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Monthly edition from the *Pnutking* Peanut Post

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

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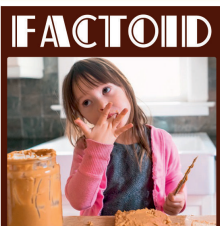
INDIA 5060 \$1260 ▲ CHINA B 4151 \$1390 ▼ ARG 4050 \$1330 ▼ USA 4050 \$1400 ● BRZ 4050 \$1200 ▼ SUD 8090 \$1050 ● PRICE TREND

#peanutpride

Which country do you foresee will be a leading net supplier of the peanut produce after 10 years?



Brazil has the potential to expand its peanut plantations and increase its exports of peanut grains and oil. Research is developing new, more productive varieties. Quality control has been intensified and exporting companies are promoting peanuts in the international market.
Mr. Jair Heuert, Agronomist
Brazilian Agricultural Research Corporation



Hunger Busters

90g of peanut suppress hunger for 2.5 hours compared to 30 mins for rice cakes, unlike other snacks without a single gram of weight gain. Mainly because peanuts and peanut butter have a strong satiety effect, meaning they help manage appetite and help you feel heavy, so you don't want to overeat too soon. That's mainly due to their very low Glycaemic Index (G.I.), stemming from high levels of fibre, protein and healthy fats. The 'second meal effect' observed by the researchers adds to the already impressive case for including peanuts or peanut butter at breakfast time or anytime because these 'hunger busters' also pack a nutritional punch.

Shifting Economies

CEPA India is the third-biggest trading partner behind the U.S. and China. India and the United Arab Emirates on Feb 18th signed a Comprehensive Economic Partnership Agreement (CEPA) that will allow 90% of the country's exports duty-free access to the Emirates. The CEPA is likely to benefit about \$26 billion worth of Indian products. So far, peanuts subjected to 5% import duty by the U.A.E. India has faced stiff competition from China and Argentina for exports of peanuts in the last two years. CEPA stresses strengthening infrastructure and dedicated logistics services for connecting farms to ports. APEDA has been expanding the export basket by adding newer products to U.A.E.

Costly Cooking The ongoing struggle between Russia and Ukraine is likely to impact edible oil prices in India. India suffers the most because 90 per cent of its sunflower oil imports are from these two countries. The prices of six edible oils — peanut oil, mustard oil, vanaspati, soya oil, sunflower oil and palm oil — have

risen between 9% and 56% at all-India levels in the last year. Peanut oil has increased from Rs 120 per litre in March 2020 to 179.79 as of Feb 24, 2021, a 39.8 per

cent. The price rise has been steep in the last two years. However, the positive side to all this is that Indian farmers will realise reasonable prices, and it

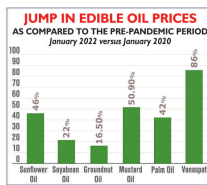


cent increase. The price rise has been steep in the last two years. However, the positive side to all this is that Indian farmers will realise reasonable prices, and it

Shared Economy One of the root causes of low agricultural productivity in India is that an average Indian farmer owns less than 3 acres of land. Peanut harvesters remain inaccessible to farmers owing to high ownership costs and less utilisation (only once a year during harvest time). To utilise these machines is to deploy them over many acres and enable multiple farmers to use them. A shared economy platform essentially functions best via an app by bringing technology led sustainable solutions to the ecosystem at a price point that farmers can afford. Virtual aggregation of small farms using a digital platform opens up the possibility of sharing the cost of expensive resources across a large number of acres, reducing costs and improving the value of their produce at the same time can pave the way for making agriculture truly sustainable and viable as a livelihood in the long term.

High Prices Magnify Woes!

Lately, the peanut market has seen an uptick in prices, driven mainly by domestic demand; with imports of sunflower oil affected due to the geopolitical conflict, people interchange peanut oil and rice bran oil. Solvent Extractors Association weighs options to source cooking oils from other countries to maintain domestic supply and keep prices under check. Industry players expect prices of cooking oils to remain stable as the supply of domestic mustard oil will improve from next month. Harvesting of mustard seeds crop is about to start. Further, geopolitical tension is terrible news for forex markets, and global currencies are already gyrating since the war broke out. The Indian rupee also plummeted against the dollar. Rabi peanut crops were down in October, and the harvest started in



late February. The expectation on rabi crop with better yields due to favourable weather and reasonable prices. While markets outside India may remain turbulent in the near term, with a great crop and supportive domestic market, peanut players in India may have a local party beyond the world. Godspeed India!

2022 INTERNATIONAL PEANUT FORUM
Join the global peanut family for this year's peanut networking and conference event
Budapest 27 - 29 April
<https://event.me/3POZQ9>

MARKET HIGHLIGHTS

- The Indian peanut market saw a dramatic uptick in prices lately, driven by domestic demand.
- American peanut crop quality is excellent, and the aflatoxin levels are much more secondary than in previous years.
- Argentinian taxes on raw peanuts were reduced from 7% to 4.5%, and blanched peanuts tax from 7% to 3%.
- Brazil is expecting a bumper crop this year, and the pre-estimates revealed that the crop output increased by more than 10%.
- Chinese local purchasers have started showing interest; stakeholders feel that the price may start to rise.
- Nigerian domestic demand has the upper hand, exports are 30% to 40% lesser than the previous year.

GLOBAL MARKETS

Peanuts Everywhere

USA A stable demand is expected in the coming days as the shellers show little intent in purchasing. Less demand all around with fewer exports opportunities, the stability of the price continued to be same. Farmer-stock peanuts are still not sold in various areas, and the consumption pattern is comparatively lesser y-o-y. Crop quality is excellent, and the aflatoxin levels are much more lower than previous years. The failure rate of the crop is around 1.5%-2%. Export to China reduced to its historical lows, and exporters didn't get ample support from markets like the U.K. and the E.U. Overall, exports of peanuts are down by around 40%. Local consumption is also unhealthy, making the situation much more challenging for the shellers. Cotton prices increased. Interest among farmers for new crops reduced significantly, and the new crop sowing area may decrease if the current situation prevails.

Argentina After a brief dry spell, peanut growing regions received excellent rainfall for around ten days, creating a swung-on climate—the rains received in much needed time, which helped the crops grow. Climate prevailing in the following months will determine the sustainability of the crop.

Favourite import destinations posted less growth on demand, Chinese oil and peanut demand in Europe are not healthy. These factors deteriorated the prospects of a boost on export performances. The taxes on raw peanuts were reduced from 7% to 4.5% and blanched peanuts tax from 7% to 3%. Shellers feel that this move will help fetch competitive prices in the future.

Brazil Brazil is expecting a bumper crop this year, and the pre-estimates revealed that the crop output increased by more than 10%. The region of Sao Paulo received a perfect and timely rainfall which improved the growth of peanuts. Whereas Parana and Matto Grosso do Sul didn't receive sufficient rainfall, the peanut growth posted a healthy trend collectively. Peanut harvest started by February, and the harvest will be on full pace by March. On the flip side, the peanut market didn't post any healthy trend for shippers. Russian importers are overstocked, and the chance of buying is limited until the summer season concludes. Likewise, Algeria is silent on purchases. Both these countries together contribute around 60% of Brazil's peanut imports.

China Until now, the price in the local market is in a down-trend, but the healthy demand trend is blooming in various quarters. Local purchasers showing lots of interest in the purchase, stakeholders feel that the price will increase in the coming weeks. Recently the peanut oil prices rose sharply on par with other edible oil trends. The import scenario is not well, and the current spot prices are much lesser than the imports. From mid-Feb to March peanut market may be on a bull run.

Sudan Farmers currently supplying locally for \$0.85 to \$0.9 per Kg. Because of the container scarcity, shipment for peanuts is looking tough. Plenty of stock at good price levels but no shipments.

Nigeria The domestic demand had the upper hand, and exports are 30 to 40% lesser than the previous year. Peanuts are currently sold at the rate of \$1.45 per kg locally.

Senegal Since China's demand is on the downside, Senegal's market is not as busy as the previous year. Most of the goods are going for local crush. Bird food grade 55 type peanut sold at 500 to 600 FCA per kg EXW.

DEMAND TRENDS

- Chinese peanut market shows good recovery signs, and the peanut oil prices are rising. Chinese interest on Sudan and other low pricing origins seem to have started. **(Asia)**.
- New shipments of peanuts are scarce with the upcoming summer; the demand is tough to rise. Confectionaries are reluctant in taking up new stocks as their warehouse had enough supplies to meet the demand **(C.I.S)**.
- Stocks piled-up in ASEAN countries like Indonesia, the Philippines, Malaysia and Vietnam. Purchasers are not interested in placing new orders before the current lots are clear. **(Asia)**.
- Peanut oil prices are racing upwards after the surge in sunflower oil prices. Recent arrivals can't meet the demand, keeping the price intact. Local demand fired up, especially in southern regions, which keeps the market on fire. **(Asia)**.
- World peanut didn't show any healthy trend, and the bearish trend continues. News of new crop Brazil and South Indian crop bring cheers to the shellers in the respective regions, demand and supply could be truncated. **(Pnutking)**.