

Groundnut Outlook – January 2019

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).

NAFED has procured 3.22 lakh tonnes of groundnut as on December 2018. The procurement of groundnut this year is significantly low as the crop is less as well as price is higher which has resulted in farmers selling their produce directly into market.

A cumulative export in the first two months of MY 2018-19 was down by 29% and was at 99.28 thousand tonnes. The export was lowest for the first two months in three years. It is too early to say about the MY exports. India will find it difficult to export as the domestic prices has increased whereas international prices have remained more or less subdued.

According to the all India rabi crop coverage report, Government of India, as on 28th December 2018 groundnut has been sown in around 3.29 lakh hectares which was 22.76 per cent lower than the corresponding period of last year (4.26 lakh ha). In Telangana, it has been sown in 0.93 lakh hectares followed by Karnataka (0.71 lakh ha), Odisha (0.57 lakh ha) and Tamil Nadu (0.15 lakh ha).

In Telangana, groundnut has been sown in around 93,266 hectares as on 27th December 2018. So far Nagarkurnool stood first in groundnut sown area with 32,318 hectares followed by Wanaparthy (22,290 ha) and Gadwal (7285 ha).

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

Month	2016-17	2017-18	2018-19
Oct	25.80	30.40	30.40
Nov	80.90	109.60	68.90
Dec	145.10	69.40	
Jan	105.20	31.70	
Feb	78.80	30.70	
Mar	67.50	54.80	
Apr	45.00	40.20	
May	19.10	46.00	
Jun	25.40	40.00	
Jul	37.20	31.00	
Aug	30.60	35.5	
Sep	20.10	17.1	

Source: www.agriwatch.com

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

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 December 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	205	2,226	4,289	3,966
3	311	1,619	4,589	3,719
4	96	2,739	4,494	3,751
5	158	2,651	4,329	4,291
8	62	2,769	4,499	3,799
10	275	3,025	4,929	4,469
12	146	2,120	4,699	3,469
13	127	3,099	4,699	3,899
14	161	3,069	4,391	3,759
15	161	3,030	4,669	4,129
18	239	2,755	4,579	3,899
19	187	3,009	4,951	3,739
20	108	2,829	4,499	3,789
22	77	2,789	4,477	4,050
24	412	3,210	5,169	3,676
27	479	2,829	5,089	4,681
28	493	4,118	4,809	4,526
29	642	2,829	5,599	4,599

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

About 4,339 quintals of groundnut was traded in price range of Rs. 3469 – 4681 per quintal at Gadwal major market during December 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

NAFED Groundnut procurement accelerated in last two weeks and total procurement has increased up to 3.73 lakh tons. Procurement has accelerated due to fall in market price.

The carryover stock is high (nearly 6 lakh tons with 5.36 lakh tons of NAFED), by which 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.

Sowing in Karnataka and Telangana has been very low due to lack of soil moisture after the dismal performance of SW monsoon in most of the groundnut growing regions. Currently, groundnut is at vegetative stage.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut could trade in a range of **Rs. 3900 - 4300** per quintal during the month of January, 2019.