

☆☆ **RESILIENT BREED** ☆☆



PRICE TREND INDIA 4050 \$1350 ▼ CHINA 4151 \$1750 ▲ ARG 4050 \$1320 ▼ USA 4050 \$1950 ▼ BRZ 4050 \$1130 ▼ AFR 8090 \$1000 ▼

MARKET HIGHLIGHTS

- Buyers are aware of carry forward numbers being high in the producer countries and are not showing urgency to book additional volume.
- India's peanut sowing area touched a 11-year high which is over 2 million hectares.
- Indian consumption growth is now focused more on peanut oil.
- The Chinese peanut market stabilized after 8 weeks of down trend.
- Argentina has the best harvest season on record amid better yields.
- US exports decreased due to poor quality.
- Nigerian new crop started to arrive in their markets.

The Green Revolution

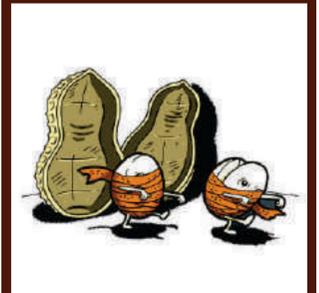
1 Mon(soon): Rain activities are expected to increase over Gujarat during August to suit the crop growth. Between the 1st of June & 26th of July, Gujarat recorded a 4% surplus rain. Saurashtra and Kutch regions received good rainfall during this monsoon season and are in surplus by 60%. Peanuts has seen progressive kharif sowing this year at over 2 million hectares as against sowing of over 1.54 million hectares which is 131% of the normal. Farmers in Gujarat are making a record of sorts in the peanut cultivation — the area covered under the oilseed has so far touched a 11-year peak. Any excess rain during harvest time could pose a dampener for the big harvest of Gujarat. Like Gujarat, other peanut regions such

as Rajasthan & South India had good rain season. How the lockdown situation & business will adapt to this big crop is a post-harvest challenge. The harvest could possibly start arriving from Sep mid (earlier).

2 Rise of the Rural: Current farmer sentiments are optimistic, given the higher MSP and a favourable monsoon. Good rabi harvest has resulted in disposable income with farmers which resulted in tractor sales rise of 22%. According to the Department of Fertilizers, during April-June 2020 sale of fertilizers to farmers was 11 mn. tons which is higher than the last year sale of 6 mn. tons during the same period.

3 Mungfali-I: A new peanut variety with 28% higher yields has been released in Chhattisgarh state, India. The variety is named as Chhattisgarh Mungfali-I (CGM-I). At state-level multi-location trials conducted during 2018 and 2019, CGM-I (ICGV 06420) recorded a mean pod yield of 4,200 kg/ha, which is 28% pod yield superiority. CGM-I is resistant to leaf rust and moderately resistant to late leaf spot (LLS) — two important biotic factors affecting pod yield in rainy season cultivation. The variety matures in 114 days during the rainy season. The average oil content is 52% and a shelling outturn of 69%. The variety was identified from extensive testing conducted during 2011-15 to identify stable high-oil-yielding peanuts.

IFACTOIID



As early as 1500 B.C., the Incans of Peru used peanuts as a sacrificial offering and entombed them with their mummies to aid hunger in the spirit life.

FACT: Presumably so, the departed seeds could grow his/her own in the land of the dead. Such practices exist even today in many other cultures.

Progressive peanut all the way...

Coupled with good rains and improved water availability, farmers in Gujarat are making a record in peanut cultivation. The area covered under the oilseed has so far touched an 11-year peak. Peanut occupied 23% of the total kharif



oilseeds area. Improved MSP, demand prospects and demand performance in CY 2019 were key factor for farmers choosing peanut crop against castor, sesame and cotton. Nafed successfully managed to prevail the spot prices higher than MSP (₹50.90/kg). The MSP for 2020-21 is revised upwards to ₹52.75/kg. Farm mechanicals sales shot up due to labour shortage amid

covid-19. During April-May, the pandemic had a major impact on Indian peanut's key export destinations such as Indonesia, China, Malaysia and Philippines. However, Gujarat state alone played a major role in pushing the overall country's peanut export. India's exports are valued at \$716 million in 2019-20 as against \$474 million in 2018-19. Peanut oil shipments more than doubled to 38,225 tons in 2019-20, from 15,532 tons last year. It was mainly exported to China (33,505 tons). This was the first time in the recent decade that the peanut prices overtook the price of cotton in the market amid riding on local demand & exports. Godspeed India!

Peanuts, peanuts, everywhere!

USA: Exports of 87,622 tons (May '20) vs. 40,874 tons (May '19), an increase of 114%. Exports were boosted by demand from China & Vietnam with an increase of 54,000 tons and exports to Canada rose by 18%. Due to poor quality peanuts, exports to EU, Japan and Mexico were down by 64%, 46% and 14% respectively.

Argentina: A record crop of 884,000 tons due to better yield and quality. The low moisture of the crop could result in a lower blanching loss, boosting yields, while rising the splits supply and decreasing the supply of blanched wholes. With the lack of buying activity in both local and international markets, shellers are discounting \$100 to \$150/ton.

Brazil: Crop came out with better yields this year and is forecasted to export 50% more than the 2019 exports. The crop size is 550,000 tons. The export jump is possible amid poor local demand on account of Covid-19 impact and a higher production.

China: The market finally stabilized after 8 weeks of price decline. Despite several floods and few crop damages, the expectation on the new crop is high with an increase in acreage. Local stocks are plenty from America, Africa & local origin. There were few large lots (approx.2000tons) offloaded by crushing companies. Most of the raw materials are moved to cold-rooms. A good crop could lead to lower prices and imports.

#peanutized

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



Even though peanuts are cultivated worldwide and more than 30 million tons are traded, it is still a relatively small industry where many of the players know each other and business is often based on personal relationships.

Mr. Patrick Archer, American Peanut Council