

Groundnut Outlook –March 2020

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 (91.79lakh tonnes), United States (32.81lakh tonnes), Nigeria (24.20 lakh tonnes) and Sudan (16.41 lakh tonnes).

As per 2nd advanced estimates, groundnut output is projected at about 8.24 million tons in the country, of which about 3.2 million tons is expected from Gujarat alone.

Sudan became a major supplier to the Chinese demand at prices ranging between \$950-\$1000/ton. But, shipments are not streamlined. Chinese demand came at an opportune time for Sudan, especially when the crop is bumper and the major consumer Indonesia had restricted the imports.

Total groundnut purchase of NAFED in 2019-20 is 7.19 lakh tons. It had procured 5 lakh tonnes from Gujarat alone followed by 1.93 lakh tons in Rajasthan, 0.21 lakh tons in Andhra Pradesh and 2546.19 MTs in UP. Currently, NAFED is buying in Karnataka only and bought total 2321.09 MTs so far. Total stocks of groundnut with NAFED is 8.86 lakh tons. Total 3.45 lakh farmers have benefitted from NAFED purchase of K-19 groundnut.

India has exported total 5.33 lakh tons including groundnut seed and other groundnut so far of this season during Apr to Jan 2019-20 which is higher by 8.92% against 4.89 lakh tonnes of groundnut in the last season.

India exported 488,233 tons of peanut in 2018-19 (Apr-Mar) and 312,890 tons in Apr-Nov (2019-20) and Groundnut meal are reported at 697 MT during April- January 2020 lower from 8693 MT from April-January 2019.

Table 1: Groundnut Exports (in Thousand Tons)

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|------------|---------|---------|---------|---------|---------|---------|---------|
| Oct | 21.8 | 21 | 22.9 | 25.8 | 30.4 | 32.59 | 28.54 |
| Nov | 71.1 | 92.6 | 50 | 80.9 | 109.6 | 65.18 | 126.22 |
| Dec | 79.1 | 135.9 | 91.3 | 145.1 | 69.4 | 44.86 | 113.75 |
| Jan | 47.3 | 82.2 | 67.7 | 105.2 | 31.7 | 33.85 | 64.63 |
| Feb | 48 | 54 | 53.7 | 78.8 | 30.7 | 39.16 | |
| Mar | 52.6 | 61.7 | 55.7 | 67.5 | 54.8 | 56.44 | |
| Apr | 48.6 | 50.4 | 54.5 | 45 | 46.5 | 48.73 | |
| May | 55.2 | 38.6 | 41.3 | 19.1 | 39.6 | 35.84 | |
| Jun | 50 | 30.7 | 58.4 | 25.4 | 40.1 | 39.64 | |
| Jul | 42.7 | 25 | 39.2 | 37.2 | 39.4 | 43.36 | |
| Aug | 40.8 | 35.8 | 16.8 | 30.6 | 35.5 | 32.92 | |
| Sep | 23.8 | 16.1 | 12.2 | 20.1 | 17.1 | 15.46 | |

Source: www.agriwatch.com

India, the world's largest edible oil buyer halted Malaysian palm oil imports apparently in retaliation to "political tit for tat". This has resulted in the spike of peanut oil prices and edible oils broadly.

The central government's decision to put curbs on the import of refined palm oil has resulted in the increase of prices up to Rs. 60 per tin (15 kg). Farmers would get good prices for their peanut and cotton yield.

Table 2: 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 | 1.07 | 23.31 | 1.16 | 24.42 |
| Karnataka | 0.72 | 15.69 | 1.07 | 22.53 |
| Tamilnadu | 1.16 | 25.27 | 0.99 | 20.84 |
| Andhra Pradesh | 0.54 | 11.76 | 0.66 | 13.89 |
| Odisha | 0.84 | 18.30 | 0.70 | 14.74 |
| Others | 0.26 | 5.66 | 0.17 | 3.58 |
| All India | 4.59 | 100.00 | 4.75 | 100.00 |

Source: www.agricoop.com

According to the all India rabi crop coverage report, Government of India, as on 30th January 2020, groundnut was sown in around 4.75lakh hectares as compared to last year (4.59lakh ha). Among the states, Telangana stood first in area coverage with 1.16lakh ha followed by Karnataka (1.07 lakh ha), Tamilnadu (0.99lakh ha), Andhra Pradesh (0.66 lakh ha), and Odisha (0.70 lakh ha).

Table 3: District wise area under groundnut in Telangana State

| District | 2018-19 | | 2019-20 | |
|---------------------|---------------|-----------------|---------------|-----------------|
| | Area (ha) | % to total area | Area (ha) | % to total area |
| Nagarkurnool | 40926 | 37.75 | 50361 | 43.31 |
| Wanaparthy | 22290 | 20.56 | 20351 | 17.50 |
| Gadwal | 8516 | 7.86 | 6682 | 5.75 |
| Vikarabad | 3568 | 3.29 | 5212 | 4.48 |
| Mehabubabad | 5744 | 5.30 | 5072 | 4.36 |
| Others | 27358 | 25.24 | 28590 | 24.59 |
| Total | 108402 | 100.00 | 116268 | 100.00 |

Source:www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 1,16,268 hectares as on 19thFebruary 2020.Among the districts, Nagarkurnool stood first in groundnut sown area with 50,361 hectares followed by Wanaparthy (20,351 ha), Gadwal (Jogulamba) (6,682 ha), Vikarabad (5,212 ha)and Mahabubabad (5,072 ha).

Table 4: Arrivals and Prices of Groundnut at Wanaparthy Market in the Month of February 2020

| Date | Arrivals (Quintals) | Minimum Price (Rs/quintal) | Maximum Price (Rs/quintal) | Modal Price (Rs/quintal) |
|------|---------------------|----------------------------|----------------------------|--------------------------|
| 1 | 1,844 | 3,909 | 5,690 | 4,999 |
| 2 | 2,101 | 3,920 | 5,866 | 4,990 |
| 3 | 2,025 | 3,809 | 5,881 | 5,000 |
| 5 | 1,922 | 3,909 | 5,967 | 5,129 |
| 6 | 1,610 | 3,609 | 5,911 | 5,209 |
| 7 | 1,395 | 4,051 | 5,881 | 5,400 |
| 8 | 1,546 | 4,090 | 6,047 | 5,290 |
| 9 | 1,248 | 4,190 | 6,139 | 5,390 |
| 10 | 1,383 | 4,610 | 6,147 | 5,290 |
| 12 | 1,189 | 4,409 | 5,996 | 5,309 |
| 13 | 1,224 | 4,051 | 6,050 | 5,409 |
| 14 | 784 | 4,775 | 5,830 | 5,490 |
| 15 | 463 | 5,009 | 5,987 | 5,509 |
| 16 | 812 | 4,199 | 6,060 | 5,499 |
| 17 | 776 | 4,899 | 6,040 | 5,410 |
| 19 | 910 | 4,729 | 5,970 | 5,299 |
| 22 | 653 | 4,959 | 6,000 | 5,509 |
| 26 | 424 | 4,666 | 5,990 | 5,550 |
| 27 | 275 | 5,299 | 6,068 | 5,722 |

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

In Gadwal market about 22,584 quintals of groundnut was traded in price range of Rs. 4,990 – 5,722 per quintal during February 2020. 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

Oil millers are expecting a 10% increase in the demand for cotton seed oil and 3% increase in peanut oil due to this decision. It may lead for huge amount of foreign exchange saving.

In Telangana, presently groundnut crop is at pod formation stage and no pest and diseases were noticed till date.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4900 – 5200** per quintal during the month of March 2020.