

Groundnut price to remain below MSP: Sell upon harvest

In the *kharif* season of 2019-20 the monsoon was arrived timely on 14th June in South Saurashtra and South Gujarat. Very good precipitation was received this year. About 10 lakh ha groundnut was sown in June and rest in July, total to 15.50 lakh ha. Groundnut crop condition remain normal throughout season. However, one dry spell of about 25 days before flowering and due to continuous rain in first week of October, 2019 has damaged the crop in some areas.

In current year in Gujarat the *kharif* groundnut production is estimated about 32 lakh tonnes (First Advanced Estimate September, 2019) as against 20.36 lakh tonnes in 2018-19. At country level, the groundnut production is estimated 63 lakh tonnes for *kharif* seasons of 2019-20, which was only 53.63 lakh tonnes in 2018-19 and including *rabi* it was 66.95 lakh tonnes, from an area of 40.20 lakh ha.

Last year 4.89 lakh tonnes groundnut was exported from India and in current year it may be around 6 lakh tonnes, which may not provide more support to keep price up. Currently the groundnut price is ruling around Rs. 950 per 20 kg in various markets of Gujarat, is likely to remain at its lower side below MSP. The Government has fixed the MSP of groundnut at Rs. 1018 per 20 kg (5090 Rs/qtl.) for the year 2019-20.

The total oilseed production in the country is estimated about 322.57 lakh in 2018-19, which was 5.23 percent higher than previous year. The current *Kharif* oilseeds production may be slight less than last year (213 lakh tonnes) due to large damage to soyabean crop in Madhya Pradesh and Rajasthan, owing to continuous rains. However, there is less chances to rise groundnut price, as only about 7 per cent population is now consuming groundnut oil. Also about 149.2 lakh tonnes of edible oil was imported in India during 2018-19 and this year it is expected about 146 lakh tonnes. Which is over 60 per cent of our total consumption requirement of about 236 lakh tonnes.

Reviewing the above situation, the research team of Department of Agricultural Economics, JAU, Junagadh has analyzed the historical monthly price data of groundnut pods collected from Gondal and Rajkot APMCs. The econometric analysis revealed that, **the prices pf groundnut may remain in the range of Rs. 900 to 1000 per 20 kg (4500 - 5000 Rs/qtl) during November, 2019 to January, 2020.** Hence, farmers are suggested to sell groundnut upon harvest (at MSP centers in APMCs), without going for storage, taking their own decision. Owing to increasing import of edible oils and decreasing consumption of groundnut oil; there are less chances for groundnut price to go up in future.