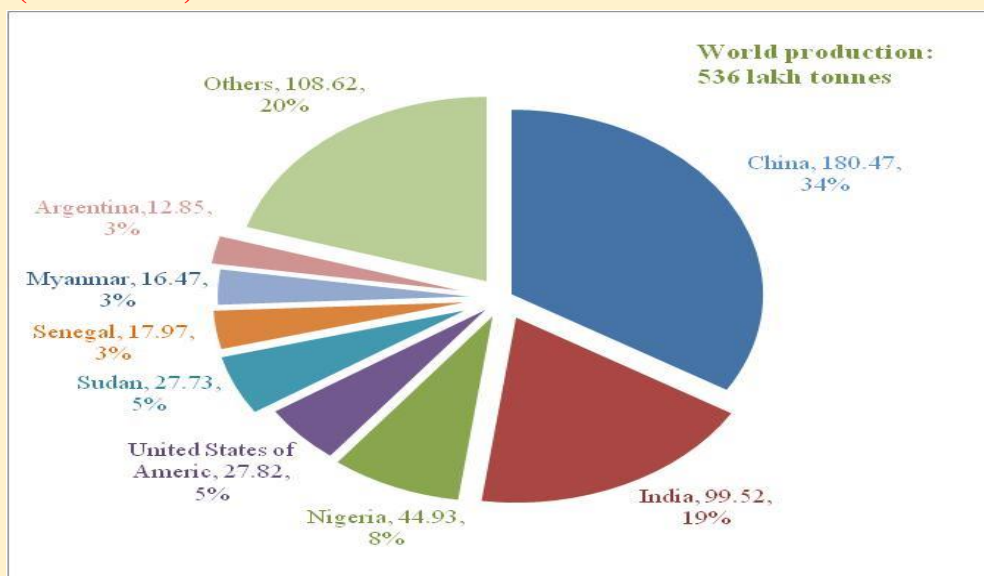


Acharya N.G. Ranga Agricultural University Crop Outlook Reports of Andhra Pradesh

GROUNDNUT– January to December 2021

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 content and edible seeds. 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 315 lakh hectares with the production of 536 lakh tonnes with the productivity of 1701 kg per hectare (FAOSTAT, 2020). With annual all-season coverage of 55.71 lakh hectares, globally, India ranks first in Groundnut area under cultivation and is the second largest producer in the world with 102 lakh tonnes with productivity of 1831 kg per hectare in 2020-21 (agricoop.nic.in). In Kharif 2021-22, groundnut production was 82.54 lakh tonnes (1st advance estimates) in an area of 49.14 lakh hectares (agricoop.nic). Groundnut is cultivated in one or more (kharif, rabi and summer) seasons, but nearly 90% of acreage and production comes from kharif crop (June-October). In Andhra Pradesh, groundnut is cultivated in an area of 8.7 lakh hectares with a production of 7.74 lakh tonnes, contributing 7.63% to India groundnut production (des.ap.gov.in) for the year 2020-21. According to 2nd advance estimates during 2021-22, groundnut was grown in 8.09 lakh hectares with a production of 5.35 lakh tonnes and productivity was 661 kg/ha.

Figure 1: India's position in Groundnut production (with Shell) in the World during 2020-21 (lakh tonnes)



Source: indiastat.com

India is one among the top three producing countries of groundnut in the world. It ranks second next to China (36 per cent contribution to the world groundnut production). Nearly 13 per cent of world groundnut production is contributed by India during 2018. Nigeria ranks third in world groundnut production with 10 per cent contribution (Figure 1).

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

Years	Vegetable Oil		Oilmeal
	Quantity (in tonnes)	Value (in Crores)	Quantity (tonnes)
2017-2018	12171.24	104.41	7558
2018-2019	17057.29	142.68	8803
2019-2020	8627.16	86.15	3877
2020-2021	-	-	6596

Source: *indiastat.com*

Exports of groundnut vegetable oil and oil meal from India are presented in Table 1. In 2019-20, the quantity of vegetable oil and oil meal exported are 0.086 lakh tonnes and 0.038 lakh tonnes respectively. In 2020-21, 0.065 lakh tonnes of oilmeal was exported from India.

Table2: 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
1950-51	44.94	47.95	775	40.5	77.3
1960-61	64.63	48.12	745	46.9	68.9
1970-71	73.26	61.11	834	44.4	64.1
1980-81	68.01	50.05	736	38.6	53.4
1990-91	83.09	75.15	904	34.4	40.4
2000-01	65.59	64.1	977	28.8	34.8
2010-11	58.56	82.66	1411	21.5	25.5
2015-16	45.97	67.33	1465	17.6	26.7
2016-17	53.38	74.62	1398	20.4	23.9
2017-18	48.88	92.53	1893	19.9	29.4
2018-19	47.31	67.27	1422	19.1	21.3
2019-20	43.08	99.52	2310	16.96	29.9
2020-21	55.71	102.10	1831	19.84	28.3
2021-22*	49.14	82.54	1679	25.33	35.29

Source: *indiastat.com** Provisional, Area-lakh ha, Production-lakh tonnes and Yield-kg/ha
agricoop.nic.in; eands.dacnet.nic.in 1st advance estimates

The decadal comparison of groundnut area, production and yield in India is presented in Table 2. Groundnut is a major oilseed crop contributing around 35.29 per cent of the total oilseeds production in the country during 2021-22. 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 49.71 lakh ha as farmers are shifting from Groundnut to other remunerative crops after the introduction of the green revolution which mainly focused on cereal / cash crops.

Table 3: Consumption of Groundnut Meal, Groundnut Oil and 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 (55.40 lakh tonnes) followed by Groundnut meal (15.90 lakh tonnes) and Groundnut oil (12.60 lakh tonnes) during 2020 (Table 3).

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

Year	Support Price in Rs./Quintal (FAQ)	Qty. Procured (in tonnes)	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	721205.04	367090.75	Odisha, Gujarat, Rajasthan, U.P, AP, Karnataka
2020-21	5275	280499.55	147926.30	Odisha, Gujarat, Rajasthan, U.P, AP, Karnataka

Source: Agricultural Statistics at a glance, 2020 eands.dacnet.nic.in F.A.Q: Fair Average Quality.

National Agricultural Cooperative Marketing Federation (NAFED) procures groundnut at minimum support price under the price support scheme thereby providing remunerative prices to farmers for their produce. From year 2017 to 2019 there was bumper production in Groundnut coupled with the highest procurement by NAFED. In 2020-21, 2.8 lakh tonnes of groundnut have been procured by NAFED (Table 4).

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

States	1990-91		2000-01		2010-11		2015-16		2020-21			% Share of Groundnut in Oilseeds (2019-20)	
	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	8.7	7.74 (7.58)	891	84.22	25.99
Gujarat	17.02	10.53	17.45	6.89	18.06	33.66	14.14	23.39	20.65	56.82 (55.65)	2751	65.33	77.46
Rajasthan	2.32	2.18	1.95	1.80	3.47	6.81	5.17	10.49	7.29	15.97 (15.64)	2191	14.96	26.26
Tamil Nadu	9.63	11.79	6.99	13.59	3.86	8.96	3.47	8.92	3.40	10.13 (9.92)	2980	93.25	96.16
Karnataka	12.12	8.28	10.63	10.81	8.48	7.42	5.7	3.95	6.70	6.68 (6.55)	998	53.92	52.50
Telangana	0	0	0	0	1.95	3.51	1.28	2.06	1.02	2.44 (2.39)	2391	35.10	44.50
Other States	18.06	19.7	9.83	9.59	8.47	11.22	8.45	10.51	7.96	2.28 (2.24)	287	4.65	1.35
India	83.09	75.15	65.58	64.10	58.56	82.66	45.96	67.33	55.71	102.10	1831	19.85	28.28

Source: eands.dacnet.nic.in, Area (A)- in lakh hectare, Production (P) in lakh tonnes, Yield (Y) in Kg/ha, Figures in parentheses indicate per cent to total Groundnut production in India *provisional figures, yet to be finalised (Andhra Pradesh figures from Final Advance Estimates, 2020-21)

Gujarat is the largest producer contributing 56 per cent of the total production of Groundnut followed by Rajasthan (16 %), Tamil Nadu (10 %). Andhra Pradesh contributes 7.6 per cent and Telangana contributes 2.4 per cent to total Groundnut production. Groundnut production contributes around 84 per cent of acreage and 26 per cent of production to total oilseeds in Andhra Pradesh. As the Andhra Pradesh farmers are shifting towards oilpalm cultivation due to the incentives provided by the state government like announcement of remunerative price, oilpalm production in 2020-21 contributed 73% to total oilseeds production which resulted in decreasing share of groundnut in total oilseeds production. Groundnut contributes 20 per cent area and 28 per cent production to total oilseeds area and production in India respectively (Table 5).

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)
Anantapur	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		-
Andhra Pradesh	661		850		1285

Source: apagrisnet.gov.in

The district wise area, production and yield of groundnut in Andhra Pradesh is presented in table 6. In Andhra Pradesh, Groundnut production and area are highest in Anantapur district with production of 3.44lakh 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. As the line share of area under cultivation (61.87%) is under low productivity (841 kg/ha) in Anantapur district, the overall productivity of Andhra Pradesh was recorded as 1285 kg/ha during 2019-20.

Groundnut Price Outlook:

Seasonal indices measure the monthly per cent deviation from the average arrivals and prices from 2015 to 2021. Modal prices of groundnut from major markets of Kurnool district were taken for calculating seasonal indices.

Table 7: Seasonal indices of Groundnut arrivals and prices in major markets of Kurnool district (Agricultural Year 2015 to 2021)

Months	Arrivals	Price
June	71.70	104.06
July	34.67	99.85
August	60.32	94.86
September	85.92	85.26
October	119.37	100.33
November	155.98	97.58
December	118.86	98.69
January	74.25	101.50
February	143.81	110.80
March	159.52	112.88
April	83.36	86.24
May	92.25	107.98

Source: Data obtained from major AMCs in Kurnool district

The seasonal indices of groundnut arrivals and prices from major markets of Kurnool district presented in Table 7 shows that, the arrivals are highest in the months of March & November and prices are highest in the months of March & February. The average monthly prices of groundnut were Rs. 5195, 5187, 5055 and 5206 for the months of September, October, November and December 2021 respectively in Kurnool district.

Table 8: Market Prices vis-à-vis MSP of Groundnut in Major Producing States in Kharif Marketing Season 2020-21 (Oct 2020 to Feb 2021)

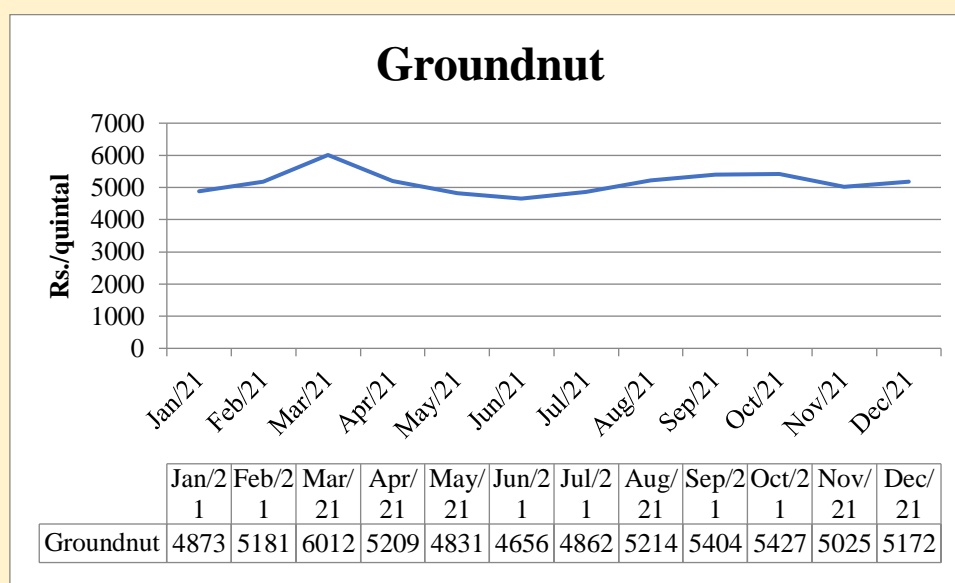
States	No. of days market prices reported	No. of days market prices were above MSP	No. of days market prices were below MSP				Average difference (%) between MSP & market price
			<5 %	5%-10%	10%-15%	>15 %	
Andhra Pradesh	71	15	4	6	7	39	-13.9
Gujarat	137	7	33	51	11	11	-5.4
Karnataka	132	8	5	5	24	67	-12.2
Rajasthan	141	3	15	68	23	8	-7.7
Tamil Nadu	109	78	5	3	0	2	27.0

Source: 1. AGMARKNET, Directorate of Marketing & Inspection (DMI), Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare

2. Directorate of Economics & Statistics, Ministry of Agriculture and Farmers Welfare

Table 8 shows the average difference between the MSP and market price and number of days when market prices were above MSP in major groundnut producing States. It can be seen from the Table 8 that market prices were below MSP for most of the days in Rajasthan, Gujarat and Karnataka. Average difference was highest in Andhra Pradesh (-13.9%), Karnataka (-12.2%) and lowest in Gujarat (-5.4%). However, in Tamil Nadu, market prices were higher than MSP during most of the days and average market price was 27 percent higher than MSP during Kharif Marketing Season (KMS)2020-21.

Figure 2: Average monthly prices of Groundnut in Andhra Pradesh



Source: Data obtained from major Andhra Pradesh AMCs

The figure 2 shows the monthly average prices of groundnut in Andhra Pradesh, obtained from major markets. As per the information shared by Agricultural Market Intelligence Centre (AMIC), ANGRAU, Gujarat is harvesting a bumper crop with a record of 3.85 million tons for the Kharif season. It is about 8.74% higher when compared to 3.54 lakh tonnes produced in the previous year. The production is up mainly due to good rainfall and no significant damage; yields have jumped to 2020 kg per hectare compared to 1715 kg per hectare in the previous year. USA freight rates are at a historical high, which could create a severe impact on European Union (EU) exports. Argentinean crop had a good demand with EU, 70% of the production is so far contracted. Brazil new crop plantings were 30% completed, expecting more rain to complete the plantings. Chinese peanut price is stable amid weak demand, farmers are stubborn. Northern Nigeria new crop peanut is ready for export; it completed 90% of the harvest. As on 3rd December 2021, 51.84 lakh hectares of groundnut was sown compared to 53.13 lakh hectares last year in India (agricoop.nic.in). In Andhra Pradesh as on 29th December 2021, 7 lakh hectares of groundnut was sown compared to 7.9 lakh hectares last year (apagrisnet.gov.in).

Under these circumstances, the AMIC, ANGRAU is here with providing the latest information with regard to forecast price range of Rs. 5500-5700 per quintal of groundnut in this Rabi marketing/harvesting season 2021-22.
