Peanut Post

PEANUT TOP STORIES | CROP NEWS | MARKET NEWS | PRICE TRENDS | KNOWLEDGE

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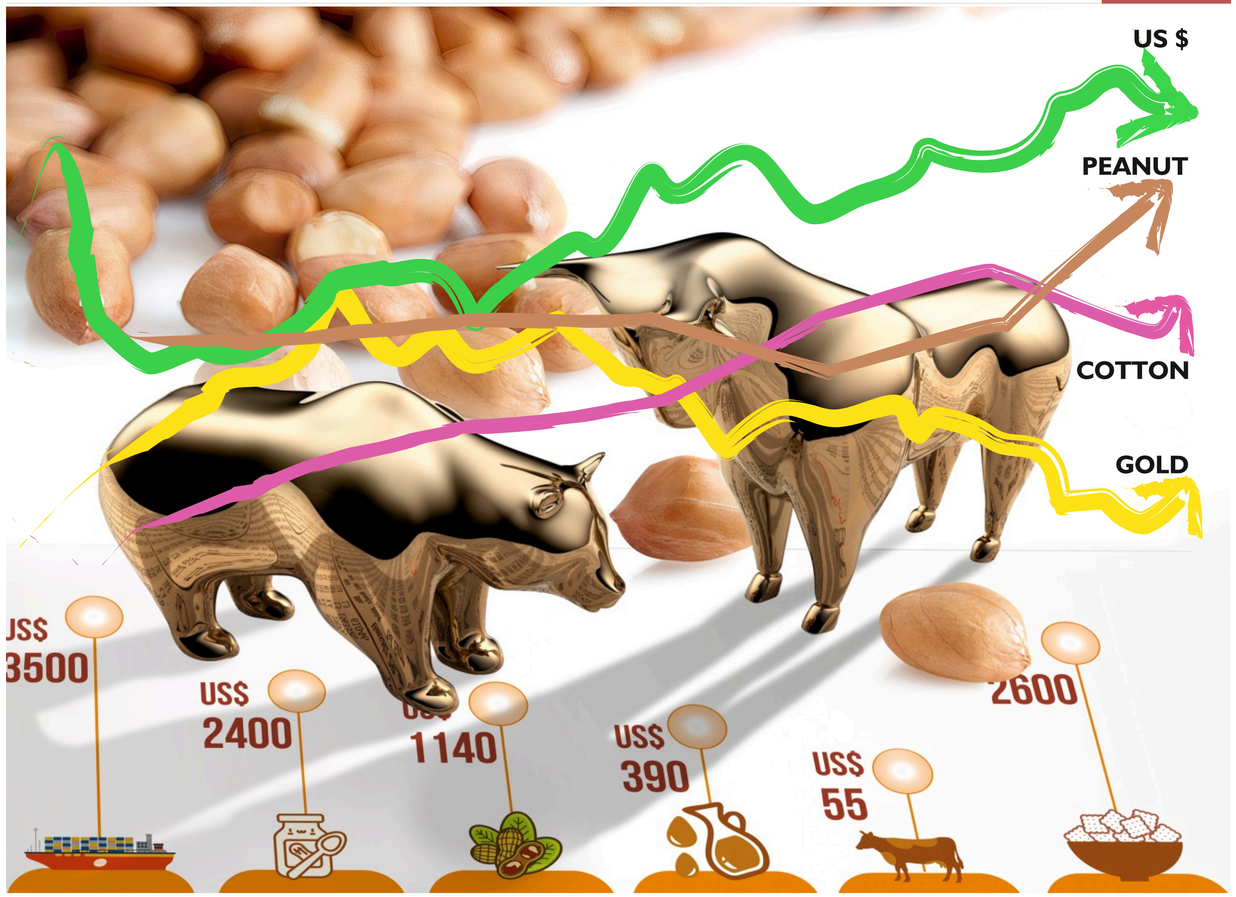
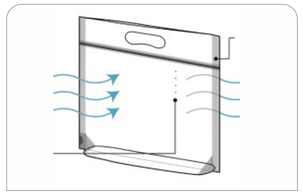
INDIA 5060 $1400 ▲ CHINA B 4151 $1400 ▲ ARG 4050 $1200 ▼ USA 4050 $1380 ▲ BRZ 4050 $1080 ▲ SUD 8090 $960 ▲ PRICE TREND



Can peanut prices hit the roof this year?

How do prices of essential commodities react to inflationary pressures? How are snack manufacturers going to absorb inflation for the rest of 2022?

Global Peanut Market
The temperature will play a crucial role in the crop's health



Peanut Innovation
Modified atmosphere packaging (MAP). It will be an appropriate method for control

Sustainability
The annual peanut production is an estimated 45 million tons

Good Agri Practices
Adoption of good agricultural practices is gaining paramount significance in groundnut production

Market Wizard

The high-demand-high-supply second half of the year is here. The inflationary pressures on food items, fuel and the dollar are relentless in their trends. While the Argentinian peso depreciated by over 30% in 6 months, adding to their competitive pricing. Can the other exporting origins do the same? In addition, other loom-ing factors will significantly impact future peanut prices.

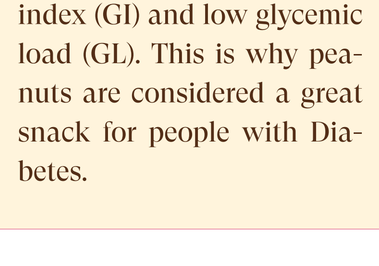
China Carry-over stock levels are poor, and the prospects of the upcoming crop are so-so. There are cautious optimism amongst crushers, long-term and large volume players in the market. Demand from China typically spills over to the American farmer stocks and even to the Brazilian stocks. Recently, the Indian markets are not been directly influenced by the Chinese demand (amid price parity). However, it could be indirectly affected by infusing the demand from Indonesia and Vietnam by occupying the African supplies (Indonesia's cheaper alternative to India). Keep a close watch on the Chinese crop.

India Like China in recent years, India is drafting its own consumption story. Its increasing dependence on domestic demand (exports down by 90% in some months) and shorter credit cycles with almost no quality regulations have paved the way for the domestic market. As a result, the inter-state exchange of peanuts grew manifold in 2022, albeit with a steady-slow peanut oil trend. However, with rising MSP (minimum support price) and poor carry-over stocks, we expect the new Indian crops to start trading at a 3-5% premium from the previous year.

Cotton (David or Goliath?)
Several peanut-growing regions such as America, China, India and Africa lost their peanut acreage to cotton. The losses in some cases are in the higher teens. Will the comeback of cotton increase peanut scarcity in an already inflated market scenario?

In summary, inflation is a common denominator for all; the snack food producers, oil crushers and end users of peanuts will have to pay a higher price and still be able to say, **"it's just peanuts"**. We hope the common man's nut remains as one -godspeed peanut.

Shelled Facts



Peanuts & Diabetes are not Friends.

Peanuts are a good source of dietary fibre. Nearly 8.5g per 100g of dietary fibre constitutes around one-quarter of a male's recommended fibre intake or one-third for females. In addition, sucrose and starch are abundant in peanuts, while reducing sugars are present in a trace amount. Peanuts also have a low glycemic index (GI) and low glycemic load (GL). This is why peanuts are considered a great snack for people with Diabetes.

Global Peanut Market

Acreage Sown in India across Gujarat & Rajasthan was good - excellent. Favourable weather conditions pushed Gujarat sowing to 93% (@1.7 million ha.) and Rajasthan to 89% (@0.8 million ha.). The southern region sowing is excellent, with Andra Pradesh touching 131% (0.14 million ha) and Karnataka reaching 87% (0.15 million ha). Even though there is a reduction in overall acreage, the yields could compensate amid good rains. Stock levels with NAFED are 65000 Tons. The peanut oil prices have declined by Rs.5 since June with the government's pressure to control inflation. Local demand is throttling the peanut prices to record high. With very little carry stock in the value chain, price trends are anybody's guess.

Planting reduced by 3%, and in some states such as Alabama, North Carolina and Virginia, the acreage rose by 2.5%, 4.3% and 6.6%, respectively. Buyers are standstill amid higher prices. Most of them are covered for the Second – half of 2022, and carry-over stocks will be healthy this year at 5-7%.

The temperature will play a crucial role in the crop's health; it has the potential to reduce the yield by more than 10%.

There is a $200/T difference between the three origins, i.e. Argentina, Brazil and the US, leading to the preference for Latin American sourcing. Newport market beyond Mexico and Canada has become silent amid aggressive LATAM pricing.

Prices reduced by 10-15% amid poor kernel size and peso depreciation. The proportion of big to tiny seeds were 75:25, but now, it is 65:35. Exports reduced by more than 16% per the Argentine Peanut chamber estimates.

Demand from Europe is silent after inflation of 8.6% in June. EU inflation in December is estimated at 6%, and the primary focus is on food items and energy.

Peanut demand is firm among the shippers amid rising competitiveness. The Real appreciated by 5% so far this year. Farm stock prices rose after a slight increase in orders from Exporters.

Peanut oil export rose by 68% between March and June, with 45K Tons.

In the same period, peanut exports reduced by 3.5%, with 31K tons exported in June.

Oil exports brought cheer to the market and increased farmgate prices. China is the biggest purchaser of Brazilian peanut oil. However, compared to 2021, peanut oil and peanut exports of 2022 caught up just 35%. Shipments bound to Russia are executed through un-official channels and are expected to catch up soon.

Low-level demand from the food industry and mixed demand from crushers drove the local Chinese market into a moody phase. Stocks in the cold are not willing to come out at low levels; the next crop prospects are also daunting to the market. Between June and July, prices remained strong-stable with demand weak.

Sudan The market stocks are very old and mostly not food grade. Sudan had an excellent start to finish of the season amid support from Indonesia and China. The present deals are between $1200-1250/T for Qingdao.

Nigeria Plantings are being done currently, and the sowing is completed by around 90%. Since the new crop is expected to come faster around the corner, prices of Peanut are sold at $1.1/kg approx on the local market. Most peanuts are consumed in the local market itself.

Senegal Planting season has begun, and cropping is down by 15% as per the earliest estimate. The interest in the peanut crop is comparatively reduced than in previous years because of low prices and demand in the last cropping season.

Editor's Pick

Peanut Butter Market to Develop with Increased Global Emphasis on Healthy, on-the-go snackfoods -2030

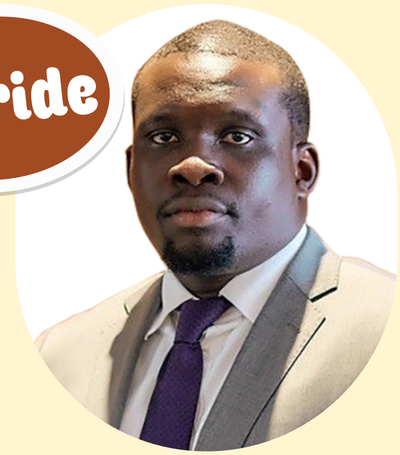
The global peanut butter market was valued at more than US$ 5 billion in 2020, and it is expected to grow with a CAGR of more than 5% during the forecast period (2021-2027). However, the high price of peanut butter is the primary obstacle to its growth. In many emerging and under-developed economies, consumers prefer regular butter over peanut butter due to the price factor, which gives peanut butter its limited marketplace. However, the recent pandemic increased the health consciousness of the working class, and the preference for healthy foods over cheap alternatives is making the trends to support the growth of peanut butter consumption. Therefore, the current demand for peanut butter is seen from emerging markets, while historical peanut butter markets have increased their average consumption.

Cultivar Highlights

New Peanut Variety "Yh61" A new variety of peanut developed with a high-oleic-acid content and high yield; one elite variety, "huayu22," was hybridized with high-oleic-acid "KN176" donor backcrossed for four generations as the recurrent parent using fad2 marker-assisted backcross selection. Alterations in oleic acid content can improve the nutritional quality and oxidative stability to prolong the shelf life of peanut products. The genetic background recovery rate of four BC4F4 lines showed an average of 92.34% and was confirmed by genotyping using the Axiom Arachis 58K SNP array. Across these fine lines in BC4F6 generations, one line with a high-oleic-acid content and high yield was detected and named "YH61." In particular, yield comparison experiments showed that YH61 exhibited high and stable work at three locations and was moderately resistant to leaf spot disease. The distinctness, uniformity and stability (DUS) testing for two consecutive years suggested that YH61 reached the standard for various rights applications. The peanut variety YH61 contributed to the expansion of the cultivation area due to its high value in the oleic acid and proven economic benefits in China.

“...genetic background recovery rate of fours...”

#peanut pride



Mr Ladipo Lawani

CEO at L&L Foods

Say about you

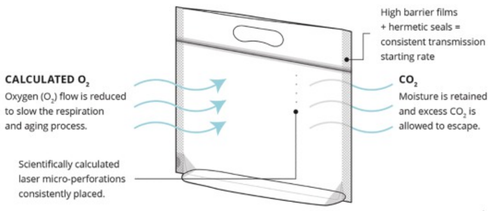
I am the founder of a snack manufacturing company called L&L Foods, which manufactures a brand of peanuts called Mr Ekpa Peanuts, which is sold over 18,000 stores nationwide.

What are the essential attributes of a prosperous peanut-producing country?

It requires all actors across the value chain to be functional and productive. One of the biggest reasons for the poor performance of peanut industries is broken-down value chains. Secondly, it requires affordable finance for all value chain actors, especially farmers, it also requires adequate research and development.

Peanut Innovation

An Alternative method for Peanuts Packaging is Modified atmosphere packaging (MAP). It will be an appropriate method for control of saprophytic fungi and their toxins and secondary metabolites production. Two isolates of aspergillus flavus (A42 and CHAO50) were packed under 100% CO_2, 100% O_2 and vacuum conditions. The mycelial growth of fungal isolates on PDA was controlled up to 80% with CO_2 treatment. Under the vacuum condition, the mycelial growth of the isolates was inhibited up to 30%, while 100% oxygen had no inhibition on mycelial growth. The degree of aflatoxin B1, B2, G1, G2 and total aflatoxin were analysed chromatographically. The results revealed that the easiest concentration of total aflatoxin was produced by fungal isolates grown in an environment of 100% O_2, while the extent of aflatoxins was significantly reduced in 100% CO_2. The most common gases used for this purpose are carbon monoxide, oxygen, nitrogen, carbon dioxide and sulphur dioxide. Low oxygen concentrations (1-5 kPa) and high concentrations of carbon dioxide (5-10 kPa) in combination with storage at low temperatures are considered optimal storage conditions for Peanuts.



Current Crops

ARG — ARGENTINA
95% of the harvest is completed. Most kernels are of smaller sizes. The remaining crop is expected to be harvested by the end of July.

USA — USA
Harvest area may shrink by 3% amid drought conditions in the growing regions.

NIC — NICARAGUA
Planting commenced, expected to plant around 45k Ha., the weather is moderately favourable.

IND — INDIA
New crops (Spanish) are out from the Souther regions, i.e. Tamil Nadu & Andra Pradesh. The crop quantity will fetch two months of supplies.

CHI — CHINA
New crops will be ready for harvest in August. The crops are affected by unfavourable weather conditions.

SUD — SUDAN
Planting completed for 90% of the acreage. Rains are expected in the coming months to have the best outcome.

Peanut Sustainability

Zero Value to Most Wanted!

The annual peanut production is an estimated 45 million tons, and nearly 25% is waste material with reuse value. In addition, peanut shells are naturally bio-degradable; they are a terrific source of nitrogen, phosphorus, and potassium. Moreover, peanut shells hold more Lignin. Lignin is a class of complex organic polymers that form crucial structural materials in the support tissues of most plants.

Peanut shells are used in mushroom production for their lignin content. Lignin content varies from species to species. The oyster mushroom is white rot fungi with perfect helpful enzymes that can easily break Lignin. Several million tons of peanut waste can be used to produce mushrooms rich in proteins. Oyster mushrooms are cultivated using peanut shells and other agricultural wastes such as wheat straw, cotton straw and paper waste.

In addition to farm use, using peanut husk as biomass fuel has become increasingly popular in reducing the environmental pollution. Peanut shell pellets are used for heating, cooking, and power generation. It is used conveniently with less ash and high firepower.

One ton of peanut husk can generate 1.25 megawatt-hours (MWh) of power; based on the global peanut production, the husk waste can produce a total of 14 million megawatt-hours (MWh), equivalent to powering a bullet train for 9182 days. In addition, the ash derived from the biofuel process can be used as soil fertilizers.

Conclusion Farmers and industries get additional income by converting peanut husk into a medium for cultivating other crops. The multitude of value creation from a zero value by-product is highly profitable yet sustainable. th less ash and high firepower.

Good Agricultural Practices

Proves Reducing Pre-Harvest

Aflatoxin Contamination in Ground nut. Adoption of good agricultural practices is gaining paramount significance in groundnut production because of their importance in minimizing aflatoxin contamination and being environmentally sustainable. Land selection is a crucial factor in the prevention of aflatoxin contamination. Certain soils, such as light, sandy soils, favour fungus growth under dry conditions. In contrast, heavy soils with higher water holding capacity can contribute to the prevention of drought stress that is known to promote growth. Crop rotation is essential to prevent the buildup of high populations of Aspergillus in soils. Other factors in combating drought stress include proper irrigation and soil moisture, plant density and weed control. Prevention of fungal infections due to insect damage should consist of practices limiting soil insects, mites, and nematodes through approved insecticides, herbicides, and fungicides. For example, soil moisture conservation through deep ploughing and cultivation across the slope, judicious application of potash fertilizers, and gypsum ($CaSO_4$) application at the flowering time reduce Aspergillus flavus invasion of pods and subsequent aflatoxin contamination. Studies confirmed that gypsum when applied at flowering, reduced aflatoxins by 40% and enhanced yield, produced healthy kernels, and reduced Aspergillus flavus infection. On-farm experiments showed that farmyard manure (FYM), an organic soil amendment, contributes to a reduction in preharvest aflatoxin contamination of groundnut. Late season drought is another factor contributing to higher aflatoxins in kernels during the preharvest phase of groundnut. It has been known that irrigation 3–4 weeks before harvesting reduced Aspergillus flavus invasion and aflatoxin contamination in groundnuts. Appropriate nutrient application for promoting healthy plants, including adequate pH and proper calcium and potassium levels, will help to ensure low aflatoxin levels.