

# Peanut Blog

An ounce of information



## Groundnut oil, cotton became cheaper by 24% in the world, but became more expensive by 13% in India

**Inflation decreased in the world, increased in India: Groundnut oil, and cotton became cheaper by 24% in the world, but became more expensive by 13% in India**

In January this year, the prices of about 10 commodities like gas, fertilizers, coffee tea, cotton and edible oil doubled in the country. In contrast, they became cheaper by up to 48% in the international markets. This was also one of the reasons for the retail inflation rate in the country reaching 6.5% once again in the last month. Inflation had come down below 6% in November and December last year. In the global market, the price of urea decreased the most by 47.6% in the last month, but its wholesale inflation rate in the Indian market was 5.2%.

The biggest difference was observed in the case of natural gas. While its price fell by 28.6% in the international market, it increased by more than 95% in the domestic market. Cotton prices have also increased by 8.6% in the domestic market as against a decrease of 24.1% in the international market. Indrajit Paul, senior manager (corporate research), at Origo Commodities India, said cotton arrivals are down about 40% this year. Farmers have stopped the crop in the hope of increasing the price. Similarly, the production of groundnut has been 16.4% less than last season. This is the biggest reason for the increase in the prices of these two. According to Ajay Kedia, director of Kedia Commodity, the prices of imported commodities in the domestic market are not able to come down mainly due to the depreciation of the rupee against the dollar. Apart from this, increasing consumption is also a reason for this.

On January 1, 2022, the rupee was 74.51 per dollar, which has now reached close to 83. Renowned energy expert Narendra Taneja said that India imports about 60% natural gas. To import it has to be liquefied. After coming into the country, it has to be converted into a gas again. It costs a lot of money. That is why a big difference is being seen in the prices of gas in India and the international market.

**Source:** <https://www.sangritoday.com/groundnut-oil-cotton-became-cheaper-by-24-in-the-world-but-became-more-expensive-by-13-in-india>