



High cost of seeds a major roadblock in expansion of groundnut acreage

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High seed cost, low level of adoption of mechanisation in most states other than Gujarat are some of the key factors identified by Junagadh-based Indian Institute of Groundnut Research (IIGR) as hurdles to expand the area coverage of the oilseed crop, which has declined from 83.22 lakh hectares (lh) in 1993–94 to 57.54 lh in 2024–25.

Speaking to [businessline](#), IIGR Director Sandip Kumar Bera said that most of the groundnut farmers other than Gujarat, cultivate the crop in very small land holdings and also do not follow recommended Good Agronomic Practices (GAP). This results in wide difference in yield between states.

These farmers also are not in a position to invest on mechanisation, nor they can create own storage facilities for holding their produce to sell later when market prices go up. Besides, there are lack of processing unit/value addition locally, Bera said.

Being a bulky seed crop, the seed multiplication ratio of groundnut is 1:10 and pod requirement is approximately 180–200 kg/hectare which impairs the required production of recently released high yielding varieties, he noted adding the delay in seed certification and distribution further hinders to fulfil the seed demand of groundnut farmers.

The director of IIGR also said that there is low involvement of private sector in groundnut seed development due to higher investment in production and storage and bulk size of pods/seeds as well as quality deterioration risk from moisture or storage pests. There is a requirement of large capacity specialised storage structure for these seed pods, he added.

According to an estimate, groundnut farmers spend almost half of their cost of production in buying seeds alone. The report of the Commission for Agricultural Costs and Prices (CACP) shows that the all India average cost of production (A2+FL) in groundnut between 2021–22 and 2023–24 was ₹76,772 per hectare, highest among all oilseeds.

The CACP report also said that there is a wide gap in yield among states – over 25 quintal/hectare in West Bengal, Tamil Nadu and Gujarat as against 9–13 quintal/hectare in Andhra Pradesh, Karnataka, Uttar Pradesh and Maharashtra during three years up to 2023–24. It also said that the three years' average gross returns over costs of production (A2+FL) between 2021–22 and 2023–24 were ₹38,017/ha in the groundnut crop.

Official sources said that by bridging the yield gap among states, the government can bring down the cost of production where it is very high and one of the major deterrents for farmers to take up the crop. For instance, the projected cost of cultivation during 2025–26 in Uttar Pradesh is ₹9,962/quintal whereas in Rajasthan it is estimated by CACP at ₹3,851/quintal. Bera said as per the seed rolling plan for groundnut, with a seed rate of 150 kg/hectare, the total seed requirement is estimated at 95.4 lakh quintal. Considering a Seed Multiplication Ratio (SMR) of 10, the breeder seed needed to meet 25 per cent Seed Replacement Rates (SRR) over three years translates to area requirements of 1,59,000 hectares. If the SRR is to be fixed at 35 per cent, the area needed will be 2,23,000 hectares.

He also said that under the National Mission in Edible Oil (Oilseeds) to develop 18 Breeder Seed Hubs, ₹50 lakh for infrastructure and ₹100 lakh in revolving funds and storage units have been allotted in various states to promote groundnut through the public sector.

Distribution of groundnut seeds to farmers either free of cost or on subsidised rate well in advance of the crop season and assured procurement in MSP would help in raising area and production.