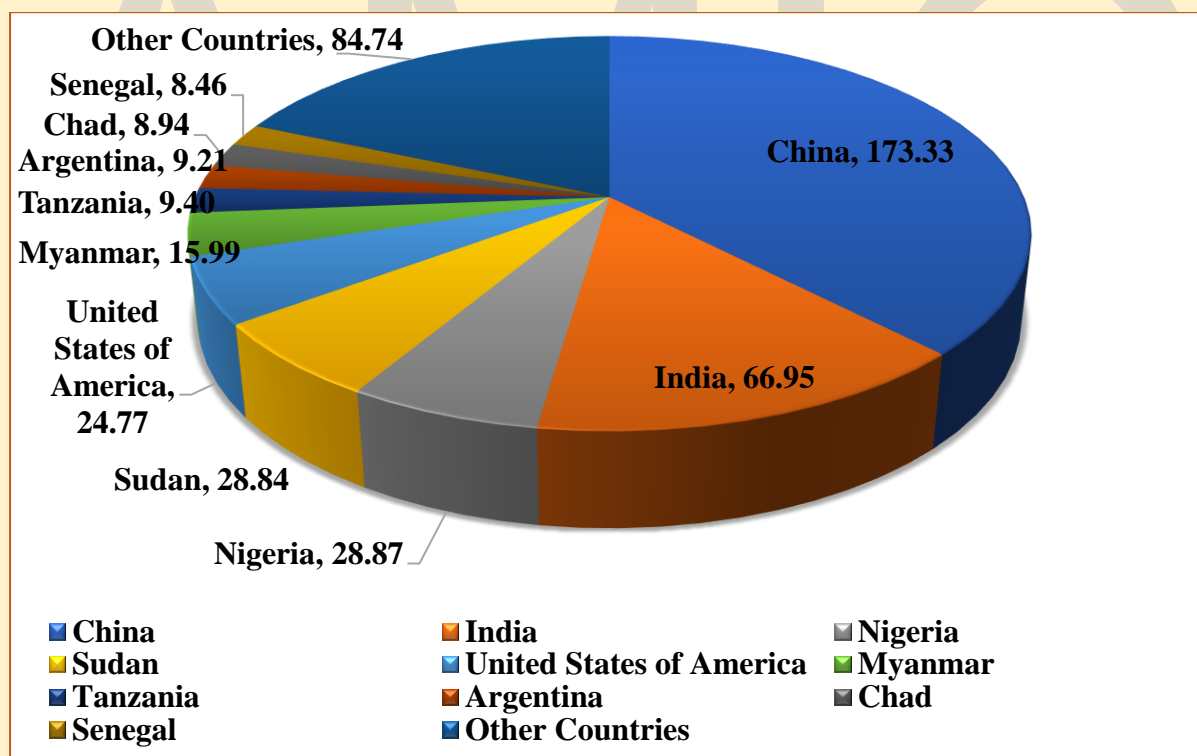


## GROUNDNUT OUTLOOK REPORT – January to December 2020

Groundnut (*Arachis hypogaea* L.) is a leguminous plant that is widely cultivated in the tropics and subtropics between 40°N and 40°S latitudes. It is valued for its high-oil edible seeds and as such, it is the fourth most important source of edible oil and a third most important source of vegetable protein in the world. Groundnut is not only an important oilseed crop of India but also an important agricultural export commodity. Globally, Groundnut covers 295 lakh hectares with the production of 487 lakh tonnes with the productivity of 1647 kg per hectare (FAOSTAT, 2019). With annual all-season coverage of 47 lakh hectares globally, India ranks first in Groundnut acreage and is the second largest producer of Groundnut in the world with 67 lakh tonnes after China with a productivity of 1422 kg per hectare (FAOSTAT,2019). Groundnut is cultivated in one or more (kharif, rabi and summer) seasons, but nearly 80% of acreage and production comes from kharif crop (June-October).

**Figure 1: India’s position in production (lakh tonnes) of Groundnut (with Shell) in the World during 2018**



Source: Indiastat, 2020.

India is one among the top three producing countries of Groundnut in the world. It ranks second next to China (37 per cent contribution to the world Groundnut production). Nearly 15 percent of Groundnut production is contributed by India to the world production during 2018. Nigeria ranks third in world Groundnut production with 6 per cent contribution.

**Table 1: Quantity and value of exports of Groundnut oil meal and vegetable oil from India**

Years	Vegetable Oil		Oil meal
	Quantity (in tonnes)	Value (in Crores)	Quantity (MT)
2017-2018	12171.24	104.41	7558
2018-2019	17057.29	142.68	8803
2019-2020	8627.16	86.15	3877

Source: Indiatat, 2020.

**Table 2: Area, Production and Yield of Groundnut in India and percentage share of Groundnut in oilseeds.**

Years	A, P & Y of Groundnut			Per centage share of Groundnut in oilseeds in India	
	Area	Production	Yield	Area	Production
1950-1951	44.94	47.95	775	40.5	77.3
1960-1961	64.63	48.12	745	46.9	68.9
1970-1971	73.26	61.11	834	44.4	64.1
1980-1981	68.01	50.05	736	38.6	53.4
1990-1991	83.09	75.15	904	34.4	40.4
2000-2001	65.59	64.1	977	28.8	34.8
2010-2011	58.56	82.66	1411	21.5	25.5
2015-2016	45.97	67.33	1465	17.6	26.7
2016-2017	53.38	74.62	1398	20.4	23.9
2017-2018	48.88	92.53	1893	19.9	29.4
2018-2019	47.31	67.27	1422	19.1	21.3
2019-2020	-	100.96	-	-	30.2
2020-2021*	-	95.35	-	-	37.1

Source: Indiatat, 2020. \* Provisional, Area-lakh ha, Production-lakh tonnes and yield-kg/ha

Groundnut is a major oilseed crop contributing around 37 per cent of the total oilseeds production in the country during 2020-21. Groundnut acreage in the country is fluctuating over the years and from the last two decades the area had declined from 83 lakh ha to 47 lakh ha as farmers are shifting from Groundnut to other remunerative crops after the introduction of the green revolution which mainly focused on cereal crops.

**Table 3: Consumption of Groundnut Meal, Groundnut Oil, Groundnut Oilseed in India**

Market Year	Domestic Consumption ('000 tonnes)		
	Groundnut Meal	Groundnut Oil	Groundnut Oilseed
2001	2154	1414	5476
2010	1472	1228	4845
2016	1506	1060	5220
2017	1537	1090	5515
2018	1379	1150	4965
2019	1525	1275	5425
2020	1590	1260	5540

Source: <https://www.usda.gov/>

The consumption of Groundnut is highest in the form of Groundnut oilseed (5540 thousand tonnes) followed by Groundnut meal (1590 thousand tonnes) and Groundnut oil (1260 thousand tonnes) during 2020.

**Table 4: Procurement of Groundnut by NAFED under Price Support Scheme**

Year	Support Price in Rs./Quintal (FAQ)	Qty. Procured (In MTs.)	Value (Rs. in Lakh)	Major States of Procurement
2013-14	4000	340325.35	136130.13	Maharashtra, Gujarat, Rajasthan, U.P, AP, Karnataka
2014-15	4000	6229.81	2491.92	Odisha
2015-16	4030	NIL	NIL	-
2016-17	4220	210731.16	88928.55	Gujarat
2017-18	4450	1046987	465887.62	Odisha, A.P., Karnataka, Rajasthan, Gujarat, Telangana, Maharashtra
2018-19	4890	719812.92	351881.65	Telangana, Odisha, Madhya Pradesh, Gujarat, Rajasthan, Uttar Pradesh
2019-20	5090	130.76	63.94	Odisha

Source: Indiastat, 2020. F.A.Q: Fair Average Quality.

NAFED procures Groundnut at Minimum Support Price under the Price Support Scheme thereby providing remunerative prices to farmers for their produce. From 2017 to 2019 there was bumper production in Groundnut coupled with the highest procurement by NAFED.

**Table 5: Area and Production of major Groundnut producing states in India**

States	1990-91		2000-01		2010-11		2015-16		2018-19			% Share of Groundnut in Oilseeds (2018-19)	
	A	P	A	P	A	P	A	P	A	P	Y	A	P
Andhra Pradesh	23.94	22.67	18.73	21.42	14.27	11.08	7.75	8.01	7.48	4.62 (6.8%)	618	87.3	91.6
Gujarat	17.02	10.53	17.45	6.89	18.06	33.66	14.14	23.39	15.94	22.03 (32.75%)	1382	62.3	59
Karnataka	12.12	8.28	10.63	10.81	8.48	7.42	5.7	3.95	5.15	3.91 (5.8%)	759	54.2	50
Rajasthan	2.32	2.18	1.95	1.80	3.47	6.81	5.17	10.49	6.73	13.82 (20.54%)	2053	15.4	20
Tamil Nadu	9.63	11.79	6.99	13.59	3.86	8.96	3.47	8.92	3.35	9.11 (13.5%)	2718	85.9	96.9
Telangana	0	0	0	0	1.95	3.51	1.28	2.06	1.26	3.14 (4.67%)	2491	39.3	53.3
Other States	18.06	19.7	9.83	9.59	8.47	11.22	8.45	10.51	7.4	10.74	-	25.99	31.33
India	83.09	75.15	65.58	64.10	58.56	82.66	45.96	67.33	47.31	67.27	1422	19.1	21.3

Source: Indiastat, 2020. Area- in lakh hectare, Production: in lakh tonnes, Yield: in Kg/ha  
Figures in parentheses indicate per cent to total Groundnut production in India

Gujarat is the largest producer contributing 33 per cent of the total production of Groundnut followed by Rajasthan (21 %), Tamil Nadu (14 %). Andhra Pradesh contributes 7 per cent and Telangana contributes 5 per cent to total Groundnut production. Groundnut production contributes around 87 per cent of acreage and 91 per cent of production to total oilseeds in Andhra Pradesh. Groundnut contributes 19.1 per cent area and 21.3 per cent production to total oilseeds area and production in India respectively.

**Table 6: District wise area and production of Groundnut in Andhra Pradesh (2019-20)**

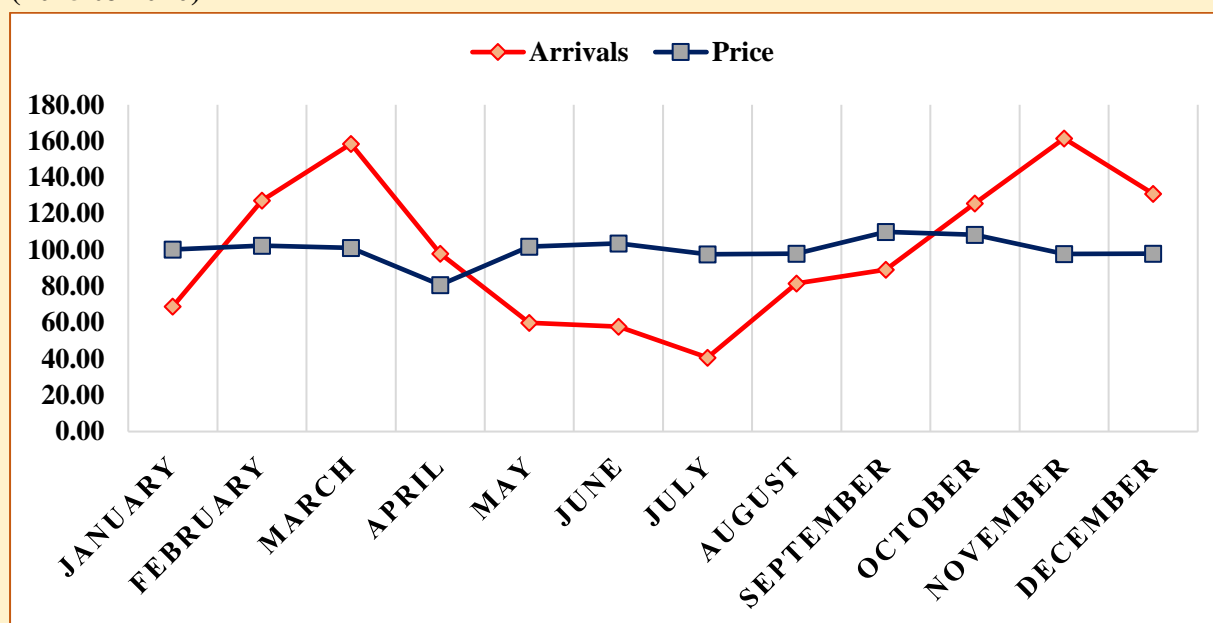
District	Area (‘000 ha)	Position	Production (‘000 tonnes)	Position	Yield (kg/ha)
Anantapuram	409	1	344	1	841
Chittoor	108	2	204	2	1884
Kurnool	95	3	167	3	1755
Kadapa	22	4	53	4	2420
Nellore	9	5	36	5	4072
Guntur	3	6	11	6	3638
Prakasam	3	6	9	7	3110
Other Districts	12		26		-
<b>Andhra Pradesh</b>	<b>661</b>		<b>850</b>		<b>1285</b>

Source: apagrisnet.gov.in

In Andhra Pradesh, Groundnut production and area are highest in Anantapuram district with production of 3.44 lakh tonnes and 4.09 lakh ha respectively followed by Chittoor and Kurnool. The productivity of Groundnut is highest in the Nellore district with 4072 kg/ha.

**Table 7: Seasonal indices of Groundnut arrivals and prices in major markets of Kurnool district (2015 to 2020)**

Months	Arrivals	Price
January	68.96	100.23
February	127.26	102.38
March	158.47	101.15
April	97.96	80.80
May	59.83	101.94
June	57.75	103.68
July	40.76	97.63
August	81.64	97.98
September	89.15	109.98
October	125.72	108.45
November	161.46	97.86
December	131.03	97.92

**Figure 2: Trends in Groundnut arrivals and prices in major markets of Kurnool district (2015 to 2020)**

In April 2020 the important domestic Groundnut cash markets remained closed due to nationwide lockdown amidst COVID-19, which started from 24 March 2020. The domestic Groundnut prices extended gains in March supported by good buying and lower soybean crop. Exports of 17665 MT of Indian Groundnuts to the international markets have been approved by the issue of Certificate of Exports (CoE) by APEDA during COVID-19. Relaxation in lockdown across the country improved the Groundnut supplies in the cash market yards from May 2020. In June 2020 demand for Groundnut oil was seen falling gradually. Besides the expectation of higher coverage area under the Groundnut seed and forecast of good monsoon has led to the gradual fall in the Groundnut seed prices. In July 2020 Jigsaw movement was witnessed in the Groundnut seed cash market. In August and September 2020 continuous rains in Gujarat's seed growing belt have inundated hundreds of acres of Groundnut fields. Gujarat is the largest Groundnut exporter accounted for 55 per cent of the Groundnut exports during April-September. In October 2020, the central government began procurement of Groundnut at MSP from farmers of Gujarat. Strong demand from China for Groundnut seed and Groundnut oil of Indian origin after their crop damage of 30- 35 per cent was supportive for Indian seed during the season. The Groundnut seed prices witnessed mild loses during November 2020, but they were about 9 per cent higher than the corresponding period in 2019, on strong demand. Currently, Indonesia, Vietnam, Malaysia, Philippines, Thailand and China are the top buyers of India's Groundnut seed. Few country's demand diverted to India due to short supplies from China. In the progressive purchase, NAFED has procured about 2,26,002

metric tonnes of Groundnut seed under the Price Support Scheme (PSS) by 28 December 2020, valued at Rs 1,19,216 lakh including Gujarat (1,75,502MT), Haryana (691 MT), Andhra Pradesh (231 MT), Rajasthan (44,872 MT) and Uttar Pradesh (4,706MT). Even though in December 2020, some pest and disease incidence including “Thrips” in the Groundnut crop was reported in the Andhra Pradesh districts of Anantapuram, Chittoor, Kadapa and Kurnool, the estimated production of 85.90 lakh tonnes is expected.

Under these circumstances, the Agricultural Market Intelligence Centre, ANGRAU expects that Groundnut is likely to trade in the price range between Rs. 5900-6250 per quintal in the coming months of the year 2021.

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