

Groundnut Outlook – October 2019

Groundnut (*Arachis hypogaea* L.) is an important oilseed crop in India which occupies first position 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 171.50 lakh tonnes in 2017-18 followed by India (91.79 lakh tonnes), United States (32.81 lakh tonnes), Nigeria (24.20 lakh tonnes) and Sudan (16.41 lakh tonnes). In India, during kharif 2019 lower sowing area was reported in few states compared to the previous year due to less rainfall at initial stage of crop, which may support the groundnut prices.

Table 1: State wise area under groundnut in India

State	2018-19		2019-20	
	Area (lakh ha)	% to total area	Area (lakh ha)	% to total area
Gujarat	14.67	36.50	15.52	39.48
Rajasthan	6.07	15.10	5.73	14.58
Andhra Pradesh	6.65	16.55	5.37	13.66
Karnataka	3.86	9.60	3.88	9.87
Madhya Pradesh	2.35	5.85	2.22	5.65
Others	6.59	16.40	6.59	16.76
All India	40.19	100.00	39.31	100.00

Source: www.agricoop.com

According to the all India kharif crop coverage report, Government of India, as on 26th September 2019, groundnut was sown in around 39.31 lakh hectares as compared to last year (40.19 lakh ha). Among the states, Gujarat stood first in area coverage with 15.52 lakh ha followed by Rajasthan (5.73 lakh ha), Andhra Pradesh (5.37 lakh ha), Karnataka (3.88 lakh ha) and Madhya Pradesh (2.21 lakh ha).

Table 2: District wise area under groundnut in Telangana State

District	2018-19		2019-20	
	Area (ha)	% to total area	Area (ha)	% to total area
Gadwal (Jogulamba)	6058	49.04	6023	49.16
Warangal (Rural)	2713	21.96	2082	16.99
Wanaparthy	603	4.88	1335	10.90
Suryapet	1079	8.74	1010	8.24
Nalgonda	283	2.29	565	4.61
Others	1616	13.08	1237	10.10
Telangana State	12352	100.00	12252	100.00

Source: www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 12,252 hectares as on 25th September 2019. Among the districts, Gadwal (Jogulamba) stood first in groundnut sown area with 6,023

hectares followed by Warangal (Rural) (2,082 ha), Wanaparthy (1,335 ha), Suryapet (1010 ha), and Nalgonda (565 ha).

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

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	159	2,000	7,840	6,369
4	210	3,101	6,952	3,321
5	175	3,090	7,169	5,880
6	189	2,826	6,470	4,854
7	210	3,620	7,852	4,867
9	207	3,617	6,311	5,200
12	224	3,837	6,682	5,297
13	98	4,251	6,832	5,330
17	90	5,529	7,269	4,189
26	166	2,542	6,566	2,542
27	152	2,669	7,216	5,619
30	143	3,019	7,600	5,705

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

In Gadwal market about 2,023 quintals of groundnut was traded in price range of Rs. 2,542 – 6,369 per quintal during September 2019. The central government has increased the minimum support price of groundnut for the year 2019-20 by Rs.200 from Rs. 4890 to Rs. 5090 per quintal.

Groundnut Price Outlook

According to the first advance estimates, Govt. of India, groundnut production is estimated at 63.11 lakh tonnes during kharif 2019-20.

As per state agriculture department of Gujarat, groundnut yield is likely to increase up to 1800 Kg/ha due to good rainfall compared to last year 1085 Kg/ha due to scanty rains. Sowing and rainfall pattern of 2019-20 is similar to 2016-17 and 2017-18; the estimated production could reach 28-30 lakh tonnes in the current year with favorable weather conditions.

Higher prices at the end of the season during last year and government procurement at MSP promoted more farmers to cultivate groundnut this year. Presently groundnut crop is at flowering to peg penetration stage, and till date there is no pest and disease attacks noticed.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4600 – 4900** per quintal during the month of October, 2019.