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 ▲

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 achi eving balance. Notably, China's peanut imports of 1.3 MMT in MY23, 0.8 MMT in MY22 and proj ected 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 land scape, 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 comp anies within the peanut industry faced collapse due to their inabi lity to maintain profitability, nota bly in countries like China, Africa, and Argentina. In 2024, this conso lidation is expected to continue in the origins and destinations. Coun tries like Senegal, Sudan, China, India, Argentina, Vietnam, Indo nesia and Brazil are expected to experience this consolidation. These regions are struggling with economic challenges and navi gating through high inflationary pressures, impacting their viab ility.

Grow

The second half of 2024 appears poised for robust growth. 2023, global peanut production amoun ted to 50.4 million tons, compared to 49.4 million tons in 2022. Asia is a high-consumption region with relatively low carry-forward sto cks 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 applica tions, enhancing astronauts' diet enjoyment.

Copyright © 2024 Agrocrops, All rights reserved

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 challen ging 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 Telan gana experiences ongoing arri vals with good local demand and high prices. Andhra Pradesh has also commenced arrivals in cer tain areas. In Tamil Nadu, sum mer 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 emer ging, 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 uncert ainty. 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 decr ease looms due to soaring leasing rates and waning farmer interest. Currently, adequate rainfall ne eds a boost for secure crops, aim ing 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. Harves ting, 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 ship ments. Chinese oil prices strongly impact crude peanut oil rates. Remedying 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 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 comp leted the preparation for CNY demand. Local credit is abysmal. Post CNY, demand is seen to be lacklustre.

Sudan

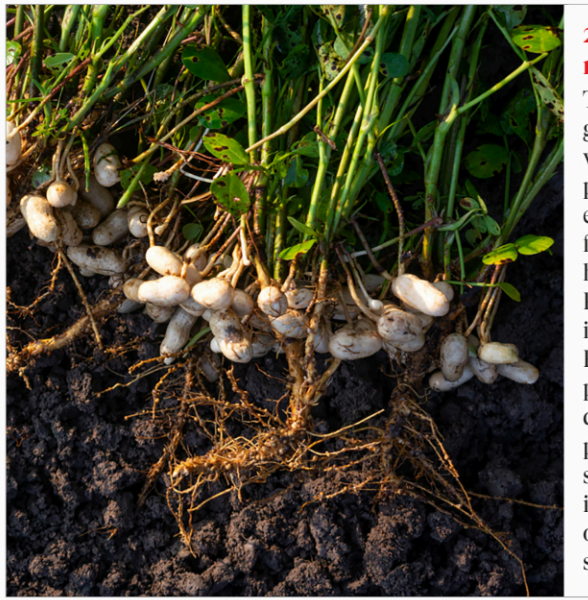
Crop arrivals face severe damage, with over 40% reduced product ion and straining shipments. FOB peanut prices stand at $1190.

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 move ment 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.

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.

Copyright © 2024 Agrocrops, All rights reserved

Cultivar Highlights

Correlating Peanut Peg Strength with Culti var-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 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.

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

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. Nuti; 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_3), 6% aluminum oxide (Al_2O_3), and 16.3% sodium oxide (Na_2O), 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 demons trates 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)

Current Crops

Brazil — BRZ
Sowing completed and the crop need some rains.

Sudan — SUD
Harvest began, crop production impacted, cargo movement restrictive.

Nicaragua — NIC
Crop production impacted by final rains, but the production shows an increase of 3%.

Argentina — ARG
Sowing completed and acreage down by 7-10%.

India — IND
Harvesting in southern parts of India begins, but conditions and outcomes are not favourable amid recent rains.

Senegal — SEN
Harvest in full swing, supportive weather boost yields.

Copyright © 2024 Agrocrops, All rights reserved

Pesticides Sustainable Uses and Their Effect on Peanut Cultivation

The sustainability of pesticide usage in peanut crops is a complex and multi faceted 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 bene ficial insects, birds, and soil micro organisms. This can disrupt eco systems and reduce overall bio diversity. 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 contri bute 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 eco nomic 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 control, crop rotation, and resistant crop varieties. This approach minimizes relia nce on chemical pesticides. Sustainable peanut farming may involve reducing the dependency on chemical pesticides thro ugh the integration of cultural, biological, and mechanical control measures. Strin gent regulations on pesticide use, includ ing 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 susta inable farming practices, including the judicious use of pesticides and the adop tion of alternative pest management strat egies. Ongoing research focuses on developing more targeted and environ mentally friendly pesticides that have minimal impact on non-target species and ecosystems. Developing peanut vari eties that are resistant to pests and diseases can help reduce the need for chemical interventions. The sustai nability of pesticide usage in peanut crops requires a balanced approach that considers environ mental, human health, and eco nomic factors. Integrated pest management, regulatory measures, edu cation, 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.

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

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 envir onmental impact. When it comes to groundnut crops, precision sprayers can offer several benefits. Precision sprayers often come with VRA tech nology, allowing farmers to vary the application rate of agrochemicals based on the specific needs of differ ent 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 prec isely navigate through the field. This ensures that the application is accu rate, 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 appli cation and reduces chem ical 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 chem ical use can negatively affect the soil and water quality. Precision sprayers allow farmers to time their spray applica tions more accurately. This is crucial for groundnut crops, espe cially 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.

Copyright © 2024 Agrocrops, All rights reserved