

KHARIF 2019-20 PRE-SOWING PRICE FORECAST OF GROUNDNUT

Groundnut Price per Quintal will be around Rs. 4100 - 4400 at the Time of Harvesting (October to December 2019)

Groundnut is the 13th most important food crop of the world and third largest oilseed produced in the world. China is the largest producer as well as consumer of groundnut in the world with 166.24 lakh tonnes followed by India (69.70 lakh tonnes), Nigeria (30.28 lakh tonnes) and United States (25.78 lakh tonnes). Indian groundnuts are exported to Indonesia, Vietnam, Philippines, Malaysia, China, Russia, Ukraine and United Kingdom.

USDA predicted India's oilseeds production higher by 8% in 2019-20 in expectation of normal weather condition. Higher oilseeds supply may increase oilseeds meal production by 5.5% to 18 million tonnes. It also projected oil meals exports at 3.2 million tonnes with an increase of 10% in normal market condition and competitive pricing.

Groundnut is an important oilseed crop in India which occupies first in terms of area and second position in terms of production. The major groundnut growing states are Gujarat, Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra and Rajasthan. In India, during kharif 2018-19 groundnut was 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 was sown in 14.67 lakh hectares followed by Andhra Pradesh (6.61 lakh ha) and Rajasthan (6.07 lakh ha).

Kharif groundnut during 2018-19 is estimated at 54.41 lakh tonnes which is lower by 17.74% than the production of 66.15 million tonnes in 2017-18, due to less crop coverage and deficient rainfall at initial stage of the crop. According to second advance estimates, groundnut (Kharif and Rabi) production estimate was 69.70 lakh tonnes for 2018-19 season against 82.17 lakh tonnes in 2017-18.

In Telangana, groundnut is a major oilseed crop in rabi season although little area is cultivated in kharif season for seed purpose. During kharif 2018-19, groundnut has been sown in around 12,352 hectares. Gadwal (Jogulamba) stood first in groundnut sown area with 6058 hectares followed by Warangal (Rural) (2713 ha) and Suryapet (1079 ha).

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 2019-20 kharif pre-sowing price forecast of groundnut. Under expected normal rainfall and crop area coverage, it is predicted that the groundnut price per quintal will be around **Rs. 4100 - 4400** at the time of harvesting (October to December 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 and GARCH and also the market survey. Gadwal and Wanaparty 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.