

Groundnut price likely to remain firm, above MSP in current year too

Continuously from last five years, Gujarat witnessed good monsoon. The monsoon was set up timely in third week of June, 2023 and groundnut sowing was completed in second week of July, 2023, occupied about 16.36 lakh ha acreage *i.e.* 0.72 lakh ha less as against 17.09 lakh ha in 2022-23. Besides, in kharif season of 2023-24 the distribution of rainfall remained highly uneven. The month of July, 2023 received continuous and high rain, followed by complete dry spell from August to first fortnight of September, 2023, which badly affected the crop condition. The kharif groundnut production in Gujarat is estimated about 39.92 lakh tonnes (First Advanced Estimate dt. 21-8-2023) as against 44.08 lakh tonnes in last year.

At country level, the kharif groundnut acreage is estimated less about 43.91 lakh ha as against 45.53 lakh ha in last year and the production is also expected to decline 80 lakh tonnes as against 85 lakh tonnes in last year, due to uneven rainfall in major groundnut producing states.

About 6.69 lakh tonnes groundnut (kernels) was exported during 2022-23 over 5.14 lakh tonnes in 2021-22 and in current year, it may be around 6 lakh tonnes. Besides, in 2022-23 about 1.24 lakh tonnes groundnut oil was exported, Hence, groundnut price which was ruling around Rs. 1240 per 20 kg in October-November, 2022 steadily increased to Rs. 1350 in February, 2023 and further to Rs. 1475 in July, 2023. Currently the groundnut price is ruling around Rs. 1350 per 20 kg in various markets of Gujarat, is likely to remain firm at this level during harvesting season. The Government has fixed the MSP of groundnut at Rs. 1275.40 per 20 kg (6377 Rs/qtl.) for the year 2023-24 as against 1170 per 20 kg in last year.

The total oilseed production in the country was estimated about 410 lakh tonnes in 2022-23, which was 8 per cent higher than previous year. The current *Kharif* oilseed crops production is estimated 260 lakh tonnes, same as last year. In 2022-23 the import of edible oil in country was around 157 lakh tonnes over 143 lakh tonnes in last year. In current year from April to September, 2023 about 85 lakh tonnes edible oil has been imported.

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 of groundnut at harvest may remain in the range of Rs. 1340 to 1480 per 20 kg (6700 - 7400 Rs/qtl) during November to December 2023.** Hence, farmers are suggested to take note of the above situation and take their own decision to store groundnut and sell after December, 2023. If price goes above Rs. 1500 per 20 kg during harvesting season, farmers may sell groundnut immediately.

If Government policy regarding enhancing export and keeping higher import duty on edible oils will continue, there is chance that the price of groundnut may go up in future, as per last year's trend.