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PEANUT POST

GLOBAL PEANUT MAGAZINE

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MARKET WIZARD

12 million farmers are cultivating peanuts across 9.3 million hectares (an area the size of: Hungary) in two of the world's largest peanut-producing regions this season.

Quality

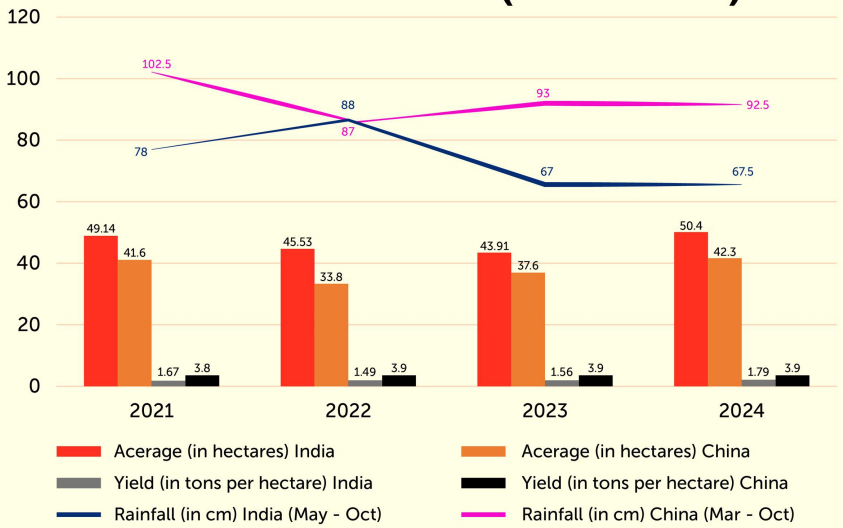
The Indian harvest spans across Karnataka (Spanish), Andhra Pradesh (Spanish), Gujarat (Spanish, Runner, Virginia), and Rajasthan (Runner & Virginia). The quality of the Spanish and Runner varieties is excellent, with Spanish sizing ranging from 40-50 CPO to 80-90 CPO. We anticipate that smaller sizes, such as 140-160, will be scarce. For Runners and Virginias, sizes will likely range from 30-40 CPO to 70-80 CPO. The current moisture levels are ideal for both export and local supply, and our aflatoxin assessments show excellent results for this crop.

In China, top-quality peanuts are available from northern province like Shandong, though some reports of poor-quality harvests from Henan exist, they are minimal. Given the current yield and quality, China may not need to import American peanuts to balance price or quality.

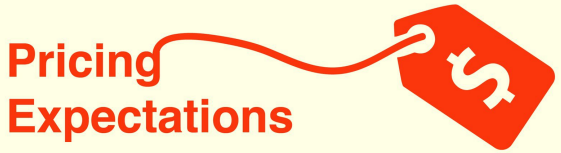
Quantum of Supply

Finally, it is clear that China is harvesting 15% more than the previous season, while India is seeing a 15% increase compared to the 2023 winter crop. The rise in acreage in India (thanks to cotton's decline) has led to an impressive 15% jump in harvest, indicating a higher quantity with a normal quality of produce. In China, the increase in yield reflects a high-quality harvest this time. Both origins faced weather setbacks during the growing season, but these challenges haven't significantly impacted the harvest. In India, significant production increases have been observed in the Gujarat and Rajasthan regions, while in China, the Northeast regions have seen notable growth. These regions are key sources of high-quality peanuts, particularly for supplies to the EU.

Crop Acreage, Yield, and Rainfall in India and China (2021-2024)



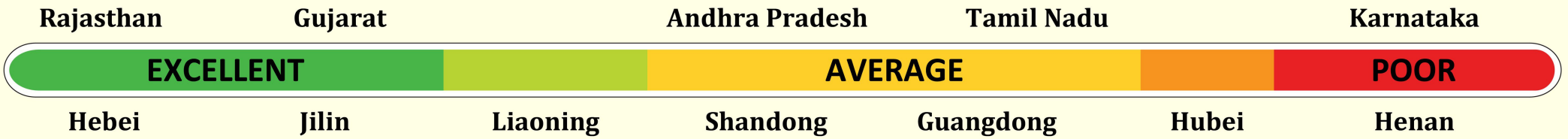
Pricing Expectations



The average Indian 80-90 CPO price for the 2023 crop was $1360/t, and 40-50 bold was $1400/t. With this high-quality harvest and inflationary costs, the 2023 prices may only hold for a short period. We anticipate prices to rise after November 2024, driven by increasing demand for high-quality peanuts. This price increase could be fuelled by domestic demand and high-quality markets such as the EU.

Although the growth of increase in acreage of China this year is significant, the unit yield is unlikely to expect to be same. Due to excessive rain in growing, it is widely to be seen that unit yield of plants are dropping heavily compared last season. So, two aspects plus together leaves a question mark of total production of China this year.

Quality Assessment of Peanut Harvests in India and China



Global Markets

ARGENTINA

On September 19, the Secretariat of Agriculture, Livestock and Fisheries (SAGyP) confirmed the estimated planted area of 430,000 hectares for peanuts, with a total production of 1.5 million tons of in-shell peanuts. For the 2024/25 peanut season, the planting intention is projected to increase by over 2%, reaching approximately 440,000 hectares, reflecting a slight growth compared to the current season. This indicates a steady expansion in peanut cultivation for the upcoming year.

BRAZIL

Brazil is set to begin planting the new peanut crop, pending consistent rainfall. The three key growing regions in São Paulo—Mogiana, Alta Paulista, and Middle Tietê—are facing a week of high temperatures without precipitation. However, rains are expected from mid-October onward.

Commercially, there is significant interest from European buyers in securing volumes for the new crop, but exporters remain cautious, preferring to assess crop size and quality before committing to sales. August exports totaled 22.3 thousand MT, a 42% increase from July but a 36% decrease compared to August 2023. This brings total exports from January to August 2024 to 141.4 thousand MT, down 28% from the 196.5 thousand MT exported in the same period of 2023.

Imports from Russia, Algeria, and the EU27 increased in August, with Algeria's imports rising sharply from 1.1 thousand MT in July to 5.5 thousand MT in August. While EU imports are expected to remain stable, forecasting for Algeria and Russia remains uncertain.

Peanut oil exports remain low, with 4.5 thousand MT shipped in August, contributing to a total of 36 thousand MT for Jan-Aug 2024, a 45% decrease compared to 2023.

USA

Due to rains during the planting season, two peanut crops were planted a few weeks apart. As of September 22, 2024, USA peanut conditions were rated 1% Very Poor, 7% Poor, 30% Fair, 54% Good, and 8% Excellent. In Georgia, dry, hot conditions negatively impacted many fields, with peanuts particularly affected. Meanwhile, areas in Southwest Georgia with more saturated soils experienced issues with leaf spot and white mold, further complicating the crop's overall health and quality.

PEANUT SPOTLIGHT

CHINA

The spot market for peanuts is showing a weak downward trend, with traders and processors purchasing on demand and entering the market with a negative outlook. Large oil companies have begun purchasing, but their opening prices are low, and most market players are bearish on future trends. Excess processing capacity and low profits, with some businesses facing losses, have reduced enthusiasm among middlemen. While there is plenty of old crop stock, prices are inconsistent.

This year's peanut quality has been affected by bad weather, leading to a noticeable decline in yield and raising concerns about the total production of the new crop. Most new crops, expected by the end of September and October, will have better moisture levels, but market pressure remains high.

Blanched peanuts are priced at 1400 USD/MT for 25/29, and 1390 USD/MT for 41/51 FOB. In Huangdao Port, good quality Sudanese peanuts are priced around 7,700 RMB/MT, while first-grade peanut oil is at 14 000 RMB/MT. Large oil factories are buying the new crop at 7,400-7,700 RMB/MT.

AFRICA

Tanzania The market is currently out of season, with the next crop harvest expected to begin in March 2025. The previous crop traded at $950 FOB. Due to the off-season, the market is quiet, and most cargo supplies are directed to the local market. Recent transactions indicate that the last orders sold at the end of August were priced at $1010 per ton.

Sudan The current peanut quality is fit for crushing, one-year-old crop and priced at $850 CIF Qingdao. The new crop is anticipated to arrive by the end of November, with an estimated volume of 2 million tons.

INDIA

Gujarat: This season has shown a promising yield, with an estimated 5 million tons produced and no major damages reported so far. Harvesting has begun in key areas like Kutch, Himatnagar, and Junagadh, with daily arrivals of 20,000 and 10,000 in Gondal and Rajkot, mainly of the #39 seed type of bold and TJ varieties. Export deals for TJ seen between Rs.91, Rs. 93, and Java Rs. 91 - Rs. 95 per kilo were seen, with the G20 bold variety expected by late October. Quality is expected to be good, but upcoming rains could pose some risk.

Rajasthan: A 2-million-ton bumper crop is expected this time. Regular arrivals will start after Navaratri festival (end of October), with 7-10% of old stock still in circulation.

Southern Region: Karnataka arrivals are steady with 50,000-60,000 bags weekly. AP arrivals are slow, while Tamil Nadu has nearly closed. Local demand remains strong with supplies from Bengal and UP supporting crushing. The oil and meal markets are slow.

DEMAND & SUPPLY

Peanuts Supply-Demand Heat map

China (Medium Demand)	Europe (Medium Demand)	India (High Demand)
Philipines (High Demand)	Thailand (Low Demand)	
	Vietnam (Medium Demand)	Russia (Medium Demand)
Brazil (High Supply)	India (High Supply)	Senegal (High Supply)
	Argentina (Medium Supply)	Nigeria (Low Supply)
	China (Low Supply)	USA (Low Supply)

The Demand-Supply Heat Map is generated from average statistics over the past 10 years and forecasted using moving averages, achieving an accuracy of over 95%.

Insights

Rise of China Exports

Interest cost lowered in China from 1.7% to 1.5%. Cost price of peanuts down by 4% with further reduction of 8-10% expected. China could reach higher export volumes this season.

Indo-African Love for Low price Peanuts

African origins such as Sudan (the next crop) to be driven by Indonesia than China. Expected price range of $1000-$1100/ton.

EU to Switch from West to East?

The price parity between Argentina 40/50 and Indian 40/50 or Chinese 40/50 peanuts is proving attractive for EU manufacturers, offering a potential cost reduction of $200-300 per ton. This presents a significant discount in procurement costs, making it an appealing opportunity for EU buyers to consider switching to these eastern sources.

Brazil loosing grounds?

Brazil could possibly loose export market share in the next 2 crop years amid cropping volumes, weather and pricing effects.

News Updates

China

- China opens Nigeria, Chad and Malawi peanut imports, is China preparing for food security? and friendly African partnership?
- No shocks in China harvest, average price of 2529 blanched peanuts expected to lower by 75$/ton

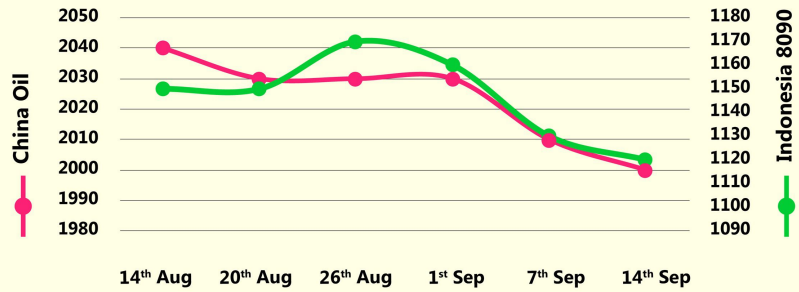
India

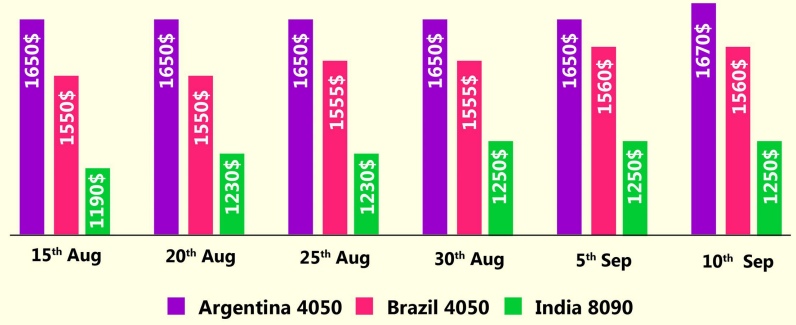
- Bumper crop in India leads the harvest estimates to 5 million tons in Gujarat, a 35% rise
- An estimated 2.5million tons of Indian bold and TJs are available from the old crops of 2023

Europe

- The EU is turning to China and India as potential alternatives to replace some of its supplies previously sourced from the USA and Brazil

Peanut Price Trend Aug-Sep '24





Current Crops

ARG — Argentina

ARG 4050 $1670 ▲

BRZ — Brazil

BRZ 4050 $1630 ▲

CHI — China

Overall growing area increased by 15%, but yield dropped from 400-450kg/Mu to 200-300kg/Mu.

CHI 4151 $1390 ▼

IND — India

Increased acreage and yield in Gujarat and Rajasthan, Karnataka suffered in yield

IND 5060J $1265 ▼

INDO — Indonesia

Local crops arrive at $1440-$1500/MT, expected to drop to $1300 with increasing weekly volumes

INDO 8090 $1440 ▼

SUD — Sudan

SUD 8090 $950 ▼

TAN — Tanzania

TAN 8090 $900 ▼

U.S.A — U.S.A

USA $NA

PEANUT VOICE

"I joined the IPG family in 1988, focusing on peanut genetics and food safety. With two decades of experience, I've managed seed and edible sales, helping shape the peanut industry."

Mr.Mark Gregory

Director- IPG

What makes a peanut-producing country successful, and how might the peanut industry evolve in the future, including the role of AI and organic farming?

A successful peanut-producing country requires strong farmers, processors, and manufacturers to ensure quality at every stage. Organic peanuts have huge demand, but oversight issues persist. In the next 30 years, peanut products will evolve with improved nutritional traits and increased efficiency. AI is already enhancing peanut farming and processing through automation, and its role will only grow. Brazil, with its favorable climate and skilled farmers, may emerge as a leading peanut producer, competing with the U.S. and Argentina.

How Peanuts Boost Athletic Performance

Peanuts are a powerhouse for athletes, offering 7 grams of plant-based protein per ounce—more than any other nut—making them ideal for muscle repair and sustained energy. With over 30 vitamins and minerals, they're packed with nutrients to fuel your performance. Most of the fat in peanuts is good fat—12 grams of the 14 grams total are unsaturated—the kind athletes need for heart health. Peanuts also provide essential vitamins like vitamin E and B vitamins, especially niacin for energy conversion. For athletes, especially vegetarians, they are a convenient source of calories, healthy fats, and nutrients that aid muscle function and digestion. A simple scoop of peanut butter in your breakfast fuels your day, combining nutrition with great taste. Make peanuts your go-to snack for performance and recovery!

SUSTAINABILITY

Groundnut Drying and Curing Practices for Sustainable Farming

At the time of harvesting, groundnut pods contain about 35%-40% moisture, which must be reduced to below 9% to prevent mold, spoilage, and heating during storage. Proper drying (removing moisture until the produce reaches equilibrium with the surrounding air) and curing (removing moisture while enhancing flavor and texture) are critical to ensuring the high quality of the groundnuts. Without this, groundnuts may become prone to decay and pests, especially during long storage periods. Drying and curing practices can vary depending on the size of holdings, the climate, and the cropping season.

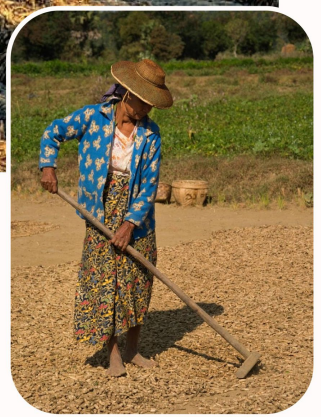
Sustainable Handling for Smallholders

For smallholder farmers, the harvested groundnut plants are often taken home for drying and curing. This more traditional method allows for greater control over the drying process, ensuring that the crop is properly handled. It is important to remove all damaged, rotted, or sprouted pods from the harvested produce as they can drastically reduce quality. These spoiled pods can also serve as a source of diseases and pests, which may spread to the healthy crop in storage. Therefore, maintaining the integrity of the produce is essential for long-term storage.

Reduce moisture for optimal storage and to ensure high quality produce.

Protect seed viability with proper drying techniques, especially in high temperatures.

Remove damaged pods to prevent diseases, pest infestations, and quality degradation.



Post-Harvest Process

After harvesting, groundundnut plants are shaken to dislodge soil from the pods and are kept inverted in rows with pods facing upwards for 2–3 days.

During the post-rainy season, when temperatures are higher at harvest time, plants are gathered into circular heaps with the pods facing inward to protect them from direct sun exposure.

Both mechanical and manual threshing methods are practiced. Threshed pods are sun-dried for 3–4 days to reduce the moisture content below 9%, which is critical for safe storage. During high-temperature periods, shade drying is recommended to maintain seed viability, preventing the loss of quality.

BIRD FEED

Why Peanuts are Crucial for Winter Bird Survival?

Winter is a critical time for wild birds, as they need high-energy food to maintain body heat and survive freezing temperatures. Peanuts are an excellent choice for helping them thrive during this season.

Peanuts as a Winter Essential

Peanuts provide a concentrated source of both fat and protein, making them ideal for sustaining birds during winter when energy demands are at their highest. Fat helps birds generate heat, while protein supports muscle maintenance and recovery, which is crucial after long flights or foraging in harsh conditions. Unlike some seeds that are primarily high in carbohydrates, peanuts offer sustained energy due to their fat content, making them a perfect winter survival food.

Comparing Peanuts to Other Bird Feed Ingredients

While many bird feed seeds and nuts are available, peanuts offer some unique advantages. For example:

- **Sunflower Seeds:** These are high in fat, but they don't provide as much protein as peanuts.
- **Niger Seeds:** Rich in oil, Niger seeds are loved by finches, but their fat content is lower compared to peanuts.
- **Safflower Seeds:** Safflower seeds are also high in fat but less versatile, as fewer bird species prefer them.
- **Millet and Corn:** These grains are rich in carbohydrates, which provide energy, but they lack the fat and protein combination that peanuts offer.

Peanuts, with their balanced fat and protein profile, outperform most bird seeds in supporting birds during winter.

Fat Balls

Fat balls with peanuts stay firm in cold weather, offering easy feeder placement and long-lasting, high-calorie nutrition. Peanuts add extra fat and protein, vital for birds in freezing temperatures.

Peanut Suet Cake

Suet cakes, made from animal fat and peanuts, stay solid in freezing temperatures, providing birds with a durable, concentrated energy source for sustained feeding in cold conditions.

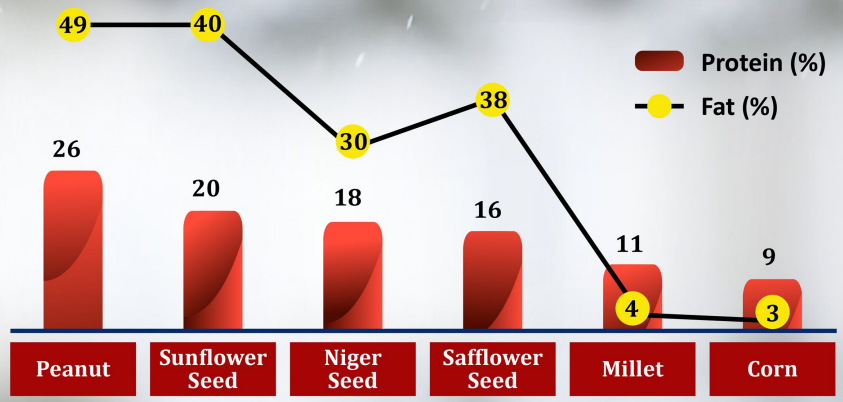
Peanut Butter

Peanut butter remains firm in winter and does not melt or become too soft, unlike in summer. This consistency makes it easy to smear on feeders or tree bark, ensuring birds can easily access it without the mess.

Regions Where Peanut Feed is Most Beneficial

Peanuts for bird feeding are especially critical in cold regions where winters are harsh. Countries like Canada, the northern United States, the UK, and parts of Scandinavia experience long winters, requiring bird feeders to provide rich, energy-dense food like peanuts.

Protein and Fat Content Comparison per 100g

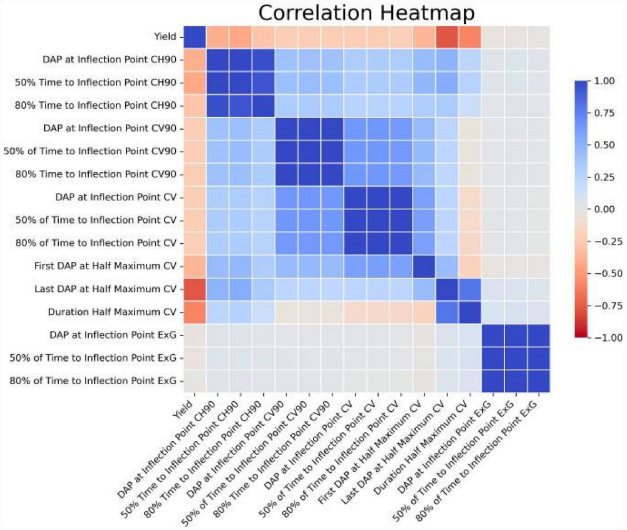


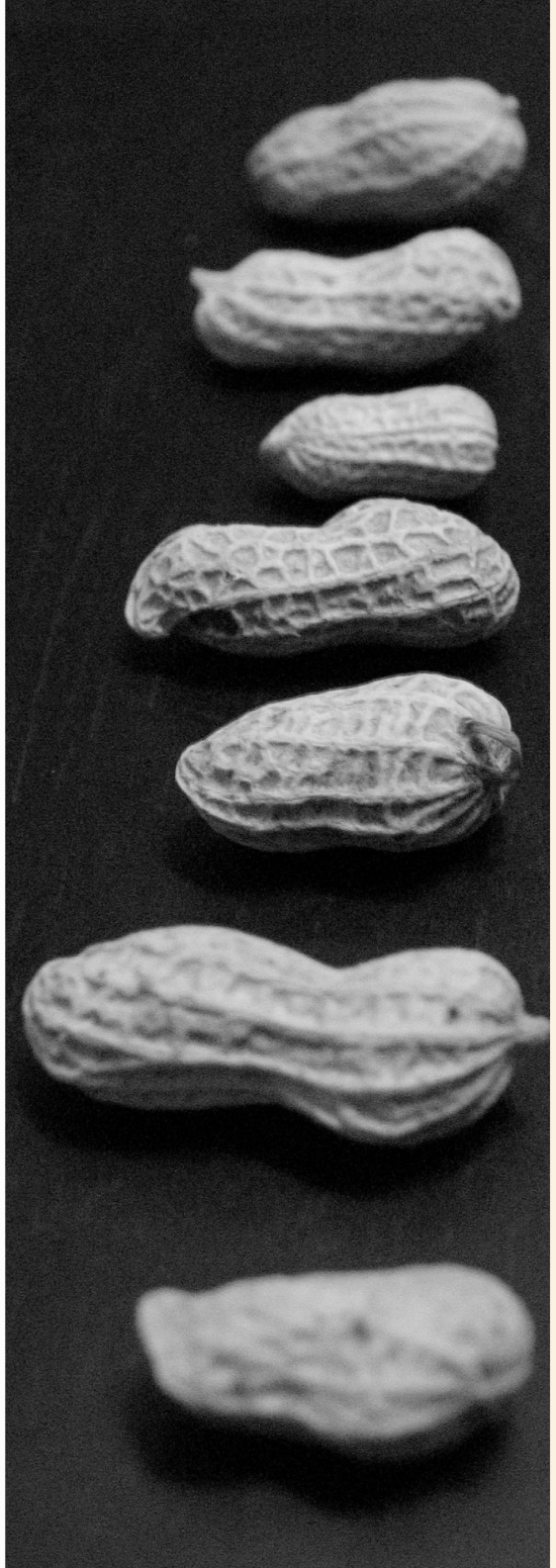
Severe Cold Regions Where Peanut-Based Feed is Vital

* Scandivania (Includes Denmark, Sweden and Norway)

PEANUT SCIENCE

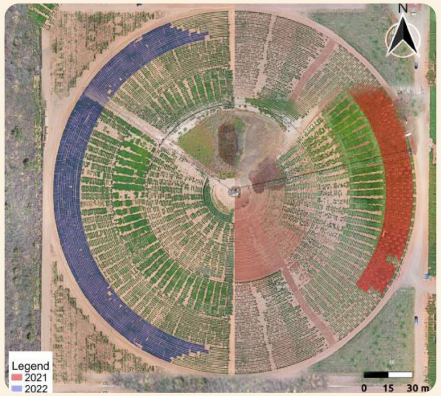
Advancements in Peanut Yield Prediction Using Remote Sensing and AI





In a groundbreaking development for peanut breeding programs, researchers have successfully integrated remote sensing technology with advanced machine learning (ML) algorithms to accurately predict peanut yields. This innovative approach tackles a significant challenge in peanut agriculture—estimating underground yields through non-invasive techniques, which has traditionally been difficult due to the subterranean growth of peanut pods.

The study, carried out over two growing seasons in 2021 and 2022, utilized unmanned aerial vehicles (UAVs) to capture high-resolution multitemporal data on above-ground traits, such as canopy cover and plant height. These surface-level characteristics were used to construct sigmoidal growth curves, from which researchers extracted latent phenotypes—traits not directly visible but inferred from growth patterns over time. These phenotypes were then analyzed using advanced ML models, specifically Random Forest (RF) and eXtreme Gradient Boosting (XGBoost), to predict the yield of peanut plots.



The Random Forest model exhibited superior accuracy, achieving an R^2 of 0.93, while XGBoost also performed effectively with an R^2 of 0.88. Both models proved invaluable for screening peanut genotypes, identifying high-yielding varieties, and minimizing errors in the selection process. This AI-driven methodology has the potential to significantly accelerate the genetic improvement of peanuts, streamlining breeding programs and making them more efficient and cost-effective.

Remote sensing technologies, particularly UAVs equipped with multispectral cameras, offer a non-destructive, high-throughput phenotyping method that greatly reduces the labor, time, and costs associated with traditional yield estimation. By integrating ML, researchers can further enhance the precision of yield predictions, allowing for earlier and more accurate forecasts of peanut production.

This pioneering research underscores the transformative potential of combining AI and remote sensing for improving peanut breeding programs. By reducing the need for destructive sampling and improving crop selection efficiency, this approach paves the way for broader applications in precision agriculture, potentially benefiting other crop species as well.

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