



**November 1, 2024**

November 2024 Peanut Market Report

The US harvest is delayed. The crop size is still in question, but the quality is surprisingly good.

The US market has moved up 3 to 4 cents the past couple weeks (although sellers are currently hard to find) due to the uncertainty in supply

Both Argentina and Brazil received good rains which is enabling both to start planting.

Argentina will plant their crop in a timely manner and is looking to increase the acreage by 8 to 10%.

The Argentine market that was looking weaker next year will certainly welcome the news of higher US prices which should enable them to maintain or even increase their selling prices. especially on blanched material. Argentina only real competition is looking to be China.

Brazil will be planting late. Acreage is still in question.

On current crop, the Brazilian are still struggling with their EU commitments. With their non-EU material, Brazil will continue to struggle marketing them at decent prices as competition from India should be fierce.

China seems to have a crop similar in quantity to last year. The market continues to be weak and so are the prices. Imports will be concentrating even more on Africa with several African countries having been added, including Africa largest producer, Nigeria.

China should also be able to compete even strongly than last year for blanched material into different destinations, including the EU, although freight rates have been increasingly rapidly lately.

India new crop is now available and looking to be a very good crop. Prices will be very competitive.

## **USA**

To date, only 1,866,068 fst have been inspected according to the USDA national peanut tonnage report. That represents only 57.94% of the crop taking the USDA last crop estimate.

The crop is obviously delayed, but moving now rapidly with the dry weather that we have experienced since the last hurricane. It is impossible at this time to estimate what the total crop will end up being. It feels like it should be close to the USDA estimate (3,220,700 fst). But the dry weather in the Southeast is actually creating some harvesting issues for dryland peanuts which will result in some additional yield losses. They are also reports of much lower yields than expected in some areas. The good news though is that, so far, the quality is surprisingly good with low aflatoxin numbers and low damages. Although grade factors are again low, the result of an immature crop. Usually, lower yields correlate with lower quality which is not the case this year.

The market prices for 2024 crop, after lingering at 56/57 on splits, 57/58 on mediums and 58/59 cents on jumbos, have recently jumped by 3 to 4 cents, with a market now firmly at 60 and above. But considering that most shellers are out of the market, it is difficult to ascertain accurately the prices of the market.

The reason for this sudden move is triggered by the uncertainty of the crop size, The uncertainty in handlings for shellers, the fact that several shellers still have to buy farmerstock, the fact that most thought that the farmerstock price would go down with a good size crop (and now, that downside is gone), with the best price being what has been paid until now (i.e. \$525.-); and the lower the crop ends up being, the higher that price will be which will of course translate in higher edible prices.

Hereunder is the latest USDA supply/demand which I converted in farmerstock short tons.

How do we end up with a carryover for the season that is the same as this past season when production increases by over 9%? Well, my answer is we don't. Domestic consumption will not increase 5.69% unless there is a dramatic turnaround in consumption, especially peanut butter. With inflation affecting people worse than the news are reporting, I think that we will all be happy to stay flat to slightly up for the season. One thing though that is surprising is that peanut butter is getting hit so hard in this economic time when usually it fares well.

Exports numbers are probably a good guess.

Crush looks to be overstated considering the quality of the crop.

Seed and residual continue to be the Blackbox of the USDA that nobody understands.

So, if I had to guess. The carryover should be closer to 1 million tons, but that is if (and that is a big if at this point) we have a 3.2207 million fst crop. The most important at this time is what the total crop will end up being, then we can try evaluating the carryover.

Year beg.	Area		Yield	Supply				Disappearance					Ending Stocks
	Planted	Harvested		Beginning Stocks	Production	Imports	Total	Domestic Food	Crush	Seed & Residual	Exports	Total	
Aug1/Jul31	1,000 acres		Lbs/Acres	Farmerstock short tons									
2022/23	1,449	1,381	4,012	1,180	2,771	52	4,003	1,601	398	390	599	2,986	1,017
2023/24	1,645	1,574	3,742	1,017	2,945	52	4,014	1,495	327	724	728	3,274	741
2024/25	1,805	1,749	3,683	741	3,221	50	3,962	1,580	400	636	600	3,216	746

USDA Stocks and processing: September 2024. The domestic consumption for peanut candy, peanut snacks and inshells turned around the slide this past month. Let's hope it lasts. With the rise in cashew prices, it would make sense for snack companies to go ahead and promote peanuts. Peanut butter on the hand is down for the second month in a row. On peanut butter, private label manufacturers are reporting a flat market, and brands are reporting that the slide is consumption is over (despite the wide gap in prices between private label and brand on the store shelves). Let us hope they are right.

Sep 24 vs. Sep 23: Peanut candy up 5.51%, Peanut Snacks up 5.74%, Peanut butter down 5.50%, Other products down 15.61%, Total edible down 1.89%, Inshell up 1.39%

Aug 24-Sep 24 vs. Aug 23-Sep 23: Peanut candydown 4.92%, Peanut snacks up 0.79%, Peanut butter down 10.04%, Other products up 6.40%, Total edible down 6.92%, Inshell down 4.64%

Exports for August 2024 continue to cool off:

Aug 2024 vs. Aug 2023: the US exported 39,701 mt, a decrease of 19% vs. the same period last year. Mexico and the EU27 were both off 40%, the UK down

13% and Japan down 53%. Canada was up 10% and surprisingly China was up 43%.

Peanuts YTD (Jan-Aug): 24,231 mt imported, an increase of 4%.

14,699 mt from Mexico, 1,972 mt from Germany, 1,752 mt from Argentina, 1,687 mt from China, 773 mt from Japan, 983 from Canada, 594 mt from Paraguay, 370 mt from Brazil, 342 mt from India.

Peanut oil YTD (Jan-Aug): 16,766 mt imported, a decrease of 7%.

7,147 mt from Argentina, 4,403 mt from Nicaragua, 3,743 mt from Brazil and 770 mt from India.

### **Argentina**

Argentina finally got the rains that were needed to start planting the new crop.

The expectations are still for an 8 to 10% increase. And there shouldn't be any delays.

With seemingly 80% of the 2024 crop already sold, a difficult 2024 crop in Brazil and US prices that should not go much lower than us\$ 1700.- Cif for raw 40/50, Argentina seems to be in the driving seat to keep prices stable (if not move the prices higher) for both the 2024 and the 2025 crop, at least until the end of next year.

### **Brazil**

Brazil, after a historical drought, finally received some good rains which has enabled farmers to start planting the new crop. Very late though which could have potential negative consequences to yields and quality, although too early to tell. I also doubt that they will manage to increase the acreage of the crop especially for those fields that will need to be planted with sugar cane after the peanut harvest.

Brazil will continue to struggle to market their lower quality peanuts for the current crop with China, and especially India competing with them.

Peanut oil continues to be a struggle with their biggest buyer China continuing to have weak prices.

### **China**

Not much new on China. Their crop seems to be similar to last year in terms of quantity. Their internal demand continues to be weak which is keeping prices weak. The only positive is that those weak prices is enabling them to be very competitive on the export market, especially towards Europe. The freight environment though continues to be a struggle with rising prices.

The latest price for the futures is Rmb 7780.- although forward months are at a premium.

### **India**

India seems to have a very good crop which consequently resulted in lower prices.

India is probably one of the few bearish elements in this market, especially for the non-EU market and for peanut oil. This will make it difficult for the Brazilian to get rid of their lower quality peanuts and of their peanut oil, especially with the farmers being reluctant to lower the farmerstock prices. With the Chinese market continuing to be weak, with sufficient supply from the local Chinese crop and the addition of supply from more African countries (especially Nigeria), India will probably continue lowering their price to maximize their exports of peanuts and peanut oil.