

Groundnut Outlook – 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).

As per APEDA data, India's groundnut kernel shipment declined and is at 3.57 lakh tonnes during April-December 2018 amounting total Rs. 2,394 crore. This was lower than the corresponding figures of 3.88 lakh tonnes and Rs 2,647 crore during last year. The country exported total 5.04 lakh tonnes of groundnut kernel in 2017-18 (April-March) valued Rs. 3,386.30 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.

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 23.28 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 ha), Odisha (0.91 lakh ha) and Karnataka (0.72 lakh ha).

In Telangana, groundnut has been sown in around 1,07,676 hectares as on 6th February 2019. So far Nagarkurnool stood first in groundnut sown area with 40,806 hectares followed by Wanaparthy (22,290 ha) and Gadwal (8265 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	
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	35.50	
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: Prices and Arrivals of Groundnut at Gadwal Market in the Month of February 2019

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	2,131	2,100	4,780	3,819
2	2,889	2,400	4,920	3,875
6	2,784	2,319	4,931	4,069
7	1,530	2,619	4,849	4,579
8	1,937	2,120	4,870	4,011
9	1,950	2,769	4,900	4,691
11	1,661	2,219	4,971	4,519
12	1,731	2,216	4,989	4,029
13	1,462	2,660	5,006	4,600
15	1,492	2,269	4,849	3,609
16	1,855	2,132	5,139	4,829
22	2,712	2,222	4,869	4,269
25	1,344	2,650	4,899	4,560
26	1,471	2,096	5,012	4,612
28	945	2,800	4,919	4,129

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

About 27,894 quintals of groundnut was traded in price range of Rs. 3609 – 4829 per quintal at Gadwal major market during February 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

As per recent updates, GSCSL (Gujarat State Civil Supplies Corporation Limited) procured total 4.25 lakh tonnes of Groundnut from 2.10 lakh farmers of the state at the cost of Rs. 2127 crore. The procurement operation of groundnut from farmers by the central government under price support scheme (PSS) was ended in Gujarat on 12th Feb 2019.

The nodal procurement agency is paying an effective MSP of Rs 5,000 per quintal for groundnuts-in-shell, which includes the Centre's Rs 4,890 rate and Rs 110 bonus declared by the state government.

Though the groundnut exports has been year over year low, but in recent times crossed 5 lakh tons. Hence, the market may witness higher prices in coming months. NAFED is also expected to make good use of higher market prices in auctioning the groundnut stocks of 2017-18 as well as 2018-19 MY to fill the gap of losses that it made in 2017-18.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4000 – 4400** per quintal during the month of March, 2019.