

Groundnut price to remain firm

The monsoon was arrived timely in second week of June during the *kharif* season of 2020-21 in Gujarat. Record break precipitation was received this year, but continuous rains lasted from 5th to 25th August, 2020 caused large damage to crops, particularly in groundnut belt of Saurashtra region. Groundnut sowing was almost completed in June, 2020 occupied about 20.65 lakh ha acreage as against 16.29 lakh ha in *kharif* 1920-20.

In current year in Gujarat the *kharif* groundnut production is estimated about 54.55 lakh tonnes (First Advanced Estimate September, 2020) as against 45.04 lakh tonnes in 2019-20. But, expecting nearly 20 per cent damage, the production may be the same as last year or slight less than it. At country level, the groundnut production is estimated 95.35 lakh tonnes for *kharif* seasons of 2020-21 (First Advanced Estimate dt. 25-9-2020), which was only 83.67 lakh tonnes in 2019-20 and including *rabi* it was estimated about 101 lakh tonnes, from an area of 46 lakh ha.

About 6.64 lakh tonnes groundnut was exported during 2019-20 as against 4.89 lakh tonnes in 2018-19 and in current year it may be around 7 lakh tonnes. Currently the groundnut price is ruling around Rs. 1050 per 20 kg in various markets of Gujarat, is likely to remain at its lower side during harvesting season, when arrivals are peak. The Government has fixed the MSP of groundnut at Rs. 1055 per 20 kg (5275 Rs/qtl.) for the year 2020-21.

The total oilseed production in the country was estimated about 334.23 lakh tonnes in 2019-20, which was 6 percent higher than previous year. The current *Kharif* oilseeds production is estimated 257 lakh tonnes, *i.e.* slight higher than last year (255.5 lakh tonnes). In 2019-20 the import of edible oil in country was declined to 143 lakh tonnes as against 150 lakh tonnes in 2018-19 owing to increase in import duty from January, 2020 and COVID-19 problems then after. Hence, the groundnut price which was ruling about Rs. 1000 per 20 kg in January, 2020 increased to Rs. 1100 in March and further to more than Rs. 1250 in May, 2020.

Reviewing the above situation, the research team of Department of Agricultural Economics, JAU, Junagadh has analysed the historical 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. 950 to 1050 per 20 kg (4750 - 5250 Rs/qtl) during October to December 2020.** Hence, farmers are suggested to take note of the above situation and take their own decision to store groundnut and sell after January, 2021 Those farmers who are not afforded to store groundnut, may sell at MSP, in APMC's centers for the same.

If Government policy regarding increase in import duty on edible oils will continue, there is chance that the price of groundnut may slightly go up in future.