**MARKET HIGHLIGHT**

There is room for price to go down, because there is over-production and over-supply in all the peanut origins. The supply outlook may also be aided by a favourable start of rainfall in the Southern India where much of the second-season (rabi) crop are now being sown.

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**State government aid to farmers on election count dazzles the market...**

A month before poll dates were announced for Gujarat, the state government had announced it would procure groundnut at Rs 4,500/100Kg, the government had announced about 25 percent premium over the standard minimum support price. But farmers were seen selling groundnut in agriculture produce markets at prices much below this MSP. Farmers selling at an estimated average of Rs 3,500/100Kg.

Two major reason the farmers were selling at lower prices are: 1) Due to the slow pace of procurement by the state government and 2) Small and marginal farmers who need money immediately are preferring the open market because there are long waiting lists of payment for sale to the state government, and the government takes anywhere between 2 weeks to 3 months to pay.

It is believed that after the Gujarat election, which might be in January 2018, there will be some competitive and workable prices from India at USD 900/ton fob. However, Indian sources do not think prices of the 50-60 Bold type peanuts will go below USD900/ton fob. Indian stockists and farmers will hold stock because Indian consumption is increasing every year.

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**International Peanut Market:**

**USA:** US peanut harvesting nearing completion. 95 percent of the crop was harvested as of November’17. Harvested area is expected to total 1.83 million acres, up 19 percent from 2016. Peanut harvest is winding down with fair to good yields. Shellers are not eager to offer and prefer to wait until the harvest has finished. Last season, China was the number one buyer of US peanuts. New Deal has dropped to No. 3, Jan-Aug behind Canada and Pakistan.

**Egypt:** Due to excessive rain the prospects for the Chinese peanut crop are looking less favourable. Rain has created the second-season (rabi) crop are now ready to harvest. The supply outlook may also be aided because there is over-production and over-supply in all the peanut origins.

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**A DORMANT PEANUT MARKET AROUND**

**Indian Peanut Market:**

India normally has demand for Bold type peanuts from the Middle East, Ukraine, Russia and Algeria and from Europe for the bird feed market. For Java type, India generated good sales volumes in October to the Far Eastern market. India sold 80-90 in October and in October this year at an average price of USD 900/tonne cif Indonesia and Manila. At present the market prices to these destinations are at USD970-990/tion cif. Sudan was seen offering at USD950/ton to Indonesia for end December shipment. Therefore, India’s main competitor for the Java type will be Sudan. Sudan has huge production and is offering aggressively to destinations such as Ukraine, Russia and Algeria and to Europe for the bird feed market, because Brazil still has unsold stocks.

Yet, this year’s crop is expected from tonnes higher this month to 6.5 mm based on better yield reports, particularly for the top growing state of Gujarat. There a room for prices to go down, as there is over-production in all the origins.

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**MARKET PRICE BEST QUOTES**

**MARKET TREND STABLE**

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**MARKET HIGHLIGHT**

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