

## VANAKALAM (KHARIF) 2020-21 PRE-HARVEST PRICE FORECAST OF GROUNDNUT

### **Groundnut Price per Quintal will be around Rs. 4300 - 4600 at the Time of Harvesting (October to December 2020)**

China ranks first in groundnut production with 17.39 million tonnes followed by India 10.09 million tonnes, Nigeria 2.89 lakh tonnes, Sudan 2.88 million tonnes and Myanmar 1.60 million tonnes accounting for 37, 25, 6, 2 and 1 percent of total world production of 46.01 million tonnes for the year 2018-19.

Gujarat state's groundnut exports surged to 4.7 lakh metric tonnes (MT) in fiscal year 2020 from 3 lakh MT in the previous year. The exports in volume terms rose to 3-years high. The maximum quantity of groundnut was exported to Vietnam, Indonesia, Philippines and China. Sharp increase in exports from Gujarat, the largest producer of the oilseed in India, pushed up overall groundnut exports from the country to 6.6 lakh MT (Rs 5,096 crore) in 2019-20 as compared to 4.9 lakh MT (Rs 3,298 crore) in the previous fiscal year.

The government aims to produce 7.81 million tonnes groundnut in 2020-21 kharif season, up sharply from last year's 5.31 million tonnes. Expectation of bigger kharif harvest and higher imports from less developed countries in Africa may further dampen sentiment for the groundnut, and fading export demand and shrinking demand from oil millers may depress the groundnut prices in future. According to the Solvent Extractors' Association of India, India's groundnut imports were nearly doubled to 520,871 tonnes in 2019-20 (Apr-Mar). According to Saurashtra Oil Mills Association, the country's groundnut stock is seen steady at 2.8 – 3 lakh tonnes as of now.

In India, during kharif 2020-21 groundnut was sown in around 50.89 lakh hectares (125.75 lakh acres) which was 30.78 per cent higher than the corresponding period of last year 38.91 lakh ha (96.14 lakh acres). In major producing state Gujarat, it was sown in 20.65 lakh hectares (51.02 lakh acres) followed by Andhra Pradesh 7.50 lakh ha (18.53 lakh acres), Rajasthan 7.28 lakh ha (17.98 lakh acres), Karnataka 5.34 lakh ha (13.19 lakh acres) and Madhya Pradesh 2.80 lakh ha (6.91 lakh acres). MSP for groundnut has been increased by Rs. 185 to Rs. 5275 per quintal for marketing season 2020-21 from Rs.5090 per quintal in 2019-20.

In Telangana, groundnut is a major oilseed crop in yasangi (rabi) season although little area is cultivated in vanakalam (kharif) season for seed purpose. In Telangana, vanakalam (kharif) groundnut has been sown in around 14,359 hectares (35,481 acres) as compared to previous year 10,942 ha (27,038 acres). Among the districts Gadwal (Jogulamba) stood first with 14,495 acres followed by Warangal (Rural) 7287 acres, Wanaparthy 3933 acres, Nagarkurnool 2658 acres and Suryapet 1800 acres.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Rajendranagar, Hyderabad at Professor Jayashankar Telangana State Agricultural University with the financial support of Agricultural Marketing Department, Telangana State has assessed 2020-21 vanakalam (kharif) pre-sowing price forecast of groundnut. Under normal rainfall and crop area coverage, it is predicted that the groundnut price per quintal will be around **Rs. 4300 - 4600** at the time of harvesting (October to December 2020). This price forecast is based on the monthly modal price of groundnut obtained for 18 years from Gadwal regulated market using econometric models like ARIMA, SARIMA, ARCH and GARCH and also the market survey. Gadwal and Wanaparty are the two major groundnut markets in Telangana.

*Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.*