

Rising temperatures cast shadow on wheat production and prices

IMPACT NOTE

February 22, 2023

If the prevailing high temperatures continue through March, the rabi wheat crop will be impacted and yields would at best be on a par — or marginally lesser — than last year's low, CRISIL MI&A Research's on-field interactions suggest.

In Uttar Pradesh (accounting for ~30% of India's wheat production), the eastern part is expected to have relatively good yields on-year because of timely sowing after harvest of kharif paddy.

On the other hand, western UP could see a marginal decline due to late sowing — majorly in the sugarcane belt — if high temperatures persist in March.

In Punjab and Haryana (together accounting for ~25% of India's wheat production), late-sown wheat is in the flowering stage, while the early sown lot is in the milking stage. High temperatures are detrimental to grain formation in both these stages.

Similarly, in Madhya Pradesh (~20% of India's wheat production) late-sown wheat is at the milking stage.

But Bihar (~5% of India's wheat production) saw early sowing and the crop there is at the grain formation/maturation stage. Therefore, it could be impacted relatively less.

Though such abiotic factors cannot be managed very effectively, farmers in Punjab, Haryana and western UP are said to have initiated spraying of crop nutrients such as bio-stimulants and specialty fertilisers, which should help them cope with the heat wave to some extent.

While wheat prices have been on a downward trend in the past 20 days, if these high temperatures persist for the next 20 days, there could be a turnaround in prices.

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