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Monsoon and Sowing progress

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WPI inflation at 14-month low

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Management meet update: Broadening the base

SUMMARY**INDIA ECONOMICS: MONSOON UPDATE**

The first fortnight of South West monsoon began, at a much slower pace than anticipated resulting in below normal rainfall at 31% below LPA till 15 Jun 2025. This has resulted in lower sown area of kharif crops compared with last year. Despite this, some improvement has been seen in acreage of rice and pulses. Out of 36, 22 sub-divisions (58% of the country) have received deficient rainfall during this period and 23 states are in the deficient zone. Region-wise, a broad based deviation has been noted across all the regions.

[Click here](#) for the full report.

INDIA ECONOMICS: WPI

WPI inflation eased to 0.4% in May'25—lowest since Mar'24, from 2.7% in May'24. It was also lower when compared with last month's (Apr'25) increase of 0.9%. From last year, food inflation has noted significant moderation, helped by vegetables (onion, tomato, and potato), spices, food grains and eggs, meat and fish. Fuel inflation was lower compared with May'24 and remained in deflation for the second consecutive month in May'25. Drop in mineral oil index, mirrors the trend in international oil prices.

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ALLCARGO TERMINALS

- Guidance of doubling revenue and EBITDA over the next 3 years, led by capacity additions
- Plans to ramp up capacity to 1.25mn TEUs from the existing ~0.77mn TEUs (currently operating at 80% utilisation)
- Broadening base from CFS market in the West to South (Ennore, Kattupalli) and North India with a domestic cargo focus

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MONSOON UPDATE

16 June 2025

Monsoon and Sowing progress

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Jahnvi Prabhakar
Economist

East and North eastern India reported deficient rainfall (-39%), followed by central (-34%) and North Western region (-38%) while South Peninsula has reported related smaller deviation (-11%). The hold of South west monsoon is expected to strengthen in the coming days with advancement likely in the Northwestern region, providing a major respite from the ongoing heatwave.

Where does Kharif sowing stand?

As of 6th Jun 2025, overall sown area has fallen by 1.1% compared with last year. Total sown area of coarse cereals (31.7%) has been lower amidst the dip in the acreage for maize. Sown area for sugarcane along with Jute and Mesta has also declined compared with last year level. On the other hand, sown area for rice has registered modest gains. Acreage of pulses have also registered an improvement, with pick up noted in both urad and moong. Higher acreage has also been noted for oilseeds for the same period led by sesamum and soybean.

Table 1: Kharif Sowing

	Area sown in 2024-25 (lakh ha)	Area sown in 2025- 26 (Lakh ha)	Growth (YoY %)
Coarse Cereals	2.52	1.72	(31.7)
Rice	2.48	2.46	0.8
Pulses	0.81	0.99	22.2
Oilseeds	0.52	0.59	13.5
Cotton	8.78	9.72	10.7
Sugarcane	54.41	53.39	(1.9)
Jute and Mesta	5.59	5.42	(3.0)
All Crops	75.11	74.3	(1.1)

Source: CEIC, Bank of Baroda | Data as of 6 Jun 2025



WPI

16 June 2025

WPI inflation at 14-month low

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Sonal Badhan
Economist

Manufactured product inflation however inched up, led by items like textiles, pharma products, chemicals, etc. Inflation in key components under basic metals (zinc, copper and lead) noted higher inflation, while their prices internationally are down. Going forward, tracking escalating tensions in the Middle East and attacks on energy infrastructure, has resulted in sharp spike in international oil prices in the last few days. If this continues for long, it may contribute to upside pressure in fuel inflation.

Food inflation following downward trajectory:

Headline WPI inflation came in at 0.4% in May'25 (BoB est.: 0.8%), slowing from 2.7% in May'24 and 0.9% in Apr'25. Food inflation eased to 1.7% in May'25 from 7.8% last year. Owing to higher base, vegetable inflation index declined for the 4th consecutive month in May'25, and fell by (-) 21.6% from 32.6% last year. This was helped by decline in index for potato, tomato, onion, ginger, cabbage, etc. Index for spices and condiments (-15.2% versus 16.4%) and eggs, meat and fish (-1% versus 0.7%) too declined. Index for milk inflation noted moderation (2.7% versus 3.8%). Food grain inflation index reported flat growth in May'25 (0%), coming down from a high base of 11.4% last year. This was driven by decline in inflation for pulses (-10.4% versus 21.9%) and softening in cereal inflation (2.6% versus 9%). Within cereals, significant moderation was registered in case of paddy (1% versus 11.6%), while wheat inflation remains range bound (5.8% versus 6.3%). Comparing paddy prices on a global level (World Bank's pink sheet) shows that domestic prices are following international trend. Paddy prices internationally have fallen further by (-) 31.9% in May'25, versus (-) 31% decline noted in Apr'25. In contrast with domestic trend, decline in wheat prices has accelerated from (-) 6.2% to (-) 15.5%.



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ALLCARGO TERMINALS | Logistics

| 16 June 2025

Management meet update: Broadening the base

- Guidance of doubling revenue and EBITDA over the next 3 years, led by capacity additions
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Allcargo Terminals' (ATL) 2nd year of independent operation: Allcargo Terminals Ltd (ATL) demerged from Allcargo Logistics and listed separately in August 2023, operates 6 CFS — two each at JNPT and Mundra, one in Chennai, and one in Kolkata — along with an ICD in Dadri through a JV. Over the past 4f years, ATL has delivered a robust 22% volume CAGR, reaching 0.62mn TEUs in FY25. Realisations and EBITDA per TEU stood at ~Rs 12,000 and Rs 2,100–2,200, respectively, which remain above peer averages despite some volatility due to global supply chain disruptions. During FY25, ATL expanded its handling capacity by 29%, aided by the renewal of the CWC Mundra contract with an additional 50,000 TEUs and the addition of a new 25-acre co-located facility at JNPT, contributing 170,000 TEUs of incremental capacity.

Poised for the next phase-targeting 2x revenue and EBITDA in 3 years on capacity addition: During FY25, ATL handled 0.62mn TEUs with ~80% utilisation of its 0.77mn TEU capacity. Over the next 3 years, ATL plans to expand capacity by ~65% through additions at JNPT (170k TEUs), Mundra (50k TEUs), a new southern facility near Ennore/Kattupalli, an ICD at Dadri, and a Multimodal Logistics Park at Farukhnagar. With a planned capex of ~Rs 5.8bn — Rs 1.5bn for Mundra, Rs 3.5bn for Farukhnagar, and Rs 700–800mn for the South — the company aims for a twofold increase in revenue and EBITDA, on the back of scale and improved realisations.

De-risking from highly competitive market and regional concentration: JNPT currently hosts around 30 CFS operators within the port cluster, while Mundra has 15–20 facilities, indicating a highly competitive landscape. Despite this, ATL has managed to defend its realisations and profitability, aided by: a) its long-standing presence in the industry since 2003 as part of the Allcargo Group b) strategically located facilities c) a favourable mix of cargo and customers. We believe the company's plan to expand in South India is a strategic move to de-risk from these saturated markets and tap into emerging port and industrial clusters. While the exact location is yet to be finalised, ATL expects to firm up the site for its southern CFS over the next 5–6 months.



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