

Groundnut Outlook – January 2020

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).

Argentina, Brazil and India are aggressive in selling their new crops. China source crushing material from Senegal, Gambia and other African origins where there are no import tariffs imposed.

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
Telangana	0.93	26.57	1.15	29.49
Karnataka	0.72	20.57	0.95	24.36
Tamilnadu	0.65	18.57	0.74	18.97
Andhra Pradesh	0.45	12.86	0.55	14.10
Odisha	0.59	16.86	0.42	10.77
Others	0.16	4.57	0.09	2.31
All India	3.50	100.00	3.90	100.00

Source: www.agricoop.com

According to the all India rabi crop coverage report, Government of India, as on 2nd January 2020, groundnut was sown in around 3.90 lakh hectares as compared to last year (3.50 lakh ha). Among the states, Telangana stood first in area coverage with 1.15 lakh ha followed by Karnataka (0.95 lakh ha), Tamilnadu (0.74 lakh ha), Andhra Pradesh (0.55 lakh ha), and Odisha (0.42 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
Nagarkurnool	32318	34.60	49670	43.13
Wanaparthy	22290	23.86	20266	17.60
Gadwal	7285	7.80	9289	8.07
Vikarabad	1700	1.82	5212	4.53
Mahabubabad	5744	6.15	5072	4.40
Others	24074	25.77	25643	22.27
Total	93411	100.00	115152	100.00

Source: www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 1,15,152 hectares as on 2nd January 2020. Among the districts, Nagarkurnool stood first in groundnut sown area with 49,670 hectares followed by Wanaparthy (20,266 ha), Gadwal (Jogulamba) (9,289 ha), Vikarabad (5,212 ha) and Mahabubabad (5,072 ha).

Table 3: Arrivals and Prices of Groundnut at Wanaparthy Market in the Month of December 2019

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	97	4,321	5,462	4,716
2	95	4,315	5,717	4,876
5	126	4,281	5,517	4,887
6	294	4,631	5,642	4,881
7	415	3,817	5,647	5,191
8	576	3,869	5,780	5,230
9	857	3,905	5,711	4,845
11	1,093	3,786	5,801	4,985
12	1,017	3,195	5,836	4,489
13	1,191	3,966	5,846	4,850
14	1,165	3,316	5,740	4,707
16	2,823	3,089	5,781	5,366
18	3,701	3,332	5,605	5,296
19	3,221	3,670	5,466	4,777
21	5,220	3,090	5,446	5,116
23	6,593	3,499	5,349	4,739
27	4,096	3,616	5,266	4,877
30	3,090	3,811	5,516	4,890

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

In Gadwal market about 35,670 quintals of groundnut was traded in price range of Rs. 4,489 – 5,366 per quintal during December 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

As per Solvent Extractors Association (SEA) of India latest report, the exports of Groundnut meal are reported at 586 MT during April - October, 2019 lower from 6507 MT from April - October 2018.

India is sitting on a huge opportunity to capitalize on the Chinese demand for groundnut oil. India's groundnut oil exports has reportedly trebled at 40-45,000 tonnes so far over last year, with most of it going to China.

China has huge internal groundnut oil requirement, apart from re-export of India's groundnut oil from China to other countries.

India has exported total 1.88 lakh tonnes including groundnut seed, groundnut in shell and others so far of this season during April to October 2019-20. The country has exported total 4.85 lakh tonnes of groundnut in 2018-19 marketing season.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4900 – 5200** per quintal during the month of January 2020.