

Groundnut Outlook – May 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).

As per APEDA data, groundnut shipment reported lower by 3.13% to 488233 MT during April-March 2019 amounting total Rs. 3296 crores as compared to 504038 MT in last year during the same period of time. However, the shipment is higher by 26.29% as compared to 386594 MT in April to February 2019. Around 50 per cent of our peanut exports are to Indonesia, Vietnam, Philippines and Malaysia, with the remaining being accounted for by China, Russia Ukraine and United Kingdom.

According to SEA report, groundnut crop area in India is at 40.12 lakh ha in 2018-19 down from 41.35 lakh ha in last year. Similarly, production and yield are estimated at 37.70 lakh tonnes and 931 Kg/ha respectively as against 52.75 lakh tonnes and 1269 Kg/ha respectively during previous year.

According to the all India rabi crop coverage report, Government of India, as on 7th February 2019, groundnut has been sown in around 4.81 lakh hectares which was 23.2 per cent lower than the corresponding period of last year (6.27 lakh ha). Among the states Tamil Nadu stood first in area coverage with 1.26 lakh ha followed by Telangana (1.07 lakh hectares), Karnataka (0.72 lakh ha) and Odisha (0.91 lakh ha).

In Telangana, groundnut has been sown in around 1,11,489 hectares as on 27th March 2019. So far Nagarkurnool stood first in groundnut sown area with 41,186 hectares followed by Wanaparthy (22,328 ha) and Gadwal (8516 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	30.80
Jan	105.20	31.70	39.40
Feb	78.80	30.70	38.60
Mar	67.50	54.80	48.80
Apr	45.00	40.20	
May	19.10	46.00	
Jun	25.40	40.00	
Jul	37.20	31.00	
Aug	30.60	35.50	
Sep	20.10	17.10	

Source: www.agriwatch.com

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

Importing Countries	Quantity (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: Arrivals and Prices of Groundnut at Gadwal Market in the Month of April 2019

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	528	2,319	4,770	3,700
4	414	2,302	4,570	3,445
8	386	2,120	4,842	4,372
9	280	2,366	4,652	4,220
12	986	2,120	4,512	3,600
13	452	2,139	4,580	3,852
15	581	2,402	5,120	5,120
16	247	2,100	4,830	4,070
17	236	3,026	4,890	4,177
18	262	2,828	4,720	3,840
20	423	2,570	5,112	3,700
22	283	2,869	5,180	3,369
23	261	2,120	5,112	3,848
26	83	3,200	5,200	5,200
27	176	3,420	5,512	5,429
29	250	3,099	5,391	5,011

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

About 5,848 quintals of groundnut was traded in price range of Rs. 3369 – 5429 per quintal at Gadwal major market during April 2019. 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 has disposed a total 801082.41 MT of groundnut K-17 and 145591.07 MT of groundnut K-18 so far. During April 2019, it has disposed 43983 MT and 79981 MT of groundnut K-17 and K-18 respectively, which is more than the previous month's record.

Currently groundnut export price is at \$1,000 per tonne from our region, while the same product from Senegal, Sudan, Brazil and Argentina is available at \$ 800. There is no doubt that Indian peanuts fetch a premium price because of better flavour and higher oil content. But when the price difference becomes too wide, the buyers start turning to alternative suppliers.

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