Market Intelligence updates for groundnut

Coronavirus epidemic: Groundnut exports to China come to standstill

Groundnut import orders from China have come to a standstill due to the coronavirus outbreak there. India’s groundnut exports jumped by a staggering between April and December 2019 as compared to corresponding period last year. Due to ongoing US China Trade war and short supply in China, there has been increase in Indian exports. Also reduced supply from USA and Senegal has led India export increased quantities of groundnuts to China and Far East countries. Also, orders from Vietnam which is 3d largest importer from India has dried up. Due to this reason, farmers are trying to sell groundnuts in domestic markets to liquidate the stock.

Covid-19 may shave $245 mn off farm, marine exports to China, Italy in March

Farm and marine products exports to China and Italy may take a hit in March alone due to the disruptions caused by the Covid-19 pandemic.

Total agriculture exports have declined 6.1 per cent but to China the shipments had soared almost 86 per cent. Similarly, agricultural exports to Italy have also declined. The complete lockdown in China and Italy as a result of Covid-19 may affect our agriculture and allied exports in March. Virus outbreak came at a time when there was high demand of farm items in China. Agri
products that will face a severe hit will be cereals, groundnut, castor oils, jams and jellies, sugar etc. Overall farm goods will report a decline in March to international borders due to cancelled flights and disruptions in shipping activity.

**Covid-19 outbreak could help agri exports: agriculture ministry analysis**

Government has identified 21 agri products where India can grab China’s market share in wake of Corona in other foreign markets. These products include honey, potatoes, grapes, soya beans and groundnuts, in which Indian exports could benefit from trade restrictions against Chinese goods. The total value of China’s global exports and India’s global exports were close in terms of USD million in the same period and thus, India could now have a chance to grab part of China’s market share.

Opportunities are arising due to the fact that countries are imposing import restrictions on these tariff lines. Supply shortages and trade restrictions have already had a harsh impact on China’s total exports, which dropped more than 17% in January and February, in comparison to the previous year. Chinese imports fell 4% in the same period. As analyzed by India impact of virus outbreak on India may not affect us to an extent that it did to China. Thus there is a golden opportunity for India to grab opportunity to capture China’s markets such as Japan, Thailand, Spain.

**TELANGANA WILL PROMOTE GROUNDNUT EXPORTS**

Govt is planning to directly export groundnuts to Netherlands and European countries. Netherlands stands as 9th largest importer as of 2018 reports. Strategy involves sending groundnut produced in Telangana directly to Netherlands and European countries under direct trading promotion. Telangana has a favorable soil and quality weather conditions for growing quality groundnut.

Groundnut trade across the world is worth USD 1 billion a year. Netherlands had offered help in production, packing and export of quality groundnut from Telangana to their country and other nations as well.
Thus, Netherland’s market can be considered a potential market for India in future trade in groundnut.

**Trade during 2018-19 got a boost after Iran started accepting rupee post-US sanctions**

Post US sanctions, trade with Iran got a boost as it started accepting payments from India in rupee and used that fund to pay for imports from India. Iran does not stand in India’s top exporters and now this opportunity can be used to maximum. India’s export prospects have been brightened and Groundnut meal exports reported at 8,673 tonnes worth ₹13 crore against 7,931 tonnes worth ₹16 crore reported last year.

Iran can be seen as a potential market by India in 2020 and following years.

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