Price Trend

Domestic price trends of peanut in the major producing country can show the real market movement as it does not include any currency fluctuations. During the calendar year 2016-2018, we had noticed the following trends in the commercial grades of peanuts:

Indian: Rupees 400-500. Rupees 500-600 with a downward bias. It means the price corrected almost 30% in the last 3 years.

African: Down from $1000 to $800 in the last 3 years. Drop in price is almost 20%.

American: The American peanut prices improved steadily but slowly. The uptrend in the last 3 years is about 15%.

Argentine: Moved upwards from $1400 to $1800/Ton. The uptrend is nearly 15%.

Chinese: Peanut prices plummeted from $1600 to $1100 Ton. The downtrend is a serious 30%.

As the global peanut trade is dominated by the Asian & African regions, the downtrend is more felt than the uptrend seen in Argentina & American peanuts. With the reliance on Chinese consumption, African & Indian peanut prices have taken a big hit in price and demand.

Value Added Market

Peanut Butter: The global peanut butter price in the last 3 years grew by only 2%. Given the nature of the price trend in raw peanuts, it is not surprising to see this trend. The peanut butter price is not expected to escalate in 2019.

Peanut Oil: The peanut oil price grew marginally by 3-4% since 2015. It could be said that peanut oil prices do not abruptly affect the raw peanut price trends.

Currency

Major peanut importing currencies are as important as the major peanut exporting countries because it drastically affects the pricing and purchasing power. During 2018/19 the currencies in focus moved as follows:

Rainfall

The weather vagaries are a silent killer in the agriculture business. Other than triggering an inflationary price trend, it can also create a shift in demand to new origins on account of quality factors that get affected due to poor weather.

The average rainfall in the producing countries during 2018/19 shows a possible shift in the quality & quantity of production. The effects of poor/ultimately rainfall could be felt once the carryover; production ratios get affected negatively. We may see this trend emerge during the second half of 2019. It can lend support to the stagnating - falling price trends of the commercial quality peanut.