

## Groundnut Outlook – November 2018

Groundnut (*Arachis hypogaea L.*) is an important oilseed crop in India which occupies first in terms of area and second position in terms of production. China is the largest producer as well as consumer of groundnut in the world with 166.24 lakh tonnes followed by India (68.57 lakh tonnes), Nigeria (30.28 lakh tonnes) and United States (25.78 lakh tonnes). As per the fourth advanced estimates of Government of India, groundnut production was estimated at 91.8 lakh tonnes in 2017-18.

The major groundnut growing states are Gujarat, Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra and Rajasthan. Gujarat is the largest producing state accounting for 40% of total groundnut produced in the country. According to the all India crop coverage report Government of India, as on 20<sup>th</sup> September 2018 groundnut has been sown in about 40.13 lakh hectares which was 3.25 per cent lower than the corresponding period of last year (41.48 lakh ha). In Gujarat, it has been sown in 14.67 lakh hectares followed by Andhra Pradesh (6.61 lakh ha) and Rajasthan (6.07 lakh ha).

In Telangana, groundnut has been sown in 12,352 hectares as on 26<sup>th</sup> September 2018. So far Gadwal (Jogulamba) stood first in groundnut sown area with 6058 hectares followed by Warangal (Rural) (2713 ha) and Suryapet (1079 ha).

**Table 1: Groundnut Exports (includes in Shell, Blanched and Normal Groundnuts)**  
(In thousand tons)

Month	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Oct</b>	21.80	21.00	22.90	25.80	<b>30.40</b>
<b>Nov</b>	71.10	92.60	50.00	80.90	<b>109.60</b>
<b>Dec</b>	79.10	135.90	91.30	145.10	<b>69.40</b>
<b>Jan</b>	47.30	82.20	67.70	105.20	<b>31.70</b>
<b>Feb</b>	48.00	54.00	53.70	78.80	<b>30.70</b>
<b>Mar</b>	52.60	61.70	55.70	67.50	<b>54.80</b>
<b>Apr</b>	48.60	50.40	54.50	45.00	<b>40.20</b>
<b>May</b>	55.20	38.60	41.30	19.10	<b>46.00</b>
<b>Jun</b>	50.00	30.70	58.40	25.40	<b>40.00</b>
<b>Jul</b>	42.70	25.00	39.20	37.20	<b>31.00</b>
<b>Aug</b>	40.80	35.80	16.80	30.60	-
<b>Sep</b>	23.80	16.10	12.20	20.10	-

Source: www.agriwatch.com

**Table 2: Top 10 Groundnut Importing Countries from India (April – August, 2018-19)**

Importing Countries	Quantity (Metric tonnes)	Value (Rs. Crore)
<b>Indonesia</b>	91126.12	581.99
<b>Philippines</b>	22986.00	152.78
<b>Malaysia</b>	13339.86	89.01
<b>Algeria</b>	12746.00	86.65
<b>Vietnam Soc Rep</b>	12903.00	85.72
<b>Thailand</b>	10207.00	69.93
<b>Ukraine</b>	5097.65	33.63
<b>Russia</b>	4163.55	26.35
<b>Netherland</b>	3198.00	24.03
<b>Nepal</b>	2841.11	15.70
<b>Top 10 Total</b>	178608.29	1165.79
<b>Other Countries</b>	22584.28	141.49
<b>Total</b>	201192.57	1307.28
<b>% Share of Top 10 Countries</b>	88.77	89.21

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)

**Table 3: Prices and arrivals of groundnut at Gadwal Market in the Month of October 2018**

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	228	2,266	5,411	4,500
3	186	2,319	4,966	4,135
4	127	2,133	4,669	4,330
5	88	2,299	4,811	4,500
6	70	2,219	4,670	3,647
8	148	2,066	4,666	4,177
10	103	2,000	4,381	3,166
11	193	2,339	4,978	4,266
12	134	1,539	4,329	4,069
13	132	2,292	4,156	3,886
15	390	2,219	4,531	4,086
22	247	2,266	4,929	4,340
23	140	2,299	4,991	3,367
24	181	2,219	4,766	4,096
25	161	2,189	4,711	4,016
26	185	2,217	5,317	4,477
27	165	2,640	5,577	4,580

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Groundnut modal price at Gadwal market ranged between Rs. 3166 – 4580 per quintal during October 2018. The central government has increased the minimum support price of groundnut for the year 2018-19 by 9.9% from Rs. 4450 to Rs. 4890 per quintal.

### **Groundnut Price Outlook**

According to the first advanced estimate of kharif crop by GOI, all India groundnut crop production has been estimated at 63.28 lakh tons which seem to be on higher side.

As the marketing year 2017-18 closed NAFED is sitting in record stock of 5.26 lakh tons of groundnut in their warehouses. In coming days fall in groundnut prices in market will not help bigger interest in NAFED groundnut auction. NAFED will find it hard to procure and store new crop.

Groundnut crushers are enjoying profitable crush margins in Kurnool and Chennai markets as the higher soft oil prices after the back to back duty hike has not allowed the groundnut oil prices to fall significantly. Groundnut oil has maintained its premium over the sunflower oil in Chennai market.

Early sown Groundnut, are at pod development to pod maturity and harvesting stages. New crop arrivals has started coming in the market and same is expected to improve in coming days. In Gadwal major market 2,878 quintals of groundnut was traded in price range of Rs. 3166 – 4580 per quintal during October 2018 i.e., below minimum support price (Rs. 4890). Huge amount of groundnut new crop arrivals may further crash the prices.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut is likely to trade in price range between **Rs. 4000 – 4400** per quintal during the month of November, 2018.