



Groundnut Harvest Soars in Gujarat Despite Acreage Drop: 11.5% Growth Expected

In Gujarat, the groundnut harvest is set to defy expectations with an impressive 11.5% growth projection, despite a notable 4.33% reduction in acreage.

The Solvent Extractors' Association of India (SEA) conducted an extensive crop survey to evaluate the crop's quality and size. The rise in yield, attributed to favorable weather conditions and water conservation, is contributing to the success of this year's harvest, while a shift to soybean cultivation is also evident in the region.

Highlights

Price Performance: Groundnut prices are trading close to 6700 levels, indicating a decline of around 15.50% in the last three months as Gujarat is predicted to harvest 33.45 lakh tonnes (lt) of groundnuts during the current kharif season as opposed to 30 lt in the previous kharif season, representing an 11.50% growth.

Higher Groundnut Harvest: Gujarat is expected to harvest 11.50% more groundnuts during the current kharif season, totaling 33.45 lakh tonnes, compared to 30 lakh tonnes in the previous season.

Decline in Groundnut Acreage: Despite the higher expected yield, the area under groundnut cultivation in Gujarat has decreased by 4.33%, equivalent to 74,000 hectares.

SEA's Crop Survey: The Solvent Extractors' Association of India (SEA) conducted the Groundnut Kharif Crop Survey in 2023 to assess the size and quality of the crop. The survey involved visiting farms in Saurashtra, taking random samples, and studying factors such as pod count, size, row spacing, maturity, and quality.

Shift to Other Crops: The reduction in groundnut acreage is attributed to farmers shifting to other crops like cotton, soybean, and more. The Gujarat government reported that groundnut was sown on 16.35 lakh hectares in 2023-24, down from 17.09 lakh hectares in the previous season.

All-India Groundnut Acreage: Across India, the total groundnut acreage during the kharif season in 2023-24 decreased by 3.58% compared to the previous year, with 1.62 lakh hectares less under cultivation.

Increased Yield: The average yield per hectare in Gujarat increased by 16.52%, reaching 2,045 kg per hectare, in contrast to the previous yield of 1,755 kg. This improvement is attributed to heavy rains in June and July, as well as water conservation efforts that helped mitigate the dry spell in August.

Soybean Acreage: The acreage under soybean in Gujarat increased to 2.66 lakh hectares, up from 2.22 lakh hectares the previous year. This shift was due to lower input costs and the cost-effective nature of mechanized harvesting.

MSP and Mandi Prices: The Minimum Support Price (MSP) for groundnuts is ₹6,379 per quintal. The current market price in mandis (FAQ produce) is around MSP, ranging between ₹6,250 and ₹6,500.

Survey Locations: The SEA team conducted surveys in various locations in Saurashtra, including Gondal, Amreli, Junagadh, Keshod, Mangrol, Porbandar, and Advana, during October 20-22. They met with farmers, oil millers, solvent extraction units, traders, commission agents, and brokers in these areas to gather information and assess the groundnut crop.

Technical: Groundnut market is currently trading around 6700 levels, with a weak momentum as indicated by the RSI below 48. The prices are also below the Ichimoku cloud, signaling weakness. If prices remain below 6800, they may test support levels at 6500 to 6450, with resistance seen at 7000.

Conclusion

In conclusion, Gujarat's groundnut sector is displaying resilience and adaptability as it anticipates an 11.5% growth in the harvest, even amid a decrease in cultivation area. The meticulous crop survey conducted by the SEA underscores the commitment to quality and assessment. Improved yield due to strategic factors, such as timely rains and water conservation efforts, has been a key driver of this success. The shift towards soybean cultivation reflects the changing dynamics of agriculture in the region. With both government support through MSP and favorable market prices, Gujarat's groundnut industry remains a significant contributor to the state's agricultural landscape.

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