

Dear Client,

Peanut market is very quiet at the moment. We can for sure say that market missed a complete bird-feeding season due to record warm winter. Now we have to see what the reaction of the market will be, will stocks be carried towards the end of this year or dumped at low levels. Current levels on C+F basis around US\$ 1.050,00 C+F with little buying interest, so to move goods price will need to be under US\$ 1.000,00 it seems.

On the edible market not to much activity either. Demand is not growing, so based on existing contracts there is no additional interest. Buyers are trying to figure out at what level they will be able to contract on a spread as from July onwards. USA has set the mark on raw around US\$ 1.250,00 CIF and for blanched around US\$ 1.500,00 CIF. Argentine is not able to come close on the raw, but on the blanched we they are able to compete. Obviously desire from Argentina is to arrive at a higher price level for the maturity of the crop, but for that the whole outlook of the market will have to change.

Situation today on the supply side is as follows; Argentina is sold out on 2013 crop, apart from some material that is pushed back for later shipment against existing contracts and could partly be sold now and replaced with early shipments new crop. Brazil will start shipping new crop as from April onwards. USA is able to offer 2013 crop now till end of this year at attractive levels. China has a weak domestic market at the moment, and should be able to even lower current price levels. Argentine new crop is not expected to be big (10% lower plantings compared to last crop, and for some part unfavourable growing weather conditions) but with current completion from other origins the supply will be sufficient for the demand that can only be filled by Argentina. Despite the low levels on USA, the new Farm Bill seems to give incentive to farmers to favour peanuts over other crops. So expectations are that plantings will at least be the same as last year, and possible even increase. If no total crop failures occur in Argentina and USA, we will have no supply issues in the next 12 months.

On the demand site we see that Western Europe is rather quiet. Possible due to lower prices from now on onwards, more interest could be generated with the supermarkets. Also the strong Euro helps for our part of the world. Lower prices could also give room for new product innovations with peanuts, and also the low prices on peanuts compared to Almonds and other luxury nuts could generate a slight shift in favour of peanuts as ingredients in cereals, ice cream toppings etc.

In shell market not at its peak at the moment. The interest is mainly for 9/11 cpo USA, but that is practically not available.

Situation of the market today could give piece of mind for buyers who are in a position to cover for a longer period of time. Taking advantage of the low market price and the strong Euro. In case market goes even further down, it could very well be in combination with a weaker Euro, balancing out that possible negative effect.

We can offer the following goods on FCA Rotterdam basis for prompt delivery;

Commodity	Grade	Packing	Quantity	Price
Argentine	Runner count 38/42 crop 2013	200 bags	10 tons	U\$ 1.525,00
Argentine	Runner count 40/50 crop 2013	16 big bags	20 tons	U\$ 1.500,00
Argentine	Runner count 50/60 crop 2013	20 big bags	25 tons	U\$ 1.475,00
Argentine	Runner roasted count 70/80 crop 2013	11 big bags	11 tons	U\$ 1.600,00
Argentine	Runner Splits roasted crop 2013	1.050 cartons	21 tons	U\$ 2.150,00
Brazilian	Runner count 38/42 crop 2013	13 big bags	13 tons	U\$ 1.475,00
Chinese	Hsuji count 50/60 crop 2013	760 cartons	19 tons	U\$ 1.525,00 (ex Store Fanpac, UK)
Chinese	Virginia Shandong count 24/28 crop 2013	680 cartons	17 tons	U\$ 1.785,00
Chinese	Virginia Shandong count 25/29 crop 2012 blanched	7 big bags	7 tons	U\$ 1.725,00
Chinese	Virginia Shandong count 25/29 crop 2013 blanched	680 cartons	17 tons	U\$ 1.785,00
Chinese	Virginia Shandong count 35/39 crop 2013 blanched	360 cartons	9 tons	U\$ 1.575,00
India	Bombay Bolds count 40/50 crop 2013	520 bags	13 tons	U\$ 1.295,00
Moldovan	Sunflower in shell Konfeta Striped crop 2013	160 bags	4 tons	€ 1.200,00
South African	Common Natal count 50/60 crop 2012	9 big bags	10,5 tons	U\$ 1.285,00
USA	Jumbo Runner crop 2013 blanched	57 big bags	57 tons	U\$ 1.695,00
USA	Jumbo Runner crop 2013	20 bags	1 tons	U\$ 1.450,00
USA	Medium Runner crop 2012 blanched	18 big bags	18 tons	U\$ 1.685,00

Looking forward to receive your view on the market and buying interest for nearby and on longer spread.

Regards,  
Paul, Menno, Nurcan and Mark



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