

VANAKALAM (KHARIF) 2021-22 PRE-HARVEST PRICE FORECAST OF GROUNDNUT

Groundnut Price per Quintal will be around Rs. 5300-5600 at the Time of Harvesting (October to December 2021)

Groundnut is an important oilseed crop in India which occupies first position in terms of area and second position in terms of production after soyabean. China ranks first in groundnut production with 17.57 million tonnes followed by India 9.95 million tonnes, Nigeria 4.45 million tonnes, Sudan 2.83 million tonnes and United States of America 2.49 million tonnes accounting for 36.01, 20.38, 9.12, 5.80 and 5.11 percent of total world production of 48.80 million tonnes in 2019-20. According to the 1st advance estimates, groundnut production estimate (kharif) was 8.25 million tonnes for 2021-22 as against 8.55 million tonnes in 2020-21 (kharif).

As per USDA, the United States is expected to produce 3.0 million tons of peanuts this year as against 2.8 million tons in previous crop. Large-scale sowing has completed in China this year. It is estimated to harvest 18.2 million tons of peanuts against 17.9 million metric tons previous year. In Nigeria planting is in progress and is expected to produce 4.4 million metric ton against 4.3 million metric ton last season.

China is expected to continue as a top market for groundnut seed and groundnut oil of Indian origin after their crop was damaged by 25-30%, which consequently lowered country's production by 40 lakh tonnes from the normal, this season and on strategic buying in near to medium-term. Further, China witnessed severe flood in Henan province which contributes more than 30% of the total groundnut production in China. So, groundnut production in China is likely to decline and will import from India to fulfill its domestic groundnut oil demand. Chinese new crop peanut estimates the price to be more than 9000 Yuan/ton.

According to the Department of Commerce, India shipped 6.38 lakh tonnes of groundnut during April to March 2021, down from 6.64 lakh tonnes in fiscal 2020. In March 2021, the country exported a total of 0.48 lakh tonnes, down 17% from 0.58 lakh tonnes in March 2020. NAFED has procured 2.86 lakh metric tons groundnut pods in 2020-21 as compared to last year's 7.21 lakh metric tons.

In India, during kharif 2021-22 groundnut was sown in around 48.98 lakh hectares (121.03 lakh acres) which was 3.79 per cent less than the corresponding period of last year 50.91 lakh ha (125.80 lakh acres). In major producing state Gujarat, it was sown in 19.09 lakh hectares (47.17 lakh acres) followed by Rajasthan 7.76 lakh ha (19.18 lakh acres), Andhra Pradesh 6.19 lakh ha (15.30 lakh acres), Karnataka 4.75 lakh ha (11.74 lakh acres) and Madhya Pradesh 3.82 lakh ha (9.44 lakh acres). MSP for groundnut has been increased by Rs. 275 to Rs. 5550 per quintal for marketing season 2021-22 from Rs.5275 per quintal in 2020-21.

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, groundnut has been sown in around 19,414 acres as on 15th September 2021. Among the districts, Gadwal stood first in groundnut sown area with 7540 acres followed by Warangal (R) (5362 acres), Wanaparthy (1837 acres), Nagarkurnool (1173 acres) and Suryapet (938 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 2021-22 vanakalam (kharif) pre-harvest price forecast of groundnut. Under normal rainfall and crop area coverage, it is predicted that the groundnut price per quintal will be around **Rs. 5300-5600** at the time of harvesting (October to December 2021). This price forecast is based on the monthly modal price of groundnut obtained for 19 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.