



## Groundnut prices crash making farmers in Telangana restive of surplus stocks

**Domestic buying and export demand have declined this year, resulting in a good quantity of surplus stocks in domestic markets**

**Hyderabad:** Groundnut prices have seen a sharp decline, with prices dropping from around Rs 7,000 per quintal to Rs 4,000-Rs 4,500 per quintal. This drastic reduction has led to unrest among farmers, who are demanding better prices for their produce.

The low prices are attributed to factors such as market dynamics. Severe price fluctuations experienced for quite some time are impacting farmers and traders alike. Recent protests by groundnut farmers in Achampet and Kalwakurthy highlight the challenges faced due to low prices and market dynamics.

**Mahabubnagar:** Farmers protest groundnut price crash, squat on rail tracks in protest

Farmers in Achampet stormed the market office, causing significant damage and attacking market officials. Similar protests erupted in Kalwakurthy, where farmers blocked roads and accused commission agents of arbitrary practices. The protests were called off after assurances from market committee members to work towards securing better prices.

Telangana is a sizeable contributor of groundnut production, with major districts like Nagarkurnool, Wanaparthy, Nalgonda, Vikarabad, and Mahabubnagar being on the top. According to recent data, Nagarkurnool leads in groundnut sown area, followed by Wanaparthy and Nalgonda. The groundnut weekly average prices eased marginally Rs 5,909 per quintal as compared to the previous week at Rs 5,963 per quintal amid new arrivals entering the market along with the ongoing procurement process. The new crop quality in the market is reported to be good, with moisture levels around 2-5%.

As of December 23, 2024, NAFED has procured 386,041.79 MT of groundnut under the Price Support Scheme (PSS) at an MSP of Rs 6,783 per quintal, against a sanctioned target of 2,047,471 MT. Gujarat, the leading contributor, has a sanctioned target of 1,306,225 MT, of which 288,013.68 MT (22%) has been procured since the procurement process began on November 11, 2024.

Rajasthan, the second-largest contributor, has a sanctioned target of 531,828 MT, with 72,264.74 MT (14%) procured to date. With the procurement period extending until the end of February 2025 in key groundnut-producing states. The pressure is mounting on the government in every state to ensure a remunerative price and expedite the procurement process ensuring that the farmers received fair prices for their produce.

Currently, the new crop is trading at Rs 5,600 – Rs 6,200 per quintal in a bearish market, considerably below the 2024-25 MSP of Rs 6,783 per quintal. The Agricultural Market Intelligence Centre, PJTSAU expects that groundnut may trade in a range of Rs 5,550-6,050 per quintal during the month of January 2025. But at present it is much less.

The wholesale prices of groundnuts have shown variability across different States. Lack of consistent buying demand is hampering the prices, particularly from the groundnut oil segment. Both domestic buying demand and export demand have declined this year, resulting in a good quantity of surplus stocks in domestic markets.

On the whole, the groundnut market outlook in Telangana remains uncertain despite the ongoing efforts to stabilise prices and support farmers. The government and market committees have, in a way, failed in developing strategies to ensure fair prices and mitigate the impact of market fluctuations on farmers.

**Source:** <https://telanganatoday.com/groundnut-prices-crash-making-farmers-in-telangana-restive>