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PEANUT POST

MAGAZINE FOR PEANUT WORLD



Hope Ho f Peanuts



Global Market P4



Sustainability P10



Bird Feed P12

Market Wizard

Current Crops

Shelled Facts

Peanut Voice

Peanut Science

MARKET WIZARD

A detailed analysis of the High Oleic Peanut (HOPE) market, who are the contending suppliers? what is the market size? what's in store for the next 10 years?

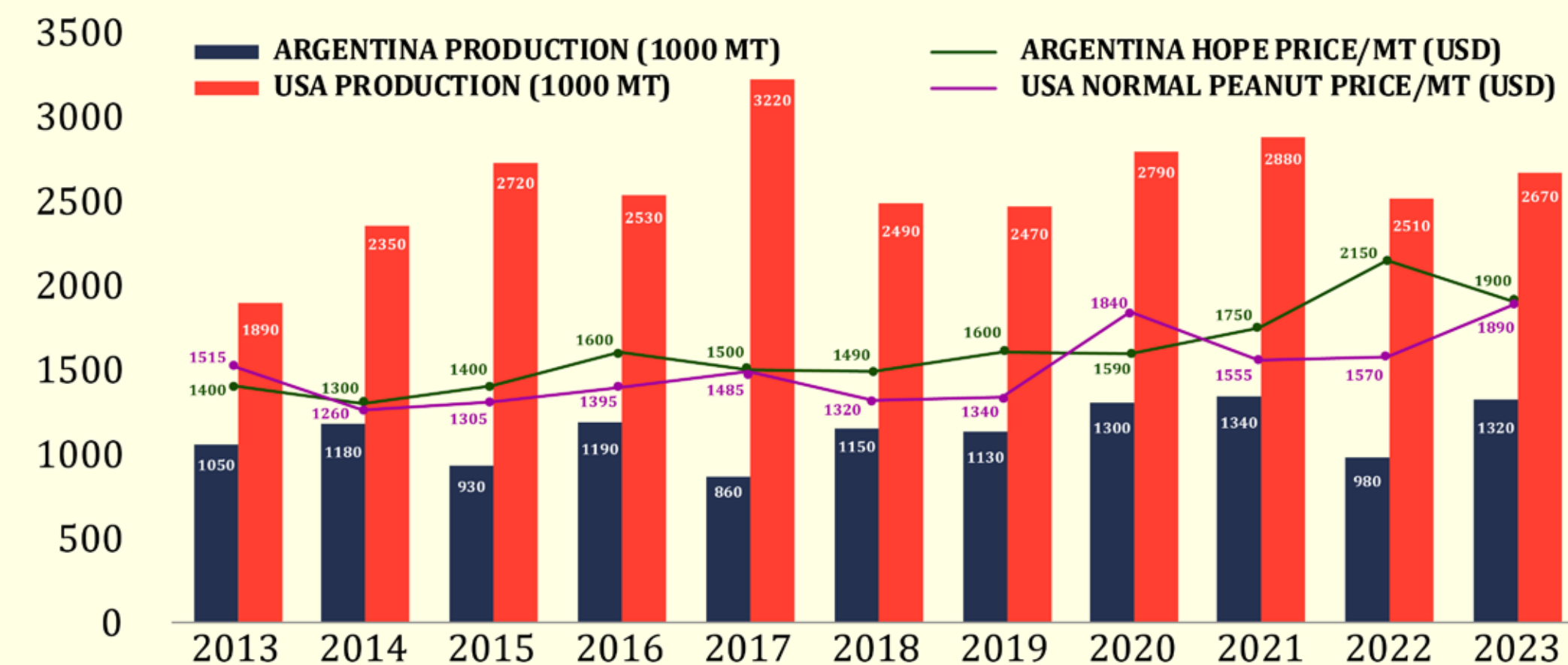
What is high oleic peanuts (HOPE) and why it is important?

Simply put, high oleic peanuts (HOPE) are a unique species which has longer cropping cycle, higher yield, contains higher-quality fats and acids, including Omega 9 and has 1.5 times longer shelf-life compared to regular peanuts. They're not only nutritious but also offer commercial advantages to snack-food manufacturers.



Origins & Production of HOPE

High oleic peanuts had their origins in the US in 1987. Argentina took the lead and began cultivating them primarily for export. Initially marketed exclusively for export, they gained traction in the EU for consumption and resulted in production focus in the US & Brazil. However, two major peanut producers, India and China, were left behind.



HOPE Market

According to our analysis, markets such as the EU, Japan, Australia, New Zealand, United States, and certain regions of Mexico, India and China are poised to become significant consumers of high oleic peanuts (HOPE). This projection leaves an estimated requirement of 8 MMT for consumption versus the current production of 4.67 MMT. Considering the FAO's forecast of a 68 MMT growth in the peanut market by 2050, a corresponding increase in HOPE production could reach 15 MMT.

Clearly, this surge in production will need to come from countries beyond Argentina and America.



Price analysis

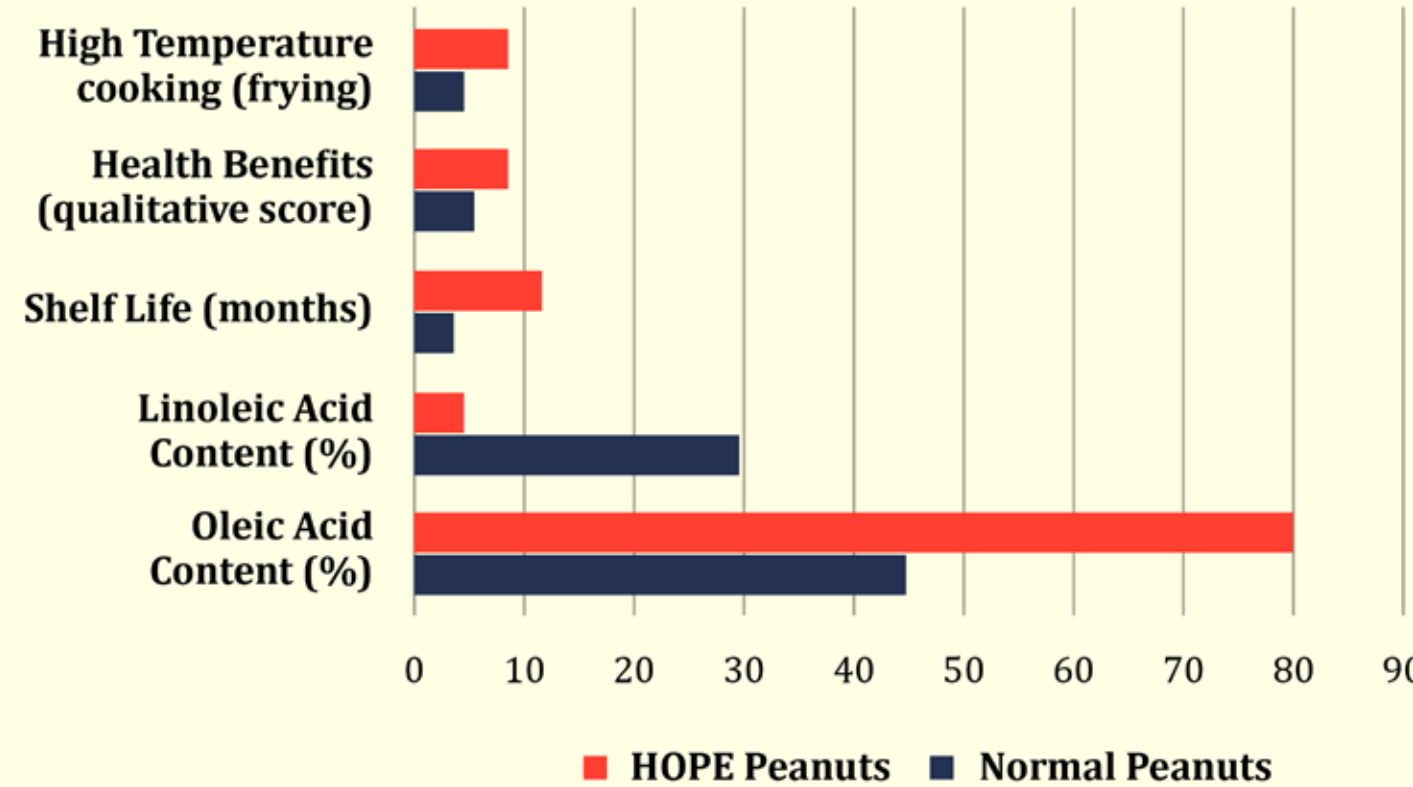
Since the last 10 years, HOPE observed a price increase of 36%, surpassing the 25% rise seen in regular peanuts. This indicates the strong balance between HOPE demand and supply. Further driving up prices is the soaring demand for peanut butter, where HOPE has significant preference for its oleic-linoleic ratios. Despite facing inflationary pressures, the higher prices for HOPE provide farmers with better remuneration.

It's evident that HOPE presents a solution for many developing and underdeveloped nations, offering a reliable pathway to growth and sustainability in the peanut industry.

HOPE PRODUCTION TODAY

Country	HOPE Production in Tons (Inshells)in MMT
USA	0.40
Argentina	1.32
Brazil	0.73
China	2.2
Australia	0.02

Normal Peanuts V/S High Oleic Peanuts



India and Africa are emerging as new producers of high oleic peanuts (HOPE). Companies like Agrocrops have capitalized on indigenous seeds (developed by research organizations like ICRISAT), leading the way in commercializing HOPE. Cultivating HOPE also aligns with sustainability goals, addressing UN Sustainable Development Goals such as Good Health and Well-Being, Zero Hunger, Industry, Innovation and Infrastructure, and Partnerships for the Goals. The future of HOPE looks promising. We might soon see products widely marketed specifically as HOPE, similar to the low-fat options available for milk-based products.



ICRISAT Revolutionizes Crop Testing with Portable Technology

ICRISAT researchers, led by Dr. Jacqueline d'Arros Hughes, are revolutionizing crop testing using AI-driven models and portable NIRS devices to quickly evaluate nutrition in grains. This technology speeds up breeding of nutrient-dense crops, aiding global malnutrition efforts. In Anantapur, India, ICRISAT promotes the high oleic acid Girnar 4 groundnut variety. The FERN laboratory is expanding predictive models to assess traits in various cereals and legumes, offering efficient solutions for better nutrition in crops like millet, sorghum, maize, and beans.



EDITOR'S PICK

Global Market

ARGENTINA



Due to good sales volumes, Brazilian crop issues, an empty EU market, and no alternative supply until November, US prices are higher. Argentine shellers are withdrawn or have raised prices. Whole blanched prices are around \$1850 Cfr Rotterdam and are expected to rise in the short to medium term. Brazil has turned to Argentina to meet its domestic demand for raw peanut kernels. Reports indicate that 20k to 30k tons have been traded between US\$1550 to US\$1650/ton FCA Cordoba, depending on size & quality (mostly 10 PPB). Meanwhile, the EU is purchasing 38/42 blanched nut at \$1900 and raw nuts at \$1750 Cfr Rotterdam. With US prices higher, the EU has no alternative sources until November.

BRAZIL



In São Paulo, crop harvesting rose from 60-70% to 98% in 30 days. Quality remains poor due to high aflatoxin levels, causing difficulties for shellers in sourcing raw material, with prices steady at \$0.85-\$0.90/kg. There are few offers for EU-compliant peanuts, limiting exporters' ability to pay varied prices. Consequently, exports to the EU are expected to decrease significantly. April exports were 13,400 MT of peanuts, lower than the past five years, and 5,400 MT of oil, an 87% increase.

CHINA



USA

The US market remains quiet with a 2023 carryover around 850,000 fsts. Most manufacturers are covered through October 2024. Market prices are firm at 60's for splits/mediums, low 70's for jumbos. The 2024 crop planting is 67% complete, slightly delayed.

Adequate moisture and higher temperatures/precipitation are expected, possibly with an active hurricane season. Plantings are likely to exceed USDA estimates, especially in Texas. Prices are stable at 57 for splits, 58 for mediums, and 59 for jumbos.

PEANUT SPOTLIGHT

INDIA

India is seeing the new summer crop harvests from three states, all producing Spanish-type peanuts ranging in size from 40-50 to 140-160 per ounce. On average, the summer crop yield in Gujarat is estimated to be 120%, with Sabarkantha seeing an exceptional yield of 150%. However, some areas like Maharashtra and Bengal are experiencing short crops, lasting only a month. The expected market price for the new crop is between Rs. 90-98 for the 80-90 calibre peanuts. There is an expectation of slow demand during the June-August period.

The Winter crop 2023 stocks are plentiful and in excellent quality condition. Sowing for the Winter 2024 crop will begin in mid-June, with optimistic planting intentions amid market prices being above the MSP and projections of an excellent monsoon. However, demand from both domestic and export markets is lower than usual for this time of year. This may be due to competition from origins like Mozambique (\$1080) and Tanzania (\$950), which are supplying at lower prices, and



Edible oil prices are trending lower, with cake prices hitting an all-time low.

Currently, farmers in most regions are busy with farming and have little time for peanut transactions. This has led to limited supply in production areas, with average inquiries and purchase prices remain stable in most regions. Oil factories are showing little interest in purchasing peanuts, with limited arrivals. Scheduled summer downtimes will further reduce demand. Transactions are influenced by quality and price. Today's (May 27th) total arrivals at oil factories are about 3,500 tons, approximately 100 tons less than yesterday. The trading prices range from 8,000 to 8,900 RMB, depending on quality and variety. Some oil factories are continuing to lower their purchase prices. The prevailing negative sentiment may affect traders' confidence.



AFRICA



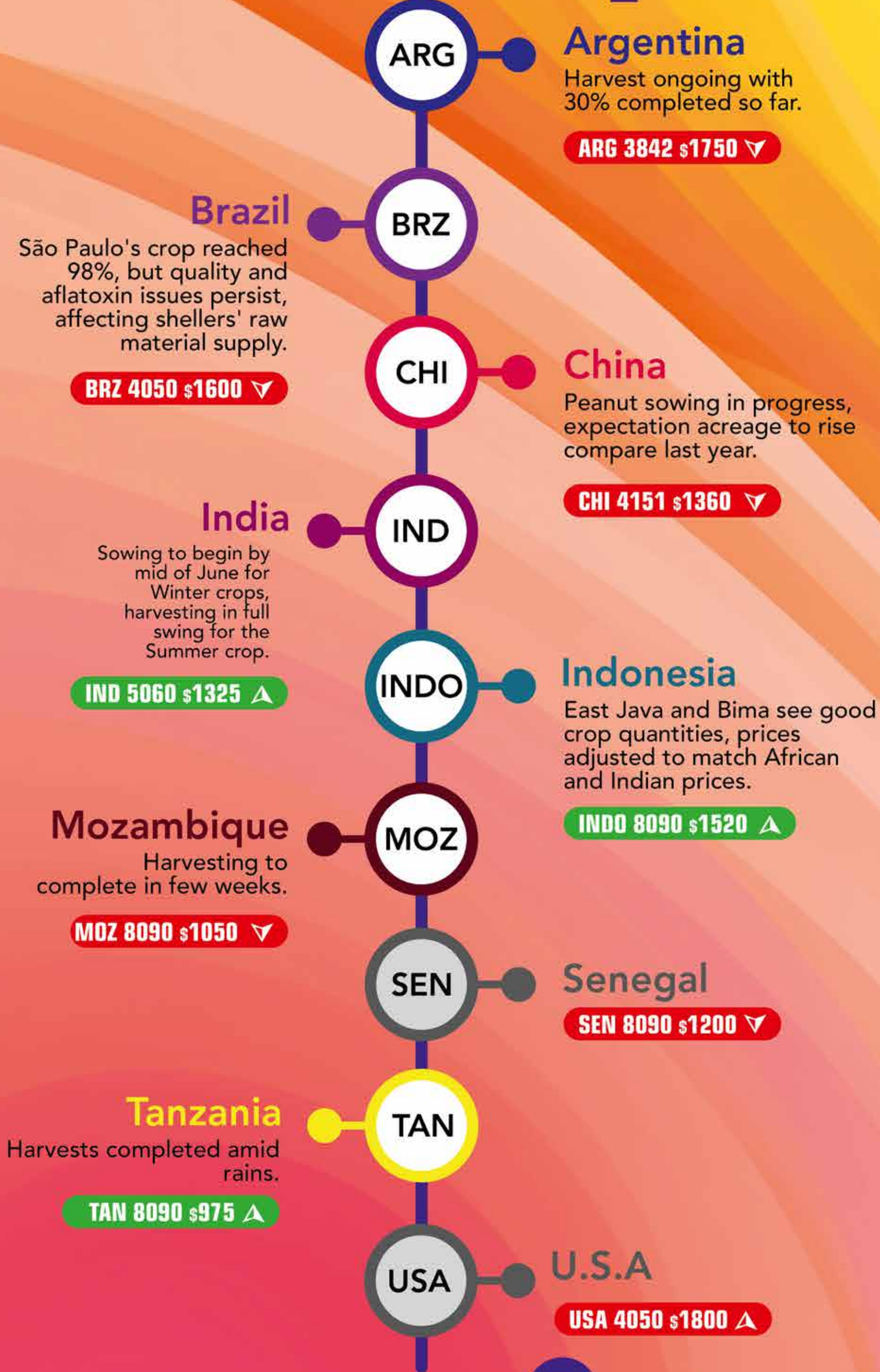
Tanzania Tanzania reports a good crop this year, approximately 700,000 tons. Due to high demand from neighboring countries, the season won't extend beyond June. Kenyans have entered the market with high prices, driving competition. Peanut prices are fluctuating between \$900 and \$1,000. The season is forecasted to conclude by June.

Mozambique The market remains steady with prices ranging between 1080 and 1150, but global demand conditions causing a downward price trend. Exports are set to pick up in June with a weaker price trend in June & July.

Sudan The market has become more competitive following the arrivals of new crops from Tanzania and Mozambique. Presently, prices for the November 2023 crop harvest range between \$1100 and \$1150.

Senegal Off-season activities in Senegal, exports are halted amid end of quota. Locally seed prices are not released yet making stagnant or weakfish price trends to prevail.

Current Crops



PEANUT VOICE

“I worked at the American Peanut Council for 16 years, serving as Senior Vice President for much of that time. Now, I am self-employed at Green Field Strategies.”

Mrs. Stephanie Grunenfelder,

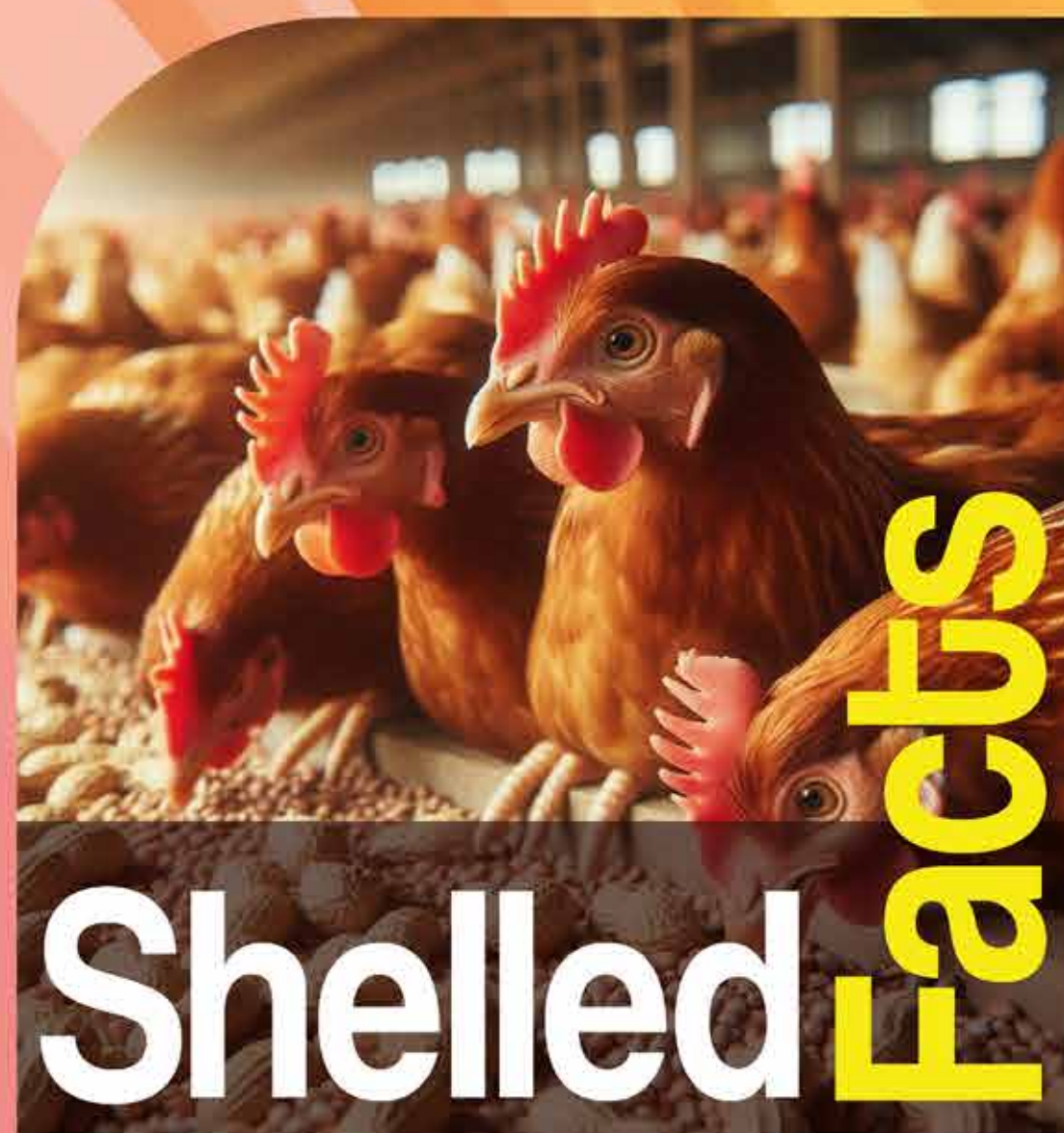
Senior vice president

Can you describe how the peanut products will evolve in the next 30 years?

Demographic changes mean more people will be living in Africa, and India is now the world's most populous country. These changes will impact the world peanut market. Our industry should continue supporting peanut-based ready-to-use therapeutic food used to treat malnutrition. What better way to show the value of eating peanuts!

Enhancing Poultry Health and Product Quality with High Oleic Peanuts (HOPE)

High oleic peanuts are suitable for poultry feed due to their high monounsaturated fat content, offering significant health benefits to birds and improving poultry product quality. Unlike regular peanuts, high oleic peanuts have a longer shelf life due to higher oxidative stability, reducing rancidity risk. When included in poultry diets, they enhance the fatty acid composition of eggs and meat, leading to products with improved nutritional profiles higher in healthy fats. This caters to health-conscious consumers and improves the sensory attributes of poultry products, such as flavor and texture. Additionally, high oleic peanuts provide a dense energy source, supporting efficient growth and production in poultry. Their inclusion in feed formulations boosts poultry health and overall quality of poultry-derived food products.

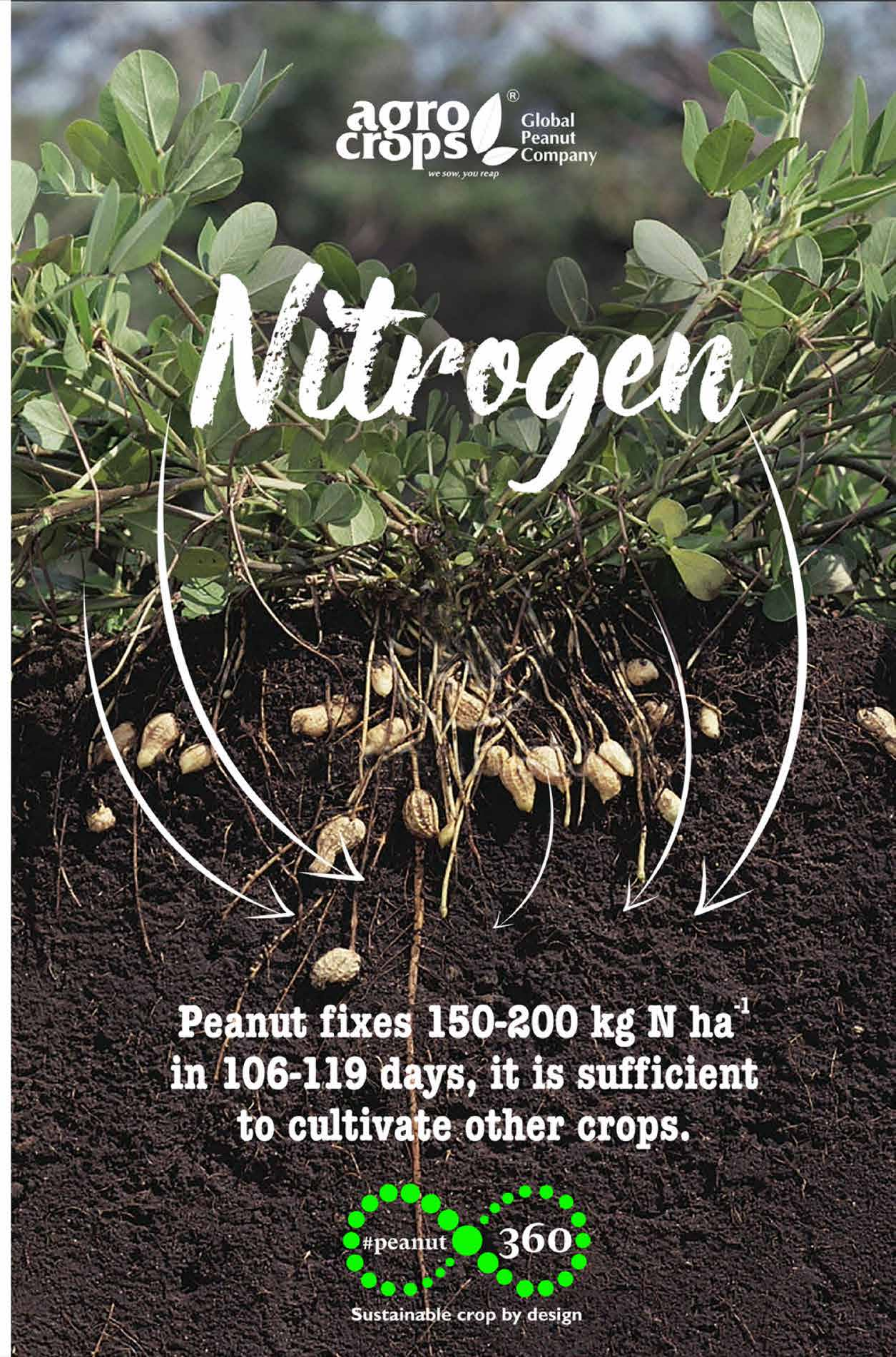


PEANUT FORECAST

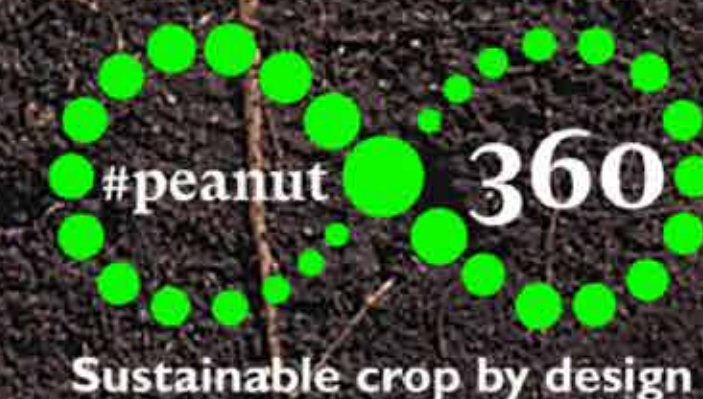
OIL WORLD FORECAST RISE IN WORLD PEANUT PRODUCTION

Global groundnut production is currently estimated at 34.6 million metric tons (shelled) for the 2023/24 season, including crops currently harvested in the southern hemisphere. While there's been a 1.0 million metric ton increase in production, it's somewhat mitigated by low groundnut stocks at the season's outset. Processing into oil and meal is anticipated to remain stagnant at best for 2023/24. However, we foresee a rise in direct consumption for food, bird feed, etc., along with growing groundnut stocks in key countries, except the USA.

MR.SIEGFRIED FALK
OIL WORLD



Peanut fixes 150-200 kg N ha⁻¹
in 106-119 days, it is sufficient
to cultivate other crops.



Agrocrops' Commitment to Sustainable Peanut Production

Agrocrops, a global peanut industry leader, aims to build an integrated, sustainable peanut industry by connecting expertise with global origins and fostering collaboration among stakeholders. In response to growing global demands, Agrocrops has intensified efforts to establish responsible value chains by collaborating with 14 farmer producer organizations (FPOs) in India, involving over 15,000 farmers.

A women-owned FPO, made history by exporting over 200 tonnes of certified peanuts under Fairtrade for the first time in India, earning an additional Fairtrade premium of \$6,000, utilized towards community development, sustainable production costs and safeguarding from market price fluctuations by the FPO. Agrocrops' responsible sourcing includes supplying high oleic peanut seeds, promoting sustainable farming, and ensuring fair wages. Currently, 5% of sourcing is from FPOs, intending to increase this to 40% in the next five years.



peanuts' nitrogen-fixing reduces the need for synthetic fertilizers and lowers GHG emissions. Their water efficiency (3.2 gallons per ounce) suits water-scarce regions. As a zero-waste crop, peanuts minimize waste, maximizing value and aligning with sustainable agriculture. Growing consumer demand for ethical products drives industry expansion.

The peanut industry leads in sustainable agriculture due to its ecological benefits and economic potential.

Increasing global demand for sustainable, ethically produced food boosts the peanut market. Peanuts are favored by health-conscious consumers for their environmental benefits and nutritional value. Key factors for sustainable growth include cost-effective farming, as

SUSTAINABILITY

PEANUTS INDUSTRY APPROACH AND THE WAY FORWARD!

Significant industry initiatives towards sustainable peanut growth

Sustainable Peanuts Initiatives in the US:

American Peanut Council (APC):

Supports farmers in balancing economic, social, and environmental factors to ensure long-term economic viability, satisfy sustainability interests, and increase peanut demand domestically and globally.

National Peanut Board (NPB):

Represents all segments of the U.S. peanut industry, documenting and tracking production practices, understanding the crop's environmental footprint, and helping growers reduce their environmental impact.

Alabama Peanut Producers Association (APPA):

Represents growers' interests through promotions, research, and education, enhancing and unifying the peanut industry since 1957. Peanut Company of Australia (PCA): Processes High Oleic peanuts, developing cultivars that improve farm yields and disease resistance, keeping Australian farmers competitive with imports.





BIRD FEED

EVOLUTION AND GROWTH OF EUROPE'S BIRD FEED INDUSTRY

THE BIRD FEED INDUSTRY IN EUROPE HAS UNDERGONE SIGNIFICANT EVOLUTION, DRIVEN BY SHIFTS IN CONSUMER BEHAVIOUR, ENVIRONMENTAL AWARENESS, AND AGRICULTURAL ADVANCEMENTS.

BIRD FEEDER MARKET

BY DISTRIBUTION CHANNEL

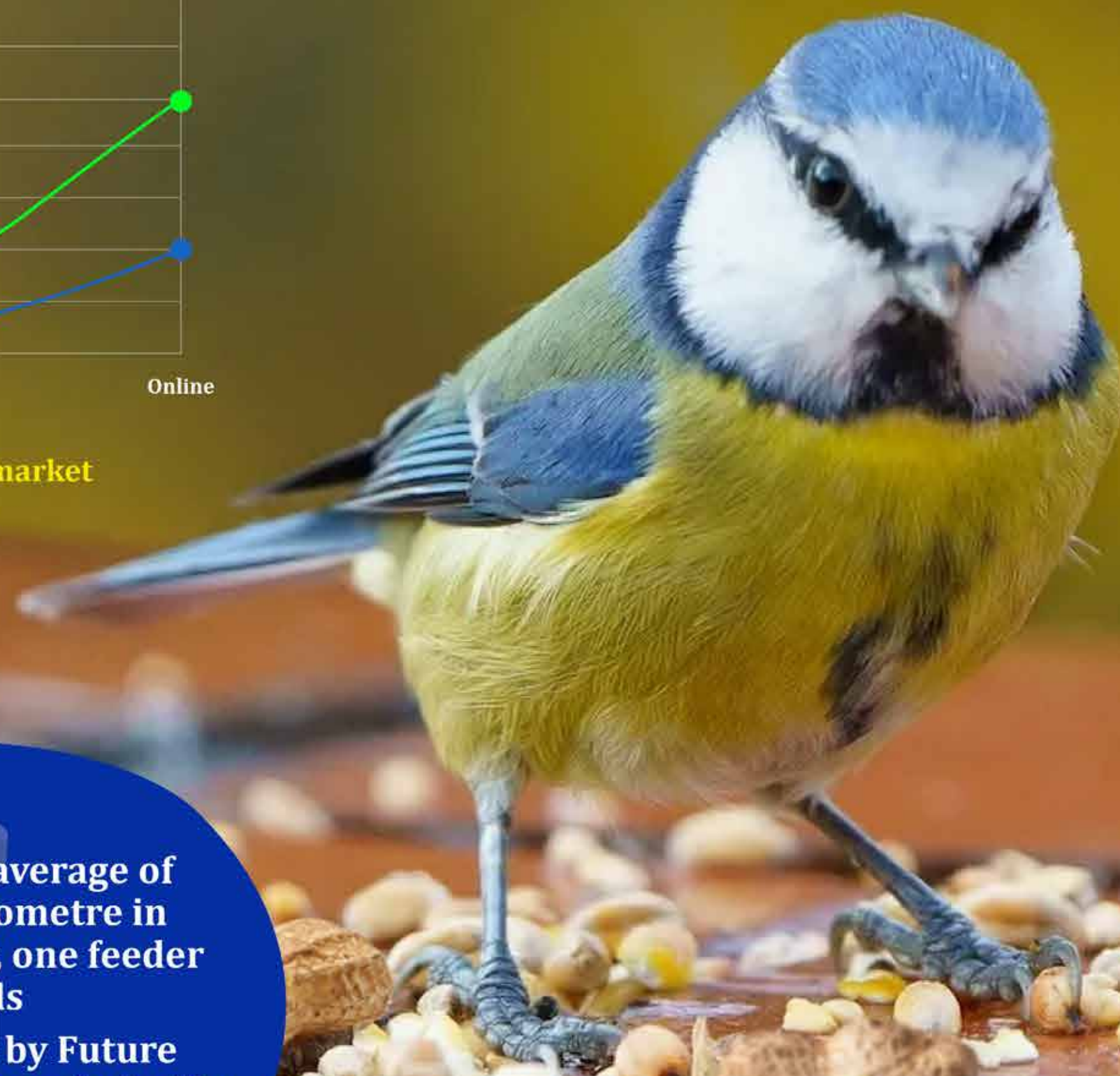
2021 2031



Specialty stores segment dominated the market

- Estimates suggest there are an average of 100 bird feeders per square kilometre in Britain or, to put it another way, one feeder for every nine feeder-using birds
- As per a recent market analysis by Future Market Insights (FMI), sales are projected to increase at a 3.6% CAGR, with the market size reaching US\$ 3.0 Bn by 2032.

FACTS



Pre-20th Century

Wild birds were sporadically fed with household scraps or grains during harsh winters, with no dedicated industry or commercial products.

Early 20th Century

Interest in bird feeding grew with the rise of ornithology and bird conservation organizations. Bird feeders and basic seed mixes began appearing in the market.

Post-War Era

Increased leisure time and urbanization fuelled interest in backyard bird feeding. The development of synthetic materials enabled mass production of bird feeders and accessories.

1960s-1980s

Bird feeding became a popular hobby. Companies produced a variety of seed mixes tailored to different species. Environmental movements highlighted the importance of supporting local wildlife, further boosting the industry of synthetic

1990s

Emphasis shifted to high-quality and species-specific bird feed. Speciality stores and garden centres offered a wider range of products. Research into birds' dietary needs led to more sophisticated formulations and accessories.

2000s

The market expanded with a variety of products like fat balls, suet cakes, mealworms, and nectar for hummingbirds. Awareness of habitat loss and declining bird populations spurred interest in bird feeding as a conservation effort. Online shopping platforms made it easier to access a broad range of products.

THE SILENT THREAT PEANUT SMUT

MENACES ARGENTINA'S PEANUT INDUSTRY

The origins of peanuts trace back to South America, specifically southeastern Bolivia and northwestern Argentina, where wild species flourish. Classified by botanist Linnaeus in 1753 as *Arachis hypogaea* L., cultivated peanuts have been a staple in Argentina since indigenous communities sowed 2,388 ha in 1872. Today, Cordoba province spearheads over 92% of Argentina's peanut production, creating over 12,000 jobs and contributing significantly to the local economy. In the 2014/2015 season, Cordoba cultivated peanuts across 345,000 ha, yielding 1.12 million MT with an average yield of 3.48 MT/ha.

However, the industry faced a significant setback in the early 1990s when peanut production migrated south to avoid northern issues, giving rise to a new threat: peanut smut caused by *Thecaphora frezii*. Initially detected in 1995 in Cordoba's northern regions, the disease rapidly spread to the central region, home to major grain processing industries. Today, smut's prevalence stands at 100% in the Argentinian peanut area, signaling a concerning trend of pathogen migration.



Wild peanut pod totally damaged by smut (mass of teliospores replacing the grain tissue).



Peanut smut severity scale from level 0 to 4



SOURCE: RAGO, A. M., CAZÓN, L. I., PAREDES, J. A., MOLINA, J. P. E., CONFORTO, E. C., BISONARD, E. M., & ODDINO, C. (N.D.). PEANUT SMUT: FROM AN EMERGING DISEASE TO AN ACTUAL THREAT TO ARGENTINE PEANUT PRODUCTION. PLANT DISEASE, 101(3), 400–408. [HTTPS://DOI.ORG/10.1094/PDIS-09-16-1248-FE](https://doi.org/10.1094/PDIS-09-16-1248-FE)

The first reported instance of *T. frezii* in commercial peanut crops occurred in 1995 in Cordoba's central-northern area, affecting varieties like Colorado Irradiado INTA and Florunner. Since then, peanut smut incidence and intensity have escalated, leading to widespread losses. In the last decade alone, Argentina witnessed up to 51% yield losses in some locations. Remarkably, Argentina remains the sole country reporting peanut smut in commercial crops, while Bolivia and Brazil report cases solely in wild peanuts.

A study by Paredes et al. (2016) highlighted the severity of the issue, reporting yield losses of 27,419 MT (US\$14,151,800), equivalent to 3.15% of total production, with some fields experiencing losses of up to 35%. Addressing this challenge, breeding programs aim to incorporate resistance genes into popular commercial cultivars to curb teliospore production and impede smut spread.

Further research is crucial to identify effective fungicides and application methods. While Brazil reports smut cases in wild peanuts, its absence in commercial crops may stem from different production systems, including sugar cane rotations, which alter soil characteristics. Given Argentina's significant role as a global peanut exporter, understanding and managing peanut smut are paramount to safeguarding the market and preventing further disease spread.

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SPOTLIGHT



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Upcoming Events



JULY 9-11

