

Groundnut Outlook – October 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 tons 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 20th September 2018 groundnut has been sown in around 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 around 12,352 hectares as on 26th 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
Oct	21.80	21.00	22.90	25.80	30.40
Nov	71.10	92.60	50.00	80.90	109.60
Dec	79.10	135.90	91.30	145.10	69.40
Jan	47.30	82.20	67.70	105.20	31.70
Feb	48.00	54.00	53.70	78.80	30.70
Mar	52.60	61.70	55.70	67.50	54.80
Apr	48.60	50.40	54.50	45.00	40.20
May	55.20	38.60	41.30	19.10	46.00
Jun	50.00	30.70	58.40	25.40	40.00
Jul	42.70	25.00	39.20	37.20	31.00
Aug	40.80	35.80	16.80	30.60	-
Sep	23.80	16.10	12.20	20.10	-

Source: www.agriwatch.com

Table 2: Prices and Arrivals of groundnut at Gadwal Market in the Month of September 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	10.7	2800	4829	3869
4	33.3	2311	5319	4297
5	11.1	3037	5299	4911
7	30.7	2416	4800	4469
8	14.7	2123	4869	4019
11	20.2	3001	5321	4936
12	6.8	2802	4911	4326
14	23.6	2201	5101	4418
15	10.5	3369	5401	4701
17	20	2369	5199	4591
18	15.1	3069	4579	4180
19	15.1	2372	5329	4419
20	4.3	2441	5051	4669
22	5.4	2410	4726	3720
24	15.6	2342	4766	3669
26	5.8	2447	4716	4230
27	5.1	2869	5159	4500
28	11.6	2419	5166	4769
29	11.1	2466	4611	4047

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

Groundnut modal price at Gadwal market ranged between Rs. 3669 – 4936 per quintal during September 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 tonnes which seems to be on higher side. In other groundnut growing regions, Guajarat was deficit by 24%, Saurashtra by 34%, Karnataka surplus by 4%, Tamil Nadu deficit by 8%. West Rajasthan Deficit by 23% and East Rajasthan surplus by 3%. There have been very erratic rains in most of the groundnut growing regions especially in Karnataka, Maharashtra, Rayalseema and Gujarat.

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

As the prices are ruling below MSP there are fair chances that centre as well as state will go for the Price Difference Payment Scheme for ensuring MSP to farmers. Early sown Groundnut, are at pod development to pod maturity and harvesting stage. New crop arrivals in the markets have started and same is expected to improve in coming days.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut could trade in a range of **Rs. 3600 - 3900** per quintal during the month of October, 2018.