

Groundnut prices gain on lower-crop fears



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WITH GROUNDNUT SEED processors and oil millers expecting lower kharif crop of 2.5 million tonne in the current season as against nearly 3.5 million tonne in the last one, groundnut prices have soared to ₹2,000 per 20 kg in some mandies in Gujarat.

At Hapa mandi in Jambhvanagar district, farmers sold groundnut at record ₹2,050 per 20 kg last week. Although this record-breaking price was for high quality groundnut, on an average groundnut is being sold at prices ranging from ₹1,100 to ₹1,850 per 20 kg in local mandis. While the Minimum Support Price (MSP) for groundnut for the current year is ₹1,170 per 20 kg, groundnut growers are getting much higher prices for their produce. This has resulted in almost total lack of procurement by nearly 160 groundnut procurement centres opened by the National Agricultural Cooperative Marketing Federation of India Ltd (Nafed) in association with Gujarat State Co-operative Marketing Federation Ltd.

Sources in Nafed said groundnut procurement centres have been opened over the past one month to directly purchase groundnut from farmers at MSP but till Saturday evening farmers had hardly sold 5 tonne of groundnuts to these centres.

"We have permission to buy up to 1 million tonne of groundnut in Gujarat at MSP. Looking at the current situation only 39,539 farmers have registered themselves to sell their produce at these centres.

Since they are getting much higher prices in the open market, naturally they are not coming to us. Nafed centres will remain open till January 26, 2023," said the source.

Industry observers said groundnut is in great demand this season. Oil millers and groundnut seed processors have started buying the commodity in large quantities. Export demand for groundnuts has also increased. Besides, there are encouraging inquiries from Chinese buyers for groundnut oil, sources revealed. "We are expecting groundnut crop to remain around 2.5 million tonne for 2022-23," said Samir Shah, president of Gujarat State Edible Oils and Oil Seeds Association. Groundnut sowing is at its lowest at nearly 1.7 million hectare this kharif season compared to a peak of 2.1 million hectare during kharif 2020 season, said Kishor Viradia, president of Saurashtra Oil Mills Association (SOMA).

A large number of farmers in Gujarat have shifted from groundnut to cotton, said Viradia adding that unseasonal rain in October this year too caused damage to groundnut crop which affected production. As per a survey of Solvent Extractors Association of India (SEAI), Gujarat is likely to witness nearly 3 million tonne of groundnut production.

However, local traders, brokers and oil millers are expecting production of groundnut somewhere between 2.5 million tonne to 2.8 million tonne of produce. Gujarat is the biggest producer of groundnut in India followed by Rajasthan, Tamil Nadu, Andhra Pradesh and Karnataka.