

VANAKALAM (KHARIF) 2021-22 PRE-SOWING 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 6.73 million tonnes, Nigeria 4.45 lakh tonnes, Sudan 2.83 million tonnes and United States of America 2.49 million tonnes accounting for 36.01, 13.79, 9.12, 5.80 and 5.11 percent of total world production of 48.80 million tonnes in 2019-20. According to the 2nd advance estimates, groundnut production estimate (kharif and rabi) was 10.14 million tonnes for 2020-21as against 9.95 million tonnes in 2019-20.

India's export of groundnut has witnessed a continued upward journey hitting 19% growth in terms of volume followed by strong overseas demand. Currently, Indonesia, Vietnam, Malaysia, Philippines, Thailand and China are the top buyers of India's groundnut seed. China continues to buy groundnut oil and seed from India to meet its demand gap after its groundnut production was hit by 25-30% against the normal output of around 17 million tonnes of the output, due to the floods.

According to the Saurashtra Oil Mills Association (SOMA) the groundnut oil exports is to exceed 2 lakh tonnes this year. NAFED has procured about 2.84 lakh metric tonnes of groundnut seed under PSS by February 2021.

In India, during kharif 2020-21 groundnut was sown in around 50.95 lakh hectares (125.89 lakh acres) which was 23.68 per cent higher than the corresponding period of last year 38.87 lakh ha (96.07 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 5.37 lakh ha (13.26 lakh acres) and Madhya Pradesh 2.80 lakh ha (6.91 lakh acres).

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, 2020-21 kharif groundnut was sown in around 37,076 acres compared to previous year 31,028 acres. Among the districts, Gadwal stood first in groundnut sown area with 15,372 acres followed by Warangal (Rural) (7,292 acres), Nagarkurnool (2,831 acres), Wanaparthy (4,256 acres) and Suryapet (1,848 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-sowing price forecast of groundnut. Under expected 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.