Peanut Blog

An ounce of information

Giving ground to peanuts: High costs, low price in cotton may boost crop

A slow economy and reduced demand coupled with a carryover increase is pushing down cotton acreage. Increased cotton production costs may also help increase peanut acreage.

SANTEE -- Producers attending the 2023 South Carolina Peanut Growers Meeting learned cotton costs and price may help peanuts gain some ground in South Carolina in 2023.

Nathan Smith, Clemson University Cooperative Extension Service agricultural economist and agribusiness program team director, said tightened peanut stocks, lower cotton prices and a rebound in consumption could result in more acres planted in peanuts this year.

"Crop insurance prices for 2023 are in the discovery phase right now," Smith said. "Those prices are reflecting 2022 prices for peanuts, which were higher because of the lower acreage and the higher prices in cotton."

A slow economy and reduced demand coupled with a carryover increase is pushing down cotton acreage. Increased cotton production costs may also help increase peanut acreage.

"Generally, peanuts don't require fertilizer, whereas cotton is a high-input crop," Smith said. "And so, with higher fertilizer prices, this may help peanuts out a little bit this year. Also, cotton prices are down, so cotton's probably going to give up some ground to peanuts this year."

In a presentation on runner peanut maturity, Dan Anco, Clemson Extension peanut specialist, said newer runners appear to mature quicker than standards.

Peanut sustainability

Peanuts have been a profitable crop for South Carolina. Dell Cotton, manager for the Peanut Growers Marketing Association, said peanut growers have seen increased yields for the past two years.

"South Carolina growers harvested more than 4,000 pounds per acre in 2021 and 2022," Cotton said. "Yields have been increasing across the United States. Contracts come out in the next few weeks and then we'll see. But if cotton prices remain low, I believe we'll see more acres grown in peanuts."

South Carolina Commissioner of Agriculture Hugh Weathers confirmed peanut production is increasing in the state. A new grower-owned peanut-shelling company, Premium Peanut, is establishing operations in Orangeburg County. Peanut growers in South Carolina will benefit from having a locally owned operation, he said.

Companies like the Premium Peanut operation are needed to help ensure peanut sustainability. Eric Coronel from the American Peanut Council talked about programs the council is involved in such as the Sustainable U.S. Peanuts initiative that uses data supplied by peanut growers who want to tell their sustainability story. The council also has created the Peanut Trust Protocol, which helps set standards for more sustainably grown peanuts.

Peanut-shelling plant's groundbreaking celebrated; Premium Peanut bringing 130 jobs

A sustainable future for peanuts means producing peanuts that can withstand climate change. In a peanut/climate change study, a group of researchers led by Clemson University Plant and Environmental Sciences assistant professor Sruthi Narayanan is working to develop heat-tolerant peanut varieties they hope will help maintain peanut production and profitability.

Additional climate smart research also is being conducted at Clemson. One involves a $70 million grant from the United States Department of Agriculture's Partnerships for Climate-Smart Commodities. The project focuses on agricultural production sectors of South Carolina and will ensure meaningful involvement of small and underserved producers.

Anco explained this award will provide incentives and technical support to South Carolina farmers, enabling them to implement selected conservation practices to reduce greenhouse gas emissions in agriculture. The initial pilot of this project will focus on production of peanuts, leafy greens, forages for beef cattle and forest products. For information, contact Kelly Flynn at kgilker@clemson.edu or call 864-656-3386. Information also can be found at www.climatesmartsc.org.

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