

Groundnut Outlook – February 2022

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 1st advance estimates, groundnut production estimate (kharif) was 82.54 lakh tonnes for 2021-22 as against 85.56 million tonnes in 2020-21 (kharif).

Table 1: State wise area under groundnut in India

State	2020-21			2021-22		
	Area (lakh ha)	Area (lakh acres)	% to total area	Area (lakh ha)	Area (lakh acres)	% to total area
Telangana	0.48	1.19	22.33	1.14	2.82	42.22
Karnataka	1.01	2.50	46.98	1.01	2.50	37.41
Andhra Pradesh	0.22	0.54	10.23	0.23	0.57	8.52
Odisha	0.14	0.34	6.37	0.16	0.39	5.81
Tamil Nadu	0.27	0.67	12.60	0.15	0.37	5.59
Others	0.03	0.08	1.49	0.01	0.03	0.44
All India	2.15	5.31	100.00	2.70	6.67	100.00

Source: www.agricoop.gov.in

According to the all India rabi crop coverage report, Government of India, as on 3rd December 2021, groundnut was sown in around 2.70 lakh hectares as compared to last year (2.15 lakh ha). Among the states, Telangana stood first in area coverage with 1.14 lakh ha followed by Karnataka (1.01 lakh ha), Andhra Pradesh (0.23 lakh ha), Odisha (0.16 lakh ha) and Tamil Nadu (0.15 lakh ha).

Table 2: State wise Wholesale Prices Monthly Analysis for Groundnut January, 2022

State	Prices January, 2022	Prices December, 2021	Prices January, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	5338.97	5066.53	4961.65	5.38	7.6
Chhattisgarh	5236.75	5211.93	3924.89	0.48	33.42
Gujarat	5487.64	5606.92	5218.95	-2.13	5.15
Karnataka	6023.5	5634.58	5012.36	6.9	20.17
Madhya Pradesh	4642.2	4907.96	5031.94	-5.41	-7.75
Maharashtra	5662.41	6207.82	4842.64	-8.79	16.93
Rajasthan	5137.39	5227.02	5001.48	-1.71	2.72
Tamil Nadu	8038.44	7766.43	7313.01	3.5	9.92
Telangana	6369.06	6568.16	6643.42	-3.03	-4.13
Uttar Pradesh	5214.71	5135.63	4700.12	1.54	10.95
Average	5704.88	5712.09	5298.22		

Source: <https://agmarknet.gov.in>

Table 3: District wise area under groundnut in Telangana State

Districts	2020-21			2021-22		
	Area (ha)	Area (acres)	% to total area	Area (ha)	Area (acres)	% to total area
Nagarkurnool	38081.79	94102	43.36	58710.67	145077	45.57
Wanaparthy	11724.17	28971	13.35	13272.90	32798	10.30
Mahabubnagar	3069.95	7586	3.50	9099.78	22486	7.06
Nalgonda	5118.88	12649	5.83	8775.22	21684	6.81
Vikarabad	4672.51	11546	5.32	8060.54	19918	6.26
Others	25161.37	62175	28.65	30905.89	76370	23.99
Total	87828.66	217029	100.00	128824.99	318333	100.00

Source: www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 3,18,333 acres as on 2nd February 2022. Among the districts, Nagarkurnool stood first in groundnut sown area with 1,45,077 acres followed by Wanaparthy (32,798 acres), Mahabubnagar (22,486 acres), Nalgonda (21,684 acres), and Vikarabad (19,918 acres).

Table 4: Arrivals and Prices of Groundnut at Gadwal Market in the Month of January, 2022

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	1,444	5,141	8,114	7,270
4	913	5,150	8,241	7,200
5	715	4,970	7,800	7,206
6	980	5,210	8,253	7,271
7	836	5,103	8,261	7,512
8	852	5,112	8,299	7,712
10	1,275	5,170	8,170	7,200
11	917	4,944	7,800	7,189
12	874	4,924	7,470	6,461
13	838	4,847	7,400	6,500
17	1,129	4,930	6,980	5,812
18	1,024	4,910	8,012	6,270
19	861	4,910	7,441	6,309
20	786	4,980	7,452	6,306
22	999	4,900	7,554	6,270
24	1,531	2,700	7,489	5,270
25	1,098	3,880	7,269	5,889
27	1,867	3,359	6,890	6,667
28	1,328	4,820	6,914	6,156
29	1,276	4,880	6,512	5,906
31	2,230	4,519	6,470	5,421

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

Groundnut Price Outlook

In January 2022 the monthly groundnut bold seed prices remained sideways despite tight arrival as compared to previous month. Weak export demand from China kept groundnut prices sluggish.

The average monthly price of Groundnut bold at Rajkot remained sideways and witnessed mild loss of 0.39% to Rs. 5,159 a quintal, compared to Rs.5,180/qtl in December 2021.

As per trade sources, India's groundnut export decreased in the month of November 2021 by 24% to 86,348 tonnes at an average FOB of \$1306/ MT compared to 1,14,263 tonnes during last year same period.

The groundnut export was up by 167% in November'2021 compared to the previous month. Of the total quantity around 40,541 tonnes were exported to Indonesia Vietnam, 16,103 tonnes, Philippines, 7,394 tonnes and 6,313 tonnes to Malaysia.

China's groundnut oil demand remains slacked in November 2021 as compared to previous year same period. In Nov'21 China imported 1,724 MT as compared with 36,761.93 MT in November'20. If China's groundnut oil demand remain subdued in upcoming months too, groundnut price is likely to remain under pressure.

NAFED had procured 2.86 lakh metric tons groundnut pod in 2020-21 as compared to the previous year's 7.21 lakh metric tons. The MSP for groundnut seed has been raised to Rs 5,550 per quintal for 2021-22, up from Rs 5,275 per quintal in 2020-21.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 6500 – 7000** per quintal during the month of February 2022.