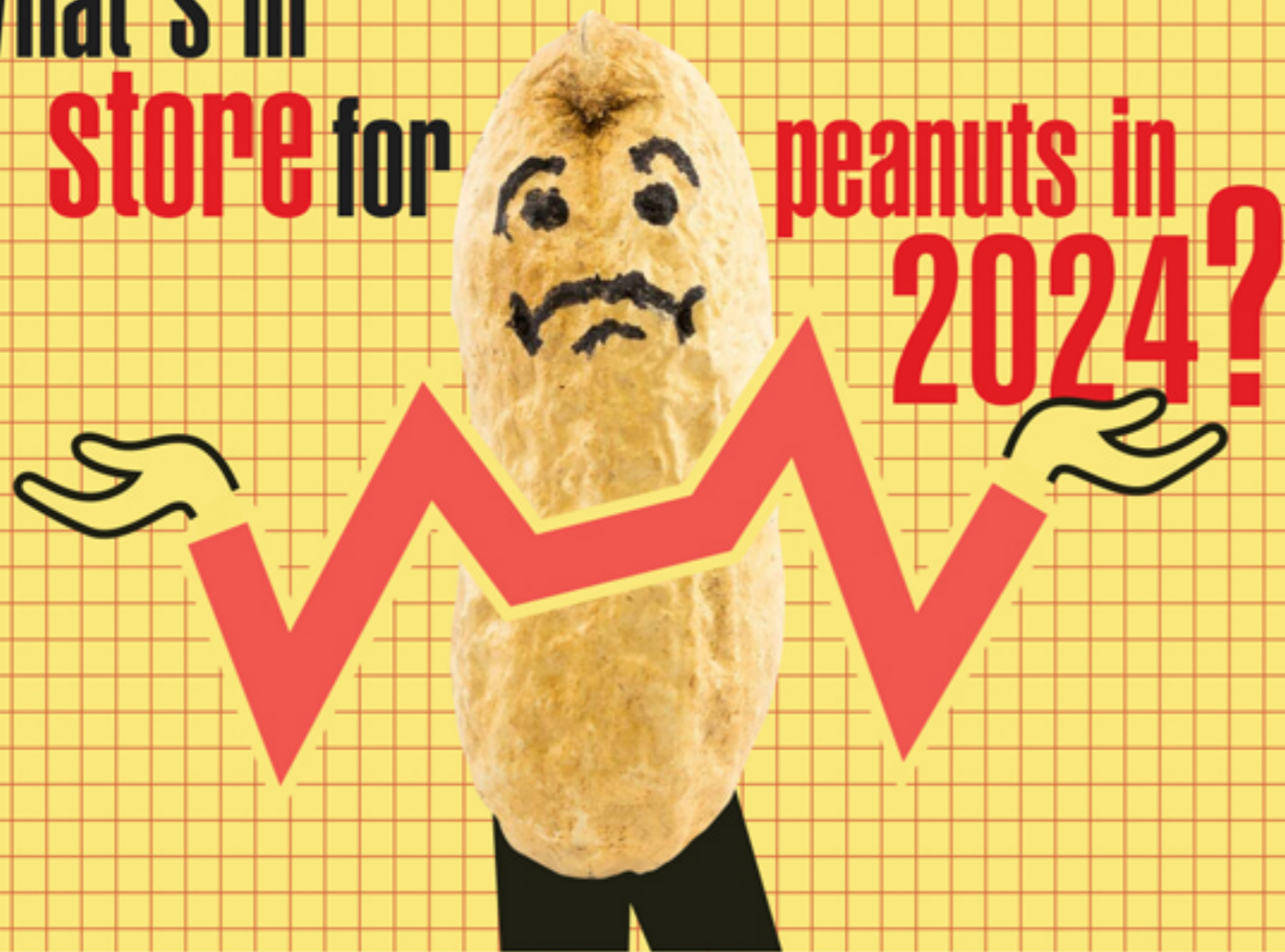


# Peanut Post

PEANUT TOP STORIES | CROP NEWS | MARKET NEWS | PRICE TRENDS | KNOWLEDGE | JAN 2024 | VOL 77

PRICE TREND | INDIA 5060 \$1300 ▲ CHINA B 4151 \$1450 ▲ ARG 4050 \$2100 ▲ USA 4050 \$1850 ▲ BRZ 4050 \$ NA ● SUD 8090 \$1190 ▲

## What's in store for peanuts in 2024?



**The global peanut landscape in 2023 saw mixed results, falling short of expectations. How will 2024 turn out to be? Will it be even worse than 2023?**



### Global Peanut Market

Winter in Gujarat has progressed about halfway, impacting exports,



### Peanut Innovation

Peanut shells, which are high in cellulose and lignin, can be used



### Sustainability

Peanuts are a rustic crop, with significant commercial values



### Good Agri Practices

Earthing up, a practice of covering the base and lower nodes of the plant

## Market wizard

### Get worse before it gets better

The global peanut market is poised for a challenging phase in early 2024, experiencing diminished demand and supply before achieving balance. Notably, China's peanut imports of **1.3 MMT** in MY23, **0.8 MMT** in MY22 and projected to import **1MMT** in MY24, on the other hand India's MY22 & 23 exports are stagnant at **0.75 MMT**. These statistics, reflecting over **50%** of the global peanut landscape, signify substantial shifts.

### Multiple factors contribute to this shift:

- Weakened Asian consumption due to reduced purchasing power
  - Constrained supply owing to credit risks
  - Price parity amid high inflation
- The traditional concept of MSP (minimum support price) seems obsolete. This trend is projected to persist for the initial two quarters of 2024, awaiting adjustments in financial markets triggered by the Federal Reserve's new interest rate policies.

### Consolidate

Throughout 2023, multiple companies within the peanut industry

faced collapse due to their inability to maintain profitability, notably in countries like China, Africa, and Argentina. In 2024, this consolidation is expected to continue in the origins and destinations. Countries like Senegal, Sudan, China, India, Argentina, Vietnam, Indonesia and Brazil are expected to experience this consolidation. These regions are struggling with economic challenges and navigating through high inflationary pressures, impacting their viability.

### Grow

The second half of 2024 appears poised for robust growth. 2023, global peanut production amounted to **50.4** million tons, compared to **49.4** million tons in 2022. Asia is a high-consumption region with relatively low carry-forward stocks of less than **5%**. Assuming CY2024 production reaches **52** million tons, caused by China & India, it would mean regaining global competitiveness for these two countries against the rest of the producing regions; it is a trend likely to materialise during the latter half of 2024.

Godspeed peanuts.

## Shelled Facts



### Astronauts and Peanuts Beyond the Sky

Peanuts, trusted companions for astronauts, were part of Apollo 11's space food in 1969. The space food package contained bite-sized peanut cubes, consumed without water, aiming to prevent crumbs. Packed with protein and essential nutrients, peanuts meet the energy demands of space travel. Their extended shelf life ensures a stable food supply, which is crucial for prolonged missions. In microgravity, easy handling minimises debris risks, maintaining spacecraft cleanliness. The versatility of peanuts allows for diverse culinary applications, enhancing astronauts' diet enjoyment.

# Global Peanut Market



Arrivals in Gujarat & Rajasthan continue, but the prices have remained solid amid farmers holding capacity. Trade is driven by local demand, stockists and government procurement instead of exports. **CY2023** is a challenging year for winter crops in the Western states, as seen in the past five years. **2%** FFA oil was traded to China between **\$1750** and **1850**, and **Tj 8090** traded between **\$1150** and **1190**. Demand for smaller counts of Java was seen as low; bigger counts, such as **5060**, were not much in demand. This winter crop did not see many aflatoxin fails. Demand from the main export markets was seen at **50%** capacity or below. Demand for bold and blanched peanuts continued from Russia, Iran and GCC regions.

This time, the winter crop carry over stock will be higher than usual due to higher holding capacity and poor demand.

Summer crop sowing is expected to decrease by **15-20%** compared to last year due to reasonable cumin prices. In the southern region, new crop arrivals have begun in Karnataka, with high moisture content, while Telangana experiences ongoing arrivals with good local demand and

high prices. Andhra Pradesh has also commenced arrivals in certain areas. In Tamil Nadu, summer sowing progresses in two phases despite challenges from Cyclone Michaung, with overall sowing expected to increase compared to last year. Significant variations in quality and arrival timings persist across regions, sustaining high prices due to reduced production and strong domestic demand.



Peanut crops are slowly emerging, yet Texas and other states may fall short, anticipating a **10%** drop from estimates, leading to a projected **15%** shortage. Post the new year, shipments are set to rise, with shellers and farmers potentially seeing a **\$50-70%** variance in prices based on varieties. Farmer costs surged by over **7%**, anticipating bridge prices through pooling and cargo storage. Aflatoxin quality differs among regions, with Alabama facing severe conditions. The failure rate is **7.8%**, higher than the last three years but lower than **2018-2019**, contributing to uncertainty. Strong domestic demand for peanut butter contrasts with slight weakness in candy and snacks. With tightening supply and demand, prices remain in the

high **60s**, potentially surging and impacting the Southeast market.



Argentine fields have wrapped up planting, but a **7-10%** land decrease looms due to soaring leasing rates and waning farmer interest. Currently, adequate rainfall needs a boost for secure crops, aiming at **120%+** productivity. Cargo strain heightens with lower shipments, stabilizing Rotterdam prices at **\$2,200** but with reduced quality. The new government's leap from **5%** to **15%** in peanut export taxes worries exporters seeking representation for rate relief. Amid challenges, rain holds potential as Argentina's peanut crop saviour, while rising freight costs challenge new contracts' profitability.



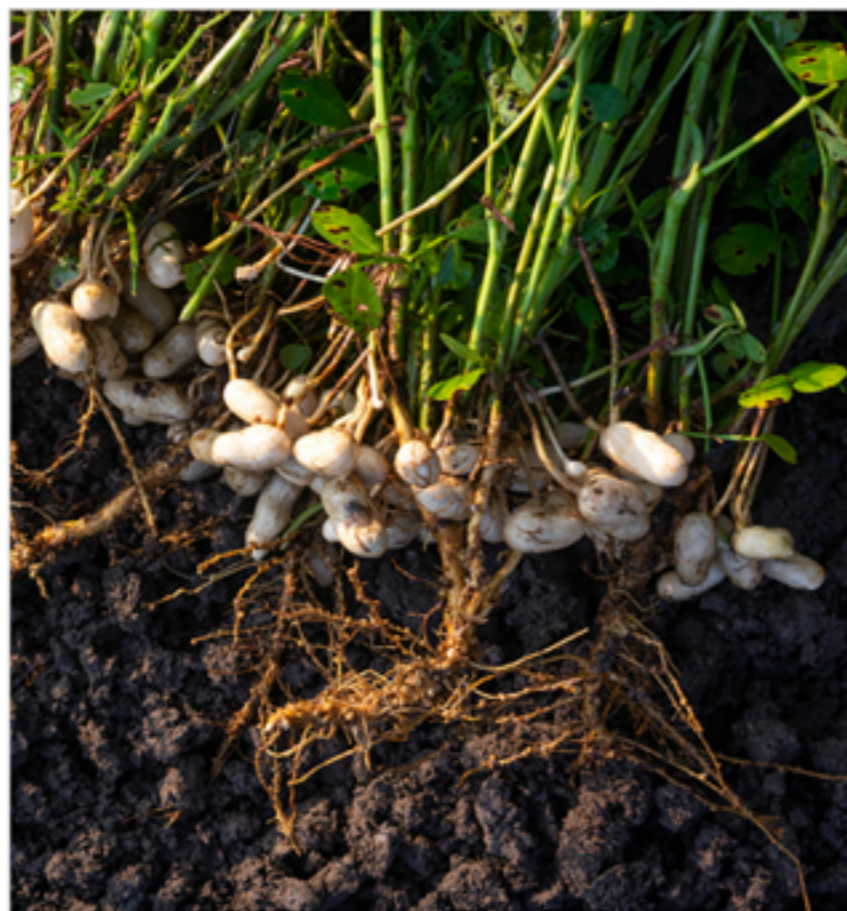
Peanut planting in Sao Paulo and Mato Grosso, despite a **6%** crop area reduction, faces lowered output due to heat waves. Harvesting, slated for February and March, may suffer a yield decline. This affects Brazil's soybeans and corn due to inadequate **50%** rain fall, requiring **20%** more for peak

productivity. Stable Chinese peanut oil prices led to a **15%** Brazilian production drop, while exports show a **6%** rise in peanuts but a **35%** reduction in oil shipments. Chinese oil prices strongly impact crude peanut oil rates. Remediating Brazil's market woes demands improved weather, productivity, and market prices for peanuts.



Market trends vary: Oil-crushing firms cut procurement prices, raising quality standards. Export demand for Ramadan is giving

## Editor's Pick



### 2023 Arkansas peanut yield could top 2017 record

The steadfast determination of Arkansas peanut growers was evident in **2023** as they not only weathered challenges but also set the stage for a potentially record-breaking yield. Overcoming early southern blight issues, the synergy of favourable May conditions and an expedited harvest process contributed to the success. Projections exceeding **5,300** pounds per acre indicate a remarkable feat, prompting Travis Faske to foresee a considerable expansion of peanut acres in **2024** to meet the escalating demand. In **2023**, Arkansas yielded **166.4** million pounds on **32,000** acres, with a crop value surpassing **\$42** million, underscoring the industry's reliance on the consistently high yields of runner peanuts. This trend augurs well for the sustained growth of peanut farming in the state.

hope, but local interest wanes due to weather affecting cargo movement - local oil price @ RMB **15800/t**, China can't afford **\$1850** oil or **\$1300** Bold from India. Local manufacturing companies completed the preparation for CNY demand. Local credit is abysmal. Post CNY, demand is seen to be lacklustre.

### Sudan

Crop arrivals face severe damage, with over **40%** reduced production and straining shipments. FOB peanut prices stand at **\$1190**.



Chinese demand is low, and shipment threats may impact contract bookings positively compared to past years.

### Senegal

Traders seek price hikes (**520-600 CFA**) at market. The stock movement starts post-January's first week. The government urges buying; the export ban might be lifted by mid-January. Limited export due to poor demand.





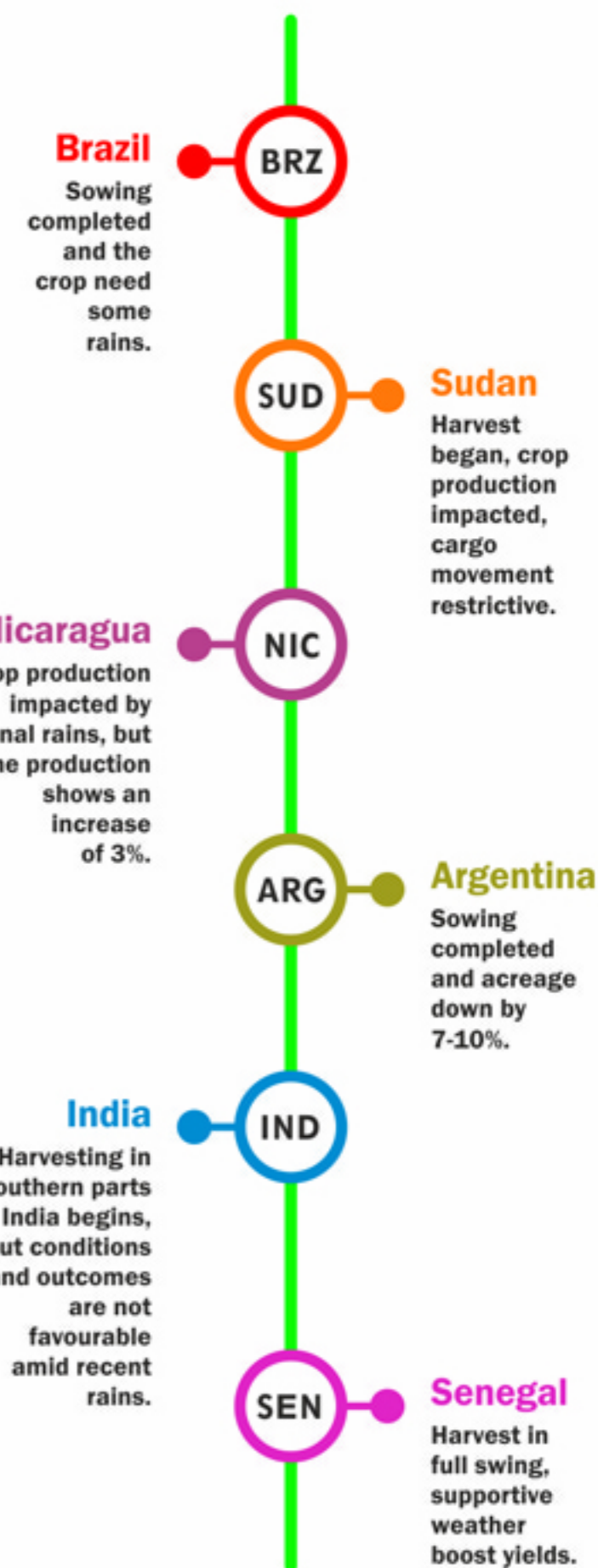
## Correlating Peanut Peg Strength with Cultivar-Specific Pod Yield and Loss

The research conducted on peanut peg strength unveiled critical insights into pod yield and loss across various cultivars and harvest dates. Nine cultivars and two breeding genotypes were examined over two years at two Georgia locations. Peg strength, pod yield, and digging loss were scrutinized across different conditions. Peg strength varied significantly among cultivars and locations, with Georgia-06G, Florida-07, and Georgia-02C displaying higher peg strength and consistent yields. The study revealed that peg strength fluctuated due to factors like field conditions, cultivar variations, and fungal infections. Higher peg strength was linked to lower

“significance of peg strength in reducing pod loss during harvest...”

digging losses, showcasing the potential significance of peg strength in reducing pod loss during harvest. However, the study highlighted that while peg strength correlated positively with yield, the difference in peg strength among cultivars wasn't substantial enough to reliably predict harvest dates or yield potential. The absence of peg strength as a priority in peanut breeding programs raised questions about the comparison of newer cultivars with advanced genetic traits in terms of peg strength against harvestable yield in diverse locations. The results emphasized the potential importance of considering peg strength in evaluating and comparing peanut cultivars for optimal yield and reduced pod loss.

Source: R. B. Sorensen; R.C. Nutt; C.C. Holbrook; C.Y. Chen; Peanut Science (2017) 44 (2): 77-82; <https://doi.org/10.3146/PS17-1.1>



#peanut pride



**Mrs. Ilse van der Slikke**  
Hebei Cofco Rotterdam B.V.

### Say about you

*I have been the Director of Sales and Marketing at Hebei Cofco Rotterdam BV since 2017, specializing in the peanut business.*

### What could be the future of consuming peanuts?

*For the future of consumers, how sustainable the peanut crops are planted and harvested is very important. And if natural sources of energy are used during production. Healthy products are more and more important to consumers and peanuts contain lots of healthy ingredients that contribute to our well-being. The focus will be on sustainable and healthy consumption. In addition to this, social responsibility and carbon footprints are becoming very important in the future.*

## Peanut Innovation

### Groundnut Shell Powder in Concrete Construction

Chemical components found in groundnut shell powder include 6.3% sulfite (SO<sub>3</sub>), 6% aluminum oxide (Al<sub>2</sub>O<sub>3</sub>), and 16.3% sodium oxide (Na<sub>2</sub>O), offers an opportunity to enhance construction materials sustainably. Its substantial silica (SiO) content makes it a viable partial replacement for traditional research materials and a valuable component in concrete construction. The processing involves cleaning, drying, and filtering to prepare the groundnut shell powder for integration. To create concrete samples, fine aggregate (sand) is partially replaced with groundnut shell powder. A homogeneous mixture of cement, coarse aggregate, groundnut shell powder, and water is produced in a concrete mixer. The resulting concrete is cast into standardized cylindrical or cubic molds and cured in a controlled environment for a specified duration. The inclusion of peanut shell powder demonstrates an improvement in the tensile strength of the concrete, showcasing its potential as a sustainable and reinforcing element in construction. This innovative use not only repurposes agricultural waste but also contributes to the development of eco-friendly building materials.



Source: Samsunan\*, Fitria Husna Putri, Inseun Yuri Salena, Andrisman Satria ; IJESTY Volume 3, No. 1 (2023)



## Pesticides Sustainable Uses and Their Effect on Peanut Cultivation

The sustainability of pesticide usage in peanut crops is a complex and multifaceted issue that involves considerations related to environmental impact, human health, and economic factors. Some key points to consider Environmental impact, i.e. Pesticides can have adverse effects on non-target organisms, including beneficial insects, birds, and soil microorganisms. This can disrupt ecosystems and reduce overall biodiversity. Water contamination pesticides can leach into ground water or be carried by runoff into nearby water bodies, leading to water contamination. This can have detrimental effects on aquatic life and pose risks to human health. Residue in Food: Pesticide residues may remain on peanuts after application, and if not properly managed, these residues can end up in the food chain, potentially affecting human health. Occupational Exposure: Farmworkers who apply pesticides may be at risk of exposure, and the long-term health effects of such exposure are a concern. Economic Considerations Crop

Yield and Quality Pesticides can contribute to higher crop yields by controlling pests and diseases, thus ensuring a more reliable food supply and economic return for farmers. Cost of Pesticides: The economic sustainability of pesticide usage also depends on the cost of pesticides and their application compared to alternative pest management practices. Integrated Pest Management promotes a holistic approach to pest control, combining various methods such as biological

“...judicious use of pesticides and the adoption of alternative pest...”

control, crop rotation, and resistant crop varieties. This approach minimizes reliance on chemical pesticides. Sustainable peanut farming may involve reducing the dependency on chemical pesticides through the integration of cultural, biological, and mechanical control measures. Stringent regulations on pesticide use, including monitoring residue levels in food and water, help ensure that pesticides are used in a manner that minimizes environ-

mental and health risks. Farmers need access to education and training on sustainable farming practices, including the judicious use of pesticides and the adoption of alternative pest management strategies. Ongoing research focuses on developing more targeted and environmentally friendly pesticides that have minimal impact on non-target species and ecosystems. Developing peanut varieties that are resistant to pests and diseases can help reduce the need for chemical interventions. The sustainability of pesticide usage in peanut crops requires a balanced approach that considers environmental, human health, and economic factors. Integrated pest management, regulatory measures, education, and ongoing research play crucial roles in promoting sustainable agriculture practices. Farmers, policymakers, and researchers need to work collaboratively to address the challenges associated with pesticide usage and promote a more sustainable and resilient agricultural system.

## Good agricultural practices on precision sprayer usage in groundnut cultivation

Precision sprayers are advanced agricultural tools that enable farmers to apply pesticides, herbicides, and other agricultural inputs with high precision, reducing waste and environmental impact. When it comes to groundnut crops, precision sprayers can offer several benefits. Precision sprayers often come with VRA technology, allowing farmers to vary the application rate of agrochemicals based on the specific needs of different areas within the field. Groundnut fields may have variations in pest pressure, weed density, or disease incidence, and VRA helps optimize the use of inputs. Many precision sprayers use GPS technology to precisely navigate through the field. This ensures that the application is accurate, minimizing overlaps and gaps in spraying. Precision sprayers equipped with section control technology can automatically turn off individual nozzles or sections of the sprayer when they pass over areas that have already been treated. This helps avoid

over application and reduces chemical usage. For groundnut crops, sensors can detect factors such as plant health, moisture levels, or pest infestations. This data can be used to adjust the spray application in real-time. Precision spraying helps minimize the environmental impact of agrochemicals by reducing over spray and runoff. This is important for groundnut crops, as excessive chemical use can negatively affect the soil and water quality. Precision sprayers allow farmers to time their spray applications more accurately. This is crucial for groundnut crops, especially during critical growth stages and when pests or diseases are most susceptible to control. To fully benefit from precision spraying technology, farmers should undergo training on the proper use and maintenance of the equipment. Regular maintenance is essential to ensure the accuracy and reliability of the sprayer. Farmers adopting this technology should carefully consider the specific needs of their groundnut fields and ensure proper training and maintenance for optimal results.

