



## Higher groundnut production estimates in state despite drop in sowing area, rain

**In Gondal Agricultural Produce Market Committee (APMC) mandi, the largest groundnut wholesale market of Gujarat, the price is in the range of Rs 5,000 to Rs 7,000 per quintal (10 quintals make one tonne) with modal price being Rs 5,500.**

The Saurashtra Oil Mills Association (SOMA), the top body of oil millers, has pegged groundnut production in Gujarat to be around 31 lakh tonnes (lt), higher by around two lakh tonnes as compared to the previous year. SOMA, however, anticipates that the prices of this oilseed crop will remain firm in the open market due to changes in consumption patterns and increased demand.

The body released its crop estimates at its annual general meeting held Sunday in Rajkot district in the presence of Gujarat Agriculture Minister Raghavji Patel. As per the estimates, groundnut production in Gujarat will be 30.92 lt. That will be 1.86 lt higher than its estimate of 29.06 lt for the crop year 2022-23.

The industry chamber's higher estimates come at a time when the sowing area decreased by 74,000 hectares (ha) in 2023-24 as compared to 2022-23. As per the state government data, farmers of Gujarat have sown groundnut in 16.35 lakh hectares (lh) as compared to 17.09 lh this year. "It is true that the sowing area has decreased. But during our crop survey exercise, we noted that farmers have gone for intense cropping by reducing the spacing between two rows of groundnut to 18-inch, 20-inch or 24-inches instead of the conventional 28-inch. Thus, effectively, more crop has been sown in the given area.

The estimate, however, is lower as compared to the 39.93 lt reported in the first advance estimate by the state government.

Incidentally, Gujarat had witnessed a dry August, stressing crops in many areas of the state. However, the SOMA president said a good harvest year will coincide with good market prices. "Prices of groundnut will not fall just because production is expected to be high. The reason is that instead of the conventional use of crushing it for extracting oil, groundnut now is processed into 11 types of products. Oil mills crush groundnut for around three months only as the consumption pattern has changed. It is consumed more as table food, as roasted and salted peanuts and is exported in significant quantities. Shing-bhajiya has also emerged as a major product.

Peanut butter and chocolates are also major products now," said Viradiya, adding the marginal drop in price is due to supply-side pressure as farmers are carting their harvest to market as they need money to purchase inputs for the Rabi sowing season.

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"Prices were as high as Rs 75,000 and modal price, which was Rs 1,300 in the beginning of October, have since corrected due to quality variation in groundnut. We believe farmers are holding back their premium groundnut while selling the rest," Gondal APMC secretary Tarun Pachani said. Incidentally, the Centre has fixed Rs 6,377 as the minimum support price (MSP) for groundnut for the 2023-24 season but no farmer is actually selling his harvest to the government. "The reason is that the government procures groundnut of only fair average quality (FAQ). Groundnut which can meet government FAQ norms easily fetches Rs7000 in APMCs," Pachani added.

As per SOMA, production of peanuts (nuts after shelling) was estimated to be 90 lt in 2022-23. "Of that, only 12.37 lt or around 30 percent actually was crushed to extract oil. Another 10.31 lt was used for making sing-bhujia and other traditional snacks and around five lt was exported. Imported American almonds have become costly, especially after the Covid-19-related disruptions, and are costing Rs 1,200 per kg while premium quality peanuts are available at Rs 120 per kg. The price gap has made peanuts attractive to a large consumer segment, changing the consumption pattern of groundnut and in turn, making groundnut prices more stable and having less sensitivity to groundnut oil prices," Viradiya argued.