

Peanut Post

PEANUT TOP STORIES | CROP NEWS | MARKET NEWS | PRICE TRENDS | KNOWLEDGE | SEPTEMBER 2022 | VOL 61

INDIA 5060 \$1450 ▲ CHINA B 4151 \$1550 ▲ ARG 4050 \$1200 ▲ USA 4050 \$1350 ▼ BRZ 4050 \$1100 ▲ SUD 8090 \$950 ▲ PRICE TREND



The peanut stocktake

Taking stock of the new crop season this September, crop failures, carryover stocks, and government actions on the farm sector.



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

Demand Frugal purchasers evaluate alternative origins to satisfy demand in an inflationary situation. The cost (loss) of doing a deal is higher than its profit. Indonesia shifted its focus to Sudan & Mozambique from India. Indian exports to Indonesia fell by nearly 70%. Vietnam subdued its consumption; China turned to Sudanese kernels and Brazilian oil. Europe simmered down its enquiries. Export data from Sudan and Brazil are spiking amid China's play. Global exports of peanuts dropped by 12-13% since June '22.

Supply Supply has so far been traumatic across several origins. Inflation & Covid have similar mass effects. Much of the supplier's margin is lost on freight, quality and volatility. Rising costs of the edible oil basket result in a supply bottleneck fanning artificially inflated prices. Peanut oil prices across various origins rose in the last three months: Brazil: 9%, India: 7%, and China: 11%.

Stocks The crops of the recently harvested regions in India & Argentina are substandard, except for Mozambique. In addition, prevailing stocks of the African parts are not food grade; a considerable carry-over stock of Argentina of 62k tons (est.) and other LATAM may consist of higher FFA. The Indian carry-over stock is 85k tons (est.); it is challenging to forecast the Chinese stock levels, but several Luhua, Haihua and Baishas are available. Overall, stock levels are so-so.

Sentiment The buyer's sentiment is mixed to bearish; the supplier's sentiment is mixed to bullish. Bottomline: The market's sentiments play a more significant role than trade statistics. Often it is not what buyers want to buy at what price, but it is about when they think it is the right time to take the purchase or sale decision. Nonetheless, when there is confusion, there will be clarity, godspeed peanut fraternity.

Shelled Facts



Peanuts can control cancer cells, Alzheimer's and chronic kidney disease.

Peanuts are an essential dietary food source of resveratrol with potent antioxidant properties implicated in reducing the risk of skin type cancer, cardiovascular, Alzheimer's and chronic kidney disease. This antioxidant cuts the blood supply to growing cancer cells and inhibits their growth. Resveratrol is found in both raw and roasted peanuts, as well as boiled peanuts. One cup (about 180g) of boiled peanut has around 0.32 to 1.28 mg of resveratrol.

Global Peanut Market



Gujarat peanut acreage declined by 8%, and Rajasthan managed 100% of the previous year.

Gujarat's new crop is ready for harvest, and early sown regions (Halvad) started to arrive. Crop arrivals to increase by mid-September. Bold & Java (Spanish) to come by mid-October. Although acreage declined, there is optimism about yield.

Crops from the Karnataka (South) will also arrive in October, mostly Java (Spanish), although acreage declined by 40%.

Local demand has become the fulcrum of the Indian peanut landscape; in addition, the market is entering an inflationary festive & marriage season from September until mid-January. Nafed stock is about 50,000 tons of peanut shells.



The overall crop quality is good, and the weather needs to be

favourable until harvest to get better yields. The final estimate of the acreage is -8%, and yield to decline by 8-10% compared to last year. However, this is only an early estimate; the final results may depend on the weather condition.

In the previous edition, we shared the assessment that carry-over stock would be 5-7%, but it is likely to be between 4-5%.

Exports to Mexico and Canada continue to be leading importers of US peanuts, but on a declining trend in the stocks and processing of peanut butter, snacks and edible usage.



Although the overall crop production has reduced by 11%, it is better than pre-harvest estimates. The big counts are scarce; the count between 40/50 and 50/60 is more. The carry-over stock of the previous crop is 150% higher than last year's levels amid weak demand for exports.

The effects of Europe's heat wave and the impact on demand could mean bad news for

Argentina. The EU warehouse has significant stocks, and the inflow is relatively higher. Container freight charges continue to be volatile, eating up shippers' margins. Peanut prices are expected to be stable-low in this crop year.

Currency depreciation and inflation could affect the producers and shippers until the next crop.



Shippers cleared their export commitments and started to focus on local markets. As a result, farm-stock prices rose significantly. In addition, the currency strengthened against the US\$, adding upward pressure on the costs.

Crude peanut oil prices are currently higher amid large volume shipments to China. Oil exports rose by 67% compared to March-July y-o-y. From March to July '22, exported volume was 57k Tons.

Kernel exports are expected to catch up to the levels of 2021 amid Russian imports through various channels.



The market moved sideways with bearish sentiments. Crushers are performing the previously contracted deals. The trade via Haiphong has simmered drastically. The cold room stocks are plenty and varied, but they will not come out until a clear status of the next crop emerges. Many anticipate Chinese demand to rise this year, but China usually surprises the

market with its decisions. Freight stabilised, and export business took place reluctantly.



Sudan Favourable climate conditions have prevailed in the peanut-growing region so far. As a result, Sudan could have a good crop this year. Based on local farmer's/suppliers' input, the production level will be almost the same as last year @2.9M tons. The carry-over stocks are minimal, with the

current local price @ \$0.85/kg. **Nigeria** The domestic demand for peanuts is intensive amid inflationary pressures. Over 80% of groundnuts gets crushed by domestic factories in the past two years. As a result, a rise of around 40% in peanut oil prices has been witnessed since last year, i.e. 1.5\$ to 2.5\$ for 1 LTR packaging on the retail markets. **Senegal** Production volume is expected to be the same despite a volatile production volume in the past two years. Based on the MSP, the export volume is likely higher this year than the previous crop year.

Editor's Pick

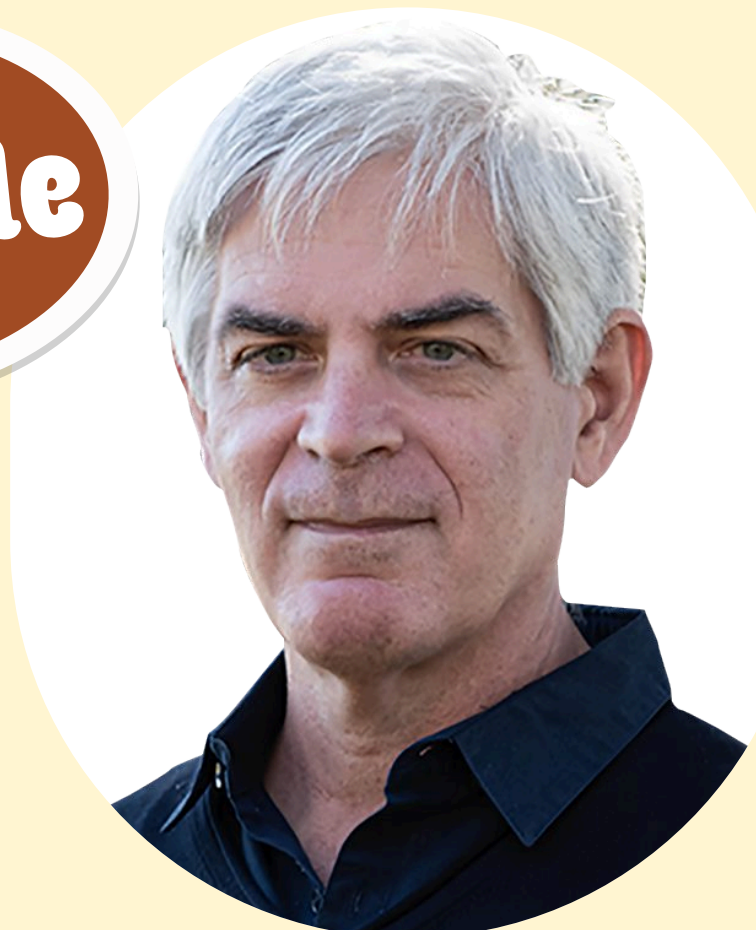
Large Oil Company Looks at Peanuts as Potential Renewable Source of Energy
Chevron has disclosed that it is investigating using peanuts as a renewable fuel source in partnership with Texas A&M AgriLife. According to the business, the partnership will boost Chevron's efforts to increase its renewable fuel production capacity to 100,000 barrels per day by 2030 while fostering new economic opportunities for Texas farmers. They are confident that these new peanut cultivars will offer producers profitable dryland or low irrigation crop option. The global endeavor to attain net zero by 2050 is driving a seismic upheaval that will ultimately alter future society and corporate practices. The yearly investment in the energy transition exceeded \$500 billion for the first time in 2020. Growing interest and action in a net-zero society have served as the foundation for this financial shift away from fossil fuels and toward sustainable energy. We think it's only just the beginning.



The new peanut cultivar "Hanghua 2" was born in outer space In recent years, space mutation breeding has been greatly employed in China. It is generally agreed that living organisms traveling to outer space by satellites will be exposed to a new environment where high vacuum, microgravity, and intense radiation are prevalent. As a result, the candidate organisms might be mutated. Space mutation breeding opens up a new approach for plant breeding. Seeds of peanut cultivar "Yueyou 7" were carried into outer space by a recoverable satellite in 2003 and the treated seeds were grown and screened for mutants. Plants showing mutations were observed based on genotypes of SSR markers. Interestingly, a new peanut cultivar "Hanghua 2" was developed through space mutation breeding in China. It was a mutant derived from the cultivar "Yueyou 13." It has a high and stable yield, disease resistance, wide adaptability, and good quality. These results indicated that the outer space mutation is a very effective method to develop new peanut germplasms. Finally, researchers are focusing on technological advances which enable progress in the nearly intractable problems of drought tolerance and resistance to aflatoxin contamination.

“...outer space mutation is a very effective method...”

#peanut pride



Mr Edoardo Fracanzani

Argentina Peanut Chamber

Say about you

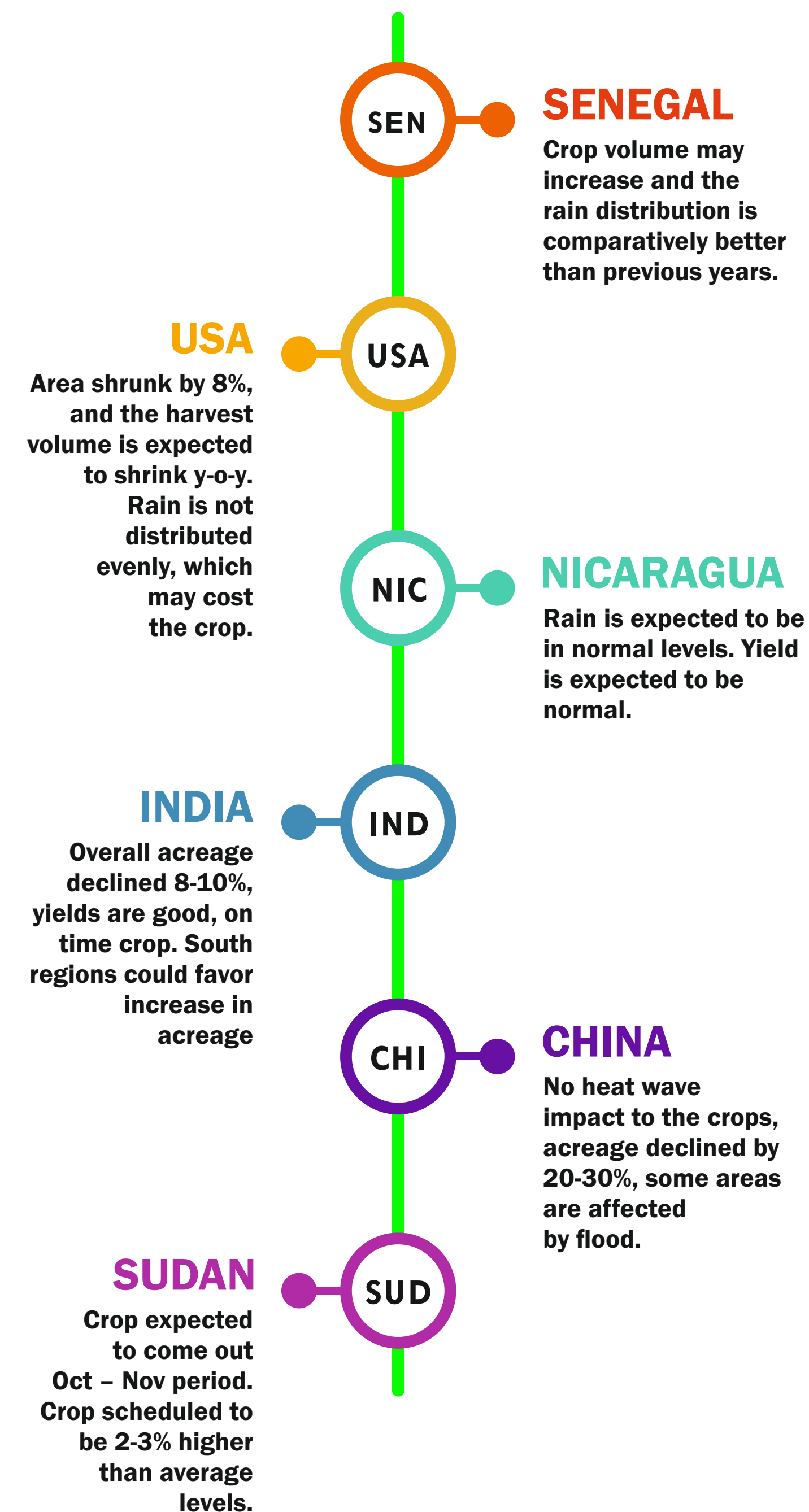
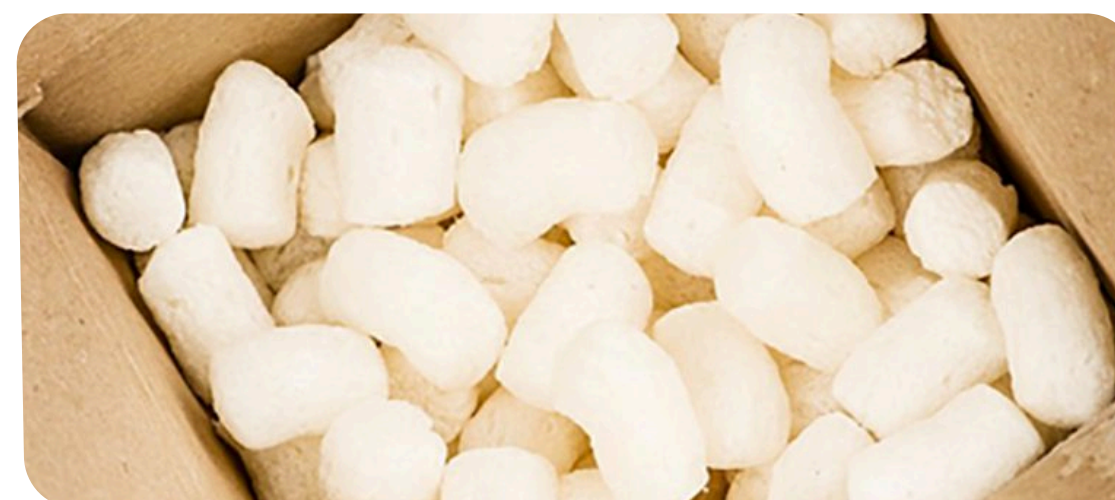
The organization I am working Argentinian peanut producers that works for the development of the sector, it manages relations with the government and private organizations in Argentina with international organization, it promotes the consumption of peanuts in the domestic market.

What could be the future of consuming peanuts?

Current food trends go toward plant-based proteins. Peanuts are very rich in calories and proteins; they are rather inexpensive and very tasteful. I believe in the future we will be finding many more peanut-based products as alternatives to meat

Peanut Innovation

Peanuts in Making Eco-Friendly Packaging Bio-foam Peanut Foam, also known as packing peanuts, is an alternative loose-fill packaging and cushioning material used to prevent damage to fragile objects during shipping. These starch-based packing foams were developed as a more environment-friendly alternative. The starch within the peanuts comes from crop-based sources instead of petroleum-based polystyrene and is non-toxic. One of the primary brands of biodegradable peanuts is Bio foam, which is formed from the grain sorghum; other brands are made of corn starch. Biodegradable foam peanuts haven't had any electric charge, another benefit over polystyrene. Being biodegradable and non-toxic, they're also safe for humans and pets if ingested accidentally. However, they're not produced in food-safe conditions and aren't recommended for eating. Also, the nutritional value is far from starch-based packing peanut foams during manufacturing. This removes edible components like Carbohydrates that will otherwise attract rodents and bugs. Their main drawbacks compared with polystyrene are lower resilience, higher weight, dust creation and better price. While polystyrene is soluble in acetone, starch-based are soluble in water, so starch-based products are often disposed of down the sink, dissolving on contact with water.





Fortified Edible Oil to Improve Vitamin A & D

Vitamin A deficiency affects millions of preschool-age children, and pregnant women and increases the risk of maternal mortality.

One of the most cost-effective public health interventions to reduce the risk of vitamin A deficiency is Food Fortification. Food Fortification is the addition of vitamins (e.g. vitamin A, vitamin D, iron, zinc, and folic acid) to staple foods like wheat or maize flour, edible oils and fats, salt, sugar, and rice. Edible oils and fats are commonly fortified with fat-soluble vitamins A and D. And is widely consumed by populations regardless of socioeconomic status and is centrally manufactured or processed. Edible oils and fats are such foods since they are consumed in almost every household worldwide in relatively small but

consistent quantities of about 12-33 grams/person/day.

Fortification of margarine with vitamin A was first mandated over 100 years ago in Denmark, which practically eliminated cases of xerophthalmia, an eye disease associated with Vitamin A deficiency. Vitamin D fortification had a similar effect on the incidence of rickets, associated with vitamin D deficiency. The United States and Great Britain

“ 49 countries mandate the fortification ”

quickly followed Denmark and mandated the fortification of margarine. In the middle of the 20th century, India and Pakistan also mandated the fortification of edible oils with A and D in some provincial areas. Today, 49 countries mandate the fortification of vegetable oils or fats.

The technology is simple and the process requires no special equipment as vitamin A is naturally oily and readily mixes with other oils and fats. The costs are 'micro' but the benefits of good nutrition over a lifetime are 'macro'. Luckily, it's a tried and tested method to ensure that people are getting the nutrients they need. Some of our state governments allow the sale of only fortified edible oils, so as to legally bind companies into selling nutritionally better-fortified products.

Currently, fortification of edible oil in India is optional, not mandatory. Certain commercial organizations are voluntarily fortifying edible oils as per the FSSAI standards to increase their value proposition to sell nutritionally better quality, and healthier ingredients. Fortified Oil demand is rising in India, it is a critical aspect of sustainability for the peanut crops.

Weed Management Weeds cause losses in peanut production due to competition for limited resources necessary for crop growth, primarily light and water. Weed competes with peanuts and reduces yield varies among weed species and environments in which the plants interact. Groundnut crop is highly susceptible to weed infestation because of its slow growth in the initial stages up to 40 days, short plant height and underground pod-bearing habit. Groundnut weeds comprise diverse plant species from

grasses to broad-leaf weeds and sedges, and cause substantial yield losses up to 15-75% which is more in rainfed Spanish bunch type than in irrigated Virginia type groundnut. Weeds preferred the host of several insect pests and the vectors of many important organisms causing diseases in groundnut. Annual grasses are the most troublesome weeds of peanut and a factor for this distinction was the heavy harvest losses when annual grasses infest the crop. Annual grasses produce an extensive fibrous root system that entangled peanut pods as the crop is being dug, resulting in significant season-long harvest losses. Thus, weed control is the foremost critical production

factor in groundnut cultivation that various physical & chemical, mechanical and cultural methods that shorten the growth and spread of weeds. Weed control is achieved through direct methods like hand weeding, herbicide application and mechanical weeding used within the system and indirect methods such as land preparation, water management, planning method and fertility management. Herbicides were found to be selective in controlling many weeds in monocropping and crop-



ping systems. Herbicides, though, selective, efficient and cost-effective weed control measures in controlling weeds in groundnut, the maximum benefit can be achieved by combining herbicides with manual, cultural and mechanical weed control methods. These methods of weed control vary with the groundnut growing situation and the cropping systems.