Peanut Blog

An ounce of information

Global peanut market faces supply and export challenges

The global peanut market is facing a more complicated export environment as lower output in South America, weather disruptions in India and freight-related pressures reshape competition among major suppliers.

The United States remains an important option for buyers, particularly as Brazil and Argentina deal with smaller crops. Peanuts are also a key crop in the U.S. Southeast, led by Georgia, Florida and Alabama, which together account for about 70% of U.S. production.According to Southeast AgNet, Brazil's peanut output is expected to be sharply lower this year, potentially down around 30%. Farmers in the country are reportedly holding back sales while waiting for higher prices, limiting the availability of Brazilian supply in the export market. According to Datamar, Brazil's containerized peanut exports from January to June rose 25% compared with the same period a year earlier. The chart below shows the monthly shipment volumes:

Argentina, another major competitor in the peanut trade, is also facing a smaller crop. Output is estimated to be down by about 27% after persistent rain and cloudy weather during harvest damaged part of the crop. China is not currently seen as a strong export option, according to the report, because of exchange-rate conditions, high freight rates and shipment difficulties linked to the war. India is also facing weather-related challenges. Planting has been delayed after extreme dryness last year and flooding this year during the monsoon period.

Those constraints could create openings for U.S. raw shelled peanuts. However, the report said prices would need to be higher for blanched peanut material, since overseas buyers often prefer to order blanched peanuts when sourcing internationally. For exporters, traders and logistics operators, the current global peanut market points to a more volatile trade environment. Lower availability from Brazil and Argentina, combined with weather problems in India and high freight costs, could affect sourcing decisions, shipment timing and price negotiations in the months ahead. The situation also reinforces the role of the U.S. Southeast as a major supply base at a time when buyers are reassessing options across Brazil, Argentina, China and India.

Source: https://datamarnews.com/noticias/global-peanut-market-faces-supply-and-export-challenges/