

29.01.2026

Dear ,

Groundnut Market Report – January 2026

The groundnut market in India remains extremely firm, with strong price movements driven by tight supply and continued procurement support. Initial expectations of a large crop in Gujarat were offset by unseasonal rains that affected both yield and quality. The final harvest has been smaller than projected, and good-quality arrivals remain limited.

Market Drivers

- **NAFED Procurement:** Ongoing government buying to support farmers has established a solid floor price for groundnuts. With NAFED accepting even discolored pods this season, the lower grades have also maintained unusually high price levels.
- **Export Premiums:** Indonesia, our largest buyer, had banned Indian exports and then trade resumed in a restricted fashion for about 58 exporting companies, many being just traders. Several factories, including those certified for export to the EU, adhering to the high quality manufacturing standards are not a part of this selective list. With a highly restricted supply base, Indonesia is currently offering *better premiums for 15 ppb cargoes* than the EU pays for 4 ppb lots, helping exporters pay higher local prices.
- **Reduced Crop in South India:** The smaller-than-expected crop across southern states has further squeezed supply and boosted market sentiment this month.
- **Export Volumes Lower:** Overall exports are estimated to be **25–30 % lower than last year**, intensifying competition for quality material as well as buyers hesitation at higher price levels.
- **Rupee Depreciation :** We have performed quite poorly as a currency and this has supported local pricing.
- **Competition :** Cheaper Latin American cargo was attractive for many buyers in South East Asia in the last quarter of 2025, eating into India's share to some extent.

Market Outlook

We are now witnessing rupee prices for groundnuts that are the among the highest in over two decades, even compared with earlier years of short supply. Good-quality raw and HPS groundnut are both commanding strong demand, and availability from local channels remains limited. As and when Nafed starts selling its procured stocks, we will see markets easing a bit but we still don't see prices correcting sharply.

Our Recommendation

Given the current supply constraints and continued upward price momentum India is largely outpriced from global markets however, we encourage our valued buyers to cover their near-term requirements at the earliest. Prompt contracting will help avoid price escalation and ensure timely shipments. Our team remains ready to offer competitive pricing, consistent quality, and reliable supply timelines despite challenging market conditions.

Indicative Values are as follows for NON EU destinations –

Bold 40/50s : USD. 1350.00 pmt fob

Bold 50/60s : USD. 1330.00 pmt fob

TJ 50/60 : USD. 1425.00 pmt fob

TJ 80/90 : USD. 1325.00 pmt fob

Java Type 50/60 : 1490.00 pmt fob

Java Type 80/90 : USD. 1415.00 pmt fob

For fresh offers and availability, please get in touch with us.

Regards – Sanjiv Sawla

