



## January 2025 Peanut Market Report

First of all, a happy New Year to all of you. May 2025 bring you health, happiness and success.

The market, both US domestic and internationally, remains very quiet.

The US new crop harvesting is coming to an end with the latest USDA tonnage report at 3,170,985 fst. We might get to 3.2 million fst. Quality is good so far.

Plantings in Argentina are complete, and Brazil is 80 to 90% complete with increases still estimating at respectively 12/13% and 20%. Weather is cooperating, especially in Argentina. Brazil is now having too much rain.

India had a bumper Kharif crop and prices are declining. Rabi plantings are estimated to drop 7.4%.

China consumption and prices continue to be weak.

The international market looks to be weak this coming year with bumper crop in India, and planting increases in South America. It is unclear at this time what plantings the US and China will have for the 2025 crop, although flat to increases are probably expected considering the lack of alternatives. It will probably all boil down to yields. So far, so good for South America.

### USA

The US market remains in the low to mid 60's and looks as if it will stay there for the foreseeable future. This past month has seen both sellers and buyers being quiet.

Buyers seem well covered, and sellers seem to be in no hurry to sell.

New crop planting is slowly approaching. And peanuts continue to be the best alternative. Corn has moved up slightly recently, now in the mid 450's. Cotton continues its weakness in the 70's.

USDA Stocks and processing: November 2024. Demand creeping back up with an overall demand on edible of 5.25% bringing the YTD to down just 1.81%.

Nov 24 vs. Nov 23: Peanut candy down 0.40%, Peanut Snacks down 0.01%, Peanut butter up 3.61%, Other products up 184.46%, Total edible up 5.25%, Inshell down 1.67%

Aug 24-Nov 24 vs. Aug 23-Nov 23: Peanut candy down 5.65%, Peanut snacks up 1.78%, Peanut butter down 3.13%, Other products up 40.30%, Total edible down 1.81%, Inshell down 9.54%

Exports for October 2024 continue to cool off with exports down 8%. But it needs to be noted that exports to China had a big month because of certain delays. If you take China out of the numbers, exports were down 25.27%:

Oct 2024 vs. Oct 2023: the US exported 33,802 mt, a decrease of 24% vs. the same period last year. Canada and China were the only major markets that were up, up respectively 8% and 15%. Otherwise, Mexico was down 9%, the EU27 was down 68%, the UK was down 67% and Japan was down 54%.

Aug-Oct 2024 vs. Aug-Oct 2023: the US exported 113,072 mt, a decrease of 17% vs. the same period last year. Same story here with Canada up 10% and China up 83%. Mexico down 23%, the EU27 down 56%, the UK down 50% and Japan down 54%.

Peanuts YTD (Jan-Oct): 30,435 mt imported, an increase of 5%.

18,569 mt from Mexico, 3,034 mt from Argentina, 1,972 mt from Germany, 1,834 mt from China, 1,391 mt from Canada,

777 mt from Japan, 616 mt from Paraguay, 444 mt from Brazil, 523 mt from India.

Peanut oil YTD (Jan-Oct): 25,878 mt imported, an increase of 38%.

15,122 mt from Argentina, 4,403 mt from Nicaragua, 4,439 mt from Brazil and 1,014 mt from India.

### **Brazil**

Brazil exports for November 2024:

Peanut oil: 4,033 mt were exported in November, bringing the total year to date to 57,343 mt (this compares to 89,849 mt for the same period a year ago, a decrease of 36.18%). 2,128 mt went to China and 1,882 mt to Italy.

Peanuts: 30,054 mt were exported in November, bringing the total year to date to 222,926 mt (this compares to 283,618 mt for the same period a year ago, a decrease of 21.40%). 8,379 mt went to Russia, 8,473 mt to Algeria, 4,223 mt to the EU, 4,425 mt to South Africa, 1,818 mt to Colombia, 630 mt to Australia.

### **China**

The Chinese market continues to be weak with all eyes on the Chinese New Year with hopes of better consumption.

Considering the weakness of the Chinese economy, I am not very hopeful, nor are many people I talk to.

Futures price continue to be below RMB 8000.- with the latest price at RMB 7812.- (with forward months at a premium).

It will be interesting to see how the market develops in the coming months and its effect on 2025 crop plantings.

### **India**

Interesting article on the Indian crop and market.

With peanut prices down sharply, farmers are expecting to plant a lot less for the Rabi season. The Agriculture ministry is forecasting a 7.4% drop.

TIMES OF INDIA, AHMEDABAD 26 DECEMBER 2024

# Groundnut oil prices may drop over bumper harvest

## Export Demand Also Remains Sluggish

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**Rajkot:** Groundnut oil prices are likely to decline in the coming months, potentially becoming cheaper than other cooking oils. This anticipated drop is attributed to a bumper groundnut harvest this year and a weakening export market.

Gujarat's groundnut production is estimated at 42 to 45 lakh tonnes, significantly higher than last year's 30 to 35 lakh tonnes. Despite the govt's minimum support price (MSP) of Rs 1,357 per 20 kg, current market prices hover between Rs 1,050 and Rs 1,200. Farmers are holding back their produce, expecting better rates.

Praful Desai, a peanut and groundnut oil exporter, said, "The peanut price is ve-

### RESPIRE IN SIGHT



● **This year's groundnut production is estimated at 42-45 lakh tonnes, compared to previous year's 30-35 lakh tonnes**

● **Current groundnut market prices (Rs 1,050-Rs 1,200 per 20 kg) are below the government's MSP (Rs 1,357 per 20 kg), and farmers are holding back stock, expecting better rates**

● **India's peanut exports are falling due to surplus production in China and African nations**

● **By March, excess groundnut availability due to government procurement and farmers releasing stocks will likely reduce oil prices**

ry high here because the govt is procuring at support price, and farmers are not ready to sell in the market at a cheaper price. As a result, our export price is \$900 per ton for peanuts while our African countries are selling at \$750 to \$800."

At present, the groundnut oil is being sold at around Rs 170 per kg, and oil millers expect a reduction of Rs 5 to Rs 8 per kg.

India's peanut exports took a hit due to increased production in China and African countries such as Nige-

ria, Sudan, and Ghana. Exporters are struggling as India's export price of \$900 per tonne is less competitive compared to \$750 to \$800 offered by African nations.

Gujarat, which usually exports 5 lakh to 6 lakh tonnes of peanuts and one lakh tonnes of oil annually, is expected to see drop to one lakh tonne of peanuts and 25,000 tonnes of oil this season.

Additionally, lower global prices of oil cakes—produced as a byproduct during peanut crushing—are limiting oil producers' ability to pay higher prices to farmers.

Samir Shah, President of the Gujarat State Edible Oils and Oil Seeds Association, said, "50% of crushed peanuts yield oil cakes, but their reduced prices globally prevent us from offering better rates to farmers."

By March, the increased availability of groundnuts—both from govt procurement and farmers releasing their stock—is expected to flood oil mills, driving down groundnut oil prices further.