Peanut Post

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

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The Peanut Puzzle

Faced with cropping uncertainty, inflation, volatile financial markets, and rising freight rates, can the peanut industry show growth in 2022?

Global Peanut Market

India Rajasthan achieved 20% sowing from a target of 0.8 million Ha.

Peanut Innovation

The hydrated peanut kernels were optionally subjected to a subsequent cooking

Sustainability

Water Management

Good water management begins with knowing the soil conditions on the farm

Market Wizard

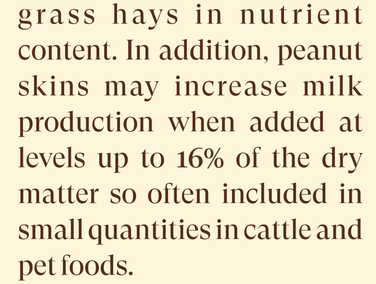
Dollar: The dollar index shifted 6.2% in the past three months, and major importing currencies such as Euro, Rupiah and the Yuan weakened by 5.4%, -3.62% and -5.09%, respectively. Major exporting currencies such as Indian Rupees, Argentinian Peso, and Brazil Real weakened -3.91%, -11.22% and -12.85%, respectively. In effect, a total impact of 3% to 13% on the pricing translates to 30-100 per ton. $ strengthening against all currency had a more significant effect on the landing costs, whereas it keeps the price intact in the export origins.

Competitive Crops: Peanut oil in India went up by 3.95% in the last three months, whereas cotton prices rose 22.2%. Competing crops of peanuts such as Corn rose 4.7%, and Sesame rose 4.5%. Raw peanut kernel prices rose by -7.4% in Argentina, 5.2% in India and 1.9% in Brazil. Naturally and economically, a grower would choose to switch to the competing crops over peanuts. Major growing regions have already started seeing a 10-30% shift to other crops.

Freight: Freight rates from India to SEA (South East Asia) ports jumped from 750$/20" to 850$/20" in the past six months. Similarly, freight rates from Argentina to MEP (main European ports) rose from 4000$/20" to 5500$/20" in the past six months. This rise in freight rates translates to a 2% - 5% rise in peanut per ton prices, which are not fully passed on to the buyer, thus resulting in lower volumes/or deals.

In summary, volatility is here to stay, and inflation and stagflation will rule the world for times to come. How the peanut industry takes off from here and manages the new facets of challenge and still grow is a proposition of "survival of the fittest" - godspeed, peanut.

Shelled Facts



Potential for peanut by-products in the dairy industry

The global dairy products market is expected to reach around US$ 642.2 billion by 2030. This growth can be supported by adding peanut hay, the most widely used peanut by-product fed to beef cattle, and it is comparable to good-quality grass hays in nutrient content. In addition, peanut skins may increase milk production when added at levels up to 16% of the dry matter so often included in small quantities in cattle and pet foods.

Global Peanut Market

Rajasthan achieved 20% sowing from a target of 0.8 million Ha. Monsoon in Gujarat started early; it had planted 37% of last year's acreage. We estimate the peanut acreage to drop by 20-25% due to Cotton cropping preference. The current peanut crops are from West Bengal, Uttar Pradesh, Tamil Nadu, Andra and Gujarat. Demand from local & exports is poor amid farmers' and shellers' unwillingness to lower prices. Nafed's stock hold is about 90000 tons of bold. With the expected arrivals and present stock position across the country, it may not be sufficient stocks until the next crop in October. The price of peanut oil is steady.

New Peanut plantings had reduced by around 4% compared to 2021 plantings amid farmers' preference for Corn and Cotton crops. Further, the dry and hot conditions in the Southern regions may affect the peanut plants. Rains are expected only by late August; with the prevailing hot and dry climate, the success rate of the peanut crop could be 75-85%.

US peanut export volume reduced by around 5% in value and 8% in volume from April. However, shipments to the EU increased by 46% and the UK by 9%, bringing cheers to peanut shippers.

Brazil The flow of new crop peanuts had started to the shellers, and the export shipments will commence in July. The old crop carryover stock is at a record high. The severity of the new crop damage is area specific. The shippers are cautious about bigger kernels amid frost issues during the crop cycle. However, Argentinian peanut shippers sound confident in managing the new crop challenges. Some peanut experts feel that the next cropping acreage may shrink amid the rise in stocks and land lease expenses.

European markets are facing a lull; even the major snack-producing companies have reduced their production volume. Moreover, rising ocean freights may create more havoc.

This year peanut shippers faced significant setbacks associated with shipments, demand, and ocean freights. New farmers had started planting after seeing the demand for peanuts last year. But due to poor current prospects, farmers are on the losing side. In addition, crop quality is not up to the mark amid ageing stocks with most shippers.

Buyers are not keen on placing the shipment with Brazil crops. Shippers are not interested in sending peanuts to countries like Russia, where the freight is high, and there is a longer transit time in Rotterdam. Even the Chinese market's opening up for Brazil peanuts did not help.

Peanut The peanut market moved sideways, but the freight rates increased. Chinese local demand seems to have simmered down, and old Chinese and African stocks are keeping up with low demand. China has become the peanut supermarket with cost-efficient imports. In June, we noticed plenty of Sudan ($1100-1175) and Brazil ($1050-1200) move into China. The next crop in China could be challenging for the local market as it is 30% short with weak weather conditions.

Sudan About 80% of sowing is completed in the western parts. It is one of the highest-producing regions. The current local selling price is 0.88 USD per Kg. There are no more container problems; Sudan is shipping maximum quantities to China between $1100-1175 C&F.

Nigeria Planting activities are underway. High-producing regions in the North and Northeast have seen 50% completion. Nigeria is affected by heavy inflation. Peanuts are sold at $1.2/kg.

Senegal Planting season is nearing the end, with 80-90% completion. Exports were not much active this season. Hence the planting acreage could be expected to be down by 10 to 15%

Editor's Column

The war in Ukraine is causing many world food problems, one of which is sunflower oil. And that could one day be associated back to Georgia peanuts. Can you explain how Ukraine is impacting world food supplies?

Tyron Spearman, the National Peanut Buying Points Executive Director. "The war in Ukraine destroyed their sunflower market, which was significant. And they were shipping most of that oil into China. China can't get it now. So they are trying to buy some more peanuts for making peanut oil. China has been our major shipping. Two years ago, they received about a third of the entire crop to crush into peanut oil. So they got a chance to come back to us, but peanut prices have also gone up if they substitute U.S. peanuts for those they are missing out of Ukraine."

Jim Wallace, Walb news 10

Culitvar Highlights

Good-flavour, high-yielding peanut varieties.

Two good-flavoured, early-mature, high-yielding peanut varieties, TAMrun OL18L and TAMrun OL19 have been released for West Texas and South Texas peanut production regions. Both types released by the Texas AgriLife Research peanut breeding program are high-oleic and runner-type peanuts. The goal was to develop peanut that allows for earlier harvest than is possible with current cultivars to reduce the potential for off-flavours associated with immaturity at harvest. Additional goals were improving yield, grade and other agronomic characteristics compared to TAMrun OL12 and TAMrun OL06. They're early maturing varieties, have better edible seed quality, and are high oleic. So they have a longer shelf life and are better for the coronary health of the consumer. Flavour panels found that these two varieties have a good flavour, and we hope these will have less trouble with off-flavours. One essential aspect is having a variety with good yields for growers. TAMrun OL18L were yielding 475 to 830 pounds an acre more than some others, including Georgia 09-B and TAMrun OL11. TAMrun OL19 didn't yield relatively as high, but it had a smaller seed size.

> **"...goal was to develop peanut that allows..."**

#peanut pride

Mr Lenard Dyck Ratzlaff

Agronomist at Fernheim Cooperative Ltd

Say about you

I work as an Agronomist, where we annually assist associated producers who plant Runner-type peanuts. The annual planting area fluctuates between 2,000 and 5,000 hectares.

Do you think organic peanut is widespread and it can have a big future?

My perception is that there are concrete advances in organic production in different countries yet to the detriment of quality & production potential. Related to this, Research has generated already very good genetics with disease resistance! This progress, together with crop rotations, the rise of biological phytosanitary products and the possibility of irrigation, suggest that organic production could meet demands.

Peanut Innovation

The hydrated peanut kernels were optionally subjected to a subsequent cooking or dehydration step to achieve the desired moisture content from 20 to 30 wt %. The cooking or dehydration step employed or air drying at a temperature of at or vacuum expansion, to achieve time is typically from 1 to 10 two minutes. The resultant nut content were then subjected to a ted the nut kernels. In the gun typically from 5 atmospheres to 9 pressure was estimated to temperature of about 153° C. for a 165° C. for a pressure of 7 a pressure of 9 atmospheres. The

roasting, frying, baking, toasting, least 40° C., microwave treatment the desired moisture content. The minutes, for example roasting for kernels with the desired moisture gun puffing step which dehydra- puffing step, the pressure was atmospheres. A gun puffing produce a nut kernel surface pressure of 5 atmospheres, about atmospheres, and about 175° C. for increase in bulk density, typically a 30 to 40% increase, achieved by the gun puffing invention can be seen.

Current Crops

ARG — **ARGENTINA**
80% harvest completed, expecting smaller sizes amid less rain and cold temperature.

USA — **USA**
Peanut cropping interest is on the decline, USDA's pre-estimate shows a decline of 3-5% in area sown.

BRZ — **BRAZIL**
New crop plantings are expected to start in the month of October-November.

IND — **INDIA**
West Bengal, Uttar Pradesh and Tamil Nadu have new crops. The following new crop in July will be the inter-crops from the South.

CHI — **CHINA**
The new crop is expected to arrive from mid of August 2022.

SUD — **SUDAN**
80% sowing is completed.

Peanut Sustainability

Peanuts are more sustainable than other oil seeds by means of soil acidification; Soil acidification is caused by several factors, including acidic precipitation and the deposition from the atmosphere due to acidifying gases or particles, such as sulphur dioxide, ammonia and nitric acid. However, the most important causes of soil acidification on agricultural land are the application of ammonium-based fertilizers such as ammonium sulfate, diammonium phosphate, mono-ammonium phosphate, ammonium nitrate and urea, elemental Sulphur based fertilizer and the growth of legumes. Acidification causes the loss of base cations, an increase in aluminium saturation and a decline in crop yields; severe acidification can cause irreversible clay mineral dissolution and a reduction in cation exchange capacity, accompanied by structural deterioration. The characterization indices of acidification to produce 1000 kg peanut in Middle East region with land size of less than half hectare, from half to 1 ha and larger than 1 ha were calculated 6.31, 6.11 and 6.35 kgSO2eq, respectively and farmers with more than 1 ha cultivated area had more characterization index of acidification. In addition, the average character-ization index for the acidification impact category was 6.35 kgSO2eq. The characterization index of the acidification impact category for rapeseed and sunflower production was 16 and 23 kgSO2eq in South America. Soil acidity is ameliorated by applying lime or other acid-neutralizing materials. However, there is considerable uncertainty about the amount of lime required to deal with soil acidity and acidification adequately. In combination with liming and acid-tolerant plants, modified cropping and grazing regimes can be used to ameliorate already acid soils and minimize further acidification. This arises from uncertainty about the extent and distribution of soil acidity and, in particular, our limited knowledge of soil acidification rates in different environments. For example, the soil acidification index of oil seeds such as rapeseed is estimated to be 150% higher, whereas the sunflower is 260% higher than peanuts. Thus peanuts are highly sustainable in terms of soil preservation and replenish the soil with the essential nitrogen that's depleted by other crops. This means that less fertilizer is needed to grow peanuts and for the rotation crop, ultimately leading to less soil acidification and greenhouse gas emissions.

Good Water Management

Good Water Management begins with knowing the soil conditions on the farm. Peanut crops in favourable conditions should hold up to 50% moisture in the top three to four inches of soil -various methods to determine soil moisture are available. The cultivators should consider using an irrigation management system to improve the water usage efficiency of the field. After planting, minimal water is required from 40 to 110 days, although this may shift slightly based on the maturity of the variety planted. During this time, peanuts need one-half to two inches of water depth in the soil. Water plays a vital role in calcium uptake into the peanut pod and kernels. Adequate rainfall or irrigation is needed at the planting stage to facilitate germination. Unless the soil has a significant amount of clay and would form a crust that would affect the seedling germination emerging from the ground, irrigating before planting can help prepare the seedbed and allow the soil to warm, which improves the emergence of seed Germination. Good water management reduces stress on the seed and seedling and leads to a uniform stand for seed growth. Water management is critical to this goal. Water management at the planting stage establishes a moist soil profile that serves the moisture reservoir used later in more critical water-using periods. Without a water reservoir in the root zone, the plant will not develop a proper deep root system. Stressing the plant by withholding required water or only slightly watering to get a deeper root system creates the opposite effect, and roots tend to be more shallow. Water management at planting should not be overlooked since it affects plant stand, root growth, overall seedling and plant health, weed control and yield, grade and economic returns.