



Aldebaran Commodities B.V. peanut market update January 2010.

US\$/€ rate 1.44

Dear Client,

Let us start by wishing you, your family and colleagues all the best for 2010.

With regards to the peanut market we could almost say it is a very imaginary one at the moment. December has been very quiet with regards to actual trades, but mainly due to the fact that there has been a lack of available offers in the market.

We still saw some nearby buying interest, but with hardly any stocks available it was very difficult to counter the demand with supply.

Argentina is not offering any material at the moment, apart from some splits at US\$ 900,00 C+F for prompt shipment. Big question mark is, what is actually still available – and exportable – from the 2009 crop and at what price will the holders of these goods be willing to release it to the market. Indications are that selling idea would be US\$ 1.250,00 for raw 40/50 cpo and US\$ 1.350,00 C+F for blanched, but not sure if especially buyers in Europe would be willing (and able) to pay these prices. Especially since recent weeks the Euro lost against the US\$.

For new crop one could imagine that price idea would be the same, around US\$ 1.250,00 C+F basis. Development of the crop at present is not bad, only the planted acreage does not predict a huge crop.

Offers from China still give the impression that these are not given in US\$. Hsuji 40/50 cpo around US\$ 1.600,00 CIF, Virginia 24/28 cpo around US\$ 1.550,00 CIF. These prices will not really attract buyers. It is only an indication of the domestic market in China, and that at the end buyer's will have to compete with the buying force of China. Already on pistachio's we see that China is able to pay prices that are not workable in Europe. In future this could also be the case for China if own supply will not be sufficient to match the demand.

Usa market is quiet but firm. Prices for both Medium Runners as Jumbo Runners indicated for 2009 crop at US\$ 0,50 FOB. This would make a price in the region of US\$ 1.275,00 CIF. Not to many shellers are actually shelling 2009 crop, but trying to sell what is left from the huge 2008 crop at best possible price. From 2009 crop we might see shortage of Medium Runners and Number No's, since the growing conditions and seed varieties have resulted in on average bigger kernels. Jumbo Runners of 31/35 cpo will not be rare the coming year. On blanched we will have to consider prices between US\$ 1.450,00 and US\$ 1.500,00 CIF Europe.

Due to the very mild winter season (and possible economic crisis) we see very little interest in the bird feeding segment of the peanut market. Also availability of cheap material might have depressed the market here. With India at around US\$ 1.100 C+F basis and strict import controls have not generated buying interest.

As indicated, warehouses in Europe are empty. What is left should be appreciated at US\$ 1.300,00 FCA basis for raw and US\$ 1.400,00 for blanched. This looks like steep prices, but will the new EU regulation 669/2009 coming into force on 25th of January 2010 we will have to calculate different from C+F to FCA, and that would mean that US\$ 1.250,00 will become easily US\$ 1.350,00 FCA basis.

Inshell market still shows some demand, but little sellers. Prices from China in the region of US\$ 1.350,00 CIF basis for January shipment. Egypt had some problems to ship out its first position in time, but should be able to offer some additional goods in the region of € 1.950,00 C+F basis.

All in all we are looking at difficult months ahead of us with regards to supply. If this will really create a problem will depend on how the demand will develop in the coming months. In some countries a clear loss of demand is visible, where in other regions the consumption of peanut products are stable.

Hope to have informed you satisfactory for the moment.

Please contact us if you need more detailed information or a firm offer.

Kindest regards and best wishes,

On behalf of all at Aldebaran

Paul and Menno