

February 2009

US\$/€ 1.295

US\$/£1.460

Aldebaran Commodities B.V. peanut market update

Dear Client,

Christmas sales behind us, and most of us will come to the conclusion that it was not the best Christmas sale ever. As a result no direct need to fill the empty production line, and time to analyze the potential for 2009.

Biggest problem in today's market seems to be the current strong rate of the US\$ against € and £, and financing. In the last 6 months the financial crises also hit the peanut industry. Companies are being limited on their credit facilities, and also credit insurance companies are very reluctant to give sufficient security in a market that is screaming for support.

The actual demand on consumer level does not seem to be down dramatically yet, but reality of today is that industry wide the pipeline is being emptied. Stocks are kept at minimum, and buying decision is postponed.

But peanut will be consumed, and for peanut to end up in a frying pan they need to be shipped from origin.

Argentine still has some good quantities to offer from the 2008 crop. Prices currently being offered around US\$ 950,00 C+F for raw 40/50 cpo, and at US\$ 1.060,00 for blanched. Jumbo's at premium of US\$ 20,00 per ton. Stocks in Rotterdam are really diminishing, at prices around US\$ 1.150,00 for 40/50 blanched. Splits are being offered at US\$ 950,00 FCA.

New crop from Argentina is in the ground, and needs better growing conditions. Various regions lack sufficient moisture.

Usa market stable at US\$ 0,43 for Medium Runners, US\$ 1.125,00 CIF. Not to much activity, due to the fact that difference with Argentina is getting bigger.

China has returned to the market again after celebrating the New Year. Prices for the moment not much changed from "the old year". Hsuji's 40/50 cpo being offered slightly under US\$ 1.000,00, not competitive with Argentina. Even on 41/51 blanched China at same level as Argentine Runner 40/50 blanched around US\$ 1.050,00. Virginia 25/29 are being offered at US\$ 1.125,00 CIF EMP basis. For raw 24/28 cpo a premium has to be paid, due to the fear of aflatoxine rejections. From the 2007 crop there are still some quantities 25/29 blanched available in Rotterdam, price idea US\$ 1.175,00 FCA.

Inshell market collapsed completely at the end of last year. Only very limited demand, and as a result also very limited quantities were shipped. Locally in Europe not to much available, offers on last parcels 2007 crop around US\$ 950,00 FCA. New crop being offered at US\$ 900,00 from Henan, and US\$ 1.000,00 from Shandong. But no everybody to keen to give guarantee on the aflatoxine upon arrival. Usa Fancy at US\$ 1.150,00 and Jumbo inshell around US\$ 1.350,00 CIF. No Super Jumbo 7/9 offered from 2008 crop, some 2007 crop still available around US\$ 1.500,00 FCA Rotterdam basis.

Bird feeding market was still rather strong going from 2008 to 2009, but demand seems to slow down. For spot material price around US\$ 1.050,00 but on shipment prices in the region of US\$ 875,00 should be possible again. But we might see that the bottom of the bird feeding market will find a bottom due to the fact that imports are being more and more controlled by the authorities.

Hope to have informed you satisfactory for the moment, and looking forward to your firm interest.

Regards,
Paul and Menno