

## **Groundnut Price Forecasting for October and November- 2022**

Groundnut is an important oilseed crop in India which globally occupies first position in area and second position in production. Groundnut is mainly harvested in October-November in India. China is the largest producer as well as consumer of groundnut in the world with total production of 183 lakh tons followed by India (70 lakh tons), Nigeria (45 lakh tons), United States (28.40 lakh tons), and Sudan (25 lakh tons) during 2022.

In India, *kharif* groundnut occupied area of 48.98 lakh hectares during 2021-22 which is down from 50.91 lakh hectares during 2020-21. The production was estimated at approximately 83.67 lakh tons during 2021-22 as compared to 85.28 lakh tons during 2020-21. Gujarat, Tamil Nadu, Andhra Pradesh, Karnataka, and Rajasthan are the major producing states which jointly contribute around 77 per cent of the groundnut production.

During 2021-22, India's groundnut exports declined to 4.76 Lakh tons from 6.38 Lakh tons during 2020-21. Weak import demand from China attributes to the lower exports. Currently, Indonesia, Vietnam, China, Philippines, Malaysia, and Thailand are the top buyers of India's groundnut. In these countries, around 77 per cent of groundnuts is exported. Similarly, during the same period, India's groundnut oil export also went down by 1.09 lakh tons as compared to 1.68 Lakh tons in 2020-21. In groundnut oil too, the lower exports can be attributed to low demand from China.

India imports around 3 million tons of palm oil from Indonesia. In April 2022, Indonesian government announced a ban on exports of palm oil due to shortage in the local markets. As a result of the ban, edible oil manufacturers in India expect prices for all edible oils to rise. But, recently in May month, Indonesia has announced to reopen the export of palm oil eventhough prices of edible oil have been rising since geopolitical tensions in eastern Europe flared up. Most edible oil prices have increased by 20-25 per cent during the last year. Sunflower, mustard, and groundnut oils are available in the retail market for Rs 185-190 per kg.

NAFED purchased 2.86 lakh tons of groundnut pod in 2020-21 as compared to 7.21 lakh tons during 2019-20. The MSP for groundnut has been increased from Rs 5275 per quintal during 2020-21 to Rs 5550 per quintal during 2021-22. For the year 2022-23, MSP has been declared at Rs 5850 per quintal.

In Gujarat, during the year 2021-22, the area under *kharif* groundnut was reported about 19.26 lakh ha whereas it was 21.01 lakh ha during 2020-21. Production was estimated at 43.84 lakh tons during 2021-22 as compared to 39.91 lakh tons during 2020-21.

Groundnut prices which were prevailing around Rs 977 per 20 kg during October-November 2020 in Gujarat, increased to Rs 1110 per 20 kg in October-November 2021. At present, the prices of groundnut in Gujarat market (during May-2022) are around Rs 1238 per 20 Kg.

Considering available information on production, international as well as local markets and trader views, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand, analyzed the monthly price data of 17 years for groundnut collected from Rajkot market of Gujarat. The econometric analysis revealed that the prices of groundnut during **October-November 2022** may remain in the range of **Rs 5150 to 5850 per quintal (Rs 1030 to 1170 per 20 Kg)**.

*Note: There may be deviation of the actual prices from the predicted prices due to new developments in the commodity markets such as change in international prices, export or import restrictions, etc. And further, these price forecasts are based on past market price data & different econometric models. Thus, actual market price may not remain to be the same as forecasted.*