

Groundnut Outlook – December 2018

Groundnut (*Arachis hypogaea L.*) is an important oilseed crop in India which occupies first 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 166.24 lakh tonnes followed by India (68.57 lakh tonnes), Nigeria (30.28 lakh tonnes) and United States (25.78 lakh tonnes).

Exporters of groundnut seed have urged the Union government to provide 10% incentive under the Merchandise Exports from India scheme (MEIS) to increase exports to China and the European Union. Though China and European Union are the major markets for oilseeds, India exports minimal quantities to these countries. China imported about 290,000 tonnes of groundnut in 2017-18 and India's share was only 627 tonnes. An overall import of groundnut by European Union is about 8 lakh tonnes and India imports around 15,000 tonnes. India is facing competition from African countries which has zero duty on exports to China.

According to the all India rabi crop coverage report, Government of India, as on 30th November 2018 groundnut has been sown in around 1.95 lakh hectares which was 31.09 per cent lower than the corresponding period of last year (2.83 lakh ha). In Telangana, it has been sown in 0.86 lakh hectares followed by Karnataka (0.65 lakh ha), Andhra Pradesh (0.17 lakh ha) and Tamil Nadu (0.15 lakh ha).

In Telangana, groundnut has been sown in around 85,593 hectares as on 28th November 2018. So far Nagarkurnool stood first in groundnut sown area with 31,664 hectares followed by Wanaparthy (19,328 ha) and Gadwal (7285 ha).

Table 1: Groundnut Exports from India (in thousand tons)

Month	2013-14	2014-15	2015-16	2016-17	2017-18
Oct	21.80	21.00	22.90	25.80	30.40
Nov	71.10	92.60	50.00	80.90	109.60
Dec	79.10	135.90	91.30	145.10	69.40
Jan	47.30	82.20	67.70	105.20	31.70
Feb	48.00	54.00	53.70	78.80	30.70
Mar	52.60	61.70	55.70	67.50	54.80
Apr	48.60	50.40	54.50	45.00	40.20
May	55.20	38.60	41.30	19.10	46.00
Jun	50.00	30.70	58.40	25.40	40.00
Jul	42.70	25.00	39.20	37.20	31.00
Aug	40.80	35.80	16.80	30.60	-
Sep	23.80	16.10	12.20	20.10	-

Source: www.agriwatch.com

Table 2: Top 10 Groundnut Importing Countries from India (April – August, 2018-19)

Importing Countries	Qty (Metric Tonnes)	Value (Rs. Crore)
Indonesia	91126.12	581.99
Philippines	22986.00	152.78
Malaysia	13339.86	89.01
Algeria	12746.00	86.65
Vietnam Soc Rep	12903.00	85.72
Thailand	10207.00	69.93
Ukraine	5097.65	33.63
Russia	4163.55	26.35
Netherland	3198.00	24.03
Nepal	2841.11	15.70
Top 10 Total	178608.29	1165.79
Other Countries	22584.28	141.49
Total	201192.57	1307.28
% Share of Top 10 Countries	88.77	89.21

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)

Table 3: Prices and Arrivals of groundnut at Gadwal Market in the Month of November 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	179	2,666	5,091	4,816
5	230	2,205	5,147	4,696
8	201	2,072	5,160	4,196
9	208	2,226	4,906	4,596
10	168	2,519	4,947	3,947
13	219	2,211	5,529	4,089
14	264	3,450	5,150	4,299
15	301	2,899	5,389	4,299
16	231	3,099	4,697	4,509
17	172	3,220	4,769	4,669
19	372	2,455	4,829	3,969
20	166	2,769	4,749	4,079
22	377	2,692	5,055	4,319
24	526	3,569	4,829	4,329
27	228	3,069	5,251	4,829
28	220	3,016	4,877	4,219
29	212	2,229	5,189	4,777

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

About 4,274 quintals of groundnut was traded in price range of Rs. 3947 – 4829 per quintal at Gadwal major market during November 2018. The central government has increased the minimum support price of groundnut for the year 2018-19 by 9.9% from Rs. 4450 to Rs. 4890 per quintal.

Groundnut Price Outlook

According to the first advanced estimate of kharif crop by GOI, all India groundnut crop production has been estimated at 63.28 lakh tons which seem to be on higher side.

According to Solvent Extractors Association of India (SEA) Groundnut production in Gujarat is at 15.95 lakh tons as compared to 31.5 lakh tons last year. All India groundnut production is estimated at 37.25 lakh tons against 52 lakh tons last year. With high carryover stock (nearly 6 lakh tons including 5.36 lakh tons of NAFED) the fall in production has been partially nullified. There are only few years when such huge stocks of groundnut have been carried forward to the next season.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut could trade in a range of **Rs. 4000 - 4400** per quintal during the month of December, 2018.