Boost in acreage, yield & crisis!

Cheerful Farmers: Gujarat has received 228 mm inches of rainfall during the month of June compared to the normal rainfall of 17 mm. According to IMD, most of which were in Saurashtra and South Gujarat regions of the state. Farmers are encouraged to sow Kharif crops earlier than usual considering the pre-monsoon showers in the first week of June. Last year, farmers began sowing the week of June was 3,516 hectares and this year it is about 3,995 hectares. Since farmers get good value for their produce last year. A close to 80% of farmers will sow oilseeds this year. The government has subsidized it at better market prices for the farmers. More so, the government is also providing a loan at lower interest rates.

Kharif Sowing Trend - Pre monsoon showers

Harvesting Covid: There have been multiple cases of farmers who have faced various problems. While the peanut growing regions are not affected by the Covid spread (esp. in rural areas), the transport of the peanut to the states & shipments are greatly affected and face a lot of obstacles. With farmers unable to sell their produce, the availability of labor is a serious concern. Unavailability of transport as well as the cost associated with it has forced farmers to store their produce. The average duration of storage is around 3-4 months or more. The government is providing storage assistance to farmers by providing KCR storage facilities.

Indian Peanut Market

According to advanced estimates by the state, the peanut output is expected to rise at 9.33 mm tons for CY 2020, of which about 2.4 mm tons is expected from Gujarat alone. Amidst COVID crisis and nationwide lockdown, recent Kharif sowing reports has shown an increasing trend including farm inputs sales. It is to be noted that Gujarat witnessed a 40% rise in summer crop peanut harvest in June and the carryover stock of Winter 2019/20 is estimated around 4.35 mm tons. Water storage in 123 major reservoirs was 60,72,773 MCM as against 36,15,821 MCM last year. Current year production is 168%

Minimum Support Price

International Peanut Market

USA: The mean corn is getting a consistent flow of peanuts from supplies. Quality issues from the 2019 crop are hindering timely shipments. The price of available good-quality peanuts skyrocketed from the high 40 cents per pound to 90 cents per pound. Many new-shelled peanuts have failed to meet minimum aflatoxin levels and are being stored until they can be released. US peanut buyers are waiting for the new 2020 crop hoping the quality to be better in 2019. The price of US peanuts is high with strong domino effects at 3.3x after eight months, and exports are up with China and Vietnam making major purchases.

Argentina: It has reached a 95% completion mark and the remaining portion of the crop will be threshed in short order. First (fresh) peanut production is expected to reach about 1,264,000 tons. In Buenos Aires province, yields ranged from 3,000-3,600 kg/ha with most yields close to producing 3,600 kg/ha. The general quality of the crop is good to very good quality in Cordoba province, yields range from 3,000-4,800 kg/ha.

Brazil: The crop appears to be good and plentiful. It looks as if exports will increase at least by 30%. Small to medium Brazilian exporters have started to lower their prices because of the lack of business and the competition from Argentina.

China: Renewed tension between the US and China as this could potentially negatively impact the volume of peanut shipped to China. With the summer months approaching and the limited availability of cold storage available to let their stocks.

Africa: Swage peanut production for 2020/21 is forecast at 1.1 mm tons, up 0.15 mm tons from last month and down 0.12 mm tons from last year. Harvested area is forecast at 1.2 mm ha. The department of agriculture has forecasted South Africa a production of 32,000 tons for the new crop 2020. Nigeria new crop is under plantation stage and price of del crop could drop by October due to harvest of new crop almost in all parts. Tanzania peanuts hold high moisture content faces moldy issues.