A stormy market with no rain

A rumbling market with enquiries and expectation but very less volume

Market Trend: 1. The Peanuts industry suffered diverse impact, but maintained a relatively optimistic sentiment. In the past four years, peanut market size maintained an average annual growth rate of 0.50% to around 9 billion LBS.
2. The MSP for many crops are already 1.5 times the cost; and procurement is either absent or minimal. It was in January this year, on the request from Gujarat government for extending groundnut procurement by additional 0.4mm tones, the Union agriculture ministry had allowed 0.1mm tones of procurement under the price support scheme. Since the allowed volume of procurement is already procured the episode of Government purchase from the farmer comes to an end.
3. The State Government of Telangana has announced 50 per cent subsidy on purchase of seeds to reduce input costs for farmers in the Rabi season in view of the Kharif failure. Groundnut seeds will be supplied to farmers at 50 per cent subsidy.

Indian Peanut Market:
The market for Indian current crop continues to be very weak with seemingly plenty of supply left to be sold. Indian processors are starting to feel some pressure. Indian market continues to have fairly slow demand this season with China, a large buyer until last year, practically out of the market expect during the initial period of November – December last year.

The temperatures in India will soon start to rise and quality deterioration is in the mind of the sellers and the new crop planting is expected to be around June depending on the monsoon. With Africa gearing up to supply from Mozambique, Senegal & Tanzania, India shippers had already lowered the price bars for their Indian offerings to match and compete with the competition. With price being appropriate and quality consistently better than the African counterparts, it is to be seen how the buyers react. God speed India.

MARKET HIGHLIGHT

The Indian monsoon, a significant chunk of the country’s GDP, is the important topic of discussion in the country at the moment. As per the forecast from the Indian Meteorological Department (IMD), it is to be believed, most parts of the country will be heartened by the southwest monsoon, scheduled to arrive in India in three weeks’ time from now.

PEANUT PRICE BEST QUOTES

<table>
<thead>
<tr>
<th>Variety</th>
<th>MSP</th>
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<th>Price</th>
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<tr>
<td>Java</td>
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<td>Spanish</td>
<td>670</td>
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Peanut Bowls of India

...runner market jumped this situation is not related to the Argentine drought...

International Peanut Market:

Argentina: Rainfall is heavier in the recent days over the peanut belt, harvesting process is halted in most areas for a few days. It is expected to have an average of 2 metric tons in shell per Hectare; an adequate dry climate is needed for a good harvest. Production is estimated to decline by 21% year-over-year to 690,000 tonnes.

USA: New crop estimates down 18%, bulls. Current crop firming up; farmers are not willing to sell the ferment stock as cheap anymore; the last 2 weeks USA medium and jumbo runner market jumped this situation is not related to the Argentine drought but due to domestic prices fluctuation from other commodities such as cotton.

Prices reported as follows on a CIF Rotterdam basis: Medium Runner 4050 at $1350 Spanish 68/70 at $1850

China: The supply is less from the farmers. Some middlemen are active to buy the goods at a lower price and want to stock it. The market demand is still not so good. The traders tend to make the proper purchasing rationality and always control the quantity.

Prices reported as follows on a CIF Rotterdam basis: Houli Runner 4050 at $1350 Red Skin 60/70 at $1475

South Africa: As per previous crop estimates, the plenty of rainfall during the last 60 days has favoured yields and hectarage plantations. Local expert opinion is more that the average yield will be between 1.1 – 1.3 MT/ha, which will bring the South African Spanish crop to a total production of 61,000 – 73,000 metric tons.