

Groundnut Outlook – April 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).

As per APEDA data, India's groundnut kernel shipment declined at 3.94 lakh tonnes during April-January 2019 amounting total Rs. 2,635 crore against 4.2 lakh tonnes of groundnut kernel in 2017-18 (April-January) valued Rs. 2,842 crore.

Around 50 per cent of our peanut exports are to Indonesia, Vietnam, Philippines and Malaysia, with the remaining being exported to China, Russia, Ukraine and United Kingdom. Some African countries such as Sudan and Senegal are very competitive in the international market and their exports have increased over the last two years.

According to SEA report, groundnut crop area in India is at 40.12 lakh ha in 2018-19 down from 41.35 lakh ha in last year. Similarly, production and yield are estimated at 37.70 lakh tonnes and 931 Kg/ha respectively as against 52.75 lakh tonnes and 1269 Kg/ha respectively during previous year.

According to the all India rabi crop coverage report, Government of India, as on 7th February 2019 groundnut has been sown in around 4.81 lakh hectares which was 23.2 per cent lower than the corresponding period of last year (6.27 lakh ha). Among the states Tamil Nadu stood first in area coverage with 1.26 lakh ha followed by Telangana (1.07 lakh hectares), Karnataka (0.72 lakh ha) and Odisha (0.91 lakh ha).

In Telangana, groundnut has been sown in around 1,11,489 hectares as on 27th March 2019. So far Nagarkurnool stood first in groundnut sown area with 41,186 hectares followed by Wanaparty (22,328 ha) and Gadwal (8516 ha).

Table 1: Groundnut Exports from India (in thousand tonnes)

Month	2016-17	2017-18	2018-19
Oct	25.80	30.40	30.40
Nov	80.90	109.60	68.90
Dec	145.10	69.40	30.80
Jan	105.20	31.70	39.00
Feb	78.80	30.70	71.90
Mar	67.50	54.80	73.61
Apr	45.00	40.20	
May	19.10	46.00	
Jun	25.40	40.00	
Jul	37.20	31.00	
Aug	30.60	35.50	
Sep	20.10	17.10	

Source: www.agriwatch.com

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

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

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

Table 3: Arrivals and Prices of Groundnut at Gadwal Market in the Month of March 2019

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	1,237	2,590	4,839	4,792
2	1,058	2,090	4,732	3,600
7	1,109	2,120	4,834	4,470
11	677	2,120	4,912	3,600
12	614	2,012	4,689	3,799
14	602	2,830	4,800	4,692
15	510	2,501	4,592	4,016
16	495	2,829	4,557	3,420
18	964	2,150	4,520	4,426
19	560	2,120	4,882	3,500
20	386	2,139	4,700	3,500
23	588	2,680	4,718	3,911
25	623	2,120	4,420	3,230
28	441	2,411	4,652	3,700

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

About 10,429 quintals of groundnut was traded in price range of Rs. 3230 – 4792 per quintal at Gadwal major market during March 2019. 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

Lower kharif and rabi crop estimates may support groundnut prices continue to rise in coming weeks as well. However, aggressive NAFED sale activities may limit major price hike. Thus, the market is poised to witness an uptick in prices in coming months. NAFED has started to sale its groundnut stocks of 2017 & 2018 season in the market at MSP price.

NAFED is procuring lesser quantity of groundnut this season as the drought conditions in Maharashtra and unfavorable weather conditions in other states have led to lower production. To provide remunerative prices to farmers, Gujarat State government is procuring groundnut at a minimum support price (MSP) of Rs 1,000 per 20 Kg, while market prices are between Rs 680 to Rs 800 per 20 Kg.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 3900 – 4300** per quintal during the month of April, 2019.