

## Other agricultural products

Industry Code (as per CMIE Prowess): 0101011150000000'

June 2022

Overall Industry Risk Score: **14/20 | Favourable**

Sample Size: 33 Companies

Median Rating Value of sample size: A

### Individual Parameters Contributing to the Score

**Demand & Supply Balance**  **16/20**

Moderate Demand

The first wave of the pandemic significantly impacted the urban areas whereas the rural geographies were relatively resilient. Overall activity in this segment is expected to be healthy, notwithstanding the moderate impact of the second wave in Q1FY22. As per CMIE data, the industry reported y-o-y 6.2% growth in sales from Rs.55.5 billion for March 2021 quarter to Rs.58.7 billion during the quarter ended March 2022. The two major crops produce witnessed increase in exports value i.e. Rice by 10.19% from Rs.654 billion in FY21 to Rs.721 billion in FY22 and Pulses by 35.43% from Rs.19.7 billion in FY21 to Rs.26.8 billion in FY22.

**Extent of Competition**  **8/20**

Fragmented Industry

The industry is quite fragmented, with players generally catering to local/regional demand. There is no nationwide market for agricultural products.

## Regulatory Risk 16/20

Stable Regulatory environment

Krishi UDAN and PLI Scheme are expected to be favourable for this sector and attempts to build a pan India agricultural market. This is expected to augment incomes of the farmers and also create more opportunities for traders. Government's increased investments in the rural sector will support the industry.

## Input Related Risk 16/20

No supply disruptions / very narrow price band or fluctuations

Given the successive favourable crop output in the last few season, food stocks are at comfortable levels and hence input risks in terms of availability and price are limited at this stage. Further, labour availability has improved.