Heavy rainfall jolts the Indian peanut crop story...

1. The Xmas Gift in November!
Gujarat government have planned to start online registration to procure this season (2019-20) peanut at MSP of Rs 50.90 per kg. The farmers will be able to only register before the last week of October 2019 at e-Gram centres and AMPCs. Government is likely to procure peanut from the 1st of November after Diwali festival, in 134 centres across the state under the CCTV surveillance system with proper arrangement of storage. This year, a bumper peanut crop is expected in the state amid good rainfall during the monsoon. State agriculture department officials said that the yield, which were 1,085 kg/hectare last year, is expected to hit 1,800 kg/hectare this year. It is estimated to be around 3.1 million tons of peanut crop in Gujarat for this harvest. The government may buy around 0.80 million tons of peanuts at the Minimum Support Price. Last year around 0.70 million tons of peanut was procured at the rate of Rs 50 per kg.

2. Eyes in the Sky
Farmer's profits are likely to go by 1% to 1.5% during this harvest season according to a projection by CRISIL research. It is projected that the area that would be 10% higher than last year, with revenues rising 7% and profits by at least 1% for all kharif food crops. For 15 key MSP linked crops - per hectare crop profitability is likely to rise by 21% from last year. The U.S. trade war is likely to boost Indian exports. The plastic ban in many states may increase demand for jute products which serves as major packing material for agricultural products. e-AMAN - the electronic National Agricultural Market scheme, which was expected to bring more farmers is presently still in a preliminary stage, meanwhile, three more years are left of doubling farmer's income. If the government ensures larger markets and implement proper marketing policies, peanut production may come up as a major means of doubling farmers' income.

3. Rain Shocked: Gujarat region observed moderate to heavy rain and thunder showers activity lately. North west Arabian Sea, adjoining Saurashtra and Kutch. Saurashtra and Kutch regions are standing at a rain surplus of 51%, while the overall state of Gujarat has a surplus rainfall of 28%. Due to heavy showers, flood-like conditions along with water logging situations were witnessed in several parts of Gujarat. The crop condition is believed to be weak due to increased moisture levels. In such scenario, farmers are concerned over the quality of the crop that it may not qualify for MSP procurement. Rain damages in the Gujarat region may not affect price surge in the international markets as there are harvest due in the adjacent peanut beds (West and South India) along with the harvest in the Asian and African regions. However, crop estimations will be announced on October 10.

Indian Peanut Market
It was not so long ago that the Indian farmers were praying for rain, but now there is too much of it that could potentially hurt the peanut crops. Gujarat is the major peanut growing state that had received an above-average rainfall in the past weeks. Last year a nationwide shortage of peanuts led to record prices prompting the farmers to increase their peanut acreage by nearly 6% in Gujarat. The Western and Southern states peanut harvesting should begin next week. If heavy rainfall persists, it could affect the crop by causing mould and aflatoxin attacks. The damage due to excessive rains are concerned, the quantum of damages remains a major concern. Farmers are optimistic about this year's peanut crop aided by a fancy MSP. What happens to the Indian peanut story in the next two week is crucial to what is going to happen in the next calendar year. Whatever be the end result in October 2019, we are sure that “This too shall pass.” Godspeed India!

International Peanut Market
USA: USDA announced the September crop estimate and it shows a jump in production, from 2,651 to 2,825 million farmer stock peanut. Harvested acres could end up lower than reported. Supply on Virginia is tightening with prices, especially on jumbo inshell, high-maturing, Hurricane Dorian brought relief to the crop, but the dry weather experienced during the season could result in lower yield. Argentina: Argentina sells the current crop at prices around $1400 for blanched. It is also facing political and financial instability which may give chances to rising export costs. The peanut market has been quite subdued this summer with limited trading activities. Brazil: Current crop is sold out and market activity is absent. New crop plantings have started. Planting will be in full swing within a couple of weeks. Estimated that Brazil will plant about 5% more during the new crop sowing. China: The total planting area in China had increased by 3%, and the expected total production increases by 3%. The carryover for crop 2018 is around 1.5 million tons, while the carryover for 2017 crop was around 3 million tons. The major production area of the inshell, the Shandong area, has a decrease of 14.3%. Planting area for Virginia peanuts decreased, many farmers choose for planting the hybrid type. South Africa: The 7th CEC crop estimate calls for a crop of 18000 mt, last year crop of 7000 mt. Manufacturers in South Africa still have to cover a lot of their demand which is probably covered through the end of the year.