

Dear client,

In this market report we will put the focus on the Argentine peanuts. The new crop is extremely delayed due to heavy rainfall on the dug crop. Less than 10% is harvested, the remaining harvesting has stopped completely. All farmers are working together to make sure that they will reach an optimal outcome, but this is very difficult when the ground is very wet. Some southern areas were even affected with frost. The weather forecast has mentioned again frost on May 20th. Huge damage could be the issue. In the beginning of the crop there was a drought situation but this shifted into wetness later on. This change in weather patterns can lead to high aflatoxin level of the peanuts. Previously, the first shipments of the new crop were planned for May/June with an estimated arrival period of first half June. Now, arrival during the second half of July is perhaps even in doubt.

The situation will also have an affect on the capacity of the shipping companies. As soon as the new crop is out, loads of containers will be scheduled but these will most likely transcend the maximum capacity of the shipments. Result: roll-over of containers causing further delays of deliveries.

All of the above creates an uncertainty for the near future regarding the Argentine crop yield and prices. Exporters are anxious in with giving prices and have completely withdrawn from selling this new crop. They prefer to wait till the new crop is harvested, though there is a good demand for Argentine peanuts. Aldebaran expects that the prices will rise between US\$ 100 and US\$ 150 within the next few weeks. Therefore, steady prices that are valid for several days/weeks is very hard to hold on to.

Two weeks ago, we mentioned the explosive rise of the Chinese peanut market. Latest update is that the market is still quiet, but that the prices have increased to another level. The plantings of the new crop is still in progress, but will finish shortly. The estimated planting area will be less than 15-20% compared to last year. Europe still shows lack of demand for Chinese peanuts. China needs to export, but on the other hand they are still looking for cheap peanuts to import due to the high demand of the oil crushers.

Brazil is experiencing drought which creates an unpromising forecast for the new crop of the Brazilian Runner peanuts. This lack of rainfall automatically results into early harvesting. Like mentioned for the Argentine peanuts, a high aflatoxin level of the Brazil peanuts is also probable. Currently, it is difficult to predict yield losses for this season, but Brazil estimates that it could be a drop by 30%. Brazil has planted around 118.000 hectares of peanuts for the 2013/2014 season.

Regarding the USA peanut market, attached you can find a crop progress which is specified per 8 states. These states planted 96% of the 2013 peanut acreage. Here you can see that also USA farmers are behind planting schedule due to extremely weather conditions.

Prices on FCA Rotterdam basis are as follows:

Packaging Quantity	Total MT	Origin	Grade	Crop	Price US\$
60 BB	75	Argentina	Runner count 38/42	2013	1,450
30 BB	37,5	Argentina	Runner count 38/42 Blanched	2012	1,495
10 BB	12,5	Argentina	Runner count 38/42 Blanched	2013	1,595
750 bags	37,5	Argentina	Runner count 40/50	2013	1,425
20 BB	25	Argentina	Runner count 40/50	2013	1,425
20 BB	25	Argentina	Runner count 40/50 Blanched	2013	1,630
20 BB	25	Argentina	Runner count 50/60	2013	1,385
20 BB	25	Argentina	Runner count 60/70	2013	1,425
20 BB	25	Argentina	Runner count 70/80	2013	1,365
2.000 bags	50	Argentina	Runner Splits Blanched	2013	1,380
500 cartons	10	Argentina	Runner Roasted Splits	2013	2,200
500 cartons	10	Argentina	Runner Roasted Diced 2/4 mm	2013	2,450
11 BB	11	Argentina	Runner Roasted with high FFA	2013	1,100
40 BB	50	Brazilian	Runner count 38/42 Blanched	2013	1,425
760 bags	19	Chinese	Red Skin count 50/60	2013	1,600
680 bags	17	Chinese	Red Skin count 60/70	2013	1,775
27 BB	29,7	Chinese	Red Skin count 50/60 extra cleaned	2013	1,820
61 BB	67	Chinese	Red Skin count 60/70 extra cleaned	2013	1,800
680 cartons	17	Chinese	Virginia Shandong count 24/28	2013	1,800
680 cartons	17	Chinese	Virginia Shandong count 25/29 Blanched	2013	1,745
680 bags	17	Chinese	Virginia Shandong count 28/32	2013	1,790
680 bags	17	Chinese	Virginia Shandong count 29/33 Blanched	2013	1,740
680 cartons	17	Chinese	Virginia Shandong count 34/38	2013	1,775
680 bags	17	Chinese	Virginia Shandong count 35/39 Blanched	2013	1,625
485 bags	14,5	Chinese	In-shell Shandong count 9/11	2012	1,675
600 bags	18	Chinese	In-shell Shandong count 9/11	2013	1,725
400 bags	12	Chinese	In-shell Shandong count 11/13	2013	1,660
350 bags	7	Chinese	In-shell Shandong count 11/13 Roasted	2013	1,950
40 BB	40	USA	Jumbo Runner count 38/42 Blanched	2012	1,550
80 BB	80	USA	Medium Runner count 40/50	2012	1,275
20 BB	20	USA	Medium Runner count 40/50	2013	1,340
18 BB	19	USA	Medium Runner Blanched	2012	1,550
6 BB	6	USA	Runner Splits Blanched	2012	1,550

Prices on CNF Rotterdam afloat basis are as follows:

<b>Fcl Quantity</b>	<b>Total MT</b>	<b>Origin</b>	<b>Grade</b>	<b>Crop</b>	<b>Price US\$</b>
40 BB	46	Chinese	Red Skin 60/70	2013	1,550
1.440 bags	36	Chinese	Pumpkin GWS grade A	2013	4,450

**Last but not least, Aldebaran has from now on also a market report & price list regarding the sunflower kernel market. If you are interested in receiving this report, please send an e-mail to [trade@aldebaran.nl](mailto:trade@aldebaran.nl) and we will be delighted to inform you every two weeks about this interesting market.**

Kindest regards,  
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