, may add to the woes of the farmers, who may be hit by inflation and shortages.

The agriculture minister directed fast-tracking of crop insurance, which is crucial to protect returns, and incomes. However, the AIKS claimed that the state-run insurance scheme has "once again been exposed as a vehicle for corporate loot, with the government acting as a facilitator for the insurance companies." Although there were no specific details, the hints are that the insurers deliberately underpay the claims, or do not entertain them. The

farmers are left in the lurch, as they run from pillar to post to claim the due amounts, and suffer due to losses.

Coming back to the weather conditions, in Northwest India and Delhi-NCR, the reports indicated a sharp transition "from soaring temperatures to wettest March in three years, with significant rainfall on March 18-20." In the northern parts, a form of a mild heatwave in the first of March changed into cold weather, with rains and snow (in some parts). States such as Jammu and Kashmir, Himachal Pradesh, and Uttarakhand faced "erratic weather" with widespread rain and snowfall in the higher reaches. Hailstorm alerts were issued in Punjab, Haryana, and parts of Uttar Pradesh, according to farmers' unions.

While in the Northeast, Assam and Meghalaya were battered by heavy to very-heavy rainfall (up to 20 cm), West Bengal and Sikkim experienced extremely heavy rainfall exceeding 21 cm. Vidarbha and Chhattisgarh saw isolated thunderstorms and hailstorms, even as

some pockets dealt with prior heatwave conditions, the AIKS added. Erratic showers and thunderstorms affected Telangana, interior Karnataka, Kerala, and Tamil Nadu, with heavy rains recorded in isolated places of coastal Andhra Pradesh and Kerala. However, there may be cases, say the farmers, where the

damages are being underreported.

Quoting reports from on-ground and local members, Kshirsagar dismissed Maharashtra's initial assessments as "farce aimed at protecting the government's image rather than providing relief." While the state agriculture department admitted to minimal crop damage "across a meagre few thousand hectares," the farmers' union claimed that its reports "paint a picture of apocalyptic ruin" in several state districts like Vidarbha and Marathwada. Some experts feel that this is a typical political-bureaucratic reaction to dilute the bad news, not create a panic, and avoid high payments to the farmers.

"In Akola and Amravati, we have reports of hail the size of stones ruining ready-to-harvest wheat, pulses, oranges, and bananas, yet the official figures are a fraction of the reality. This is a deliberate attempt to keep compensation figures low. We demand that the correct ground data be collected via mandatory joint field visits by revenue officials in the presence of farmer representatives, scrapping the opaque remote-sensing-only model," added Ravula Venkaih, general secretary, AIKS.

But the Government states that its objective is to ensure that policy measures, relief mechanisms, and the outreach of the various welfare schemes are coordinated effectively so that the farmers receive timely and adequate support. Senior officials, including the agriculture secretary, and agriculture commissioner, were directed to ensure that wherever the farmers required assistance, coordination with the state governments was strengthened. Chouhan stressed that crop cutting experiments need to be conducted promptly, losses assessed scientifically, and immediate reliefs provided without delays. He urged for "time-bound action at the field level" in areas affected by the heavy rainfalls, hailstorms, or other adverse weather conditions. Farmers' unions remain unhappy and dissatisfied. They want a comprehensive relief package not as loans, but as ex-gratia compensations, apart from clearances of pending claims, repeal of the Disaster Management Act, 2025, and an overhaul of the crop insurance scheme.

(The author has more than three decades of experience across print, TV, and digital media)



Agri growth jumped from 8.5% to 18% since 2017: CM

TIMES NEWS NETWORK

Lucknow: Chief minister Yogi Adityanath on Wednesday said the priority accorded to farmers by his govt has led to Uttar Pradesh's agricultural growth rate jumping from 8.5% to 18% within nine years.

Yogi was addressing a gathering after releasing the book 'Nav Nirman Ke 9 Varsh,' marking completion of nine years of his govt since 2017.

"Govt's very first decision was taken in the interest of farmers. UP is now the fastest-growing state in agricultural development in the country," he said, adding that the farmers were no longer driven to suicide in the state.

The CM said between 2012 and 2017, a total of Rs 95,000 crore was paid as sugarcane dues, whereas from 2017 till now, Rs 3,16,800 crore has been paid. In 2017, farmers received Rs 300 per quintal for sugarcane, which has now increased to Rs 400 per quintal. "Issues such as deduction



FARMER-FRIENDLY

(ghatauti) and slip (parchi) problems have also been resolved," he said.

Likewise, he said, at govt procurement centres, crops like paddy, wheat, mustard, oilseeds, pulses, millets, bajra and maize are being purchased at the Minimum Support Price (MSP).

Govt has also advised farmers that if they get a better price in the open market, they may sell there; otherwise, they can sell at procurement centres. Govt has provided relief to farmers by reducing mandi fees from 2.5-3% earlier to just 1% now, the CM said.

Yogi said under the PM Kisan Samman Nidhi, about

Rs 99,000 crore has been transferred directly into the accounts of farmers in Uttar Pradesh.

"Congress and SP-BSP govts had pushed farmers into debt, whereas the double-engine govt has freed them from debt and restored them as productive contributors, leading them towards prosperity," he stressed.

He added that farmers in the state are now taking up to three crops annually.

"Additional irrigation facilities have been created over 5.6 million hectares," he said, adding that for the first time, govt is providing free electricity for private tube wells. Currently, 2.3 million tube wells run on diesel, and govt plans to free farmers from this dependency by providing solar panels, for which budgetary provisions have already been made, he said, asserting that the state govt will continue to take consistent steps towards ensuring the prosperity of farmers.

AIC Krishi Sakhi to empower women farmers launched



AGRICULTURE
INSURANCE

COMPANY (AIC) of
India has launched

the Krishi Sakhi initiative to empower women farmers and work towards achieving inclusive growth. The move is in alignment with the United Nations' recognition of the year 2026 as the International Year of the Woman Farmer.

FE BUREAU & AGENCIES

NOD TO IFFCO'S NANO-NPK LIQUID VARIANT



AFTER NANO-UREA AND DAP, IFFCO has received approval for

the introduction of nano-NPK Nitrogen (N), Phosphorus (P), and Potassium (K) liquid and granular versions under the fertiliser control order. In June 2021, it launched nano urea in liquid form as an alternative.

Subsidies or science?

India's farm future hinges on scaling up research & development

ANJANA V & SANJEEB MUKHERJEE
New Delhi, 22 March

India's farm policy debate is often reduced to a choice between subsidies and reforms. Subsidies are, and likely will remain, necessary, especially as climate change makes farming more volatile. But, say experts, they are not a substitute for robust, science-driven agricultural research.

Over the past decade India's gross expenditure on research and development (R&D) has tripled in nominal terms, yet it still accounts for a mere 0.6-0.7 per cent of GDP, far below the 2 per cent or more spent by most developed countries.

Unless India decisively shifts towards stronger public agricultural R&D and reforms how that research is organised, experts say, it will keep spending larger and larger sums managing farm distress instead of preventing it.

According to Union Budget data, the allocation for agricultural research and education (ARE) rose from ₹4,836 crore in 2014-15 to ₹9,266 crore in 2026-27. On paper this looks like a near doubling, but the compound annual growth rate is just under 6 per cent, with an average annual increase of about 7.5 per cent and strong volatility across years.

In 2022-23, for example, ARE spending grew by merely 0.05 per cent before rebounding sharply in 2023-24.

This slow and lumpy trajectory contrasts sharply with the surge in private R&D. For instance, global biotech and agri-major Bayer's India R&D expenditure alone reached ₹7,230 crore in 2024-25, which is close to 75 per cent of the total ARE allocation in the same year.

Economist Ashok Gulati of the Indian Council for Research on International Economic Relations (Icrier) said government spending on agriculture R&D is "not even peanuts" by global standards.

"The Indian Council of Agricultural Research's (Icar's) total budget remains under ₹10,000 crore, while one multinational agribusiness, Bayer, spends about €2.6 billion in R&D worldwide, which is roughly three times what India's Icar spends."

Private investors focus on hybrids and short-term payoffs because they need to recover their outlays through seed prices. Attempts to cap seed prices, he argued, weaken the commercial incentive for innovation and pushes private players away from long-term, fundamental research.

Behind low yields

India's approach to research has also remained narrow, with excessive emphasis on staples like wheat and rice, while pulses and many other crops lag in productivity. On average, India's corn and soybean yields are about one-third of those in the US, where genetically modified (GM)-enabled varieties have been widely adopted.

GM crops are grown in 76 countries across more than 200 million hectares; in the US, corn yields exceed 11 tonnes per hectare versus India's roughly 3.5 tonnes, and soybean yields are more than three times higher. Gulati contended that blocking GM or gene editing technologies risks leaving India behind just as advanced breeding methods become agriculture's future.



Public vs private farm R&D

- Modest increase in agricultural R&D spending from ₹4,836 crore in 2014-15 to ₹9,266 crore in 2026-27, growing at 6% CAGR
- R&D spending by Bayer India alone reached ₹7,230 crore in 2024-25
- Total food, fertiliser and fuel subsidies to top ₹4.1 trillion in 2026-27, 44 times farm R&D spending
- Every rupee invested in farm research fetches ₹13.85 in economic benefits

The Union Budget 2026-27, however, has cut, not enhanced, the space for such publicly funded agricultural research.

Overall agriculture spending has not fallen. Allocations for animal husbandry and fisheries have risen, and outlays for fertiliser subsidies and food procurement have climbed even more.

In 2025-26, urea subsidies alone exceeded the net expenditure of the department of agriculture and farmers' welfare, and total fertiliser subsidies were nearly one-third higher than the combined outlay of the ministry of agriculture and the ministry of fisheries, animal husbandry and dairying.

Yet the department of agricultural research and education (DARE) saw its budget drop from ₹10,470 crore to ₹9,970 crore which is a 5 per cent cut from an already-modest base. Even more telling, DARE's capital expenditure was only ₹2,490 crore in 2025-26 and is pegged at ₹2,450 crore in 2026-27, underscoring how little room there is for new labs, equipment, or expanded trial networks.

Costly imbalance

India's farm growth over the last decade has relied largely on deploying more inputs and on higher output prices, rather than on broad-based efficiency gains. The gross value of output has grown faster than gross value added, especially in crops, which signals an expensive and unsustainable path. Farmer incomes stay under pressure, healthy food becomes less affordable for consumers, taxpayers bear rising subsidy bills, and soil, water, and air degradation accelerates.

There are three main levers for raising production efficiency: Innovation (which depends on research); reducing distortions in input and output prices by repurposing subsidies; and building strong institutions that can deliver technology and risk management support over the long term.

Annual budgets are rarely the right place for sweeping subsidy reforms, given

their political and administrative complexity. But cutting an already modest investment in agricultural R&D is hard to justify at a time when more than half the Indian population cannot afford a healthy diet, when productivity is lagging and climate uncertainty is intensifying.

The lure and limits of subsidies

A study by Icrier estimates that around 73 per cent of India's agriculture budget is absorbed by subsidies and welfare schemes, with food and fertiliser subsidies alone accounting for well over half of agrarian spending. Over the past five years, food and fertiliser subsidies have ranged between ₹3.8 trillion and ₹5.3 trillion. In 2026-27, the combined food, fertiliser and fuel subsidy bill is projected to exceed ₹4.1 trillion, which is more than 44 times the allocation for agricultural research and education.

Subsidies do play a stabilising role. Food subsidies have helped reduce poverty and cushion vulnerable households, while fertiliser and power support have helped keep input costs manageable in the short term. But they address symptoms rather than root causes, experts said. They do not, by themselves, raise yields, lower unit costs, or build resilience against drought, heat stress or erratic monsoons.

Decentralised R&D

International experience shows that restructuring research can transform farming at scale. Brazil's Embrapa, a government-linked research institution, transformed agriculture by decentralising research, tailoring innovations to local agro climatic conditions, and tightly integrating research with extension, credit, and markets, generating productivity gains that exceeded 100 per cent on some commodities.

A recent working paper from India's National Institute of Agricultural Economics and Policy Research (NIAP) estimates that every rupee invested in agricultural research yields a return of nearly ₹13.85, outpacing returns from almost any other farm-linked activity.

India's research architecture, by contrast, remains highly centralised, with limited autonomy or resources at the state and regional levels. Icar's National Innovations on Climate Resilient Agriculture (NICRA) programme has created 448 climate resilient villages reaching nearly 692,000 farmers through technology demonstrations, training, and capacity building.

Yet this is still minuscule, given the fact that India is home to 146 million farmers. Experts advocate a high-level agricultural council to set priorities, steer investment in climate resilient research, better crop insurance, and digital extension services to speed up adoption.

Rebalancing priorities

Subsidies stabilise agriculture, research transforms it. As climate volatility rises and the fiscal space tightens, experts said, India cannot afford to keep expanding subsidy bills while underinvesting in innovation. A decentralised, better funded public research system — linked to local conditions and supported by digitally enabled extension — is the foundation of long-term farm resilience and rural prosperity.

Fertiliser output not hit due to LNG availability: IFFCO MD

SANDIP DAS

New Delhi, March 17

AMID REPORTS OF possible disruption to fertiliser production because of the West Asia crisis, the country's largest producer of soil nutrients IFFCO has said that a number of its manufacturing plants are undergoing planned maintenance and the remaining units continue to operate normally.

"At present, fertiliser production, including urea, continues to operate normally across plants, and there has been no disruption in production schedules attributable to LNG availability," K J Patel, managing director, IFFCO, told *FE*.

Patel said "as part of our routine operational practices, certain units are periodically taken up for scheduled maintenance to ensure optimal efficiency and safety." Such annual maintenance is taken up during the "lean" period of demand for fertilisers, he added.

Patel has said that at this stage, there is no immediate concern regarding fertiliser production or availability, and operations across units are proceeding as per the

K J PATEL,
MANAGING DIRECTOR, IFFCO

At present, fertiliser production, including urea, continues to operate normally across plants



planned schedule. Sources said continued closure of the Strait of Hormuz, a key import route from the Gulf countries, has caused concerns about LNG supply.

The Fertiliser Association of India (FAI) recently stated that the current disruption has impacted LNG supplies, a feed-

stock, and it is working closely with the government to prioritise gas allocation for urea production.

Last week the government invoked the Essential Commodities Act for the first time to ensure the supply of natural gas, a key raw material, to fertiliser plants.

In FY25, IFFCO produced 9.31 million tonne (MT) of fertilisers out of 64 MT consumed in the country. Last fiscal, IFFCO produced 4.21 MT of urea out of the total output of 30.66 MT in the country.

During April-January FY26, IFFCO produced 4.12 MT of urea, marginally higher than output during the same period last year. Currently, 50% of LNG used in domestic urea manufacturing is imported from Qatar, under a long-term agreement. About 80% of urea production in the country uses LNG while the rest uses domestic gas. At present, 30 out of 32 urea units use natural gas as feedstock.

The annual consumption of fertilisers in the country is around 64-65 MT, of which urea accounts for 40 MT while DAP consumption is around 11 MT. The rest of the consumption is potash (2-3 MT) and complex fertilisers (10-11 MT).

PM sets up 7 groups to deal with fuel, fertilizer supply

'INDIA FIRST'. Modi says diversifying energy sources, contacting world leaders

Rishi Ranjan Kala
Prabhudatta Mishra
New Delhi

Prime Minister Narendra Modi on Tuesday laid bare the "grave" and "serious" consequences of the West Asia war before the Rajya Sabha, outlining a multi-layered response to tackle the emerging global energy shock and safeguard supplies of critical commodities.

Modi outlined a series of urgent steps, including the creation of seven Empowered Groups led by Secretary-level officers to track disruptions, plug supply gaps and roll out time-bound solutions as the conflict threatens fuel, fertilizer and trade flows. He also detailed diplomatic and strategic efforts, including diversifying energy supply sources and contact with world leaders, to secure India's needs.

SEVERE ENERGY CRISIS
Warning that the war had triggered a "severe energy crisis" worldwide, the Prime Minister said India's supply lines and trade routes were



ASSESSING WAR IMPACT. Prime Minister Narendra Modi, speaking in the Rajya Sabha, warned of longer disruptions

already under strain. "It (the war) has created a severe energy crisis across the world. For India, too, this situation is worrisome. Our trade routes are affected. Routine supplies of essential goods, such as petrol, diesel, gas, and fertilizers, are disrupted," he said. He also flagged concerns over ships stranded in the Strait of Hormuz, and the safety of nearly one crore Indians living and working in the Gulf countries.

He cautioned that there is a "strong possibility that the adverse effects of this war will last for a long time".

With risks expected to linger, the government is widening consultations and tightening coordination across Ministries and with States. It convened an all-

party meeting on Wednesday to address bottlenecks in supplies, and ensure the steady availability of fertilizers and fuel. The meeting is expected to be chaired by Defence Minister Rajnath Singh, with External Affairs Minister S Jaishankar in attendance.

An office memorandum issued late on Monday, exclusively accessed by *business-line*, said the aim of these seven Empowered Groups is to identify emerging risks, address supply disruptions and formulate time-bound strategies to manage price volatility, safeguard trade and logistics networks, and ensure the availability of critical goods.

According to the note, Foreign Secretary Vikram Misri

will head the strategic affairs group, while Oil Secretary Neeraj Mittal will lead the energy group. DEA Secretary Anuradha Thakur will oversee economy and supply chains, Fertilizer Secretary Rajat Kumar Mishra will head agricultural inputs, and Consumer Affairs Secretary Nidhi Khare will lead the essential commodities group. The Shipping Secretary will oversee transport and logistics, and Information and Broadcasting Secretary Sanjay Jaju will head the communication and public engagement group.

Also read p8

Goldman cuts CY26 growth forecast

Shishir Sinha
New Delhi

Goldman Sachs on Tuesday cut India's growth forecast for calendar 2026 by 60 basis points to 5.9 per cent. This is the first forecast revision by any agency post the start of the West Asia war.

Details p3

Spot LNG prices rise sharply

● Govt makes ad hoc provision of ₹600 crore for fertiliser plants

SANDIP DAS
New Delhi, March 18

SPOT PRICES OF LNG, a key feedstock for urea production, rose sharply to \$19 per metric million Btu (MMBtu) in the latest purchase by the state-owned GAIL from an average of \$11-12 MMBtu in April-February this financial year, sources said.

The spot purchase of LNG was initiated on Tuesday after the virtual blockade of the Strait of Hormuz, a key import route from the Gulf countries, led to concerns about gas supplies.

Sources said the government has made a provision of over ₹600 crore for augmenting LNG supplies to fertiliser plants from the spot market for the time being.

The fertiliser plants had requested over 8 million metric standard cubic metres per day (MMSCMD) of LNG under the empowered pool management

committee (EPMC) for the March 18-31 period. "Around 7 MMSCMD have been awarded to bidders for supply," a source said. Spot LNG is expected to reach the country soon. With the purchase of gas from the spot market, fertiliser unit capacity utilisation could rise to 74-78%, sources said.

Last week, to boost LNG supplies, the government approved purchase of LNG from spot markets in countries such as Australia, Russia and the United States.

Currently, around 10-15% of LNG is purchased from the spot market while the rest is sourced under long-term contracts with Qatar and the United Arab Emirates.

Officials said that given the supply constraints, the share of spot buying of LNG may increase, which will certainly put additional expenditure on the government.

This comes at a time when some gas-based urea units have advanced their dates of closure

for annual maintenance due to the LNG situation. Currently, 50% of LNG used in domestic urea manufacturing is imported from Qatar, under a long-term agreement, while the supply has been disrupted because of conflict in West Asia.

Last week while invoking the Essential Commodities Act for the first time to ensure the supply of natural gas to fertiliser

plants, the government had stated that it would ensure supply of natural gas to the fertiliser plants at 70% of their past six-month average gas consumption, subject to operational availability.

About 80% of urea production in the country uses LNG while the rest uses domestic gas. At present, 30 out of 32 urea units use natural gas as feedstock. The Fertiliser Association of India (FAI) stated that the current disruption has impacted gas supplies, a feedstock, and it is working closely with the Government to prioritise gas allocation for urea production.

Fertiliser plants have requested over 8 million metric standard cubic metres per day of LNG under pool quota between March 18 and 31

Exports contracted in Feb; March could be 'challenging'

SHREYA NANDI
New Delhi, 16 March

India's merchandise exports in February contracted for the first time in four months, falling 0.8 per cent to \$36.61 billion, with officials cautioning that March could remain "challenging" as the West Asia crisis has disrupted freight movements through the Strait of Hormuz.

The data released by the commerce department showed merchandise imports rose 24.1 per cent to \$63.7 billion due to record prices of gold and silver in February, leading to a trade deficit of \$27.1 billion. While in February last year, the trade deficit was lower at \$14.4 billion, on a sequential basis, the deficit narrowed in February this year from \$34.7 billion a month ago.

Commerce Secretary Rajesh Agrawal said the year had been challenging but despite that exports of goods and services stood at \$790.86 billion in April-February, up 5.8 per cent year-on-year.

Exports of goods grew 1.8 per cent year-on-year at \$402.9 billion.

"March will be challenging due to the logistics bottleneck. As a result, exports will be impacted," he said. The government is considering support and relief measures for exports, hopefully this week, Agrawal said.

The shipping ministry and the revenue department have come up with relief measures for exporters and importers, he added.

A senior government official told *Business Standard* that apart from maintaining continuity in trade, the government was also analysing the "cascading impact" of disruption from the crisis related to trade and supply chains, especially in the case of critical and essential goods. "There will be some impact on exports, but overall (cumulative) they are expected to be around \$860 billion (in FY26). We expect to remain in positive territory (merchandise exports) vis-a-vis last year," Agrawal said.

Services exports grew by a fourth to \$39.53 billion in February while imports rose 13 per cent to \$16.38 billion, resulting in a surplus of \$23.2 billion. Exports in the non-petroleum and non-gems and jewellery sectors, an indication of exports' health, contracted 6.6 per cent to \$30.5 billion. Among the key sectors, engineering goods (12.9 per cent), electronic goods (10.4 per cent), drugs and pharmaceuticals (3.4 per cent), and organic and inorganic chemicals (6.8 per cent) saw growth. The data further showed gold imports grew 218.5 per cent

Mapping trade gap (\$ bn)



Exports to US fall 13%

FY26	Value (\$ bn)	Growth (%)
April	8.38	16.0
May	8.83	14.9
June	8.27	24.5
July	8	27.8
August	6.83	7.0
September	5.43	11.9
October	6.27	-8.5
November	6.98	22.4
December	6.89	-1.7
January	6.59	-21.8
February	6.89	-12.9
Apr-Feb	79.29	3.8

Source: Department of Commerce

to \$7.44 billion while silver imports rose 285.2 per cent to \$4.71 billion.

Apart from gold and silver, imports of electronics also grew by a third to \$10 billion. Special Secretary (Commerce) Suchindra Misra said gold imports were driven primarily by a 30.5 per cent increase in unit prices, despite an 8 per cent decline in the quantity of imports.

Aditi Nayar, chief economist, Ica, said rising prices of commodities would impact the landed cost of imports this month although volumes of some items might be constrained on account of disruption caused by the conflict.

"This widening in the merchandise trade deficit implies that seasonal improvement in the current-account balance, typically seen in Q4 every year, is unlikely to play out in Q4FY26. We expect the current account to witness a deficit of \$9 billion-11 billion in Q4, in contrast to the surplus of \$13.7 billion seen in Q4FY25, pushing the current-account deficit to 1 per cent of GDP for the financial year," she added.

S C Ralhan, president, Federation of Indian Export Organisations, said the escalating conflict had forced vessels to reroute, increasing freight costs, insurance premiums, and transit times.

India to wait for new US tariff architecture before signing deal

Commerce secy says New Delhi remains engaged with Washington for mutually beneficial trade deal

SHREYA NANDI
New Delhi, 16 March

India will 'wait' to sign the interim trade deal with the United States (US) until the administration is 'ready' with the new global tariff architecture, a senior government official said on Monday.

This is because countries around the world are signing trade deals with the US based on their comparative advantage vis-à-vis competing nations.

"The India-US trade deal was supposed to be signed in March, but at that time the (US) Supreme Court judgment on IEEPA (International Emergency Economic Powers Act) tariffs had not come. Now, there's a 10 per cent tariff under Section 122, which is related to the balance of payment crisis in place for five months...The US is trying to recreate the tariff architecture globally. Once they are on that path and are able to create that, that will be the right time to sign (the interim trade deal)," the official cited above said.

On February 20, the US Supreme Court revoked President Donald Trump's authority to use the IEEPA to impose country-specific "reciprocal" tariffs. Subsequently, from February 24, the US administration imposed a blanket 10 per cent surcharge on all countries for 150 days.

India and the US had announced a trade deal on February 2, followed by a joint statement on February 7. The 25 per cent additional ad-valorem tariffs imposed by the US on certain Indian exports, citing India's imports of Rus-

sian oil, were removed. Under the interim deal, the US had agreed to reduce tariffs on Indian goods to 18 per cent.

Currently, both sides are negotiating to iron out the final details related to non-tariff barriers and issues linked to the US tariffs under Section 232, which were finalised under the interim deal.

The official also said the government is examining the legal implications of the investigations launched by the US against India under Section 301(b).

"These investigations take time. Whenever the deal is signed, it will take care of these notices," the official said.

Last week, the Office of the United States Trade Representative initiated investigations against 60 countries, including India, to determine whether they failed to prevent imports of goods produced using 'forced' labour. It also launched tariff-related investigations against 16 trading partners, including India, accusing them of "structural excess capacity and production in manufacturing sectors" that adversely affect America's reindustrialisation efforts.

Commerce Secretary Rajesh Agrawal said India remains engaged with the US for a mutually beneficial trade agreement. "Pursuant to the US Supreme Court judgment invalidating reciprocal tariffs, the reciprocal tariffs are no longer in force. The US government has issued executive orders imposing 10 per cent tariffs pursuant to section 122 of the Trade Act 1974 on certain products from all countries," Agrawal said.

Crop insurance delay sparks outrage among farmers in Bidar

The issue is not limited to a single village but is spread across the entire district, with reports suggesting that nearly 80 percent of insured farmers have not received their dues

HANS NEWS SERVICE
 BIDAR

HUNDREDS of farmers in Bidar district who had insured their crops under the expectation of financial protection against natural calamities are now left distressed as insurance payouts have not been disbursed despite widespread crop losses. Farmers allege that despite paying premiums for the Pradhan Mantri Fasal Bima Yojana, the promised compensation has not reached a large number of beneficiaries.

According to official figures, as many as 2,04,019 farmers in the district had enrolled under the crop insurance scheme during the previous year. Acting on the guidance of the agriculture department, farmers regularly paid their premiums through agricultural cooperative societies. However, when crop losses occurred due to unseasonal rains and adverse weather conditions, many farmers say they have been left waiting indefinitely



for compensation. Farmers claim that although the district witnessed crop damage across approximately 4.5 lakh acres, amounting to losses estimated at over Rs 300 crore, the insurance company has provided compensation to only about 78,000 farmers so far. A total of Rs 36.74 crore has reportedly been disbursed, leaving nearly 1.38 lakh farmers without any relief. This has led to growing frustration among the farming community, who allege irregularities and delays in the settlement process.

The situation has raised serious concerns as farmers point out that they were ad-

vised by agriculture department officials to enroll in the scheme and make payments through designated cooperative banks. Many farmers followed these instructions, depositing their premiums and obtaining receipts. However, despite fulfilling all formalities, they say the expected financial assistance has not materialized.

The issue is not limited to a single village but is spread across the entire district, with reports suggesting that nearly 80 percent of insured farmers have not received their dues. This has intensified dissatisfaction, especially among those who in-

vested borrowed money to pay insurance premiums in hopes of securing their livelihoods against unpredictable agricultural risks.

Farmers have expressed anger over the situation, questioning the accountability of officials and insurance providers. They allege that the system has failed to deliver timely support when it is most needed. Some farmers have also pointed out inconsistencies, noting that while a few beneficiaries have received payments, many others with similar losses have been excluded.

The growing unrest has prompted farmers to demand immediate release of pending insurance claims. They are urging authorities to address the issue without further delay and ensure transparency in the settlement process. With livelihoods at stake, farmers in Bidar continue to await resolution, hoping that the crop insurance scheme will fulfill its intended purpose of providing a safety net during times of distress.

'Immediate efforts needed to revive cotton acreage'

Agri varsity experts flag continuous decline, chart plan to increase area under cotton cultivation

MANAV MANDER
 TRIBUNE NEWS SERVICE

LUDHIANA, MARCH 28
 Experts and policymakers at Punjab Agricultural University (PAU) have raised a flag over a dip in area under cotton cultivation in the northern states, and called for immediate and coordinated action to revive the crop's viability.

PAU experts link the steady decline in cotton acreage to mounting biotic and abiotic stresses, infestations of pink bollworm, whitefly and cotton leaf curl virus, and erratic weather patterns.

The area under cotton declined from over 7 lakh hectares in the 1980s to 1 lakh hectares in 2024. However, it saw a slight increase to 1.19 lakh in 2025 due to the state government's efforts.

This year, the target for cotton acreage has been set at 1.26 lakh hectares.

Satbir Singh Gosal, Vice

Chancellor divulged details of a plan for acreage revival during a recent inter-state consultative forum where senior officials and scientists from the state and the Central Institute for Cotton Research were in attendance.

Gosal called for close coordination among all the stakeholders to tackle pest pressures and restore cotton's profitability.

"We have outlined a clear roadmap for the kharif season, stressing timely availability of high-quality seeds and subsidies on Bt cotton to encourage wider adoption among farmers," he said.

Chief agriculture officers from the cotton belt and experts from the Central Institute for Cotton Research, Sirsa, Haryana, were also a part of the deliberations.

Gosal underlined the importance of canal water supply for pre-sowing irrigation, terming it "critical" for



After the area under cotton saw a slight increase in 2025, the state government has set an acreage target of 1.26 lakh hectares for the upcoming kharif season. FILE PHOTO

establishing a healthy crop stand. He said balanced fertilisation must be promoted to enhance productivity.

Gurjeet Singh Brar, Director of Agriculture, Punjab, attributed the acreage decline to a shift towards paddy, driven by reliable irriga-

tion of the latter and recurring pest attacks in cotton.

He said timely sowing, deep ploughing and effective crop residue management are key interventions needed to improve yields. Brar added a large-scale awareness campaign is under-

way in the cotton-growing districts of the state.

Chief agriculture officers from Bathinda, Mansa, Muktsar, Fazilka, Sangrur, Barnala, Faridkot and Moga shared updates on extension efforts in their respective areas, laying emphasis on off-season management of pink bollworm and whitefly.

AS Dhatt, director of research, PAU, highlighted recent advancements, including the release of cotton variety PBD 88. He outlined updated plant protection strategies and stressed the need to develop plant types suitable for mechanisation.

He advocated for proper fumigation practices in ginning factories and wider promotion of Asian varieties developed by the PAU.

Makhan Singh Bhullar, director of extension education, PAU, pointed out that the shift of cotton cultivation to lighter soils was affecting

productivity and profitability, as compared to paddy.

According to him, cotton is integral to the socio-economic fabric of the Malwa region, despite the challenges.

Bhullar suggested intensified field outreach with immediate focus on cotton stick and weed management.

Presenting the current pest scenario, Vijay Kumar, principal entomologist, PAU, highlighted the presence of hibernating larvae and pupae of pink bollworm in cotton stick heaps and ginning factory stocks. He warned unchecked residues could fuel fresh infestations in the coming season.

Rishi Kumar, head, Central Institute for Cotton Research, offered insights into shifting pest dynamics and charted measures for effective management. He underlined the need for adaptive strategies to address emerging threats.

Centre to use farmer database to ration subsidised fertilisers

Zia Haq

letters@hindustantimes.com

NEW DELHI: High demand for fertilisers during the upcoming sowing season, and tight supplies due to the escalating West Asian conflict, have prompted the agriculture ministry to use its Agristack platform, a digital hub of over 90 million farmers and their land parcels, to rationalise the sale of subsidised fertilisers, officials aware of the matter said.

At an inter-ministerial briefing on Monday, Aparna S Sharma, additional secretary in the fertiliser ministry, said stocks are currently adequate but supplies had been hit, driving prices. The country's inventory stands at 18 million tonnes, higher than 14 million tonnes at this time last year, but total demand for the upcoming summer season is projected to be 39 million tonnes, she said.

Agristack, where states have integrated their own repositories, has approximately 92.4 million digital farmers' IDs. With such a large database, it will be useful to "accurately estimate demand and



The goal is to prevent misuse, overuse or diversion of subsidised agro-chemicals, an official said.

direct crop nutrients efficiently to farmers by mapping requirements and sowing patterns", one of the officials cited above said.

The goal is to prevent misuse, overuse or diversion of subsidized agro-chemicals toward illegal non-farm industrial use, according to the official. Growers not on Agristack will get fertilisers as usual but there will be stricter checks to verify purchases through point of sale devices, he said.

Agristack and the government's public financial management system, the engine behind cash transfers to farmers under the PM Kisan programme, will be leveraged to ensure "verifiable" last-mile delivery, the official added.

On March 25, Union agriculture minister Shivraj Singh, in a review with department officials, asked officials to speed up work on expanding farmers IDs to make the "fertiliser distribution system transparent".

India relies on imports to meet domestic demand for fertilisers, critical for its food security. The war in West Asia has choked off flows of crude oil, fertilisers and liquefied natural gas, sparking crises worldwide.

The fertiliser ministry is reviewing data from a recent pilot across four states, where farmers purchasing fertilizers were validated with their Aadhaar and farmer IDs for authentication and generation of data of fertiliser use, according to a second official.

Agristack includes a crop-sown registry, which allows officials to know what is sown where.

Exports of agricultural items to Gulf resume at slow pace

● Three vessels carrying rice to Iran dispatched

SANDIP DAS
New Delhi, March 22

ENDING A HALT after West Asia conflict, India's agricultural exports to the Gulf region have commenced but at a slow pace, exporters said.

However, higher freight charged by shipping lines is still causing problems for exporters. In addition, the onward movement of perishable cargoes like fruits and vegetables through Dubai to Saudi Arabia and Qatar has been hampered because of the security situation. A major chunk of the country's horticulture exports to Gulf countries passes through Dubai, which also serves as the region's key trans-shipment hub.

Ajit Shah, a leading onion exporter said that few consignments carrying onions and vegetables have been sent to Khorfakkan and Fujairah ports, Dubai and Muscat. "The cargo movement is slow and freight rates have increased

QUICK TAKES



- Higher freight costs strain exporters
- Dubai trans-shipment upheaval hits regional flows
- Perishables rerouted via alternative Gulf ports
- Conflict disrupts trade and payments

sharply," Shah, told *FE*.

Dubai Customs earlier this month introduced a temporary facilitation for cargo destined for Jebel Ali Port through the ports of Khorfakkan and Fujairah, from where containers may be transported by road. "Exports of onion, bananas, grapes and other perishables have been really hit in the last three weeks following the conflict," a leading exporter of fruits said.

Rice exporters have dis-

patched three vessels to Iran, a key destination for India's basmati rice recently. "However, for several days now, these ships have remained anchored near Iran's Bandar Abbas port, unable to secure berthing access. Owing to the conflict, Bandar Abbas, one of Iran's busiest ports is operating below full capacity," Ranjit Singh Jossan, managing director, Jossan grains, a leading exporter of basmati rice in Punjab, said.

The West Asia accounts for nearly 60-70% of India's total basmati exports, and instability in the region is directly affecting shipments, payments, and trade coordination.

Some consignments of perishable goods such as fruits and vegetables are being sent through air routes, which exporters said is not economically sustainable because of the huge cost involved. In terms of overall agricultural product exports, West Asia accounted for 21.8% of India's total food exports in 2025 valued at over \$50 billion, making it one of the country's most important markets for the shipment of rice, bananas, spices, meat and dairy.

Farm lending to exceed ₹32.5 L cr in FY26: Nabard

SANDIP DAS
New Delhi, March 30

CREDIT TO THE agriculture sector from commercial banks and regional rural banks is set to cross a record ₹32.5 lakh crore in FY26, driven by greater formalisation of rural lending and rising credit demand, Shaji KV, chairman, Nabard, said.

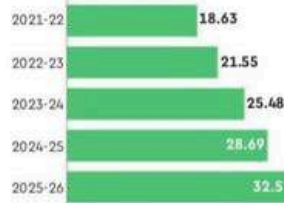
Speaking to *FE*, Shaji said: "The credit flow is robust, we will cross ₹32.5 lakh crore in the current fiscal, while there will be some impact on the credit flow during February-March, which will be factored in while projecting growth in credit flow in FY27."

He said that there is no such thing as a lack of demand for credit, but more formalisation of lending is taking place.

In FY25, commercial banks, cooperatives and regional rural banks together extended ₹28.69 lakh crore, with about 60% going to short-term crop loans and the rest to investment credit for agriculture and allied sectors.

ROBUST LENDING

Agri-credit flow (₹/ lakh crore)



Source: Nabard, *projected



- In FY25, banks, cooperatives, etc all together extended ₹28.69 lakh crore
- Southern states accounted for 48% of over ₹28 L cr in agricultural loans

On the regional imbalance in the credit flow, Shaji said the bank is trying to address it through district-level Potential Linked Credit Plans to guide institutional credit towards priority sectors, including crop loans and term finance for agriculture and allied activities.

To narrow regional gaps, it plans to leverage existing frameworks such as the

SHG-Bank Linkage Programme, Joint Liability Groups, micro-enterprise and livelihood development programmes, skill initiatives, and farmer-producer organisations.

Southern states accounted for 48% of the more than ₹28 lakh crore in agricultural loans disbursed in FY25, even though Andhra Pradesh, Telangana, Karnataka, Kerala, and

Tamil Nadu together hold only about 17% of the country's gross cropped area.

Other regions — north (14.9%), east (8.2%), central (13.7%) and west (14%) — have a smaller share in the total agri loans disbursed. In terms of the country's gross cropped area, these regions — north (20%), east (12%), central (28%) and west (17%) — have much larger shares.

According to an analysis by Nabard, the regional disparity in credit flow can be attributed to factors including weak rural financial institutional infrastructure and lower credit absorption due to low levels of financial literacy across states.

Nabard, which refinances banks based on their on-ground lending, is sharpening its focus on productivity improvements and agri-value-chain financing.

Under the modified interest subvention scheme of the agriculture ministry, short-term agricultural loans to farmers are provided at a concessional interest rate of 7% to Kisan Credit Card (KCC) holders. Farmers who repay promptly receive an additional 3% incentive, effectively reducing their interest rate to just 4%. According to official data, a total of 457 banks have been onboarded under the KCC platform, including 37 commercial banks, 46 regional rural banks, and 374 cooperative banks.

From Punjab to Pilibhit, basmati belt feels West Asia shock

Freight rates have soared, cargo is stranded or rerouted, and payments are slowing. It is squeezing exporters in key rice-growing states and raising fears that a distant war could soon begin to hurt farm incomes, too

Vibhor Mohan, Mrenakshi Sharma & Pradeep Shah | 155

The war in West Asia has dealt a sharp blow to India's basmati rice trade, disrupting ship schedules, inflating freight costs and unsettling exporters across Punjab, Uttar Pradesh and Madhya Pradesh, the country's key aromatic rice hubs.

What began as a distant geopolitical crisis is now rippling through one of India's most valuable farm export businesses. Exporters say consignments are being delayed, rerouted or of flooded at intermediary ports, while freight costs have surged and, in some cases, payment channels have slowed, too.

The strain is significant, because India's basmati export industry is estimated to be worth over Rs 50,000 crore. The country exports around 60 lakh tonnes of basmati rice annually, with more than half going to Iran, Saudi Arabia, Iraq and the UAE. Any prolonged disruption in this corridor threatens not just export margins, but eventually the prices offered to farmers in the middle.

Port Chaos, Cost Shock

The immediate hit has come from logistics. Exporters across states say shipping lines have become reluctant to move cargo directly through the Gulf route, forcing consignments into uncertain and expensive detours.

In Punjab, exporters say containers are being offloaded midway at ports such as Oman and Dubai instead of reaching their intended destinations. Some shipments meant for Iran and Afghanistan have been discharged at Sohar and Khor Fakkan, exposing exporters to fresh handling, storage and demurrage charges.

Hanjif Singh Assosia, vice president of the Basmati Rice Millers and Exporters Association, said war-risk and emergency surcharges have climbed to between \$2,000 and \$5,000 per container. "Shipping lines are not providing any clear timeline on when these containers will be delivered," he said.



ROUTE RISK: Exporters say shipping lines are avoiding the Gulf route, forcing cargo onto longer, costlier detours

HIKE IN TRANSPORT COST

Ocean freight to Gulf destinations has jumped from about \$500 per container to nearly \$2,000. This has diminished our exporting capacity considerably

—Naveen Purohit, MEMBER OF ALL INDIA RICE EXPORTERS ASSOCIATION

Exporters say delayed deliveries and disrupted banking channels are stretching payment cycles and increasing working capital needs at a time when the trade is already carrying heavy inventory.

Punjab At The Faultline

Punjab, along with Haryana, accounts for 70-80% of India's basmati production, making it the region most exposed to any shock in Gulf demand. Iran alone has historically taken nearly one-third of India's basmati exports, which is why the latest disruption is being watched nervously in the state's rice belt.

Industry players say the impact is already visible in domestic prices. Premium varieties such as 1125 Sella have softened by Rs 400-Rs

800 per quintal in recent weeks as stocks that cannot move out quickly are weighing on the local market.

Unlike common paddy, basmati does not enjoy government procurement at a minimum support price. "Basmati is left entirely to private traders," said Amarjit Singh, a basmati exporter from Amritsar. That leaves the crop far more exposed to global demand shifts, freight disruptions and changes in trade sentiment.

For now, the blow has not fully reached Punjab's fields because the next basmati season is still some months away and farmers are focused on wheat harvest. But traders warn that if the disruption persists, the effect will eventually travel back from exporters and millers to growers.

UP's Optimism Gives Way To Anxiety

In Uttar Pradesh, exporters say basmati shipments have plunged by 70-80% as the Gulf route has become more costly and uncertain.

Naveen Purohit, an Etawah-based member of the All India Rice Exporters Association, said ocean freight to Gulf destinations has jumped from about \$500 per container to nearly \$2,000. "That has diminished our exporting capacity considerably," he said, adding that

exporters are now able to serve only a handful of importers.

That is a major blow to a state that has emerged as a key pillar of India's basmati economy. UP is the country's third-largest basmati producer, accounting for roughly a quarter of national output and a similar share of exports. With more than 48 lakh hectares under cultivation and production of around 25.5 lakh tonnes, the state had expected a strong export year on the back of a favourable monsoon and high-yielding varieties.

DIP IN EXPORT

We have seen a drop of nearly 50,000 metric tonnes in basmati rice exports in March alone due to these disruptions

—Ajay Bhalotra, GENERAL SECRETARY, ALL INDIA RICE EXPORTERS ASSOCIATION

Much of this production is concentrated in around 30 districts of western and central UP, including the Terai belt. The main varieties grown include Pusa Basmati 1121, 1505, 1482 and 1417. The state already has one Basmati Export Development Foundation centre in Modipuram, Meerut, while another is coming up in Pilibhit.

Pain Reaches The Village

The only signs of stress are now visible beyond the export trade.

Ruddeep Singh, a farmer from Khasnagar village in Pilibhit, said mill payments have nearly stopped as rice movement has slowed. He added that farmers are also struggling to sell through procurement centres, while distress sales to millers are yielding poor returns.

What looks like a trade story in ports and boardrooms can quickly turn into a rural cash-flow problem. Lower prices and delayed payments reduce farmers' income, weaken purchasing power in villages and can affect local businesses and credit cycles. Exporters in UP



A rice mill in UP's Lakhimpur Kheri

say that if the slowdown persists, it could begin to shape planting decisions ahead of the next season.

ON FARM IMPACT

Shipments slow down because of the war, that will eventually affect prices and the upcoming cultivation season

—Sarvagya Divan, A BASMATI FARMER FROM KHERI VILLAGE, UP

MP's Cargo Pile-Up

In Madhya Pradesh, the impact is most evident in stranded cargo. Exporters estimate that around 500 containers of basmati rice worth nearly Rs 100 crore are stuck as maritime routes and port logistics remain disrupted.

Aleem Khan, a rice mill director and exporter from Haisen, said exporters from his unit have virtually come to a halt. "There is demand from Gulf countries, but we are unable to export due to logistical challenges," he said.

According to Khan, freight costs that once ranged between \$100 and \$150 per container to Gulf destinations have now surged to \$1,000-\$2,500. During the peak season, he said, his unit would normally export 30-40 containers a month. Some of the rice was meant for Gulf markets during Ramadan and the Hajj-linked demand period, adding to exporters' frustration.

Ajay Bhalotra, general secretary of the exporters' association, said, "We have seen a drop of nearly 50,000 metric tonnes in basmati rice exports in March alone due to these disruptions."

MP exported around 6 lakh metric tonnes in 2024-25, but industry estimates suggest that figure could slip to 5 lakh metric tonnes if the crisis persists.

Farmers Not Hit Yet, But Worried

For now, farmers in MP are not facing an immediate income shock because most have already sold their produce and stocks are largely held by traders, millers and exporters.

But that buffer may not last. Sarvagya Divan, a basmati farmer from Kheri village in Narmadapuram district, said most of the crop in his area is bought by traders and exporters for overseas markets. "If shipments slow down because of the war, that will eventually affect prices and the upcoming cultivation season," he said. "That captures the central fear in all three states: the first blow

Trade Looks For A Way Around

Not everyone in the trade is equally pessimistic. Some exporters say the initial fear was of a much sharper collapse, given that India ships about 4 lakh metric tonnes of basmati rice to West Asia every month.

Dev Garg, vice president of the Indian Rice Exporters Federation, said the war caused an immediate 7-8% drop in basmati prices. But the govt and industry then identified alternative pathways, including Mersin Port in Turkey and Khorfakkan Port in the UAE.

He said these steps have allowed exports to continue, even if at higher cost. Demand from West Asia remains strong, he said, and premium pricing has partly offset freight increases of over 20% in bulk cargo and 40% in container cargo. Exporters also point to govt support through a relief mechanism for disruptions in the Gulf maritime corridor, including war risk coverage and reimbursement of part of the extraordinary freight and insurance burden.

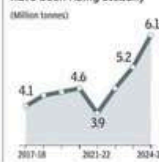
A Fragile Export Crop

Even so, the war has exposed how vulnerable basmati remains to global shocks. It is a premium crop, heavily export-dependent and without the government safety net available to ordinary paddy.

For now, demand for Indian basmati has not vanished. What has broken is the chain that carries it from India's rice belts to West Asia. If that chain is restored, some exporters may yet receive. But if the disruption drags on, the damage could run much deeper.

WHAT'S AT STAKE

Basmati exports from India have been rising steadily



Top 5 export destinations are in West Asia



Source: Ministry of Commerce and Industry

Agritech startup Cropcoin raises ₹12 cr in funding round

New Delhi: Agritech Startup Cropcoin Technologies (Pehle Jaisa) on Monday said it has raised ₹12 crore in a pre-series A funding round led by venture capital firm Unicorn India Ventures, with participation from Climate Angels. The funds raised will support the firm's expansion into Bihar and Jharkhand. The company intends to scale its activities from 10 districts to all 66 districts in the two states. "With an aim to build a decentralised supply chain model, the company will focus on capturing the entire 66 districts in Bihar and Jharkhand from the current 10 district presence and will further strengthen its presence in the North East over the next 3 years," the company said in a statement.

How to secure India's supply chains

India's manufacturing ecosystem is deeply embedded in global supply chains. From energy and fertilizers to electronics and chemicals, several sectors rely heavily on imported raw materials and intermediates. The recent geopolitical development in West Asia has shown how quickly supply disruptions can ripple through the economy, underscoring a stark reality that while global interdependence is beneficial, it also amplifies vulnerability. As the country navigates ongoing supply chain disruptions, the events have reinforced the need for building long-term resilience through reduced import dependence.

Ensuring flow of energy

Energy is the backbone of any economy, powering manufacturing, transport, agriculture and services. India imports about 85% of its crude oil and over 50% of its gas, making it highly vulnerable to geopolitical shocks. Price spikes transmit quickly across sectors, raising input costs across manufacturing; increasing logistics expenses; and even pushing up consumer prices via diesel and fertilizer linkages. It is estimated that every \$10 per barrel hike in crude prices can cause a \$13-\$14 billion rise in the import bill, 30-40 bps rise in consumer inflation (with complete pass through), and could even lower Gross Domestic Product (GDP) growth by 0.2-0.3 percentage points. Long-term energy security is, therefore, critical and must be anchored in diversification, domestic capacity, and technological transition.

Accelerating renewable energy is central to reducing import dependence on oil. India's progress towards the target of 500 GW of non-fossil capacity by 2030 is noteworthy. However, resilience requires significant investments in RE storage to manage intermittency. The National Green Hydrogen Mission offers a pathway to decarbonise industries



Anant Goenka

President of the FICCI

Supply chain resilience cannot be built through isolated interventions. It requires an integrated, forward-looking approach

reliant on imported oil and gas.

Even as the country steps up renewable energy adoption, expanding domestic oil and gas exploration is necessary to ensure long-term energy resilience. Strengthening buffers by expanding strategic petroleum reserves can help the country withstand short-term supply disruptions. India has already started to diversify oil import sources, which is a positive step.

Securing food security

Even as India has emerged as a net exporter of several agri-commodities such as cereals and marine products, some of the most critical segments of the food value chain are deeply import-dependent. India's high import dependence on edible oils, pulses and fertilizers is a key concern as any supply disruption can have direct consequences on inflation and rural livelihoods.

Pulses and oilseeds need assured procurement, price support, and region-specific crop diversification. Scaling and accelerating the existing missions on oilseeds can reduce the current import gap, where domestic output meets barely 44% of demand. The government must also work towards buffering and holding strategic reserves for edible oils and pulses to meet any contingency requirements. Fertilizer sector reforms must focus on the diversification of suppliers mix, enhancing the domestic production of phosphatic and potassic fertilizers, and the introduction of alternative bio-fertilizers that can be adopted at scale.

Supply chain risks in manufacturing (raw materials and intermediates) can also have a deep impact. India's imports account for nearly 19% of GDP. Of this, raw materials make up 34%, intermediates 31%, and capital goods 24%. Consumer goods account for just 12%. India dominates downstream manufacturing but is exposed to imports in upstream and

midstream inputs such as APIs, electronics, and industrial intermediates, amongst others.

The need for diversification

On the raw material front, copper, lithium, cobalt and other rare earth minerals remain globally concentrated, making India vulnerable given their centrality to electronics, electric mobility, and advanced manufacturing. On intermediates, India imports nearly 65-70% of its pharmaceutical intermediates from China despite being a global leader in generic drug exports. Likewise, with respect to electronic imports, India has a high dependence on semiconductors, display units, and components from East Asia. Limited domestic capability in high-end industrial machinery constrains India's manufacturing competitiveness and reinforces reliance on external ecosystems. These are not easily substitutable inputs. When they are disrupted, production stops.

The first and most critical priority is thus deepening domestic manufacturing in intermediates. While current policy frameworks have largely incentivised final assembly, the next phase must target overall domestic ecosystems such as strengthening the manufacturing of APIs, and semiconductors. Diversification must also continue, with long-term supply agreements and strategic partnerships across regions, including in the markets of Africa and Latin America. Re-engineering of industrial processes can also help reduce import intensity. Encouraging industry to adopt direct conversion technologies, alternative materials, and input-efficient production methods will gradually lower structural vulnerability.

Supply chain resilience cannot be built through isolated interventions. It requires an integrated, forward-looking approach involving government, industry, and global partners.

US DEMAND ON 5-YR MORATORIUM ON E-COMM TAX LEADS TO IMPASSE

WTO meet inconclusive, action moves to Geneva

MUKESH JAGOTA
New Delhi, March 30

THE UNITED STATES' insistence on a five-year moratorium on taxation of cross border electronic transmissions, instead of two years that other countries were open to, caused the 14th Ministerial Conference of the World Trade Organisation (WTO) to end inconclusively at Yaounde in Cameroon late Sunday. Discussions on the key issues on the agenda were postponed to a future date.

As the moratorium on e-commerce expires on Tuesday, the WTO members would no longer be legally prevented from taxing electronic transmissions, international trade expert and former head of Centre of WTO Studies Abhijit Das said. However, it remains to be seen if any country will go ahead and impose taxes at this juncture.

After Brazil's refusal to agree to the moratorium that goes beyond the customary two-year period despite discussions going on till late on Sunday, it was decided to move the discussions to Geneva where the next General Council (GC) meeting of the world body would be held. The GC meeting hasn't been scheduled as yet, but it might materialise in a couple of months. The MC14

NO UNANIMITY OVER KEY ISSUE

■ Other countries were open to 2 year moratorium on taxation of cross border electronic transmissions

■ After the moratorium expires, WTO members can tax electronic transmissions

■ Moratorium on e-comm expires today



Union Minister Piyush Goyal addresses the Indian Community on the sidelines of the WTO's Ministerial Conference on Saturday

started on March 26. "We believe that it would be appropriate to preserve the important texts we have developed here and use them as a basis to finalize agreements in Geneva at the next General Council meeting," Director General of WTO Ngozi Okonjo-Iweala said in her closing remarks. The GC is the highest decision making body of the WTO and is composed of ambassadors of member countries.

While countries are now free to tax electronic transmissions they would have to examine its technical feasibility and overall assessment of its utility, Das added. India has been against the extension of the moratorium which has existed since 1998.

As physical goods (like CDs, DVDs, and books) have been replaced by digital downloads and streaming, developing countries have lost the ability to collect traditional customs duties and as a result losing billions of dollars in potential revenue.

"The US, EU and others want the moratorium made permanent to support innovation and reduce trade costs. The real reason is ensuring a tax free future for the US tech firms as the digital economy is set to expand from \$16 trillion to \$50 trillion in the next 2 decades," founder of Global Trade Research Initiative (GTRI) Ajay Srivastava said.

Along with the e-commerce moratorium, the safeguard against non-violation complaints under Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement also lapsed. "Developing countries had relied on this safeguard to protect policy space in public health. Without it even WTO-compliant measures like compulsory license can be challenged," he added.

At the MC, 14 ministers agreed to continue to engage in negotiations on reducing fisheries subsidies on distant water fishing fleets operating far from home shores with the aim of making recommendations to the 15th Ministerial Conference.

West Asia makes up 1/5th of India's agri exports, govt monitoring situation closely: Jitin Prasada

Our Bureau
Mangaluru

Countries in the West Asia region, key markets for agricultural products exports from India, contribute nearly one-fifth to the total agricultural exports of India, according to the government.

In a written reply in the Rajya Sabha on Friday, Jitin Prasada, Union Minister of State for Commerce and Industry, said the West Asia region, particularly the Gulf Cooperation Council countries such as the United Arab Emirates, Saudi Arabia, Oman, Kuwait, Qatar, Bahrain and countries such as Iran, Iraq and Yemen, are key markets for Indian agricultural products.

Exports of agricultural products destined to these countries were \$10.68 billion in 2024-25. This was nearly

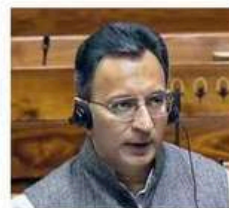
20.5 per cent of India's overall agri exports, he said.

Agricultural exports to the region are broad-based and comprise all major product categories, such as cereals, animal products, basmati rice, buffalo meat, fresh fruits and vegetables, spices and processed food products from India.

The government is closely monitoring the evolving geopolitical situation in West Asia and the Gulf region, including its impact on India's external trade, shipping routes and logistics chains.

Exporters have reported disruptions in terms of increased freight rates, imposition of war-risk surcharges, container shortages, delays in shipment schedules and congestion at ports, he said.

To another query, Prasada said the exports of processed food items to the EU had grown by approximately 49.5 per cent during the period



Jitin Prasada, Union Minister of State for Commerce and Industry

2020-21 to 2024-25, while the exports of processed food products to West Asian countries had risen by approximately 18 per cent during the same period.

SEED PRODUCTIVITY UP

Replying to a question on improvements in productivity of pulses and oilseeds, Shivrang Singh Chouhan, Union Agriculture and Farmers' Welfare Minister, said a total of 917 high-yielding climate resilient varieties had been

notified between 2014 and 2025. This includes 444 varieties of oilseeds and 473 varieties of pulses.

"Of these, 317 varieties of oilseeds (71 per cent) and 362 varieties of pulses (77 per cent) are in the seed chain and are being cultivated by farmers across the country," he said.

AGRI INFRA FUND

In a written reply to a question on the implementation of the Agriculture Infrastructure Fund (AIF), Ramnath Thakur, Union Minister of State for Agriculture and Farmers' Welfare, said the government had sanctioned ₹84,502.78 crore for 1,70,241 projects across the country till March 11.

Stating that the disbursement of funds in phases is linked to project milestones as per AIF guidelines, he said ₹62,219.10 crore had been disbursed till March 11.

India has sufficient fertiliser stock to meet local demand; farmers need not worry: Nadda

PIONEER NEWS SERVICE

■ New Delhi

Union Chemicals and Fertilisers Minister J P Nadda on Monday said India has enough fertiliser stocks to meet domestic demand and urged farmers not to panic amid the ongoing crisis in West Asia.

“Not only this crisis, India has seen several crisis. We are very much sufficient in fertiliser supply. There is no need to fear,” Nadda said at the signing of a supply agreement on green ammonia between fertiliser companies and green ammonia developers. Describing the agreement as a “historic and forward step”, the minister invoked a Hindi adage “*aapda mein avsar dhoondna hai*” (finding opportunity in adversity), and said the process had begun with green ammonia.

The Government, he added, is working to reduce import dependence and move towards self-reliance in the fertiliser sector.

India produced 306.67 lakh tonnes of urea in 2024-25 and imported 56.47 lakh tonnes of the nutrient to meet the domestic demand.

In the first 11 months of this fiscal year, the country has imported 98 lakh tonnes of urea. In an official statement on Monday, the Government said domestic production of urea has been impacted due to the prevailing situation



Union Minister JP Nadda

and the Department of Fertilisers has been taking steps to minimise the impact.

“The total requirement for the upcoming Kharif 2026 season is estimated at around 390 lakh tonnes, as against actual sales of 361 lakh tonnes during Kharif 2025,” the statement said.

The Government asserted that adequate stocks are currently available compared to the same period last year.

“Total stock stands at around 180 lakh tonnes, as compared to 147 lakh tonnes last year. The months of April and May are lean agricultural periods and are being utilised for stock build-up ahead of the Kharif season,” it said. “As on today, adequate stock of all types of fertilisers is available in the country. No major requirement of any fertilisers in the upcoming 2.5 months,” the Government said.

The Gulf region remains a key source for fertiliser imports, accounting for 20-30 per cent of urea and 30 per cent of DAP imports, and also supplies nearly 50 per cent of India’s LNG imports, which is a key feedstock for urea production.

Govt to meet carriers amid basmati export disruptions

Centre will meet major shipping lines to address rising freight rates, container shortages

Vijay C. Roy & Dharendra Kumar
NEW DELHI

Amid disruptions to India's basmati rice exports due to the West Asia war, the ports, shipping and waterways ministry will soon meet major shipping lines to address rising freight rates, container shortages, and supply chain bottlenecks.

According to exporters, freight rates have surged as the West Asia conflict chokes key shipping routes, reflecting growing disruptions across global logistics chains.

Exports to West Asia have already come to a halt due to the ongoing war, and the rising freight cost is acting as a stumbling block in exporting to other nations.

"We had a meeting with officials of DGFT (Directorate General of Foreign Trade), commerce ministry, Export Credit Guarantee Corp. of India (ECGC), and ministry of ports, shipping and waterways and highlighted the plight of basmati rice exporters," said Ajay Bhalothia, general secretary, All India Rice Exporters Association (AIREA).

"We were assured by government stakeholders that the ministry of shipping would shortly meet major shipping line operators to address the escalating logistical challenges including high freight rates," Bhalothia added.



Freight rates have surged as the West Asia conflict chokes key shipping routes, reflecting growing disruptions across global logistics chains. REUTERS

Shipping disruptions, along with rising freight and insurance costs, are posing a significant threat to India's nearly \$6 billion basmati rice trade. The concern comes amid mounting uncertainty over consignments headed to the Gulf region, which accounts for about 60-70% of India's total basmati exports.

Another exporter, who was also in the meeting, confirmed the development. "Rising freight costs have been a cause of concern for exporters. It was discussed in the meeting and we have been assured of government intervention," said Satish Goel, president, AIREA.

"The freight cost has risen like anything since the start of the war. For instance, freight rates for 20-TEU (twenty-foot equivalent unit) containers bound for London have jumped sharply from \$800 to \$2,000 per container, making exports unviable," said Bhalothia.

TEU, or twenty-foot equivalent unit, represents the capacity of a standard 20-foot shipping container.

Exporters said that the continued rise in shipping costs could have a cascading impact on global trade, potentially increasing import bills and adding to inflationary pressures across

economies.

Shipments worth ₹4,000 crore are currently stuck—either lying at Indian ports or destination ports.

Queries sent to the ministries of commerce and shipping, and ECGC remained unanswered till press time. Shipping lines declined to comment.

During the meeting, the government outlined measures to support traders amid ongoing challenges.

It said that the ECGC has assured that all claims under the multi-buyer open policy will be settled within 30 days of filing, helping ease liquidity concerns for exporters. The government also noted that additional costs such as higher ocean freight, detention, and demurrage charges will be covered under claims, offering further relief.

Under the multi-buyer open policy, the ECGC offers export credit insurance to protect against the risk of non-payment by multiple buyers.

The rice exporters also noted that ECGC has confirmed that premium rates will remain unchanged, shielding exporters from any additional financial burden.

"We also urged the government to extend RoDTEP (Remission of Duties and Taxes on Exported Products), which is set to expire on 31 March, for the next fiscal year," Goel said.

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For an extended version of this story, go to livemint.com.



Govt Eyes Integrated Farming to Lift Rural Incomes: Chouhan

Farmer IDs and tech push to drive Viksit Bharat road map: Agriculture minister

Our Bureau



New Delhi: The government is working on an integrated farming model including creation of IDs for farmers and the use of advanced technology to steer India's farm economy towards Viksit Bharat by 2047, said Shivraj Singh Chouhan, minister of agriculture and farmers' welfare, on Friday.

The minister also assured that the government will ensure availability of fertilisers

despite the ongoing disruptions caused by the West Asia crisis. The government is working on diversifying incomes of smallholder farmers by encouraging farmers to take up allied opportunities such as livestock keeping, bee keeping, diversifying towards cash crops, increasing productivity per hectare by using drip irrigation, Chouhan said, adding that this will help steer the country towards its goal of Viksit Bharat.

It has issued over 9 crore farmer IDs to open access to credit, insurance and farming-

related advisories easily accessible to cultivators, he added while speaking at The Times Now Summit. The Farmer ID in India (Kisan Pehchaan Patra) is a unique, Aadhaar-linked digital identification number under the AgriStack initiative. It streamlines access to subsidies, crop insurance, and agricultural services, particularly for the PM-KISAN scheme.

The minister explained that to improve farmers' livelihoods, reliance on just one or two crops must be avoided. He encouraged cultivation of rice, pulses, oilseeds, vegetables, fruits, flowers and medicinal plants along with livestock rearing.

This diversified model would help farmers increase their earnings and achieve financial stability, he said.



"...The road to India at 100 cannot be shaped by growth alone. It must be shaped by resilience. By strategic depth. By institutional confidence. And above all, by self-belief translated into national capacity."

VINEET JAIN MD, The Times Group, at the Times Now Summit 2026

India faces WTO investment pact heat as Turkey backs off

SOLE RESISTANCE. Delhi is the only major holdout against China-backed plurilateral deal

Amiti Sen
New Delhi

India's fight to keep the China-backed Investment Facilitation for Development (IFD) pact out of the WTO legal framework has got stiffer with Turkey, one of the three major countries initially objecting to it, formally withdrawing its opposition at the ongoing WTO MC14 in Yaounde, Cameroon.

Now, the responsibility to safeguard the WTO's "consensus-based architecture" falls mostly on India as South Africa had already signalled its intent to step aside during General Council sessions prior to the meeting, say experts. India under pressure on WTO investment pact after Türkiye steps aside

STANDALONE ISSUE

"India's opposition to investment facilitation (IFD) was on its own and not dependent on Turkey's support. While India is the only influential country continuing to oppose investment facilitation, many countries share similar concerns on the larger systemic implications of allowing plurilaterals to become the norm at the WTO. So, the picture on investment facilitation is getting complicated, as countries may no longer see it as a standalone issue," said interna-



ONUS ON NEW DELHI. The responsibility to safeguard the WTO's 'consensus-based architecture' falls on India

tional trade expert Abhijit Das.

The IFD, supported by 128 WTO members, aims to facilitate FDI flows by enhancing the transparency of investment frameworks, as well as the predictability and efficiency of investment procedures.

Earlier this week, India said that it supported facilitation of FDI flows to developing countries and least developed countries (LDCs), but a government spokesperson added that the country did not believe that the WTO was the right forum to do so.

India has been opposing integration of the IFD in the WTO framework as it is a "non-mandated" initiative pushed as a plurilateral agreement (not involving all members) without full con-

sensus. It would set a precedent for other non-mandated issues gaining legitimacy at the cost of long-pending mandated ones such as food security, it believes.

Some WTO members, mostly led by developed countries, are trying to push for rules on new issues like e-commerce, investment facilitation, services domestic regulation, and micro, small and medium enterprises, bypassing the traditional consensus rule through a plurilateral initiative termed the joint statement initiatives (JSIs).

LEGAL BASIS

India, together with South Africa and Turkey, had been arguing that JSIs have no legal basis under the Marrakesh Agreement (the WTO's founding charter).

Specifically, regarding investment, the countries referred to the 2004 General Council decision that explicitly dropped "investment" from the WTO agenda. At the WTO, a subset of members cannot unilaterally revive an issue that was removed by consensus, India had said.

DIVERTED ATTENTION

Moreover, cluttering the negotiating table with new issues without the mandate of the entire membership diverted attention from the long-pending issues of interest to developing countries and LDCs already on the table, such as food security and public stockholding programmes and special safeguard measures to protect agriculture against a spike in imports and other problems.

However, with South Africa declaring in December 2025 that it would not resist incorporation of the IFD pact into the WTO legal framework (Annex 4 of the Marrakesh Agreement), and now Turkey following suit, the going will not be easy for India at a decisive meeting on the issue in Yaounde on March 28. "The pressure is definitely higher. Seems like India is the only one holding out. But I am not sure. Let us see how this plays out," a participant at the WTO MC14 told *businessline*.

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