

## Groundnut Outlook – February 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 recent updates from DGCIS, Gujarat shipped total 1.79 lakh tonnes groundnut worth Rs. 1224 crore in April to November of the 2018/19 fiscal. The state may export lower size of groundnut to total 2.50 lakh tonnes during this end of this fiscal due to less competitive prices in domestic & global market. In 2017/18, Gujarat's shipment was recorded at 3.22 lakh tonnes (value at Rs. 2115 crore). Lowest volume of Gujarat's exports may reduce total groundnut exports volume of India for the season 2018/19.

NAFED has procured 3.22 lakh tons of groundnut as on 27 Dec 2018. The procurement of groundnut this year is significantly low as the crop is less coupled with higher prices, which has resulted in farmers selling their produce directly in market.

According to the all India rabi crop coverage report, Government of India, as on 31<sup>st</sup> January 2019 groundnut has been sown in around 4.63 lakh hectares which was 22.70 per cent lower than the corresponding period of last year (5.99 lakh ha). Among the states Tamil Nadu stood first in area coverage with 1.21 lakh ha followed by Telangana (1.07 lakh hectares), Karnataka (0.72 lakh ha) and Odisha (0.84 lakh ha).

In Telangana, groundnut has been sown in around 1,05,538 hectares as on 23<sup>rd</sup> January 2019. So far Nagarkurnool stood first in groundnut sown area with 40,409 hectares followed by Wanaparthy (22,290 ha) and Gadwal (7285 ha).

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

Month	2016-17	2017-18	2018-19
Oct	25.80	30.40	<b>30.40</b>
Nov	80.90	109.60	<b>68.90</b>
Dec	145.10	69.40	
Jan	105.20	31.70	
Feb	78.80	30.70	
Mar	67.50	54.80	
Apr	45.00	40.20	
May	19.10	46.00	
Jun	25.40	40.00	
Jul	37.20	31.00	
Aug	30.60	35.5	
Sep	20.10	17.1	

Source: [www.agriwatch.com](http://www.agriwatch.com)

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

Importing Countries	Qty (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 January 2019**

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	1,660	2,318	5,770	4,689
3	1,361	2,300	5,639	4,519
4	1,469	2,519	5,669	3,439
7	2,596	2,469	5,081	3,889
8	2,053	2,611	5,089	4,638
9	1,607	2,719	5,169	4,679
10	1,922	2,689	5,209	3,099
11	2,470	2,619	4,905	3,629
12	3,166	2,399	4,869	4,469
17	1,915	2,489	4,656	3,745
18	2,487	2,069	4,669	3,360
22	3,190	2,219	4,839	3,909
23	2,249	2,555	4,870	3,929
24	2,665	2,721	4,869	4,689
25	2,480	2,709	4,918	4,786
28	807	2,129	4,929	4,610
29	1,059	2,289	4,989	3,819
30	1,410	2,319	4,713	4,031
31	2,048	2,199	4,900	4,031

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

About 38,614 quintals of groundnut was traded in price range of Rs. 3099 – 4786 per quintal at Gadwal major market during January 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**

NAFED has closed the auction of groundnut stocks and is probably using as the buffer for the 2018-19 MY. Rabi sowing progress is slow indicating towards lower rabi groundnut area. Summer crop is also expected to be low due to poor rains. North East Monsoon has underperformed and thus the rabi crop is going to remain small due to lesser acreage as well as lesser yield.

Sowing in Karnataka and Telangana has been very low due to lack of soil moisture after the dismal performance of SW monsoon in most of the groundnut growing regions. All India groundnut sowing is at one of the lowest in past 5 years and is comparable to 2015-16.

Cumulative exports in the first two month of MY 2018-19 were down by 29% and were at 99.28 thousand tons. The export was lowest for the first two months in three years. It is too early to say about the MY exports. India will find it difficult to export as the domestic prices has increased whereas international prices have remained more or less subdued.

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