The Green Revolution

Progressive peanut all the way...

Coupled with good rains and improved water availability, farmers in Gujarat are making a record in peanut cultivation. The area covered under the oilseed has so far touched a 11-year peak. Any excess rain during harvest time could pose a dampener for the big harvest of Gujarat. Like Gujarat, other peanut regions such as Rajasthan & South India had good rain season. How the lockdown situation & business will adapt to this big crop is a post-harvest challenge. The harvest could possibly start arriving from Sep mid (earlier).

2 Rise of the Rural: Current farmer sentiments are optimistic, given the higher MSP and a favourable monsoon. Good rabi harvest has resulted in disposable income with farmers which resulted in tractor sales rise of 22%. According to the Department of Fertilizers, during April-June 2020 sale of fertilizers to farmers was 11 mn. tons which is higher than the last year sale of 6 mn. tons during the period.

3 Mungfali-I: A new peanut variety with 28% higher yields has been released in Chhattisgarh state, India. The variety is named as Chhattisgarh Mungfali-I (CGM-I). At state-level multi-location trials conducted during 2018 and 2019, CGM-I (CGV 6420) recorded a mean pod yield of 4,200 kg/ha, which is 28% pod yield superiority. CGM-I is resistant to leaf rust and moderately resistant to late leaf spot (LLS) – two important biotic factors affecting pod yield in rainy season cultivation. The variety matures in 114 days during the rainy season. The average oil content is 52% and a shelling outturn of 69%. The variety was identified from extensive testing conducted during 2011-15 to identify stable high-oil-yielding peanuts.

Peanuts, peanuts, everywhere!

USA: Exports of 87,622 tons (May ’20) vs. 40,874 tons (May ’19), an increase of 114%. Exports were boosted by demand from China & Vietnam with an increase of 54,000 tons and exports to Canada rose by 18%. Due to poor quality peanuts, exports to EU, Japan and Mexico were down by 64%, 46% and 14% respectively.

Argentina: A record crop of 884,000 tons due to better yield and quality. The low moisture of the crop could result in a lower blanching loss, boosting yields, while raising the supplies and decreasing the supply of blended wholés. With the lack of buying activity in both local and international markets, shellers are discounting $100 to $150/ton.

Brazil: Crop came out with better yields this year and is forecasted to export 50% more than the 2019 exports. The crop size is $50,000 tons. The export jump is possible amid poor local demand on account of Covid-19 impact and a higher production.

China: The market finally stabilized after 8 weeks of price decline. Despite several floods and few crop damages, the expectation on the new crop is high with an increase in acreage. Local stocks are plenty from America, Africa & local origin. There were few large lots (approx. 20000tons) offloaded by crushing companies. Most of the raw materials are moved to cold-rooms. A good crop could lead to lower prices and imports.

#peanutized

What do you think is so special about the peanut industry as compared to other similar industries?

Even though peanuts are cultivated worldwide and more than 30 million tons are traded, it is still a relatively small industry where many of the players know each other and business is conducted in the spirit of friendship and fair play.