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Dear ,

## **Indian Groundnut Market Report: Current Scenario & Outlook**

### **Key Supply Challenges**

The upcoming crop cycle faces a triad of significant headwinds:

- **Surging Input Costs:** Driven by ongoing geopolitical tensions in the Middle East, agricultural input costs have risen sharply ahead of the winter crop planting, which historically accounts for roughly 70% of India's total groundnut output.
- **El Niño Deficit:** India's meteorological department is currently forecasting a sub-par monsoon at 90% of the long-period average, warning of frequent and prolonged dry spells.
- **Severe Heatwaves:** An intense, nationwide heatwave has left soil conditions exceptionally dry across key growing regions before planting has even begun.

### **Policy Incentives vs. Weather Realities**

Conversely, the Indian government has raised the Minimum Support Price (MSP) for groundnuts to **Rs. 75,170** which is about **USD 791/MT** (at an exchange rate of 95). This aggressive pricing strategy is expected to strongarm farmer sentiment and incentivize robust acreage.

**The Outlook:** If weather conditions stabilize enough to permit successful planting, this price support could yield a sizable crop. Consequently, we anticipate the government will step in to procure the surplus, releasing it back to the trade during the off-season.

### **Government Stocks and Quality Risks**

Looking at current government inventories, a substantial volume of material remains unabsorbed. In Gujarat alone, out of the **1.8 million metric tons (MT)** procured from the 2026 winter crop, only about 650,000 to 700,000 MT has been liquidated so far. This leaves approximately **1.1 million MT of in-shell groundnuts** sitting in storage. With the current hot and humid weather, there is a looming risk of quality deterioration for these stocks in the coming weeks.

At present, while direct arrivals from farms have slowed to a trickle, it is this government-procured material that is keeping local factories operational for both kernel processing and oil crushing, depending on the variety.

### **Export Pricing Projections**

Even under the assumption of a larger crop for the next season, export economics remain tight. Applying a standard conversion rule—where roughly 65% of in-shell groundnuts yield export-grade kernels—the baseline production cost for export kernels is projected to start at **USD 1,225/MT FOB**. Market premiums for specific varieties and counts (sizes) will be added on top of this foundational floor price.

Current FOB Values for **Non EU** destinations are as follows –

**BOLDS**

38/42: USD. 1250

40/50: USD. 1210

50/60: USD. 1175

**JAVA ( Summer Crop )**

50/60: USD. 1510

80/90: USD. 1290

**TJ ( JAVA TYPE )**

50/60 : USD. 1315

80/90: USD. 1220

**BLANCHED - WHOLE** – In 25 kgs vacuum bags

40/50 : USD. 1465.00

50/60 : USD. 1440.00

**BLANCHED - SPLITS** – In 25 kgs vacuum bags

40/50 : USD. 1395.00 pmt

50/60 : USD. 1410.00 pmt

We await your best inquiries.

Regards – Sanjiv Sawla

