

Groundnut Outlook – December 2019

Groundnut (*Arachis hypogaea L.*) is an important oilseed crop in India which occupies first position 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 171.50 lakh tonnes in 2017-18 followed by India (91.79 lakh tonnes), United States (32.81 lakh tonnes), Nigeria (24.20 lakh tonnes) and Sudan (16.41 lakh tonnes).

Argentina, Brazil and India are aggressive in selling their new crops. China source crushing material from Senegal, Gambia and other African origins where there are no import tariffs imposed.

Table 1: State wise area under groundnut in India

State	2018-19		2019-20	
	Area (lakh ha)	% to total area	Area (lakh ha)	% to total area
Telangana	0.79	42.02	0.91	47.64
Karnataka	0.65	34.57	0.58	30.37
Tamilnadu	0.14	7.447	0.17	8.901
Andhra Pradesh	0.17	9.043	0.16	8.377
Odisha	0.1	5.319	0.07	3.665
Others	0.03	1.596	0.02	1.047
All India	1.88	100	1.91	100

Source: www.agricoop.com

According to the all India rabi crop coverage report, Government of India, as on 28th November 2019, groundnut was sown in around 1.91 lakh hectares as compared to last year (1.88 lakh ha). Among the states, Telangana stood first in area coverage with 0.91 lakh ha followed by Karnataka (0.58 lakh ha), Tamilnadu (0.17 lakh ha), Andhra Pradesh (0.16 lakh ha), and Odisha (0.07 lakh ha).

Table 2: District wise area under groundnut in Telangana State

District	2018-19		2019-20	
	Area (ha)	% to total area	Area (ha)	% to total area
Nagarkurnool	28391	35.70	38549	42.16
Wanaparthy	19328	24.30	18690	20.44
Gadwal	4854	6.10	7289	7.97
Vikarabad	1700	2.14	5168	5.65
Mehabubabad	4299	5.41	4904	5.36
Others	20955	26.35	16837	18.41
Total	79527	100.00	91437	100.00

Source: www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 91,437 hectares as on 27th September 2019. Among the districts, Nagarkurnool stood first in groundnut sown area with 38,549 hectares followed by Wanaparthy (18,690 ha), Gadwal (Jogulamba) (7,289 ha), Vikarabad (5,168 ha) and Mahabubabad (4904 ha).

Table 3: Arrivals and Prices of Groundnut at Gadwal Market in the Month of November 2019

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	409	3,100	5,270	3,100
2	618	2,296	4,894	4,216
4	1,148	2,600	5,250	4,694
5	799	2,860	5,820	4,432
6	762	2,769	5,269	4,490
7	637	2,200	5,500	5,289
8	721	3,049	6,009	4,889
9	994	2,669	5,520	5,520
15	726	3,200	4,900	3,870
19	647	3,069	5,189	4,230
20	526	3,006	5,339	5,339
21	674	2,810	5,390	4,200
22	810	2,650	5,500	4,370
23	718	2,699	5,332	4,512
27	1,167	2,310	5,400	4,730
28	1,008	2,319	5,229	4,500
29	890	2,320	5,289	3,894
30	1,038	2,012	5,600	4,140

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

In Gadwal market about 14,292 quintals of groundnut was traded in price range of Rs. 3,100 – 5,520 per quintal during November 2019. The central government has increased the minimum support price of groundnut for the year 2019-20 by Rs.200 from Rs. 4890 to Rs. 5090 per quintal.

Groundnut Price Outlook

USDA estimated groundnut production at 27.41 lakh tonnes, down 3% from the previous forecast and down less than 1% from last year. Harvested area is expected to total 1.38 million acres, unchanged from the previous forecast but up 1% from 2018. The average yield is forecast at 3,964 pounds per acre.

In China, Peanut prices are still on a high level. Oil crushers have declared their purchase prices again, around \$ 1285 per ton. This price is supporting the domestic market; it is believed that the market will not decrease at this moment. Dealers are busy with importing from other origins, to catch their current demand.

Government makes efforts to export peanut produced in South India directly to the Netherlands and other European countries under direct trading promotion. The peanut was cultivated on about 0.25 million acres in the rabi (second crop) season every year as the area has favorable soil and weather conditions for growing quality peanut. Importers from the Netherlands had visited Mahabubnagar last year but the peanut produce was mainly being exported through the middlemen in Mumbai and Delhi.

Export of peanut produced in the state had come down in the recent decades following the presence of aflatoxin in peanut due to excessive use of fertilizers and improper drying of the produce, after the 1980s. However, farmers were producing peanut without aflatoxin now with an eye on exports.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4600 – 4900** per quintal during the month of December, 2019.