It's a seesaw between Cotton and Peanut farming

Peanut is the backbone of farming in the State but is it losing ground this time?

Market Trend: Peanut sowing in Gujarat is about 2.49 lakh hectares as against 4.96 lakh hectares in June’18 as on June 18 as against 2,49,100 hectares during the same period last year. It’s a shocking progress!

Apart from the farmer decision between Peanut and Cotton, data suggests that overall just 3% of the season’s total sowing has been done in the state. Last three years’ average total sowing of cotton was 1,39,740 hectare so far as against 8,56,000 hectare. Determination to plant cotton witnessed fall in coverage area by 85% and 72%, respectively. For the month of June 2018, cotton has covered 37,788 hectare this year as against 2,49,100 hectare in corresponding period last year. Similarly, area under cotton crop has registered 1,39,740 hectare so far as against 9,46,400 hectare.

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...government stocks and peanut quality could divide the market trends...

Indian Peanut Market:
Despite poor crop prospects, the interest towards Indian peanut seems to be having a dwindling effect among the major peanut importing countries. Due to local price pressures, Indian peanut market had missed the chance to fill the gap developed due to lack of Argentine peanut supplies. There is strong competition from African market since the prices of Mozambique origin peanuts maintains lower price range and that becomes a challenge for Indian processors.

The market for Indian 2017 crop continues to be weak for the poor/normal quality peanuts. There are plenty of stocks (nearly 8,50,000 tons with just one state Government stock-hold), which are left unsold and are of questionable quality condition. Indian processors are starting to push material before the arrival of new crops. With government stock going stale, and market stocks with key players ruling the price, we could potentially see a healthy price trend for the best quality peanut and weak - bearish price trends for the normal or below average quality peanuts. The market trend could get divided here, due to stocks held by the govt. However, with cotton potentially becoming a champion this crop year, we could see peanut prices picking up speed like it was 3 years ago. God speed Indial & God speed Peanut!

...prices of raw are going up and the offers for 2017 crop are very limited...

International Peanut Market:
Argentina: The situation in Argentina has become worse. First no rain during the growing period and then suddenly constant rain was witnessed during the harvesting period. It is delaying the process (about 70-80% still need to be harvested) and the fear of a very small crop in combination with very bad quality is getting bigger by the day. In general, Argentina has stepped out of the market.

USA: The USDA predicts a planting decrease of 18-20% in combination with a big surplus. Prices for raw are going up and the offers for 2017 crop are very limited. The U.S. peanut market hopes that China will continue to import peanuts using some of the extra supply. When China buys, more than 30 percent of the U.S. crop could go to exports. Other top buyers are Canada (24%) and Mexico (20%).

Negotiations of the North American Free Trade Agreement add uncertainty to the North American peanut market. East China due to the dry weather. The oil crushing market will keep a low-key profile due to low raw supply and the offers for 2017 crop are very limited...

Organic Raw Peanut

MARKET HIGHLIGHT
Peanut cultivation in Gujarat is likely to decline in the Winter farming of 2018. Several farmers shifted to other crops this season as peanut prices remained lower than minimum support price for several months. Peanut sowing has been done with just 37,788 hectares as on June 18 as against 2,49,100 hectares during the same period last year. It’s a shocking progress!

PEANUT TOP STORIES / CROP NEWS / MARKET NEWS / PRICES / KNOWLEDGE

PEANUT PRICE BEST QUOTES MARKET TREND UPWARD

BOLD 3035 MALAYSIA $1280/APP NORM HUMAN GRADE OCT’®17: $1185/FOB TRMERS Sack

BOLD 4045 MALAYSIA $1280/APP NORM HUMAN GRADE OCT’®17: $1160/FOB TRMERS Sack

BOLD 5560 MALAYSIA $1280/APP NORM HUMAN GRADE OCT’®17: $1125/FOB TRMERS Sack

BOLD 6065 MALAYSIA $1280/APP NORM HUMAN GRADE OCT’®17: $1110/FOB TRMERS Sack

BOLD 7080 MALAYSIA $1280/APP NORM HUMAN GRADE OCT’®17: $1105/FOB TRMERS Sack

JAVA 5060 MALAYSIA $1280/APP NORM HUMAN GRADE MAY’®18: $1280/FOB TRMERS Sack

JAVA 6050 MALAYSIA $1280/APP NORM HUMAN GRADE MAY’®18: $1250/FOB TRMERS Sack

BLANCED 4050 MALAYSIA $1280/APP BIRD FEED OCT’®17: $1220/FOB TRMERS Sack

BLANCED 25/29 MALAYSIA $1280/APP BIRD FEED OCT’®17: $1945/FOB TRMERS Sack

AREA COVERAGE UNDER RADAIL CROPS (2017-18) (in million tonnes)

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<thead>
<tr>
<th>Variety</th>
<th>Area (000 ha)</th>
<th>%</th>
<th>% share</th>
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<td>Kharif</td>
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Source: Department of Agriculture, Cooperation and Farmers Welfare

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Published from INDIA | www.pnutking.com | www.agrocrops.com

July, 2018  | Vol 11

PK BULLETIN
MONTHLY EDITION FROM THE PNUTKING

Cotton and Peanut
Cotton and Peanut