

Groundnut Outlook – June 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, groundnut shipment reported lower by 3.13% to 488233 MT during April-March 2019 amounting total Rs. 3296 crores as compared to 504038 MT in last year during the same period of time. However, the shipment is higher by 26.29% as compared to 386594 MT in April 2018 to February 2019.

According to the third advanced estimates of production of foodgrains, lower groundnut crop was expected at 65.02 lakh tonnes from 44.94 lakh hectares for 2018-19 (Kharif and Rabi seasons) as against 92.53 lakh tonnes in 2017-18. Less rainfall at initial stage of crop and lower acreage are the main reasons for lower output of Groundnut.

According to the all India rabi crop coverage report, Government of India, as on 7th February 2019, groundnut was 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. Among the districts, Nagarkurnool stood first in groundnut sown area with 41,186 hectares followed by Wanaparthy (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	39.40
Feb	78.80	30.70	38.60
Mar	67.50	54.80	48.80
Apr	45.00	40.20	
May	19.10	46.00	
Jun	25.40	40.00	
Jul	37.20	31.00	
Aug	30.60	35.50	
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 May 2019

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	266	2,800	5,392	4,932
3	138	3,210	5,429	5,229
7	185	3,370	5,567	5,332
8	123	3,650	5,600	3,650
9	37	3,729	5,570	5,570
10	43	4,119	5,612	4,119
14	65	3,367	5,700	4,310
15	25	3,270	5,392	3,470
16	80	3,070	5,602	4,820
18	24	4,063	5,592	5,596
20	126	2,509	5,702	5,702
22	87	3,040	5,612	5,412
24	59	3,657	5,800	4,219
25	65	2,870	4,972	3,870
27	33	3,666	5,400	5,390
28	95	2,870	5,677	4,870
29	34	3,880	5,769	4,570
30	40	4,220	5,780	4,770
31	23	4,481	5,028	4,481

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

About 1,548 quintals of groundnut was traded in price range of Rs. 3470 – 5702 per quintal at Gadwal major market during May 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 month 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 seasons in the market at MSP price.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4500 – 5000** per quintal during the month of June, 2019.