Peanut Blog
An ounce of information



Peanut Market Split Between Indian Supply Surge and Argentine Tightness

Concise global peanut market analysis covering India, Argentina, Brazil, US and China, with current EUR price indications and short-term trading outlook.

Global peanut fundamentals are diverging: India and the US are well supplied, while Argentina heads into a sharply tighter 2026/27 season and Brazil signals possible acreage cuts. Prices are therefore holding broadly steady to mildly firmer, with upside risk concentrated in high-quality edible origins tied to Argentina and, to a lesser extent, Brazil. The market is entering a phase where regional supply stories matter more than a single global trend. Heavy new-crop arrivals in Gujarat coexist with firm groundnut oil and strong quality premiums in India. Argentina's reduced area, lower production and minimal opening stocks are already underpinning export offers, while Brazil maintains robust exports despite talk of acreage reductions. In contrast, large US inventories and cautious Chinese demand temper global bullishness and keep forward buying disciplined rather than aggressive.

Prices

Indian export quotations show a gently firmer tone through October, reflecting active stockist buying and continued interest in key grades despite heavy arrivals:

ORIGIN	PRODUCT / TYPE	LOCATION	DELIVERY	LATEST PRICE (EUR/KG)	PREVIOUS PRICE (EUR/KG)	UPDATE DATE
India	Peanuts roasted split, 60/70/80	New Delhi	FOB	1.23	1.22	2026-10-24
India	Peanuts birdfeed	New Delhi	CFR	1.03	1.03	2026-10-24
India	Peanuts java 70-80	New Delhi	FOB	1.17	1.16	2026-10-24
India	Peanuts bold, 40-50	Gujarat - Gondal	FOB	1.09	1.08	2026-10-24
Brazil	Peanuts raw	Brasilia	FOB	1.27	1.26	2026-10-24

Across the Indian suite, most bold and java grades have gained EUR 0.01/kg since mid-October, underscoring that strong arrivals are not triggering a major price break at this stage. Brazilian raw peanuts show a similar, modestly firmer trajectory, aligning with that country's still-strong export performance and uncertainty over 2026/27 planting intentions.

Supply & Demand Landscape

India: Heavy arrivals but firm oil and quality premiums

Gujarat's 2026 groundnut crop is estimated at 2.8–3.0 million metric tons, with daily arrivals around 400,000 bags into key markets such as Mahuva, Gondal and Banaskantha. Roughly one-quarter of the crop is thought to have already reached the market, and arrivals may ease after the Diwali period as farmers slow sales.

Despite volume, a large share is being absorbed by stockists, signalling confidence and a willingness to build inventories. Limited availability of suitable new-crop raw material means the transition to 100% new-crop groundnut oil is gradual, keeping the oil market comparatively firm. Strong price premiums for No. 66 over G-20 and No. 39 highlight persistent quality differentiation and suggest high-grade kernels will remain well supported.

Argentina: Tightening into 2026/27

Argentina is emerging as a key bullish driver for the edible peanut complex. Planted area is projected at about 369,272 hectares, down 5.1% year on year, with production forecast near 920,375 MT on a kernel basis—an 11% decline. More critically, opening stocks are expected to fall to only 20,000 MT, sharply below last season's 112,000 MT, cutting total supply to roughly 940,375 MT versus over 1.15 million MT previously.

This constrained balance sheet is already reflected in export offers, with blanched values moving toward USD 2,000/MT, though resistance to steeper increases is evident among buyers. Projected exports of 614,100 MT, down about 14%, imply tighter availability for high-quality Argentine origin through 2026/27, especially if any weather issues further trim yields.

Brazil: Strong exports, acreage risk ahead

Brazil's near-term story is dominated by robust exports and a still-favourable planting window. From January to September 2026, exports reached 247,831 MT, about 14.1% above the 217,142 MT shipped in the same period of 2025, confirming strong demand from destinations such as Russia, the EU, Colombia and North Africa.

However, producers may trim peanut area by 15–30% for the next crop amid currency volatility and squeezed farmer–sheller margins. While final decisions remain open, any significant cut would tighten 2026/27 export availability. In contrast, Brazilian peanut oil exports have dropped more than 21% year on year to 94,916 MT for January–September, with China still dominating this trade but at lower volume.

United States: Slow harvest but heavy stocks

US harvest has advanced to around 51% and is running behind the five-year average of 59%, according to recent Crop Progress figures. Around half of the crop is rated Good to Excellent, while the share rated Poor to Very Poor has ticked up to 16%, hinting at some quality risk but not a widespread production problem at this stage.

Commercial stocks remain ample at about 2.44 billion pounds at end-September, roughly 20.8% above a year earlier, with shelled inventories of 621 million pounds dominated by Runner types. These comfortable stocks—combined with slower farmer prices—are likely to cap US-origin export price strength unless domestic demand or export flows accelerate more than currently expected.

China: Cautious demand anchors the complex

China's peanut market is characterised by restrained demand and selective buying. Oilseed peanut prices are broadly stable, while some commodity varieties have softened slightly. Wholesale arrivals have slipped to around 9,290 MT, with shipments down to about 4,590 MT, pointing to a slower physical trade pace and buyers focusing on immediate needs rather than stock-building.

Oil mill operating rates have increased only modestly to roughly the mid-teens, and some large processors have yet to fully re-enter procurement. This, combined with weaker soybean oil and meal prices in the broader oilseed complex, is discouraging aggressive peanut oil buying despite stable underlying fundamentals, and it moderates the global impact of tighter supply in Argentina.

Fundamentals & Weather Notes

- **Global balance:** The combination of heavy Indian arrivals and large US stocks offsets Argentine and prospective Brazilian tightness, leaving the aggregate global balance neither clearly tight nor clearly burdensome.
- **Crushing vs edible:** India's relatively tight groundnut oil supply and China's cautious oil demand keep the crushing side of the market finely balanced; premiums for edible-quality kernels remain supported, particularly in high-spec export grades.
- **Speculative behaviour:** Evidence from stockist activity in Gujarat suggests more constructive near-term sentiment, but international buyers are mostly avoiding large forward coverage in the face of mixed regional signals.

Weather-wise, key South American producers are currently operating under broadly favourable conditions for planting, but any shift toward excessive rains or heat during Argentine pod fill or Brazilian flowering would quickly magnify already tighter balance sheets. In the US Southeast, recent periods of good harvesting weather have supported progress, but isolated storms could still affect late-planted fields.

Short-Term Outlook & Trading Recommendations

Market outlook (next 4–8 weeks)

- **Flat-to-firm bias globally:** With Argentine offers already higher and India's quality grades well bid, the overall price structure is skewed slightly upward, especially for premium edible and blanched types.
- **Regional divergence:** Indian and Brazilian origins should remain competitively priced for bulk edible and birdfeed demand, while Argentine supplies likely retain a premium as the smallest exporter balance in years becomes clearer.
- **Risk factors:** Downside risks are mainly tied to slower Chinese or EU demand, while upside risks centre on additional Argentine weather stress, deeper-than-expected Brazilian acreage cuts or a shift in Chinese crusher procurement.

Trading recommendations

- **International buyers:** Consider securing a portion of 2026/27 needs in Argentine origin now, especially for high-spec blanched product, while leaving some flexibility for later coverage in Brazil and the US should demand soften.
- **Indian processors and exporters:** Use current heavy arrivals to lock in raw material where quality is strong, as persistent premiums for top grades (e.g. No. 66) suggest relative outperformance versus lower grades and oil-focused demand.
- **Importers into China and the Middle East:** Maintain staggered purchases, taking advantage of stable or mildly softer Chinese values but avoiding excessive de-stocking in case South American tightening pushes up global benchmarks early in 2027.

3-Day Regional Price Indication

- **India – New Delhi FOB:** Peanuts roasted split, java and bold grades are expected to stay broadly steady to slightly firmer over the next three days, supported by stockist buying despite ongoing arrivals.
- **India – Gujarat (Gondal) FOB:** Bold 40–50 prices are likely to remain firm within a narrow range as quality premiums persist and post-Diwali arrival expectations are already priced in.
- **Brazil – Brasília FOB:** Raw peanut quotations should hold a mildly firm tone in the very short term, reflecting strong year-to-date exports and uncertainty over next-season acreage rather than any immediate supply squeeze.

Source: https://commodity-board.com/peanut-market-split-between-indian-supply-surge-and-argentine-tightness