

Groundnut Outlook – November 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). In India, during kharif 2019 lower sown area was reported in few states compared to the previous year due to less rainfall at the beginning of the season, which may support the groundnut prices.

Groundnut seed and oil exports are expected to be high in this season as China is encouraging imports of groundnut oil instead of soybean oil. Relatively, Indian government has approved to bulk export of groundnut oil. Bumper groundnut crop expectation in India and lower crop prospectus in Africa will support Indian exporters to ship higher volume this year.

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
Gujarat	14.67	36.50	15.52	39.48
Rajasthan	6.07	15.10	5.73	14.58
Andhra Pradesh	6.65	16.55	5.37	13.66
Karnataka	3.86	9.60	3.88	9.87
Madhya Pradesh	2.35	5.85	2.22	5.65
Others	6.59	16.40	6.59	16.76
All India	40.19	100.00	39.31	100.00

Source: www.agricoop.com

According to the all India kharif crop coverage report, Government of India, as on 26th September 2019, groundnut was sown in around 39.31 lakh hectares as compared to last year (40.19 lakh ha). Among the states, Gujarat stood first in area coverage with 15.52 lakh ha followed by Rajasthan (5.73 lakh ha), Andhra Pradesh (5.37 lakh ha), Karnataka (3.88 lakh ha) and Madhya Pradesh (2.21 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
Gadwal (Jogulamba)	6058	49.04	6023	49.16
Warangal (Rural)	2713	21.96	2082	16.99
Wanaparthy	603	4.88	1335	10.90
Suryapet	1079	8.74	1010	8.24
Nalgonda	283	2.29	565	4.61
Others	1616	13.08	1237	10.10
Telangana State	12352	100.00	12252	100.00

Source: www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 12,252 hectares as on 25th September 2019. Among the districts, Gadwal (Jogulamba) stood first in groundnut sown area with 6,023 hectares followed by Warangal (Rural) (2,082 ha), Wanaparthy (1,335 ha), Suryapet (1010 ha), and Nalgonda (565 ha).

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

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	193	2,692	6,419	4,869
3	265	2,569	7,500	4,832
4	171	2,719	7,621	4,369
5	96	2,816	5,220	3,617
10	32	4,656	5,657	4,656
11	76	3,657	7,200	7,200
12	78	3,557	7,270	6,880
15	178	3,267	6,260	4,689
17	249	3,069	6,800	6,302
21	341	2,020	5,682	5,396
22	103	3,370	6,819	3,430
23	181	2,702	5,502	4,017
24	297	2,266	6,218	4,720
25	282	2,369	5,582	4,752
26	629	2,809	5,770	3,720
30	365	2,819	5,600	3,652
31	405	2,639	5,170	4,921

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

In Gadwal market about 3,536 quintals of groundnut was traded in price range of Rs. 3,430 – 7,200 per quintal during October 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

Groundnut in shell auction prices at Rajkot APMC ranged between INR 4500 and 5375 per quintal and is likely to decrease during the entire month. Groundnut price on monthly basis is declining due to heavy supplies in domestic market. Traders of Andhra Pradesh are importing groundnut kernel from Rajkot market due to better quality. Rabi crop is also expected to be high due to good rainfall. Good rainfall at maturity stage supported to improve standing crops of kharif season and expectation of good crop in coming rabi season. However, recent non-seasonal rainfall may damage quality of harvested crop of this season.

NAFED sale of K-18 groundnut is over and total progressive sale in 2018-19 is 5.74 lakh tonnes and balance quantity after sale is 1.40 lakh tonnes. Total stocks of groundnut of 2017-18 season with NAFED is 0.16 lakh tonnes and sold total 10.29 lakh tonnes so far. Therefore, total stock in NAFED is 1.56 lakh tonnes at the end of sale of groundnut in the state.

According to IOPEPC (Indian Oilseeds and Produce Export Promotion Council) survey report, India is likely to harvest groundnut crop at 68.60 lakh tonnes during Kharif 2019 higher against 51.96 lakh tonnes in previous year. It expects higher groundnut yield at 1745 Kg/ha compared to 1336 Kg/ha for this season.

As per SEA of India latest report, the exports of Groundnut meal in September 2019 is reported at 101 MT, and total 586 MT from April -September, 2019 had been exported which is lower than 5737 MT from April-September 2018.

As per APEDA report, India has exported total 154012 MT of groundnut worth of Rs. 1220 crores during April to August (2019) which is lower from 201193 MT of groundnut with the value of Rs. 1307 crore during April to August (2018).

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 November, 2019.