

Groundnut Price Forecast October-November 2022

Groundnut is an important oilseed crop in India which globally occupies first position in area and second position in production. Groundnut is harvested in October-November in India. China is the largest producer of groundnut in the world with total production of 179 lakh tons followed by India (67 lakh tons), Nigeria (42.31 lakh tons), United States (27.93 lakh tons) and Sudan (27.73 lakh tons) during 2021.

In India, *kharif* groundnut occupied an area of 45.14 lakh hectares during 2022 which is down from 48.64 lakh hectares during 2021. The production was estimated 83.69 lakh tons during 2022 as compared to 83.75 lakh tons during 2021. Gujarat, Tamil Nadu, Andhra Pradesh, Karnataka and Rajasthan are the major producing states which jointly contribute around 77 per cent of the groundnut production in the country. During *kharif* 2022, area under groundnut crop in southern states, particularly Andhra Pradesh, is only 20 per cent of the total area, while in Karnataka it is 35 per cent of the total area as compared to previous year.

India's groundnut exports declined from 6.38 lakh tons in 2020-21 to 5.14 lakh tons during 2021-22. Weak import demand from China attributes to the lower exports. Currently, Indonesia, Vietnam, Philippines, Malaysia, UAE and Thailand are the top buyers of India's groundnut. These countries jointly account for 86 per cent of groundnuts export from India.

During 2021-22, India's groundnut oil export was 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.

The United States forecasted groundnut production in China during the year 2020-2021 at 17.7 million tons, which is likely to remain the same during 2022-23. However, due to the drought in China, groundnut imports are likely to increase. As a result, there is likely to be high demand for groundnuts in the domestic market.

NAFED purchased 2.86 lakh tons of groundnut in 2020-21 as compared to 7.21 lakh tons during 2019-20. The MSP for groundnut has been increased from Rs 5,550 per quintal during 2021-22 to Rs 5,850 per quintal during 2022-23.

During the year 2022, the area under *khariif* groundnut in Gujarat was reported about 17.01 lakh hectares and it was 19.26 lakh hectares during 2021. Production is estimated at 39.17 lakh tons during 2022-23, while it was 43.59 lakh tons during 2021-22.

Groundnut price which was 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 price of groundnut in Gujarat market during August-2022 is Rs 1252 per 20 kg.

On the whole, due to drought in the China and low groundnut cultivation in Gujarat as well as in other southern Indian states, groundnut prices may rise in the near future.

Considering available information and trader's view, 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 5700 to 6300 per quintal (Rs 1140 –1260 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 these price forecasts are based on past market price data & different econometric models and that actual market price may not remain to be the same as forecasted.