

#peanut pride

What do you think is so special about the peanut industry as compared to other nut industry?



Soil and environment sustainability, and crop-livestock production system sustainability are the spill over benefits of the peanut industry. Being a legume, it adds 25 Kg of Nitrogen/ha through biological nitrogen fixation and the protein-rich haulms complement the cereal fodders to support livestock industry.

Ms Janila Pasupuleti
Principal Scientist, ICRISAT

FACTOID



Eco-friendly natural dye from peanut skin

Textile grade dye was extracted from roasted peanut skin through aqueous extraction. Cotton, silk, and wool fabrics were dyed at different temperatures as well as using microwave energy without using any mordants. Dyed fabrics were assessed for their color values, fastness properties, and ultraviolet protection factor. All the fabrics showed a good affinity for the dye. Uniform dyeing was observed in all fabrics; however, the dye exhaustion was higher in silk and wool than in cotton. The dyed fabrics possessed good to very good fastness properties with and an ultraviolet protection factor of up to 65. Thus it is proved to be best suitable for safe eco-friendly alternatives for synthetic dyes.

Effects of Political, Economic & Natural Causes

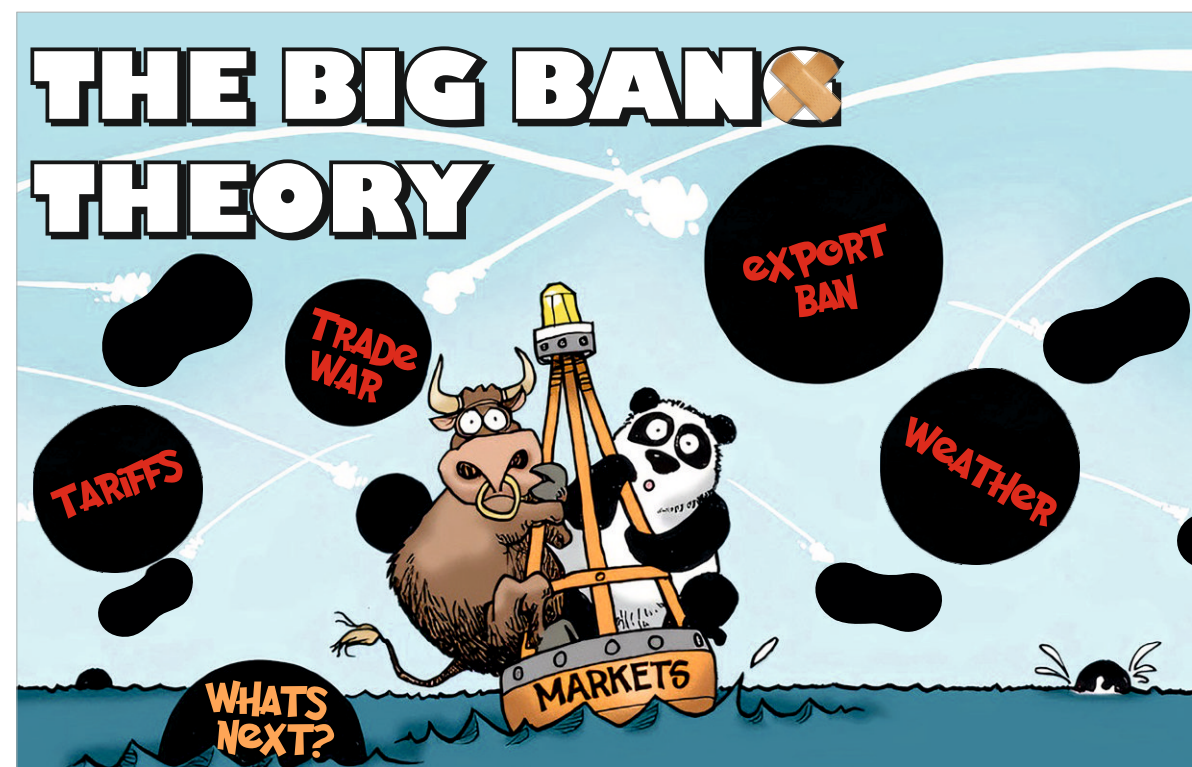
Duty-Free Shopping

The government of India scrapped customs duty and agriculture infrastructure development cess on importing crude soybean oil and crude sunflower oil for 2 million metric tonnes each per year to ease local prices. The duty-free import of 2 million M.T. per year will be applicable for two fiscals, 2022-23 and 2023-24, for crude soybean and sunflower oil. However, a rise in price across all items from fuel to vegetables and cooking oil pushed wholesale price inflation to a record high of 15.08 per cent in April and retail inflation to a nearly eight-year high of 7.79 per cent. The association has demanded a reduction of import duty on rice bran oil and canola oil to boost domestic supplies and check retail prices.

Burning Badly Currently, summer crops are grown in the fields. Due to the rising heat waves,

peanut pods were affected. Despite the vagaries of nature, continuous efforts from farmers to increase production. After the Kharif, farmers made every effort

after soybean and then peanut crop. Although farmers have set a record of triple production this year, it will be important to see the actual production volume.



to increase production. This year, the groundwater level had risen due to heavy rains in October. Therefore, farmers have been able to take summer crops even in the heatwave. This year farmers have taken gram crop

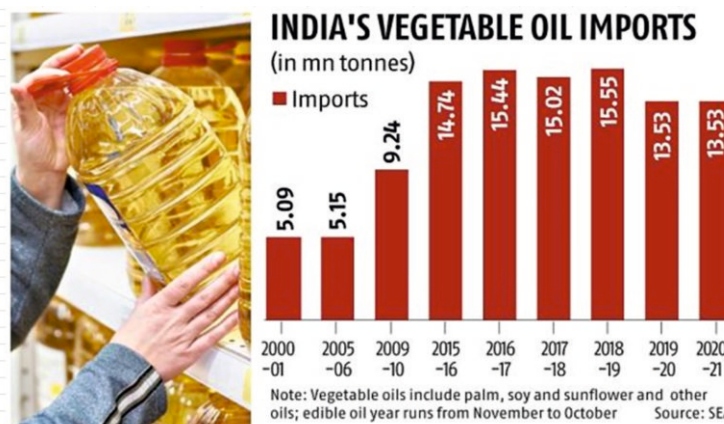
Kadiri-Lepakshi 1812

A new variety of peanut seed is likely to offer some encouragement to farmers even as acreage of the peanut crop has witnessed a drastic decline in the country, leading to a severe scarcity of edible vegetable oils in the market. The peanut seed is said to be drought-resistant and can withstand inundation of fields due to untimely excess rainfall just before harvest. A significant advantage is that it contains 28% of proteins and 51% oil compared to 48% in the K-6 variety. While the seed developed in Andhra Pradesh, the Gujarat farmers and traders evinced interest, and in the past two years, it has spread to vast areas there.

Will Oil Rally?

From Oct'21-Feb'22, India's peanut export went down by 28% to 0.28 million tonnes compared to 0.39 million tonnes in the same period last year. Poor demand from China negatively affected the export performance. Peanut oil export went down by 95% to 8,825 tonnes as compared to 0.17 million tonnes previous year in the same period. There are several oil storage tanks remain empty as they were built to handle Chinese demand. This month, the prices remained weak amid on edible oil import tariff went down by 2%. Gujarat has not witnessed any rain for the last many days. During the previous week, scattered rain occurred over North, Northeast Rajasthan, and parts of North and East Madhya Pradesh. Gujarat is significantly rain deficient,

whereas Madhya Pradesh and Rajasthan are in the short rain category. Seed arrivals in Rajkot were 43% low compared to the previous month and 35% down compared to the last year's same period. Indonesia, the world's biggest supplier of palm oil, lifted the ban of palm oil exports on 20th May, likely helping India and other importers. India had already secured oil for three months' consumption and is on the safer side. Indian edible oil prices should soften due to the lifting of the ban, higher chances there will be a price correction in the peanut market too. Also, in summer, demand for edible oil goes down as consumption of fried foods is less. Godspeed India!



MARKET HIGHLIGHTS

- The Indian government announced a duty-free import scheme of 2 million tons per year of crude soybean & sunflower oil to ease prices.
- American new crop sowing had started, and the old crop carryover is comparatively lesser.
- Argentinian new crop peanut harvest started and may get completed by the end of June.
- Brazil's peanut started to enter China, blessing in difficult times or blessing in disguise?
- Chinese spot market cooled down, and the prices are stabilizing.
- Tanzania arrivals had started, and the F.O.B. price is around \$950/t. The peanut crop is majorly shipped only to nearby destinations.

GLOBAL MARKETS

In a World of Constant Disruption!

USA New crop sowing had started, and the old crop carryover is comparatively lesser. Mexico continued to be the top importer of the U.S. peanuts with 28% share, followed by Canada and China. Inshell peanut shipments to China have started again, and the price may rise in the coming days. Category-wise, peanut butter shipments are down by -2.9%, raw kernels by -9.72% and inshell by 57%. New crop sowing had started, and the shellers didn't contract with farmers. As a result, farmers insisted on higher costs for the peanuts. It is estimated that peanut acreage down by 1%, around 586k ha.

Argentina New crop peanut harvest began in some regions, and the bulk will be complete in June. However, the peanut crop situation looks more challenging than last year, with more than 13-14% reduced productivity. Factors including the frost and scarcity of rains in Cordoba contributed to the reduction in the yield of peanuts. Ocean freights from Argentina are at the level of around \$4000, and by August-September, the freight may soar to \$6000. It may hit a historical high by December. Prices of

peanuts on a F.O.B. basis are estimated to increase by \$150-200 y-o-y because of the increased land ownership costs and reduced yields. It will be the most challenging year for the Argentinian peanuts.

Brazil Brazil had a decent crop this year, despite some drought issue. But on the demand side, Brazil faced a big hurdle due to their dependency on the CIS regional demand. Shipments to Russia are uncertain both to North and South ports amid the war situation. As a result, transit time are uncertain for the Russian importers. Also, Brazilian shippers still need to address the pending contracted shipment to Russian shippers. However, good news arrived at the end of the month as the Brazil peanut can now enter China, which is a big boon to Brazil peanut industry. The entry will help the shippers cater to China's demand on a more significant level. Brazil already exports around 60k+ tons of crude peanut oil to China.

China Chinese peanut market cooled-off after periodic changes in the market. The spot market cooled down, and the prices are stable.

Domestic demand is not healthy, and the buyers are waiting for the supplies at retail to catch up. Consumer demand for peanut products remains flat, and the imposed lockdown adds to producers' woes. Therefore, producers expect more relaxation for the market to start the supply chain. Storage volume among the farmers is comparatively low as the new crop sowing had started. Peanut oil prices, usually the saviour of peanut product producers, didn't help either-however, the demand is set to catch up in the latter part of the year.

Tanzania Peanut arrivals had started, and the F.O.B. price is around \$950/t. The quality of the crop is still unpredictable, the peanut crop is majorly shipped only to nearby destinations.

Mozambique Market price is on the earlier part of the crop, and the price started rising during the end of May. The F.O.B. price level is currently \$950-970/t for export quality.

Sudan Sudan is in the final stages of the shipment, and because of the high demand for the container, shipments hadn't started from the country.

DEMAND TRENDS

- Oil consumption increased in India and China amid low supply of sunflower oil and palm oil export ban imposed by Indonesia. **(Asia).**
- Chinese port congestion in Shanghai and Shenzhen increased the ocean freights in China, and the freights sky-rocketed one more time. **(Asia).**
- Peanut prices in Europe may increase because of the reduced Argentinian output. These factors may increase Europe's sourcing from other origins. **(Europe).**
- Peanut import demand is significantly less in Indonesia after the arrival of local crops into the market. Therefore, the price is on a stable trend and may not go up at least for the 1st two weeks of June. **(Asia).**
- Russian peanut buyers are buying decent volumes considering delayed arrivals from Latin America. **(Asia).**
- Around the world, peanut price trend could get extremely volatile with governments taking food security action plans to safeguard supplies, in addition to dollar, freight and weather related challenges. **(Pnutking).**