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EDITORIAL ANALYSIS

When El Nino Becomes an Economic Crisis

 THE HINDU

6 June 2026

ENVIRONMENT

ECONOMY

GS1

GS3

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When El Nino Becomes an Economic Crisis

 The Hindu 6 June 2026 **GS1** **GS3**

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INTERVIEW ANGLE

"A monsoon forecast is a climate signal with macroeconomic consequences. Should monsoon risk be treated as a core input to fiscal and monetary policy, not just to agriculture planning?"

Source: [Original editorial](#)  [The Hindu](#)

 Every fact web-verified against primary sources **HOW**

WHY THIS MATTERS NOW

The India Meteorological Department has trimmed its 2026 monsoon forecast toward below-normal amid a developing El Nino, and in the same week the RBI named the monsoon and El Nino as the **key risks** to inflation and growth. That juxtaposition is the story: in India, a weather forecast is a **macroeconomic forecast**. For an aspirant, this is a GS1 (geography, monsoon) and GS3 (economy, agriculture) crossover that rewards showing how a climate variable transmits into prices, incomes and policy.

THE CRUX IN 60 WORDS

A developing **El Nino** and a **below-normal monsoon** forecast threaten kharif sowing, food prices, rural incomes and labour productivity. Because food has a heavy weight in CPI and rural demand drives consumption, a weak monsoon is a **macroeconomic shock**, which is why the RBI flagged it as a key risk. The response is **climate-economic resilience**: irrigation, resilient crops, buffer stocks, insurance, and monsoon-aware macro policy.

THE ISSUE, DECODED

CONCEPT	WHAT IT IS	WHY IT MATTERS
El Nino	Warming of the central/eastern Pacific	Historically weakens the Indian monsoon
LPA	Long Period Average of rainfall	“Below normal” is measured against it
Kharif	Monsoon-sown crops (rice, pulses, cotton)	Most exposed to monsoon failure
Food inflation	Rise in food prices	Heavy weight in India’s CPI basket

THE ANALYSIS: HOW A WEAK MONSOON HITS THE ECONOMY

- 1 Agriculture and food prices.** A deficient monsoon cuts kharif sowing and yields, raising food inflation, a large component of CPI.
- 2 Rural incomes and demand.** Weaker harvests squeeze rural incomes; since rural demand drives much of consumption, growth slows.
- 3 Labour productivity.** Heat and erratic rainfall reduce productivity in agriculture and outdoor work, hitting the poor hardest and widening inequality.
- 4 Macro-policy bind.** The RBI must weigh monsoon-driven food inflation against growth, exactly the dilemma in its June 2026 hold.

DATA AND INSTITUTIONS VAULT

the **India Meteorological Department (IMD)**, under the Ministry of Earth Sciences, issues the monsoon forecast; “normal” is 96 to 104 per cent of the **Long Period Average (LPA)**. **El Nino:** part of the **El Nino-Southern Oscillation (ENSO)**; the warm phase weakens the monsoon, the cool phase (*La Nina*) tends to strengthen it. **Driver:** the **Indian Ocean Dipole (IOD)** also influences monsoon performance. **Buffers:** the **Food Corporation of India (FCI)** holds buffer stocks; the **Public Distribution System (PDS)** and **PM Fasal Bima Yojana (crop insurance)** cushion shocks. **Policy link:** the RBI flagged the monsoon and *El Nino* as key risks in its June 5, 2026 policy.

THE DEBATE

Argument that the impact is overstated: Irrigation coverage, large buffer stocks and a smaller agricultural share of GDP have reduced India’s monsoon dependence.

Argument that it remains a macro shock: The food-inflation and rural-demand channels are still potent, and a majority of India's farmland remains rain-fed.

The balanced verdict: India is **less** monsoon-dependent than decades ago, but **not** monsoon-proof. The inflation and rural-consumption channels keep the monsoon macro-relevant, so resilience-building, not complacency, is the right posture.

HOW TO THINK ABOUT THIS (TRANSFERABLE SKILL)

*A strong answer does not just say “weak monsoon is bad”; it maps the chain: monsoon to yields to food prices to CPI to rural incomes to demand to growth to policy. Identifying the **channels** through which a shock propagates turns a vague claim into analysis. The same skill applies to oil shocks, currency depreciation, and global slowdowns.*

DIAGRAM-IN-WORDS

El Nino -> weak monsoon -> lower kharif yields -> higher food inflation + lower rural incomes -> weaker demand + RBI policy bind -> slower growth. Resilience breaks it: irrigation + resilient crops + buffer stocks + insurance + monsoon-aware policy.

THE WAY FORWARD

- ① **Improve irrigation and water management** to reduce rain-fed vulnerability.
- ② **Promote resilient and diversified crops** suited to erratic rainfall.
- ③ **Manage buffer stocks and the PDS** proactively to contain food inflation.
- ④ **Treat monsoon risk as a core macro-policy input**, integrating it into fiscal and monetary planning.

THE TAKEAWAY BOX

“In India, a weak monsoon is not merely a weather event but a macroeconomic shock.” Examine the transmission channels and the adaptation response. (250 words)

“In India, the monsoon is not just weather; it is the largest single variable in the macroeconomy, and adaptation to it is economic policy by another name.”

IMD under Ministry of Earth Sciences · “normal” monsoon = 96-104% of LPA · ENSO (El Nino warm phase weakens monsoon) · Indian Ocean Dipole · FCI buffer stocks · PM Fasal Bima Yojana.

Should monsoon and climate risk be a formal input to the RBI’s and the Finance Ministry’s projections, not just to agriculture planning?

Connects to GS1 PYQs on the Indian monsoon and GS3 on agriculture and inflation; probable forward question is the monsoon-as-macro-shock framing above.

today’s RBI policy article (monsoon flagged as a risk); static GS1 on the monsoon mechanism and GS3 on food inflation.

Sources: *The Hindu, IMD, RBI*

Source: When El Nino Becomes an Economic Crisis — Ujivari.com | Free UPSC & State PCS Editorial Analysis

● KEY ARGUMENTS AT A GLANCE

A developing El Nino and the IMD’s below-normal monsoon forecast threaten agriculture, food prices, rural demand and labour productivity, which means climate adaptation must be treated as an economic-resilience imperative, not merely an environmental concern.

✓ SUPPORTING

- A deficient monsoon hits kharif sowing and yields, raising food inflation and squeezing the rural incomes that drive a large share of consumption demand.
- Heat and erratic rainfall reduce labour productivity, especially in agriculture and outdoor work, deepening urban and rural inequality.

- The RBI has already flagged the monsoon and El Nino as key risks to inflation and growth, showing the weather-economy link is now central to macro policy.

COUNTER

Some argue India's economy is now less monsoon-dependent than before, given irrigation, buffer stocks and a smaller agricultural share of GDP, so the macro impact is overstated.

WAY FORWARD

Build climate-economic resilience through irrigation and water management, crop diversification and resilient varieties, robust buffer stocks and PDS, crop insurance, and treating monsoon risk as a core macro-policy input.

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MAINS ANSWER FRAMEWORK

QUESTION

"In India, a weak monsoon is not merely a weather event but a macroeconomic shock." Examine the channels through which El Nino transmits to the economy and the adaptation response needed. (250 words)

INTRODUCTION

In few economies does a single climate variable carry the weight that the monsoon does in India. With a developing El Nino and a below-normal monsoon forecast, the question is not just ecological but macroeconomic.

BODY

The India Meteorological Department has cut its 2026 monsoon forecast toward the lower end amid a developing El Nino, the warming of the central and eastern Pacific that historically weakens the Indian monsoon. The transmission to the economy runs through several channels.

First, a deficient monsoon depresses kharif sowing and yields, pushing up food inflation, which carries a heavy weight in India's CPI. Second, weaker harvests squeeze rural incomes, and since rural demand

drives a large share of consumption, this dampens growth. Third, heat and erratic rainfall cut labour productivity in agriculture and outdoor work, falling hardest on the poor and widening inequality. The RBI has already named the monsoon and El Nino as key risks in its policy, raising its inflation forecast and trimming growth, confirming that the weather-economy link now sits at the centre of macro policy. The counter-view, that irrigation, buffer stocks and a smaller agricultural share have reduced monsoon dependence, holds partly, but the inflation and rural-demand channels remain potent.

The response must be resilience: irrigation efficiency, resilient crop varieties, buffer-stock and PDS management, crop insurance, and integrating monsoon risk into fiscal and monetary planning.

CONCLUSION

Climate adaptation in India is economic policy. Treating a weak monsoon as a macroeconomic shock, and building resilience accordingly, is the way to keep a climate signal from becoming an economic crisis.

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