

Peanut Blog

An ounce of information



Suez delays push back Chinese peanut arrivals

Market participants in the European peanut industry have flagged concerns over delays to the arrival of Chinese peanuts in Europe, due to the disruptions to shipping in the Red Sea area.

The recent attacks by Houthi militants in the Red Sea area have led to shipping lines diverting cargo away from the Suez Canal and around the Cape of Good Hope. This has led to a marked increase in shipping times from Asia into Europe, with market participants expecting at least a 7-10 day delay on new voyages until the situation is resolved.

“China has been priced competitively against other origins over the past few months and due to the concerns over availability out of Argentina a fair proportion of the buyers I deal with have been locking in Chinese supplies,” a European peanut broker stated.

A shortfall in the crop out of Argentina this season has sent Argentinian origin prices to 11-year highs with the Mintec Benchmark Prices for raw Argentinian origin runner peanuts 40/50 CIF Rotterdam [Mintec Code IS01] assessed at \$2,050/mt on 15 December. The equivalent Chinese grade [Mintec Code: IS03] was assessed at \$1,800/mt on 15 December.

With the delay to supplies currently in transit from China some market participants suggested this could lead to a temporary tightening in the European spot market.

“I’m expecting to see prices in the spot market firming if there is any disruption in deliveries over the next few months. Once buyers are able to factor in the new timeframes it should ease, but until then it will likely remain an issue,” a European trader disclosed to Mintec.

Source: <https://www.mintecglobal.com/top-stories/suez-delays-push-back-chinese-peanut-arrivals>