**The rain gods are smiling, could it be a good crop?**

1. They care, if it rains! According to CARE (Credit Analysis & Research) reports on the monsoon progress, sowing should leap all point to a good farm output and a positive indicator for India’s peanut crop. The primary indicator pointing to a potentially good agricultural crop is the monsoon. Rains have been fairly distributed so far, reflected in the manner in which the difference between area peanut sown in 2017 and 2018 has narrowed down over the weeks. Sowing of shrimp crops continued to progress at a steady pace which covered 90 percent of last year sowing area in spite of rains deficiencies in several parts and a shift in acreage towards more profitable crops such as cotton.

2. Humble Nut, Vicious Politics: National Agricultural Cooperative Marketing Federation of India Limited, country’s top cooperative body of marketing agricultural commodities was set up to benefit the farmers, but this body is expected for a series of irregularities, in the peanut procurement. With repeated fire accidents in warehouses under suspicious conditions alongside adulteration of peanut sacks with salt, the Gujarat government procurement process is mired in controversies. The stock of peanut were adulterated with several public efforts to show no loss of weight in the stocks after peanut was illegally sold to middlemen. The four instances of fire accidents at various godowns were alleged attempts to destroy evidence. The probe is estimated to be around $590 million.

3. Cot(turn): This year most of the farmers have turned from peanut to cotton due to low price realization from peanut last year. According to the Gujarat State Agriculture Department, cotton sowing as of August 6, has reached 2.65 million hectares as compared to 2.65 million hectares last year. The normal area planted during the same time is 2.6 million hectares. The percentage of non-BT cotton planted in the state has increased by 34 percent compared to last year, and the overall share of non-BT cotton area has risen from 13 percent to 20 percent. But farmers continue to prefer planting BT cotton due to its relative drought tolerance over competing crops, and while planting window.

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**Indian Peanut Market**

Indian new crop peanut sowing almost is in finishing line and started developing. Good rainfall resulted in favourable moisture conditions for crop growth, with the harvest planned during Oct-November. The weather conditions still dominate the effects on most part of the peanut belt and farmers expect a good yield. Months of September and October will be very important for the development of the peanut plant. The harvest for the new crop will still have some time to come, if there are any weather troubles like in America, Argentina & China, India too can face a shortage situation.

In order to determine the 2018 Indian peanut market position it is crucial to understand what is happening in countries like USA, China, Africa and Argentina. Argentinian government has sharply decreased the export release for peanuts from 3% to 1% due for blended peanuts from 0.9 to 0.13%. This revision will have a strong impact for an increase in peanut prices. In China, the peanut prices remain at low levels now, both supply and demand poor. Most of the peanut dealers who have stocks in their cold storage are believing that the price for the new crop will be much higher and therefore they prefer to wait for the new crop market to trend. Lower demand for the African origin peanuts pulled its price levels down. The Indian procurement problem in India narrowed the supply to the market and at the same time created a carry forward stock of 0.5-0.6 m tons. The market should start at a bullish trend going ahead for the good quality peanuts while the lower quality satisfying the bottom level feeders. (G. Sreedhar, India)

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**International Peanut Market**

USA: US sellers are obtaining good revenues due to the Argentinian crop trend, combined with a lack of raw peanuts from Brazil and the Chinese peanut. Contracts opened at $400 per ton for 2018 harvest, $440 per ton for 2019 and $450 per ton for high-old cutters. The peanut program guarantees a minimum $355 loan. If acreage is down, negotiate a contract over the next nine month. If bad weather, such as drought, persists or fewer acres are planted, prices likely will go up.

China: The peanut prices remain at low levels, both supply and demand is at low level. Most of the peanut dealers who have stocks in their cold storage are believing that the price for the new crop will be much higher and thus they prefer to wait for the new crop. On the other hand, big peanut consumers like the oil crushing factories still have stock, and won’t enter the market until the new crop.

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**MARKET HIGHLIGHT**

At last, there is a break from bad news. Comparing last year’s bumper harvest, peanut sowing in the current season has been environment at around 1.5 million hectares in Gujarat, coming about 90 percent of the 1.62 million hectares reported in the previous season. Late rains helped push up acreage of peanut in Gujarat (the largest producing state), boosted the prospects of the soided crop.