

Groundnut Outlook – September 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 ranks first in groundnut production with 17.39 million tonnes followed by India 6.70 million tonnes, Nigeria 2.89 lakh tonnes, Sudan 2.88 million tonnes and Myanmar 1.60 million tonnes accounting for 37, 14, 6, 2 and 1 percent of total world production of 46.01 million tonnes during 2018-19.

Table 1: State wise area under groundnut in India

State	2019-20			2020-21		
	Area (lakh ha)	Area (lakh Acres)	% to total area	Area (lakh ha)	Area (lakh Acres)	% to total area
Gujarat	15.50	38.30	40.65	20.65	51.03	40.71
Andhra Pradesh	4.83	11.94	12.67	7.49	18.51	14.77
Rajasthan	5.38	13.29	14.11	7.28	17.99	14.35
Karnataka	3.70	9.14	9.70	5.25	12.97	10.35
Madhya Pradesh	2.21	5.46	5.80	2.80	6.92	5.52
Others	6.51	16.09	17.07	7.25	17.92	14.29
All India	38.13	94.22	100.00	50.72	125.33	100.00

Source: www.agricoop.com

According to the all India kharif crop coverage report, Government of India, as on 3rd September 2020, groundnut was sown in around 50.72 lakh hectares as compared to last year (38.13 lakh ha). Among the states, Gujarat stood first in area coverage with 20.65 lakh ha followed by Andhra Pradesh (7.49 lakh ha), Rajasthan (7.28 lakh ha), Karnataka (5.25 lakh ha), and Madhya Pradesh (2.80 lakh ha).

Table 2: State wise Wholesale Prices Monthly Analysis for Groundnut August, 2020

State	Prices August, 2020	Prices July, 2020	Prices August, 2019	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	4253.39	4925.11	5990.42	-13.64	-29
Chhattisgarh	5090.77	4759.49	4571.3	6.96	11.36
Gujarat	5149.01	5526.01	5197.49	-6.82	-0.93
Karnataka	4776	5493.82	5614	-13.07	-14.93
Maharashtra	4101.28	5488.89	5293.92	-25.28	-22.53
Odisha	5969.86	2724.00	5784.82	119.16	3.2
Rajasthan	4072.86	3874.07	4531.18	5.13	-10.11
Tamil Nadu	6857.39	7467.21	8208.64	-8.17	-16.46
Telangana	3793.78	4209.93	4781.1	-9.88	-20.65
Uttar Pradesh	4692.18	4742.64	4807.18	-1.06	-2.39
West Bengal	6164.51	7255.33	5518.27	-15.03	11.71
Average	4992.82	5133.32	5653.34		

Source: https://agmarknet.gov.in/PriceTrends/SA_Pri_MonthRep.aspx

Table 3: District wise area under groundnut in Telangana State

District	2019-20			2020-21		
	Area (ha)	Area (Acres)	% to total area	Area (ha)	Area (Acres)	% to total area
Gadwal	4857.04	12002	49.95	5583.46	13797	40.42
Warangal (Rural)	2082.11	5145	21.41	2938.43	7261	21.27
Nagarkurnool	692.01	1710	7.12	1442.30	3564	10.44
Wanaparthy	212.06	524	2.18	1034.78	2557	7.49
Suryapet	517.19	1278	5.32	710.63	1756	5.14
Others	1364.20	3371	14.03	2103.56	5198	15.23
Total	9724.61	24030	100.00	13813.16	34133	100.00

Source: www.agritelangana.gov.in

In Telangana, groundnut has been sown in around 34,133 acres as on 2nd September 2020. Among the districts, Gadwal stood first in groundnut sown area with 13,797 acres followed by Warangal (Rural) (7261 acres), Nagarkurnool (3564 acres), Wanaparthy (2557 acres) and Suryapet (1756 acres).

Table 4: Arrivals and Prices of Groundnut at Suryapet Market in the Month of August 2020

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
6	9	2,059	3,659	3,659
7	16	4,579	4,579	4,579
25	2	4,105	4,105	4,105
26	1	4,225	4,225	4,225

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

In Suryapet market about 28 quintals of groundnut was traded in price range of Rs. 3,659 – 4,579 per quintal during August 2020.

Groundnut Price Outlook

The government aims to produce 7.81 million tonnes groundnut in 2020-21 kharif season, up sharply from last year's 5.31 million tonnes.

The groundnut seeds continued downtrend, on bearish supply outlook for the new kharif season given the surge in sown area and the expectation of a bigger harvest. Higher imports from less developed countries in Africa may further dampen sentiment for the groundnut and fading export demand and shrinking demand from oil millers may depress the groundnut prices further.

NAFED has disposed 3.88 lakh tonnes of groundnut in the states of Gujarat and Rajasthan, including stocks from Kharif 18 and Kharif 19.

India's groundnut oil exports are seen rising to around 50,000 tonnes in 2020-21 (Apr-Mar) from 40,000 tonnes last year.

According to the Solvent Extractors' Association of India, India's groundnut imports were nearly doubled to 520,871 tonnes in 2019-20 (Apr-Mar).

According to Saurashtra Oil Mills Association, the country's groundnut stock is seen steady at 2.8 – 3 lakh tonnes as of now.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of **Rs. 4200 – 4500** per quintal during the month of September 2020.