Covi(d)isruption in markets everywhere…

Interrupted & Dis-integrated Supply Chain: The outbreak of Covid-19 has broken the supply chain of raw material to the peanut oil mills in Gujarat and as a result, price of peanut oil rose completely. Prices moved up sharply by about 10-12% in a fortnight. Agriculture Produce Market Committees (APMCs) across Gujarat are closed or functioning partially. There has been shortage of labourers. Due to inadequate transport facilities, farmers too are not able to bring peanut to markets. SOMA has requested MAHED to restore selling of peanut to pacify increasing demand of peanut oil. It is estimated that only 10-15% of the trucks are in operation nationwide. The supply of sewing seeds in the South and Gujarat market is also disrupted in the current situation. How much of this is going to impact exports is yet to be seen.

Debut of Seed Biz: The Seed Business Venture (SBV) initiative under its Seed Business Venture (SBV) initiative, under an OPEC Fund multi-year assistance, will help the farmers realize high yields and incomes in just one crop season. The yield has been much better with the GJC 32 variety as it is resistant to leaf spot disease. Crop staged till harvest and could be used as fodder to fetch additional income. High seed rates, low seed multiplication ratio and quick loss of seed viability are some of the major challenges to the peanut seed systems affecting the adoption of newer varieties. One of the approaches to overcome these constraints is to develop and promote decentralized seed models managed by farmer-entrepreneurs in the rural community.

Exports Vaccinated: India started export of major agricultural products including peanuts after the government stepped in to resolve the issues related to transportation and packaging in the wake of COVID-19 lockdown. Problems were being resolved by APEDA and they have done a phenomenal job. The government has adopted a ‘flexible approach’ and is issuing digital copies of phytosanitary certificates for exports. As far as the raw material is concerned, digital copies of phytosanitary certificates are being accepted with undertaking from the importer for submission of original when received. Several measures the ministry has taken to ensure the country’s agriculture and the rural community.

Peanut market is disarray with many unusual circumstances in 2020. USA peanut market price continues to rise with very thin trading volume. The situation in China is getting better. Most factories started its operations. Argentina has no real reasons to bring down its prices considering the lack of shipments from the USA. Brazil could have a good crop if the weather continues to cooperate during harvesting.

International Peanut Market

USA: Demand has gone up in the US. US will have enough supply until the new crop comes in. Tight specifications are no longer available. The shellers will most probably stop shelling the 2019 crop as soon as the new crop comes which is expected to be around 8090 at $950+/ton and Mozambique at $1000+/ton.

Argentina: Current crop is extremely tight on supply. COVID-19 is creating a few logistical issues, only on the previous season’s harvest. Argentina has no real reasons to bring down its prices considering the lack of shipments from USA to Europe.

Brazil: Weather so far has been good for the harvesting. Estimated that 50% of the crop has been harvested so far. Provided the weather continues to cooperate, Brazil could have a good crop. Runner 38/42 blended at $150 CFR Rotterdam. As to the US, the quota which Brazil falls under is for other origin and that quota is only for 9005 MT and runs from April 1st till mid May, with no real reasons for the prices to come down in the short to medium term, considering the lack of shipments from USA to Europe.

China: The market prices in China and their purchases from global origins continue to go up. China buys everything they can get their hands on, doesn’t matter if it is farmer stock or kernels. The option for supply is not limited, hence the reason they have turned to the USA peanuts. China should be continuing to buy at higher price through May and possibly into June & July.

South Africa: Expecting 5,000 tons of peanut in the 2019/20 production season, this is more than double the previous season’s harvest.

East Africa: Tanzania and Mozambique posted a good crop of January in this year. Tanzania expecting a price of $4,500 to $4,550. China is staying green till harvest and could be used as aflatoxin. East Africa:

MARKET HIGHLIGHTS

Prices: Peanut market in disarray with many unusual circumstances in 2020. USA peanut market price continues to rise with very thin trading volume. The situation in China is getting better. Most factories started its operations. Argentina has no real reasons to bring down its prices considering the lack of shipments from the USA. Brazil could have a good crop if the weather continues to cooperate during harvesting.

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Indian Peanut Market

The market continued to be dominated by the COVID-19 impact on the demand and more importantly on the supply chain. Farmers were motivated to hold back their inshell stocks for further strengthening of prices. This could lead to delayed availability to peanut processors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus wasMotivating factors. Processors trying to fill existing orders that are being stretched and new trade has been limited as the virus was.