

RABI 2018-19 PRE-HARVEST PRICE FORECAST OF GROUNDNUT

Groundnut Price per Quintal will be around Rs. 3900-4300 at the Time of Harvesting (January to March 2019)

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).

According to Solvent Extractors Association of India (SEA) Groundnut production in Gujarat is at 15.95 lakh tons as compared to 31.5 lakh tons last year. All India groundnut production is estimated at 37.25 lakh tons against 52 lakh tons last year.

The carryover stock is high (nearly 6 lakh tons with 5.36 lakh tons of NAFED), by which the fall in production has been partially nullified. There are only few years when such huge stocks of groundnut has been carried forward to the next season.

According to the all India rabi crop coverage report, Government of India, as on 14th December 2018 groundnut has been sown in around 2.69 lakh hectares which was 26.70 per cent lower than the corresponding period of last year (3.67 lakh ha). In Telangana, it has been sown in 0.856 lakh hectares followed by Karnataka (0.710 lakh ha), Odisha (0.416 lakh ha) and Andhra Pradesh (0.280 lakh ha). In Telangana, Nagarkurnool stood first in groundnut sown area with 32,250 hectares followed by Wanaparthi (21,800 ha) and Gadwal (7285 ha).

Exporters of groundnut and sesame seed have urged the Union government to provide 10% incentive under the Merchandise Exports from India scheme (MEIS) to increase exports to China and the European Union. China imported about 290,000 tonnes of groundnut in 2017-18 and India's share was only 627 tonnes. Overall imports of groundnut by European Union is about 8 lakh tonnes and India imports around 15,000 tonnes. India is facing competition from African countries which have zero duty on exports to China.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Rajendranagar, Hyderabad at Professor Jayashankar Telangana State Agricultural University with the financial support of Agricultural Marketing Department, Telangana State has assessed 2018-19 rabi pre-harvest price forecast of groundnut. Based on present crop condition and crop coverage, it is expected that the groundnut price per quintal will be around **Rs. 3900-4300** at the time of harvesting (January to March 2019). This price forecast is based on the monthly modal price of groundnut obtained for 17 years from Gadwal regulated market using econometric models like ARIMA, SARIMA, ARCH, GARCH and ANN and also the market survey. Gadwal and Wanaparthi are the two major groundnut markets in Telangana.

Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.