Coronavirus complicates sourcing ahead of Ramadan

Immune Peanut Price: Despite sluggish demand for peanut oil and from covid-hit China, prices of peanut remained unaffected, as nearly 70% of the total production has either been consumed or processed into oil or nuts. Against an estimated crop of 3.2M MT during the current season, Gujarat farmers witnessed another 28.3-28.5M MT of which nearly 70% has been consumed. The remaining peanut stock is in the possession of National Agriculture Cooperative Marketing Federation of India (Nafed), oil millers, traders and farmers. Over 0.6M MT is in the possession of Nafed alone and only a small quantity is with farmers. Traders attribute the price surge to unavailability of stock with farmers and stockist. It is believed that Nafed may wait for further rise in peanut prices to liquidate its current year’s stock.

The Lockdown Nafed: The National Agricultural Cooperative Marketing Federation of India has suspended procurement of pulses and oilseed produced in the 2019-20 (Jul-Jun) crop year. The agency may wait for further rise in peanut prices, from which it can decide to keep its back up, owing to lockdown in the country. The procurement may resume shortly after the lockdown period gets over. The agency bought over 720,000 tons of peanut from the five states Gujarat, Uttar Pradesh, Rajasthan, Andhra Pradesh and Karnataka. In a decision that will facilitate the movement of goods across the country, central government has allowed transportation of all goods, without distinction of essential and non-essential during the lockdown period. This is to ensure that supply isn’t hit and beneficiaries do not suffer. Ensuring that supply in domestic markets shall remain in place despite the lockdown.

Outbreak: Green shoots Amid the crisis over the global market due to the Covid outbreak, it has identified 21 agricultural products wherein India can grab part of China’s market share and it includes peanuts. Indian exports could benefit from trade restrictions against Chinese goods across the global market. There may be opportunities for Indian exporters, in case some countries impose restrictions on Chinese goods in response to the outbreak.