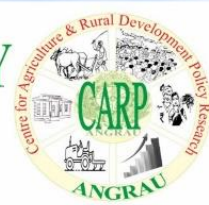




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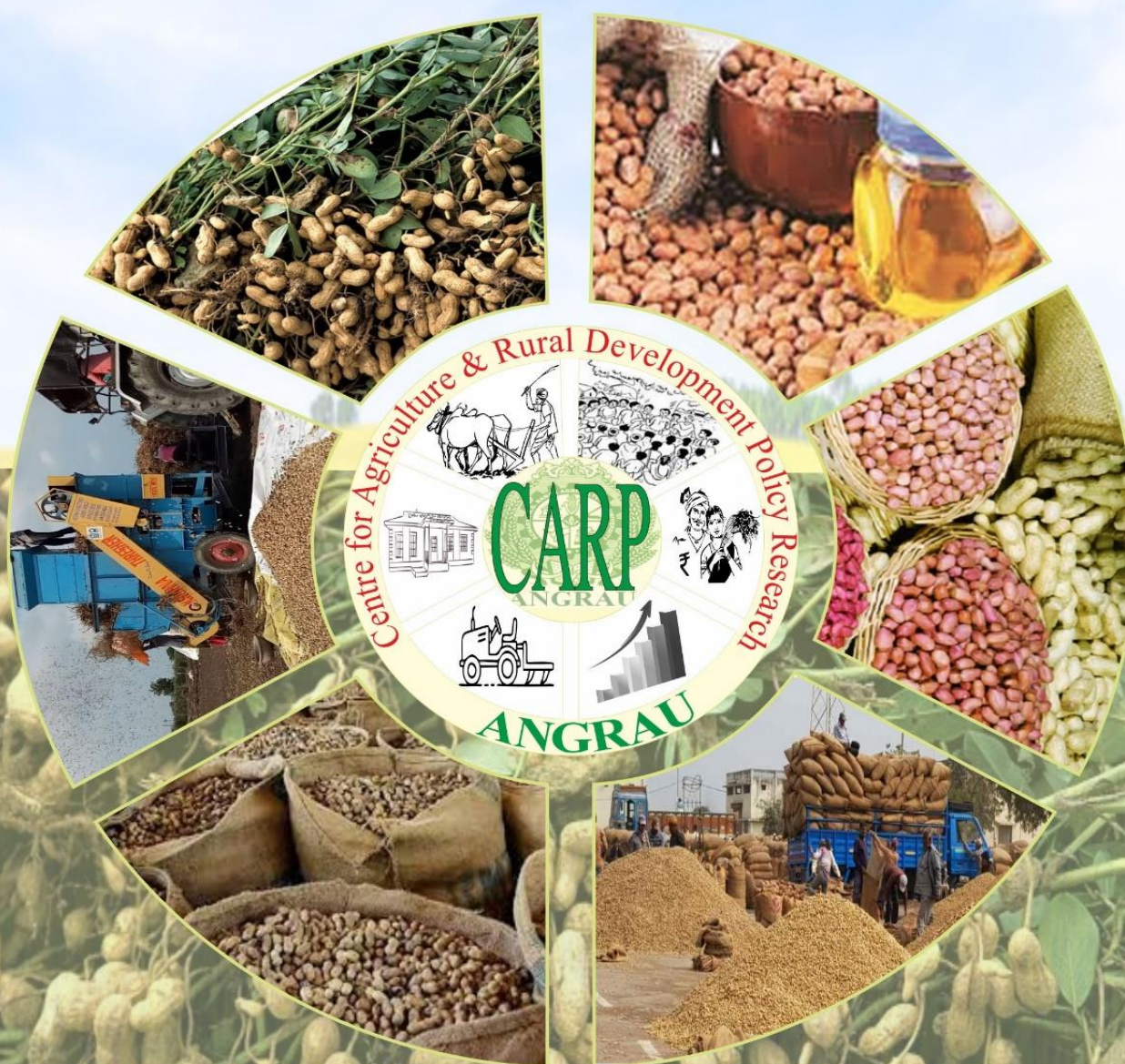
Lam, GUNTUR - 522034.



Crop Outlook Reports of Andhra Pradesh

GROUNDNUT

(January to December, 2022)



Centre for Agriculture & Rural Development Policy Research (CARP)

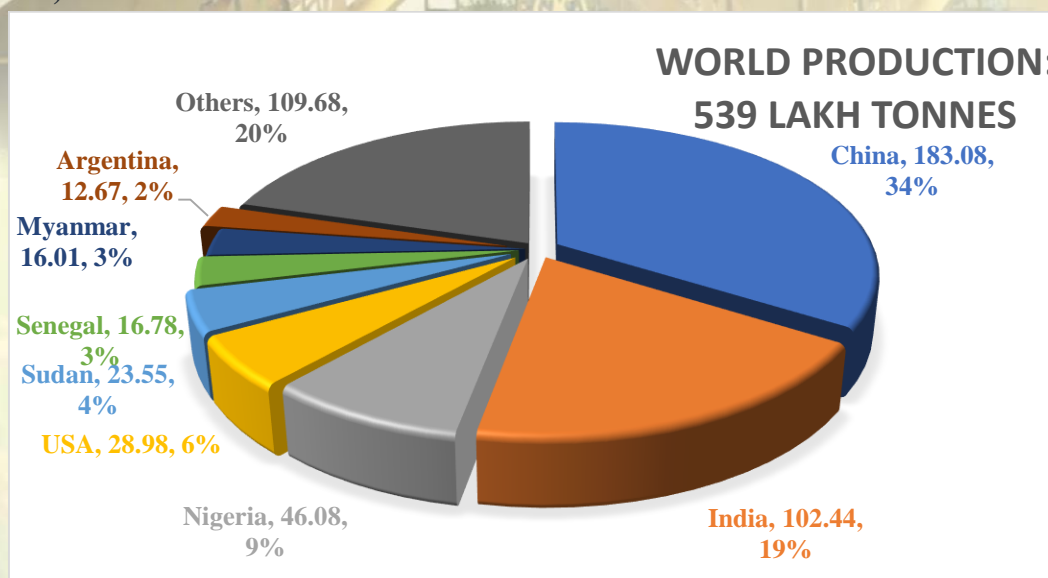
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Acharya N.G. Ranga Agricultural University Crop Outlook Reports of Andhra Pradesh

GROUNDNUT– January to December 2022

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 327 lakh hectares with the production of 539 lakh tonnes with the productivity of 1648 kg per hectare (FAOSTAT, 2021). With annual all-season coverage of 54.2 lakh hectares, globally, India ranks first in Groundnut area under cultivation and is the second largest producer in the world with 101 lakh tonnes with productivity of 1863 kg per hectare in 2021-22 (agricoop.nic.in). In Kharif 2022-23, groundnut production was 83.69 lakh tonnes (1st advance estimates) in an area of 45.53 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 8.23 lakh hectares with a production of 5.19 lakh tonnes, contributing 6.20 % to India groundnut production (des.ap.gov.in) for the year 2021-22. According to 1st advance estimates during 2022-23, groundnut was grown in 6.04 lakh hectares with a production of 4.87 lakh tonnes and productivity was 806 kg/ha.

Figure 1: India's position in Groundnut production (with Shell) in the World during 2021-22 (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 (34 per cent contribution to the world groundnut production). Nearly 19 percent of world groundnut production is contributed by India during 2021. Nigeria ranks third in world groundnut production with 9 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	-	-	15995
2021-2022			2363
2022-2023			16536

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 2022-23, 0.16 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	16.9	29.9
2020-21	55.71	102.10	1831	19.8	28.3
2021-22	54.20	101.06	1863	18.3	26.8
2022-23*	49.13	83.69	1758	16.9	35.5

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 26.8 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 54.20 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	1597	1170	5649
2021	1600	1210	6015
2022	1610	1170	6020

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

The consumption of Groundnut is highest in the form of Groundnut oilseed (60.20 lakh tonnes) followed by Groundnut meal (16.10 lakh tonnes) and Groundnut oil (11.70 lakh tonnes) during 2022 (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 (Kharif) & 5090 (Rabi)	286041.56	147926.30	Gujarat, Rajasthan, U.P
2021-22	5550(Kharif) & 5275 (Rabi)	153556.73	85163.40	Gujarat, Rajasthan and Odisha

Source: Agricultural Statistics at a glance, 2021 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 2021-22, 1.5 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		2021-22		
	A	P	A	P	A	P	A	P	A	P*	Y
Gujarat	17.02	10.53	17.45	6.89	18.06	33.66	14.14	23.39	19.09	36.42 (36.03)	1908
Andhra Pradesh	23.94	22.67	18.73	21.42	14.27	11.08	7.75	8.01	8.23	5.19 (5.13)	631
Rajasthan	2.32	2.18	1.95	1.80	3.47	6.81	5.17	10.49	7.77	17.53 (17.34)	2256
Karnataka	12.12	8.28	10.63	10.81	8.48	7.42	5.7	6.13	6.70	6.47 (6.40)	966
Tamil Nadu	9.63	11.79	6.99	13.59	3.86	8.96	3.47	8.92	3.30	7.62 (7.54)	2310
Telangana	0	0	0	0	1.95	3.51	1.28	2.06	1.37	3.27 (3.23)	2391
Other States	18.06	19.7	9.83	9.59	8.47	11.22	8.45	10.51	7.95	24.56 (24.30)	-
India	83.09	75.15	65.58	64.10	58.56	82.66	45.96	67.33	54.41	101.06	1831

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, 2021-22)

Gujarat is the largest producer contributing 36 per cent of the total production of Groundnut followed by Rajasthan (17 %), Tamil Nadu (7.5 %). Andhra Pradesh contributes 5.13 per cent and Telangana contributes 3.23 per cent to total Groundnut production (Table 5). Groundnut production contributes around 82.3 per cent of acreage and 18.7 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 2021-22 contributed 79 % to total oilseeds production which resulted in decreasing share of groundnut in total oilseeds production. Groundnut contributes 18 per cent area and 26.8 per cent production to total oilseeds area and production in India respectively.

Table 6: District wise area and production of Groundnut in Andhra Pradesh (2020-21)

District	Area (‘000 ha)	Position	Production (‘000 tonnes)	Position	Yield (kg/ha)
Anantapur	535	1	298	1	555
Chittoor	133	2	154	3	1160
Kurnool	125	3	158	2	1272
Kadapa	42	4	53	5	1260
Nellore	14	5	56	4	4037
Guntur	5	6	17	6	4282
Prakasam	3	7	10	7	2989
Other Districts	12		28		
Andhra Pradesh	869		774		891

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 2.98 lakh tonnes and 5.35 lakh ha respectively followed by Chittoor and Kurnool. The productivity of Groundnut is highest in the Guntur district with 4282 kg/ha. As the line share of area under cultivation (61.56 %) is under low productivity (555 kg/ha) in Anantapur district, the overall productivity of Andhra Pradesh was recorded as 891 kg/ha during 2020-21.

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 (2022)

Months	Arrivals	Price
January	76.22	97.98
February	178.52	95.38
March	348.62	101.78
April	164.00	96.33
May	65.29	98.25
June	28.73	100.10
July	10.81	100.87
August	60.10	102.94
September	74.63	104.20

October	78.77	91.25
November	83.31	97.18
December	31.00	113.75

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 February & March and prices are highest in the months of March & December. The average monthly prices of groundnut were Rs. 5848, 5121, 5454 and 6384 for the months of September, October, November and December 2022 respectively in Kurnool district.

Table 8: Market Prices vis-à-vis MSP of Groundnut in Major Producing States in Kharif Marketing Season 2021-22

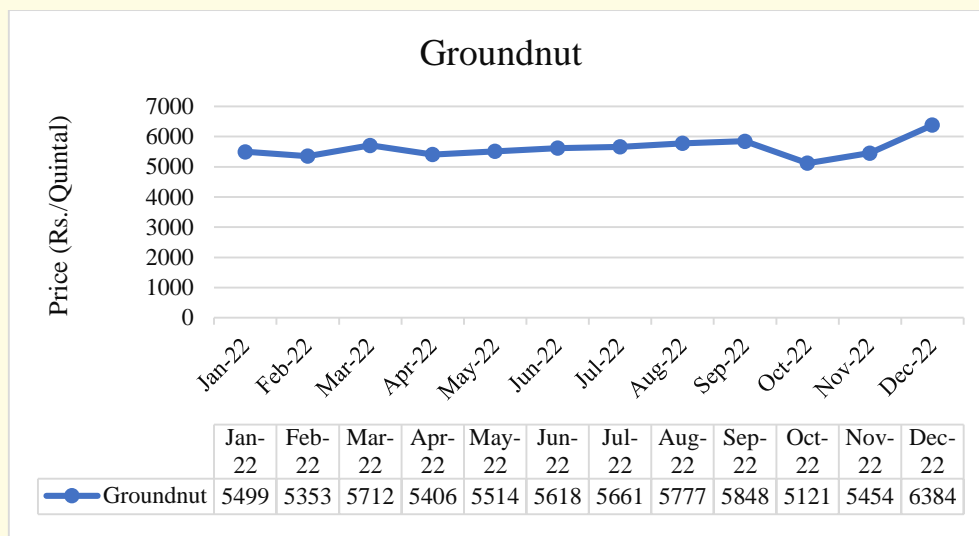
States	No. of days market prices reported	No. of days market prices were above MSP	No. of days market prices were below MSP				Average difference (%) between MSP & market price
			<5 %	5%-10%	10%-15%	>15 %	
Andhra Pradesh	108	14	43	26	9	16	-6.3
Gujarat	129	35	57	9	2	5	-2.4
Karnataka	134	71	32	18	6	5	-0.9
Rajasthan	144	18	34	58	5	5	-5.1
Tamil Nadu	114	113	0	0	1	0	40.7

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 Andhra Pradesh. Average difference was highest in Andhra Pradesh (-6.3%) followed by Rajasthan (-5.1%), Gujarat (-2.4%) and lowest in Karnataka (-0.9%). However, in Tamil Nadu, market prices were higher than MSP during most of the days and average market price was 40.7 percent higher than MSP during Kharif Marketing Season (KMS) 2021-22.

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, in Gujarat, the overall groundnut sowing area is down by 10.52 % compared to last year, taken away by cotton and soybean. This year due to excess rain damaged the crop in certain area led to reduction of yield by 22.18%. Prices went up amid low production, good demand from stockiest and good groundnut oil demand from china. Oil millers and groundnut seed processors have started buying the commodity in large quantities. However, demand from China is anticipated to get affected due to surge in covid cases. Low demand from China attributed to the lower exports, while there is good demand from South East Asian countries like Indonesia, Malaysia and Philippines. As on 16th December 2022, 49.13 lakh hectares of groundnut was sown compared to 52.34 lakh hectares last year in India (agricoop.nic.in). In Andhra Pradesh as on 28th December 2022, 5.64 lakh hectares of groundnut was sown compared to 7 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. 5300-5800 per quintal of groundnut in this Rabi marketing/harvesting season 2022-23.

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