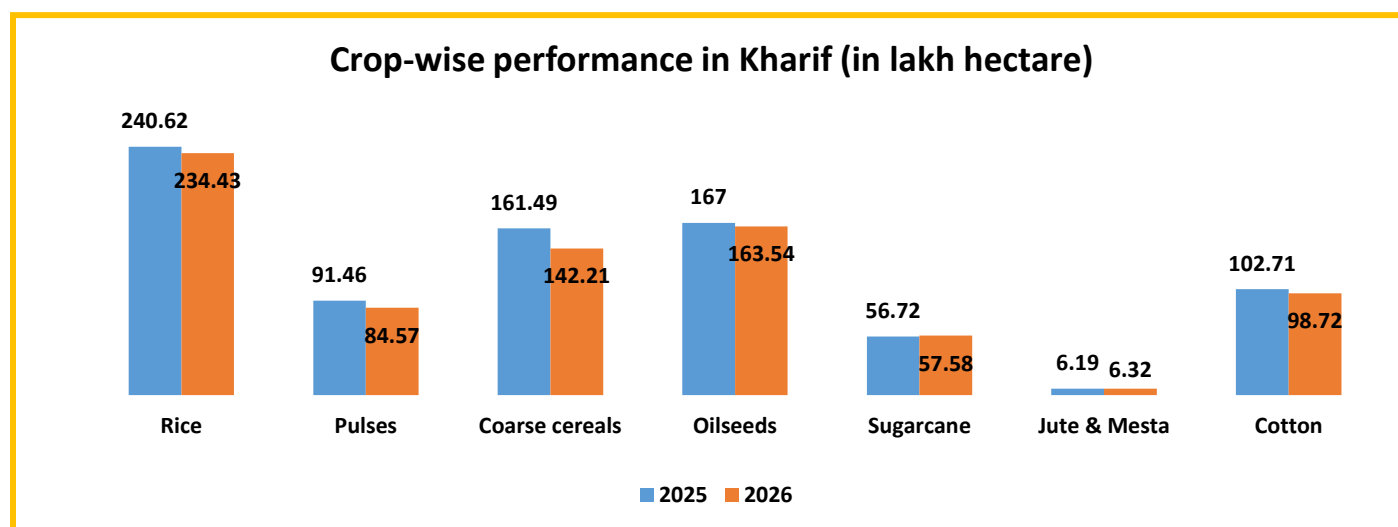


Kharif sowing, Monsoon Progression & Status of Reservoirs in India

(Rainfall Gains Support Sowing Recovery, but August Remains Crucial)

As on 24th July 2026, India's Kharif 2026-27 sowing stood at 78.74 million hectares, a decline of 3.92 million hectares (-4.7%) from 82.62 million lakh hectares recorded in the corresponding week of FY26 (Kharif 2025).

This is the first year-on-year contraction in the four-year covered by this study and follows an El Nino-linked weak/delayed south-west monsoon, with rainfall running roughly 23-24% below the Long Period Average through most of June and the first half of July 2026.



Crop Acreage

- Sugarcane remained the sole crop tracking ahead of last year throughout.
- Kharif sowing has continued to advance, reaching 78.73 million hectares. The gap against last year's pace has narrowed further, albeit at a slower rate than the sharp improvement seen in the previous week. The movement, however, has not been consistent across crops.
- Kharif Crops are typically sown over around 110.44 million hectares during the season.
- Pulses and oilseeds led the recovery, closing in meaningfully on last year's levels, while cotton also saw its shortfall ease further.

Week-by-week progress, FY26 vs FY27 (the two years with matching weekly data)

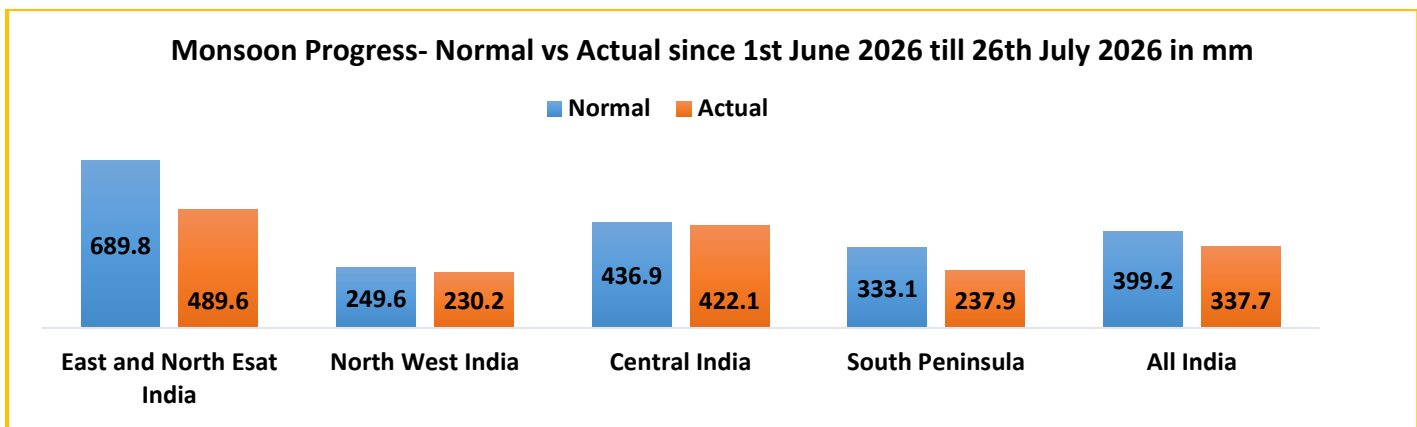
Reporting date	FY26 (Kharif 2025) Million ha	FY27 (Kharif 2026) Million ha	Gap (Million ha)	Gap (%)
~17 July	70.04	65.82	-4.22	-6.0%
~24 July	82.62	78.74	-3.88	-4.7%

- If we look at week by week Kharif sowing data, we see that the gap has narrowed from 6.0% to 4.7% on improving rainfall distribution, even though cumulative reservoir levels (38.4% of full reservoir level) remained below both last year's level and the ten-year average.

Importance of Monsoon

- India has expanded irrigation coverage over the years, but large parts of agriculture continue to depend on rainfall.
- The monsoon remains the most critical factor of India's kharif output despite an expansion in irrigation.
- Though irrigation has drastically improved agricultural resilience, half of the cultivated land is still rain-fed, and irrigated agriculture depends on monsoon-fed basins and groundwater

Monsoon Progress:

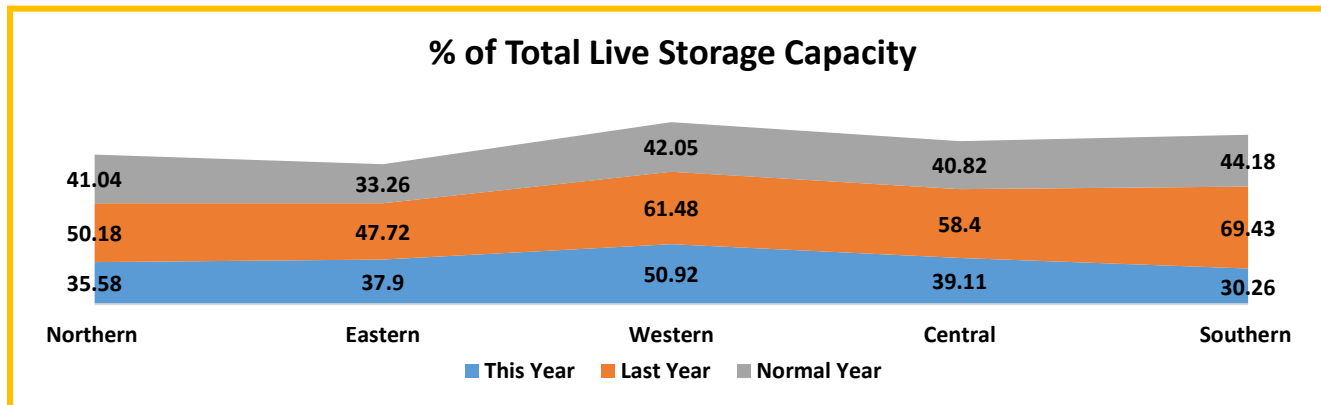


- The all-India cumulative rainfall deficit has reversed course meaningfully over the past week, narrowing to -15% for the season (1st June–26th July).
- Slightest deviation is in Central India with -3% and highest deviation is in East and North-East India with 29.0%.
- The spatial spread of rainfall has improved markedly towards July end. The share of the country's area recording deficient rainfall fell sharply to 40%, from 65%, while the area recording normal rainfall rose correspondingly to 57% from 35%.
- July and August are the crucial months for the southwest monsoon during the country receives the bulk of seasonal rainfall.

Reservoirs Status in India

- Monsoon reservoir capacity directly dictates India's agricultural output and rural incomes, which heavily influence national inflation dynamics.
- High water storage ensures smooth irrigation for Kharif and Rabi crops, stabilizing food supplies and cooling food inflation, whereas depleted reservoirs restrict crop yields, spark severe food price spikes.

- India's 166 major reservoirs tracked by the Central Water Commission (CWC) were refilling through July 2026 as the southwest monsoon progressed but remained well below last year's levels for most of the month.
- The total live storage of the country has been estimated to be 98.920 Billion Cubic Meters (BCM) against 257.812 BCM which is estimated to have been created in the country.
- As per Reservoir Storage Bulletin released by Central Water Commission (CWC) dated 23.07.2026:



Normal storage means average storage of last ten years.

Going forward:

- While July has substantially bridged the monsoon rainfall deficit, August remains a pivotal month, typically contributing around 30% of total seasonal southwest monsoon rainfall.
- August and September account for 49% of monsoon rainfall as per the Long Period Average (LPA), and the distribution of rainfall during this period will be critical for crop production, reservoir storage and irrigation availability.*
- Forecasts from U.S. meteorological agencies indicate that El Niño is likely to strengthen significantly during this period, raising concerns over potential adverse impacts on monsoon performance, particularly in the second half of August.*
- However, IMD's outlook for the first two weeks of August points to a likelihood of above-normal rainfall; if this materialises on a frontloaded basis, it could help partially offset the emerging risk and mitigate the overall impact on seasonal rainfall distribution.
- Food accounts for 36.75% of India's CPI basket as per new series. That makes the monsoon one of the earliest signals of whether inflation stays under control or becomes a policy concern. However, the trajectory of food inflation will also depend on factors such as buffer stocks and supply-side interventions by the government.*
- Furthermore, delayed sowing and weaker crop prospects can reduce farm incomes, affecting spending in rural India. That can weigh on demand for Fast-Moving Consumer Goods (FMCG), tractors, entry-level two-wheelers, fertilizers and other products linked to the rural economy.*

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