

Groundnut Price Forecast for October-November 2020

Groundnut is an important oilseed crop in India which occupies first position in terms of area and second position in terms of production. Groundnut harvest in October-November month in India. China is the largest producer as well as consumer of groundnut in the world with 170.09 lakh tonnes in 2019-20 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, Groundnut occupied 53 lakh ha in 2019-20 and production was estimated at approximately 93.47 lakh tonnes compared to 67.23 lakh tonnes in 2018-19. Exports decreased from 5.04 lakh tonnes in 2017-18 to 4.89 lakh tonnes in 2018-19. Imports have decreased from 1.72 thousand tonnes in 2017-2018 to 1.09 thousand tonnes in 2018-2019.

Total groundnut purchase of NAFED in 2019-20 is 5 lakh tonnes. It had procured 3.72 lakh tonnes from Gujarat at the minimum support price (MSP) of Rs 5,090/quintal. Apart from Gujarat, NAFED procured 1.44 lakh tonnes of groundnut from Rajasthan and 16,600 tonnes from Andhra Pradesh during the given period.

In current year of 2019-20, in Gujarat, the area under Groundnut is reported about 16.63 lakh ha (Third Advance Estimate, Directorate of Agriculture, Gujarat) as against 15.94 lakh ha as in last year 2018-19 (Revised Final Advance Estimate, Directorate of Agriculture, Gujarat). Production is estimated higher about 45.87 lakh tonnes as against 22.03 lakh tonnes in 2018-19.

India is the world's largest importer of palm oil. In the month of January, 2020 Indian government-imposed trade restriction in import of refined palm oil. The refined palm oil has been shifted to a "restricted status" from free trade status which implies that mandatory licenses to import refined palm oil will be required by Indian importers. These restrictions will have positive impact on the demand of groundnut in India.

Hence, Groundnut price which was prevailing around Rs. 750 per 20 kg in October-November 2017 in Gujarat, increased to about Rs. 855 per 20 kg in October-November 2018 and further increased to about Rs. 971 per 20 kg in October-November 2019. At present, the price of groundnut in Gujarat market during July-2020 is Rs 1118 per 20 Kg.

Considering these all and reviewing the traders' reports, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand, analyzed the historical monthly price data of Groundnut collected from Rajkot APMC. **The econometric analysis revealed that the prices of Groundnut during October-November 2020 i.e. at harvest may remain in the range of Rs. 4850 to 5375 per quintal (Rs. 970 – 1075 per 20Kg).**