

Peanut Blog

An ounce of information



Peanut growers are farming on 2026 input costs with 2015 crop prices

An Oklahoma farmer and his son grapple with soaring input costs, stagnant commodity prices and challenging weather as they prepare for the 2026 season.

Farming isn't just an occupation. It's a way of life and something, Erick, Okla., producer Charles Keahey has known for at least 60 years. He'll tell you there's no better way to raise a family. But in light of the current economic climate, he's concerned his livelihood is in jeopardy. "This is the worst I've ever seen it," Keahey said. "We're farming on 2026 input costs with 2015 commodity prices. Trying to make that balance out is very difficult."

It feels a bit like a fight. Producers are "battling input costs against commodity prices," he added. Charles and his son Jonathan recently spoke with Southwest Farm Press at the 2026 Oklahoma Peanut Expo in Weatherford. The Keaheys, who also farm with Charles' son Christopher and stepson, Dusty Embery, planted 1,400 peanut acres in 2025. This year, they'll only plant 480. But they aren't alone. Oklahoma peanut acreage is likely to drop by possibly 40%, said David Nowlin, Oklahoma Peanut Commission executive director. This is compared to the 2025 acreage of about 17,756 acres. "The market demand is just not there," Nowlin said. Contracts are limited. "Last year, we had a lot of Spanish contracts, and it kind of flip-flopped, so it's more Runner than Spanish and a small amount of Valencia".

The Keaheys typically grow Spanish, Runners and Virginias. "But they didn't offer any Virginia contracts this year," Jonathan said. So they'll only plant Spanish and Runners. Charles is grateful they even found a contract. "They're not as bad as we anticipated. The rumors had us pretty worried up front, so they were better than what we were hearing but still not great". Members of the 2026 Oklahoma Peanut Commission (from left), Joe D. White, Les Crall, Art Kell, Mark DeLeon, David Roland, Skipper Bates and Executive Director David Nowlin, pose for a group photo at the recent Oklahoma Peanut Expo in Weatherford.

2026 strategy:

Input costs weigh heavily, especially the recent surge in fertilizer and fuel prices as the conflict in Iran persists. Charles described fertilizer prices as "astronomical". "Every time I price it, it's just even that much higher," he said. Oklahoma State University economist Todd Hubbs noted the escalation and doubts of price relief before harvest. "Fertilizer prices continue to increase — nitrogen in particular — as the war with Iran has cut off substantial supplies of nitrogen-based fertilizer that come out of the Gulf," Hubbs said.

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Diesel, not so much:

"Diesel prices remain elevated and look to continue to move higher," Hubbs said. "Even if the war ended tomorrow, it seems unlikely price relief for diesel would arrive before fall". What's the Keaheys' strategy? Jonathan said they are shopping around for the cheapest fertilizer price. They're also increasing their soil sampling so they can make more targeted applications, a decision that's already paying dividends. "Soil samples showed our phosphorus levels were plenty," Charles said. "So we are cutting back on our starter fertilizer".

The Keaheys will also apply their own fertilizer and chemicals. "We're trying to spread our own to cut some costs there," Jonathan added. "We're trying to cut every corner we can but still not hurt our yields". Father and son, who run 15 center pivots, expressed concern regarding the Southwest's persisting drought. At the end of March, they received about 1 inch of rain. "It's the first moisture we've had since we dug peanuts last fall," Charles noted.

Crop rotation:

The Keaheys will also continue their rotation to mitigate peanut disease and insects. Typically, the Keaheys rotate with cotton. But with low prices, Jonathan said it's tough to know which commodity to rotate. Despite that, soilborne disease pressure in the 2025 crop reiterated the importance of maintaining the practice. "We had an explosion of pod rot on one field that came out of nowhere," Jonathan said. "We're seeing higher nematode pressure that we're going to have to figure out a way to combat going forward". They're also increasing their cattle herd and will grow more feed to offset expenses and low prices. "We have more hay feed than we've had in the past," Charles noted.

Statewide:

Oklahoma growers are coming off the second-highest average yield in state history, averaging 4,201 pounds per acre. But Oklahoma isn't alone. Other peanut-producing states and countries had robust yields as well. "Inventory is really high," Nowlin noted. "So this year, market demand is just not there." He described this year as a "survival year," emphasizing the need to carefully manage costs. Nowlin expects growers to be more selective about the fields in which they plant to reduce chemical expenses.

"You're not going to want to plant a field that has a serious sclerotinia blight disease problem, that's for sure, because you're not going to be able to afford to put the treatments on it that you want and come out in the black." Nowlin echoed the Keaheys' sentiments about rainfall. "Hopefully, we can get some showers and not have to irrigate as much." Peanut growers, like all farmers, face many production challenges in 2026. "It's tough sometimes," Charles said, "but it's still the best lifestyle out there."

Source: <https://www.farmprogress.com/peanut/peanut-growers-are-farming-on-2026-input-costs-with-2015-crop-prices>