

Groundnut Pod & Oil Cake

Domestic Scenario

Groundnut or peanut, *Arachis hypogaea* is commonly called the poor man's nut. Today it is an important oilseed and food crop. This plant is native to South America and has never been found uncultivated. Groundnut is the single largest source of edible oils in India and constitutes roughly about 15 per cent of the total oilseed production. It is estimated that 14 million farmers are involved in oilseed cultivation, while one million persons are involved in processing of oilseeds and oils. Oilseed products contribute 14.4 and 48.8 per cent to agricultural exports and imports respectively, whereas their contribution towards national export and import is 1.6 and 2.2 per cent respectively. Paralleling area under production in 2017-18, about 90 per cent of the production comes from the five major states in India. These states are Gujarat, Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra. Gujarat and Tamil Nadu alone contributes to about 47.99 per cent of the total production. India's groundnut production fluctuates between 4.5 to 10 million MT a year. Groundnut is grown both in Kharif and Rabi season. In 2016-17, Gujarat accounts for over 34.73 per cent of India's groundnut seed production, followed by Tamil Nadu (13.25 per cent) and Andhra Pradesh (11.89 per cent), which is expected to rise in 2017-18 at around 8.31 million MT.

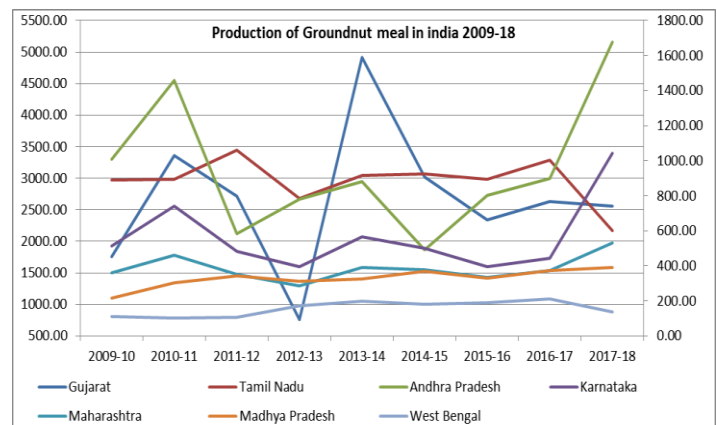
State wise Production of Groundnut in India

(‘000 MT)

States	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18*
Gujarat	1757.00	3366.10	2717.00	758.00	4917.57	3018.00	2339.10	2628.01	2553.65
Tamil Nadu	889.77	895.70	1060.65	783.21	915.89	926.41	892.29	1002.50	602.57
Andhra Pradesh	1006.00	1458.00	582.40	780.40	881.30	493.00	801.00	899.94	1678.40
Karnataka	512.00	742.00	485.00	395.00	565.00	502.00	395.00	443.79	1042.31
Maharashtra	359.00	460.00	351.00	285.00	393.00	379.00	334.00	375.25	531.54
Madhya Pradesh	217.90	301.60	344.60	311.70	324.20	370.00	331.56	372.51	392.75
West Bengal	113.02	103.17	105.57	170.50	200.49	179.86	189.90	213.36	135.04
Others	573.81	938.21	1317.50	1210.07	1516.45	1533.44	1450.49	1629.65	1375.02
All India	5428.49	8264.78	6963.72	4693.88	9713.90	7401.71	6733.33	7565.00	8311.28

Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation & Solvent Extractors' Association of India *NBHC Estimates

The average Indian consumption of groundnut is 5 million MT per year. The Indian variety of groundnut has 45-48 per cent oil content of which 30 per cent can be extracted, while the rest is retained by the cake. Among prominent cultivated crops in the developing countries, groundnut is unique because the plant and its produce have a wide range of uses in the daily life of the people as well as in the various industries. The roots of the plant help to enrich the soil and the vines serve as excellent fodder for cattle. The nuts, in addition to being the most consequential source of edible oil, are useful in numerous other ways. When the cake is powdered and extracted in solvent, it yields defatted groundnut



meal. Thus the crop has gained great popularity, based on its all-around usefulness and the financial returns it brings to the grower. Approximately one-third of world production is used in the confectionery products. Groundnuts is sorted according to Grades likewise Grade 1 , Grade 2, and Grade 3 where Grade 1 and Grade 2 are sent to confectionary market and Grade 3 sent to oil crushers from which oil and oil meal is made. SEA has estimated the kharif Groundnut production in Gujarat this year is a record of sorts and it is also expected that the situation for oil mills is likely to improve in the coming days, as government has announced that the procurement will be done in a staggered manner, farmers with less holding capacity are reluctant to sell at market prices lower than the MSP to oil mills and 50 per cent of produce has already been sold which is major drawback for small farmers.

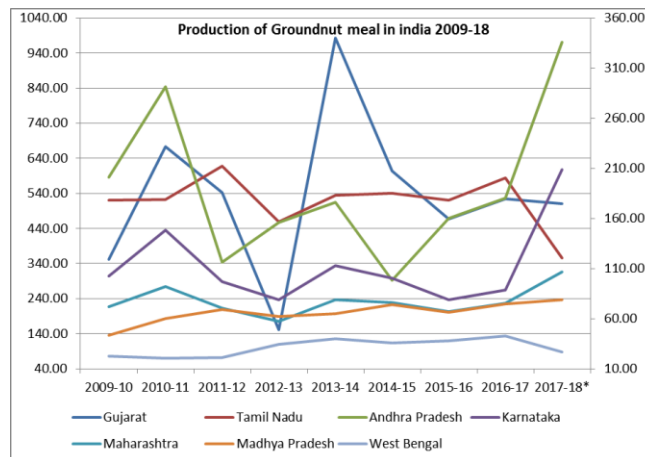
State wise Production of Groundnut meal in India

(‘000 MT)

States	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18*
Gujarat	351.40	673.22	543.40	151.60	983.51	603.60	467.82	525.60	510.73
Tamil Nadu	177.95	179.14	212.13	156.64	183.18	185.28	178.46	200.50	120.51
Andhra Pradesh	201.20	291.60	116.48	156.08	176.26	98.60	160.20	179.99	335.68
Karnataka	102.40	148.40	97.00	79.00	113.00	100.40	79.00	88.76	208.46
Maharashtra	71.80	92.00	70.20	57.00	78.60	75.80	66.80	75.05	106.31
Madhya Pradesh	43.58	60.32	68.92	62.34	64.84	74.00	66.31	74.50	78.55
West Bengal	22.60	20.63	21.11	34.10	40.10	35.97	37.98	42.67	27.01
Others	114.76	187.64	263.50	242.01	303.29	306.69	290.10	325.93	275.00
All India	1085.70	1652.96	1392.74	938.78	1942.78	1480.34	1346.67	1513.00	1662.26

Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation & Solvent Extractors' Association of India. *NBHC Estimates

Groundnut meal is used primarily as a protein supplement in the livestock feed rations. The supply of groundnut meal is directly influenced by demand for groundnut oil, the primary product from crushed groundnut. Thus, production and price trends of meal are similar to those of oil, but with similar fluctuations across years. There is a high level of technical and economic substitutability in the market for oilseed meal; all meals can be used as livestock feed although the protein contents are different. Consequently, demand for groundnut meal depends largely on relative prices; between oilseed meals and cereal based meal substitutes on one hand and between competing oilseeds on the other hand.



The demand for oil meal is increasing in the world market which has indirectly increased the production of groundnut meal in India. The major top five producing states of groundnut meal are Gujarat, Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra which constitute of 34.74 per cent, 13.25 per cent, 11.90 per cent, 5.87 per cent and 4.96 per cent respectively. Due to the recent Government initiatives, as it has hiked import duty on edible oils and raised incentives under the Merchandise Exports from India Scheme (MEIS), Indian oil meals have become more competitive in the world market. Developing countries contribute about 94 per cent of the world peanut production, grown mostly under rainfed conditions, predominantly in Asia and Africa.

Global Groundnut Meal Balance sheet

(000' MT)

Years	Beginning Stocks	Production	Imports	Exports	Total Domestic Consumption	Ending Stocks
2003-04	19	6,494	269	286	6,431	65
2004-05	65	6,066	130	148	6,071	42
2005-06	42	6,170	210	248	6,158	16
2006-07	16	5,649	175	210	5,610	20
2007-08	20	6,131	153	178	6,105	21
2008-09	21	6,232	68	103	6,166	52
2009-10	52	5,943	113	137	5,939	32
2010-11	32	6,343	120	190	6,272	33
2011-12	33	6,478	47	85	6,453	20
2012-13	20	6,620	39	90	6,566	23
2013-14	23	7,059	97	131	7,019	29
2014-15	29	6,659	24	62	6,625	25
2015-16	25	6,672	25	59	6,610	53
2016-17	53	7,205	144	197	7,176	29
2017-18*	29	7,312	122	172	7,261	30

Source: Foreign Agricultural Service, Official USDA Estimates

Oilseed crops form the second largest agricultural commodity after cereals occupying 14 per cent of the gross cropped area. Groundnut is cultivated in more than 60 countries in the world. From the above table we can see that the global productions over the years have shown gradual improvement. It showed an increase of about 12.59 per cent since 2003-04. The domestic consumption has also shown a marginal improvement of 12.90 per cent. But, the imports and exports have dropped significantly by 54.64 per cent and 39.86 per cent respectively. The negative fact about the groundnut meal trade is the level of decline in global trade. There has also been decline in the global ending stock over the above period, which is 53.84 per cent, as the ending stock has decreased this will be a lowering factor as it may not absorb the demand from other countries and may not sustain the prices at a upper level.

Countries like India, China, Nigeria and Argentina have good potential to utilize the opportunity to export groundnuts or groundnut products to the developed countries. They can earn valuable foreign exchange to improve their economic conditions. In the international market demand for groundnut products is determined by several factors. The primary factor in Africa has been population growth. In Asia, demand has grown due to a combination of population growth, increase in per capita income and urbanization. Expansion of urban areas signals higher incomes, higher opportunity cost of time and therefore greater demand for convenience foods. Groundnut production and consumption in the coming period is likely to shift progressively more to developing countries. This boost will be seen in all regions with most rapid growth in Asia. Per capita consumption will grow sharply in Asia, slowly in sub-Saharan Africa and will decline in Latin America. More than half of groundnut production is crushed into oil for human consumption or industrial use. Protein meal, a byproduct of crushing, is an ingredient in livestock feeds.

Country wise global Supply –n – Demand of Groundnut

('000 MT)

Country	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18*
Production										
China	14,286	14,708	15,644	16,046	16,692	16,972	16,482	16,440	17,000	17,500
India	5,920	5,120	5,840	6,015	4,334	6,482	4,855	4,470	6,700	6,500
Nigeria	2,873	2,978	3,799	2,963	3,314	2,475	3,413	3,000	3,000	3,000
Burma	1,202	1,305	1,362	1,399	1,372	1,375	1,375	1,375	1,375	1,375
Argentina	860	836	1,033	1,020	1,016	997	1,188	930	1,288	1,160
Indonesia	1,250	1,250	1,250	1,165	1,145	1,160	1,150	1,130	1,120	1,100
Cameroon	484	503	536	564	634	636	614	550	550	550
Brazil	301	226	227	295	326	315	346	406	466	459
Ghana	470	526	531	465	475	409	426	440	440	440
Chad	403	371	406	570	1,298	965	791	400	400	400
Others	8,837	8,546	9,294	8,862	10,285	10,082	9,815	11,278	10,426	11,853
World	36,886	36,369	39,922	39,364	40,891	41,868	40,455	40,419	42,765	44,337
Domestic Consumption										
China	13,600	14,101	15,112	15,495	16,203	16,434	16,141	16,497	16,651	17,200
India	5,690	4,520	4,530	4,400	3,995	5,060	4,250	3,900	5,650	5,700
Nigeria	2,881	2,986	3,450	3,275	3,230	2,620	3,210	3,048	3,046	3,053
Indonesia	1,465	1,487	1,499	1,437	1,455	1,440	1,386	1,390	1,410	1,440
Burma	1,197	1,290	1,330	1,393	1,430	1,395	1,390	1,370	1,370	1,370
E U	723	715	722	711	774	780	785	825	865	890
Cameroon	484	503	536	564	634	636	614	550	550	550
Chad	403	371	370	560	944	925	831	670	530	400
Ghana	465	493	519	479	467	435	424	441	442	442
Mali	327	317	317	317	320	315	430	430	430	360
Others	8,622	9,126	9,900	10,099	10,098	10,786	10,654	11,791	11,587	11,764
World	35,857	35,909	38,285	38,730	39,550	40,826	40,115	40,912	42,531	43,169
Ending Stocks										
Argentina	18	4	137	269	429	568	564	275	433	427
India	140	285	63	317	130	767	501	301	412	212
Nigeria	0	0	357	48	138	0	213	170	127	77
Brazil	240	195	142	136	102	117	77	69	97	101
Indonesia	40	69	103	51	76	96	90	64	66	68
Mali	57	37	30	25	29	13	88	175	66	27
Nicaragua	43	41	37	38	37	40	22	32	33	15
E U	8	10	8	5	30	21	19	23	31	31
Burma	92	102	129	130	67	42	22	22	22	22
Mexico	20	20	28	18	22	23	23	25	22	24
Others	1,250	1,194	1,395	1,114	2,131	2,011	1,650	1,389	857	1,459
World	1,908	1,957	2,429	2,151	3,191	3,698	3,269	2,545	2,166	2,463

Source: Foreign Agricultural Service, Official USDA Estimates

Country wise global Supply –n – Demand of Groundnut Meal

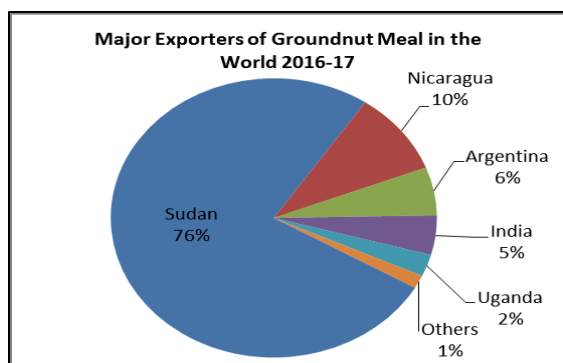
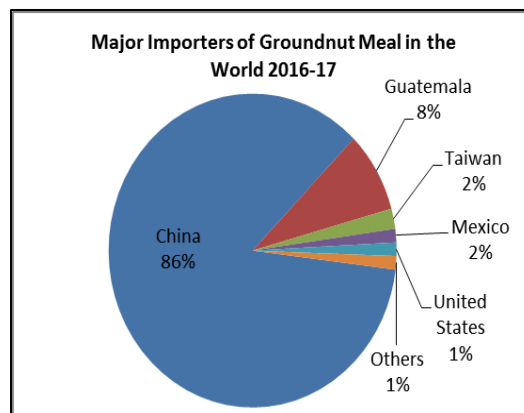
('000 MT)

Country	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015--16	2016-17	2017-18*
Production										
China	2,770	2,812	3,032	3,237	3,434	3,484	3,358	3,520	3,580	3,700
India	1,911	1,470	1,474	1,428	1,260	1,638	1,250	1,113	1,575	1,515
Burma	248	275	290	300	325	325	325	325	325	325
Nigeria	220	228	260	260	260	212	245	245	245	245
Argentina	120	72	52	78	81	90	117	114	114	117
Burkina	88	80	84	65	83	94	88	90	90	90
Brazil	50	50	52	57	71	54	66	70	72	75
Cameroon	55	56	56	59	59	57	57	57	57	57
Niger	36	36	47	47	47	51	54	54	54	54
Congo(Kinshasa)	46	50	50	50	50	50	50	50	50	50
Other	688	814	946	897	950	1,004	1,049	1,034	1,043	1,084
World	6,232	5,943	6,343	6,478	6,620	7,059	6,659	6,672	7,205	7,312
Domestic Consumption										
China	2,787	2,846	3,060	3,237	3,441	3,539	3,356	3,522	3,702	3,798
India	1,867	1,424	1,371	1,415	1,255	1,630	1,242	1,107	1,566	1,507
Burma	250	277	290	300	320	320	325	325	325	325
Nigeria	220	228	260	260	260	212	245	245	245	245
Argentina	80	72	54	62	69	70	103	100	102	102
Burkina	88	80	84	65	83	94	88	90	90	90
Brazil	50	50	52	57	71	54	66	70	72	75
Cameroon	55	56	56	59	59	57	57	57	57	57
Niger	36	36	47	47	47	51	54	54	54	54
Congo(Kinshasa)	46	50	50	50	50	50	50	50	50	50
Other	687	820	948	901	911	942	1,039	990	913	958
World	6,166	5,939	6,272	6,453	6,566	7,019	6,625	6,610	7,176	7,261
Ending Stocks										
Burma	7	5	5	5	10	15	15	15	15	15
Argentina	39	7	1	1	0	3	4	4	5	5
Indonesia	3	3	4	3	3	3	3	3	3	3
Bangladesh	0	0	0	0	0	0	0	0	0	0
Benin	0	0	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	0	0	0	0
Burkina	0	0	0	0	0	0	0	0	0	0
Cameroon	0	0	0	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	0	0	0	0	0
Chad	0	0	0	0	0	0	0	0	0	0
Other	3	17	23	11	10	8	3	31	6	7
World	52	32	33	20	23	29	25	53	29	30

Source: Foreign Agricultural Service, Official USDA Estimates

Global Trade Scenario for Groundnut Meal

The top importing nation of groundnut meal is China which alone accounts of 86 per cent of the total global imports, this is because the continuous modernization of China’s domestic feed and livestock sectors are boosting the consumption of oilseed products, and getting advantageous price for imported Groundnut meal. The second most important destination is Guatemala contributing to 8 per cent of the total imports. The other countries worth mentioning are Mexico, Taiwan and United States. Thus, going by the share of the quantum of the imports done in the last year, one should be focused enough to track the prices and the sentiments of Groundnut meal trade in China and Guatemala.



The major countries involved in the export of groundnut meal are explained by the following chart. As per the details, three countries competing for the share in the global exports together totaling of 92 per cent. The leading spot is shared by Sudan with shares of 76 per cent followed by Nicaragua at 10 per cent. The other exporting nations worth mentioning are Argentina, India and Uganda, each with share of 6 per cent, 5 per cent and 2 per cent respectively.

Major Importers of Groundnut Meal in World

(‘000 MT)

Country	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18*
China	24	37	32	3	9	56	0	3	123	100
Guatemala	0	0	1	2	5	10	10	11	12	12
Taiwan	7	4	5	4	9	9	4	2	3	3
Mexico	2	0	10	15	6	2	2	2	2	2
United States	8	1	1	1	1	2	1	2	2	2
Others	27	71	71	22	9	18	7	5	2	3
World	68	113	120	47	39	97	24	25	144	122

Source: Foreign Agricultural Service, Official USDA Estimates

Major Exporters of Groundnut Meal in World

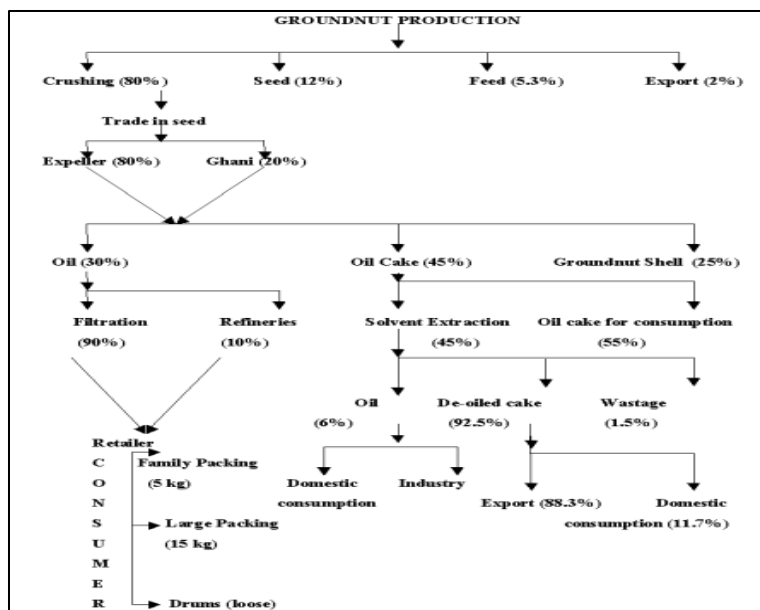
(‘000 MT)

Country	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18*
Sudan	16	16	16	16	19	53	12	12	150	120
Nicaragua	12	10	5	15	19	19	19	19	19	19
Argentina	8	32	4	16	13	17	13	14	11	15
India	44	46	103	13	5	8	8	6	9	8
Uganda	5	5	5	5	5	5	5	5	5	5
Others	18	28	57	20	29	29	5	3	3	5
World	103	137	190	85	90	131	62	59	197	172

Source: Foreign Agricultural Service, Official USDA Estimates

Features India’s Groundnut Meal Industry

For a brief understanding of the groundnut meal, the process of making groundnut meal is shown in the adjacent chart. Over half of the groundnut harvested worldwide is crushed for oil and a substantial quantity of groundnut produced in developing countries is traded in domestic markets. International trade of groundnuts is mainly in the form of in shell (pods), shelled (kernels) and meal (cake). A large trade of confectionery groundnut is also booming in the international market. The international price of groundnuts is generally decided by the crop size and quality in United States of America. The fortunes for the Indian groundnut (shelled) export are bright and it may likely to emerge as a major supplier of raw and processed groundnut mainly because of its large production of Groundnut oil. It is thinly



Maximum possible levels of aflatoxin in imported groundnut for human consumption and livestock and poultry feeds

Country	Aflatoxin type	Maximum permissible level (ng g ⁻¹)	
		Foodstuffs	Livestock feed
Belgium	B ₁	5	20
France	B ₁	1	20
Germany	B ₁	2	20
Ireland	B ₁	5	20
Italy	B ₁	5	20
Netherlands	B ₁	0	20
Sweden	B ₁ , B ₂ , G ₁ , G ₂	5	10
UK	B ₁ , B ₂ , G ₁ , G ₂	4	20
USA	B ₁ , B ₂ , G ₁ , G ₂	20	20

Source: Freeman et al. 1999, ICRISAT

traded in international markets, because the major producers like China, India and the United States of America consume substantial amounts in their domestic markets. This national use reduces the quantities available for export. In the 1960s and 1970s groundnut oil was the major item traded as edible groundnut trade was negligible. Since that period, the reverse has occurred. Edible groundnuts dominate world groundnut trade while groundnut oil is of minor importance. The export trade of oil in developing countries is concentrated in Senegal and the Sudan. India has a self-sufficiency policy for vegetable oil, of which groundnut is a major component. In addition, India

has producer subsidies, as do many other countries. Under GATT agreement, these markets would be opened up and costs of production could change. Slightly over half of the groundnut production is crushed into oil for human consumption or industrial uses. Protein meal, a by-product of crushing, is an ingredient in livestock feeds. Groundnut is also consumed directly and is used in processed food and snacks. Approximately one-third of world production is used in the confectionery products. Utilization of oil, meal and confectionery groundnuts are all increasing concurrent with a gradual shift away from oil and meal into confectionery use. In many groundnut-producing countries, several products and by-products are processed and consumed locally as a few are exported too. Among the by-products traded in the international market is peanut butter and roasted groundnuts.

The world is experiencing a shortage of edible oil and proteins. Groundnut plays a useful role in alleviating these deficiencies as it is a rich source of edible oil and protein. Groundnut has an outer thick woody shell. Inside normally there are 2 or 3 embedded seeds (kernel). The seed consists of 2 cotyledons and the germ covered by an outer thin skin called the testa. The colour of the testa may be red, brown, purple or white depending upon the type and variety. Testa constitutes about 4 to 5 per cent of the weight of the kernel. The cotyledons constitute the bulk of the seed in the range of around 92 to 94 per cent of the weight. The germ constitutes around 3 to 4 per cent of the seed weight. The testa protects the seed against pests and diseases. Cotyledons are the storage organs, which supply food the germ during germination. As a result of these functional differences, the chemical make-up of the parts of the kernel also differ.

Chemical Composition of Groundnut Shell, Haulms and Oil Cake

Constituent	Percentage
Shell	
Cellulose	65.7
Carbohydrates	21.2
Proteins	7.3
Minerals	4.5
Lipids	1.2
Haulms	
Protein	8.30-15.0
Lipid	1.39-2.88
Crude fiber	22.11-35.35
Carbohydrates	38.06-46.95
Minerals	9.0-17.04
Moisture	7.13-10.0
Oil Cake	
Moisture	8-10
Oil	0.7-6
Crude protein	45-60
Carbohydrates	22-30
Mineral matter	4-5.7
Crude fibre	3.8-7.5

Source: Reddy, P.S., 1988

Trends in Export of Groundnut Meal

Year	Groundnut Meal	Total Oil Meal Export	% of total meal Exports
2012-13	2883	48,46,013	0.06
2013-14	3290	43,81,994	0.08
2014-15	3013	24,65,663	0.12
2015-16	1102	15,29,115	0.07
2016-17	2918	18,85,480	0.15

Source: Solvent Extractors' Association of India

The quantum and direction of Indian groundnut and its meal exports is dealt in the subsequent sections. As the trend suggest, the importance of meal, export was declining

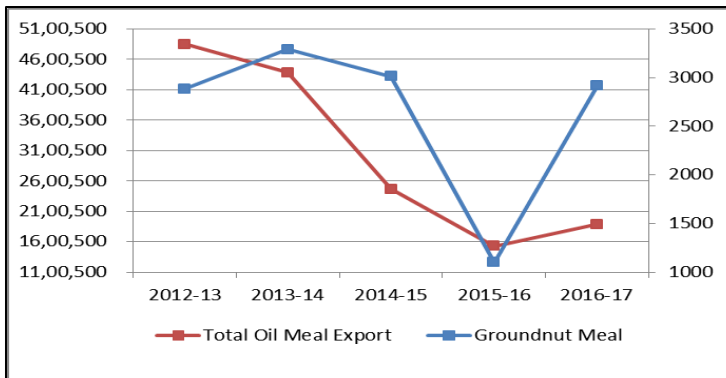
till 2012 but it is seen that slowly and gradually it is increasing since 2012-13 year on year till now in 2016-17 it has shown the global improvement of about 0.15 per cent this gives an indication that the meal trade in groundnut is gradually gaining its importance in the global export market. The export of groundnut is also on global market which hints at the localized industrial usage of groundnut in the processing industry. The country wise direction of export of groundnut reveals that the

Country wise Export of Groundnut ('000 MT)

Country	2013-14	2014-15	2015-16	2016-17	2017-18*
India	786	872	771	940	1,000
Argentina	578	849	883	790	820
China	565	502	484	644	650
Brazil	93	146	163	180	190
Nicaragua	133	130	100	115	115
Egypt	52	28	30	35	35
Hong Kong	3	4	33	30	30
E U	26	31	32	27	30
Mexico	21	20	19	21	21
Gambia	18	18	18	18	18
Other	627	700	996	852	1,208
World	2,902	3,300	3,529	3,652	4,117

Source: Source: Foreign Agricultural Service, Official USDA Estimates

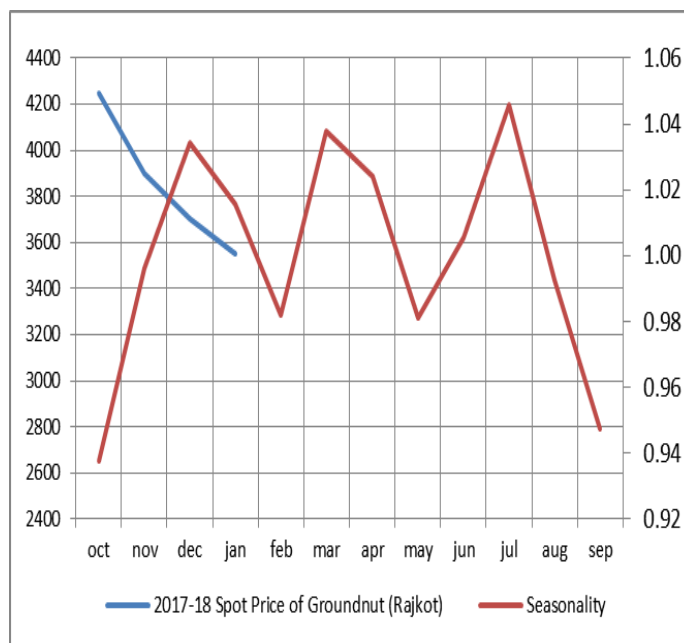
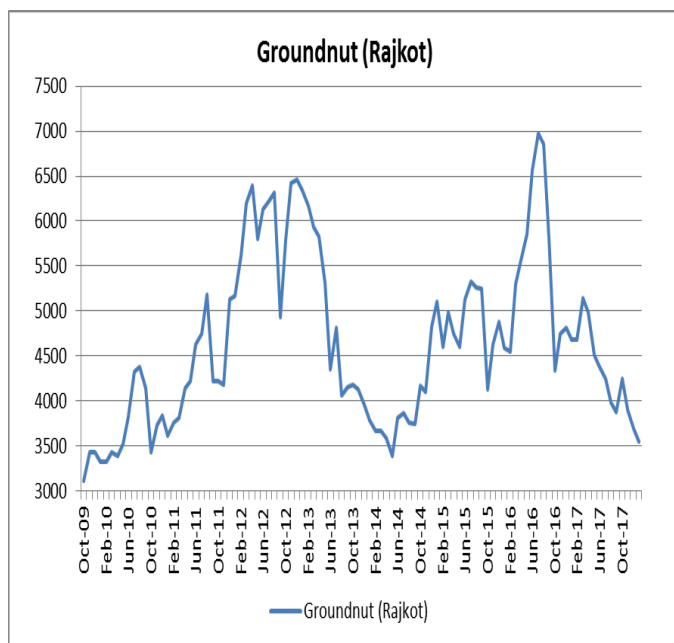
top two exporters of groundnut globally are India and Argentina which accounts of 25.73 per cent and 21.63 per cent respectively. The other countries worth mentioning of the Export are China (17.63 per cent), Brazil (4.92 per cent), and Nicaragua (3.14 per cent) respectively.



Important Factors Driving Groundnut Prices

- The total sown **area** under Rabi oilseeds, as on 12th January 2018, has decreased compared to the previous year’s level which is down by 3.66 per cent at 78.62 lakh hectares compared to 81.61 lakh hectares during the corresponding period last year, while Groundnut area is at 5.13 lakh ha in 2017-18, than 4.51 lakh ha in 2016-17 increase of 13.74 per cent is seen.
- The **export** during December 2017 is provisionally reported at 236,000 MT compared to 301,556 MT in December 2016 i.e. down by 22 per cent. The overall export of **oil meals** during April – December 2017 provisionally reported at 2,090,468 MT compared to 1,169,914 MT during the same period of last year.
- Secondly, after two difficult years, **export** of oil meals has revived in the current year, but still lower than earlier years, when India used to export annually over 40 to 45 lakh MT of oil meals.
- On 17th November 2017, Government raised the **import duty** on edible oils by 12.5 to 15 per cent across the board. This step has made Indian oil meal more competitive in the world market and may result in to larger export of oil meals and will also protect the domestic growers during current year.
- Cabinet Committee on Economic Affairs, has given its approval for Minimum Support Prices (**MSP**) for Kharif Crops of 2017-18 season, the MSPs of all the Kharif oilseeds are raised for this season, Groundnut -in- shell by 5.5 per cent to Rs 4,450/Quintal (including Rs 100 bonus) from Rs 4,220/Quintal.

Price trend Analysis



As per price seasonality index given in the chart, groundnut pod prices touches peak in March and July months that is lean season. The prices remain mostly stable or weak in February-May period that is peak arrival season for groundnut. However, the price movement are largely influenced by global demand and it dynamics in the US market. The movement in the current years can be slightly bearish as groundnut crop is expected to be higher than

previous year. The downtrend is expected to continue for the next three -four months due to high carry forward stocks. Fresh crop harvest has started and peak season is in Feb-April.

Irrespective of the bumper harvest this season farmers are holding on to stock, hoping that the government will acquire it at the minimum support price (MSP), which is higher than the market price. This, in turn, has led to a shortfall of raw material for oil mill this could further may put market prices under pressure as the government is only procuring quality Groundnuts as there are set norms for purchase of crop at MSP and also the low export demand is keeping prices stable for groundnut.

Price Trend Recommendation:

Overall, the market is expected to maintain a Weak trend till June 2018 after which the support to price is expected to come from the gradual increase in the domestic festive demand. Expected Downside in Groundnut Pod is 28000 and the Topside Resistance at 44000 (Support & Resistance Prices in Rs. / MT).

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