

Dear client,

Thank you for receiving our market report regarding peanuts which we sent out every two weeks. It gives us great pleasure knowing that you take the time to read our reports and indulge yourself with our current prices.

In this particular market report we will put our focus on peanuts from China and USA.

China

Plantation of 2014 crop started from end April and ended in early May all over Shandong province. Due to the low price of the 2013 crop the new crop plantings area are less than the 2013 crop. Due to the bad weather the harvest is also not good. The day starts with drought and resolves in flood when it is close to harvest time. Drought during the beginning stage after plantings also leads to smaller kernels. This results into 20-30% quantity reduction in the planted area, so overall the total 2014 new crop quantity is ~40-50% less than the old crop.

As for the Chinese domestic market, it is a very strong market. Only 10% of the total harvest is meant for exporting on a yearly basis, so the 2014 crop will not be enough for the domestic market which automatically creates higher prices. Most likely China will have to depend on importing peanuts from India and USA.

Below you can find the crop situations in the areas nearby Qindao:

- Laixi City: mainly traditional variety planted. In south part of Laixi City the average in shell can reach 15-17 per stem (in shells are progressing well) and pest and weeds are well controlled. In Northern Laixi, most of the area has satisfying number of pods (~12-13 pods per stem) but in certain areas only ~10 or less pods were found. Pest is also a key problem.
- Zhaoyuan (a city belong to Yantai): traditional Virginia type is also widely planted as in Laixi, the sandy land is ideal for peanut growth, but the dry weather also resulted in less pods than the previous crop. It is expected that the yield in this area will be smaller than the last crop.
- Pingdu (another city of Qingdao): the situation is different in southern and northern part as well in the hilly area of the north, the dry weather and lacking of irrigation system will surely cause low yield, while in southern Pingdu, the flat field can get water supply during dry weathers. A lower Virginia variety is mainly planted in Pingdu City, targeting at blanching demands and local edible consumption, pods per stem range from 10-15 counts.

The prices for the current crop are increasing. Compared to last week the prices increased with US\$ 50-70 per ton, assuming that they will rise even more in the next few weeks.

The weather conditions in the upcoming weeks will be important for a good harvest. The Shandong area suffered from very dry weather during the beginning stage. Despite irregular rainfalls, which proved to be of little help, the pegging went a little difficult. As for the Qindao area, some rainfalls occurred from mid June which (though late) proved to help to some extent.

USA

The USDA released their updated forecast for peanut yields for 2014 crop. They revised it upward from 3,797 per acre to 3,964 lbs/acre bringing production to 2,536,960 tons. This estimated yield is down 1% compared to 2013 crop but with the increase in acreage versus 2013 crop (23%) they forecast an increase in production of 22%.

As mentioned in our previous reports, the shellers do not really have a position on the 2014 crop as they have sold virtually all of the % of the crop (approximately 60%) that they have bought from the farmers. That leaves another ~40% of the crop in the hands of the farmers. For that reason, there is not really much reason for the shellers to lower prices. It is believed that the farmers who still have not contracted will likely wait to sell hoping that they can get higher prices.

Shellers are heavily sold on an EU spec basis which puts them at risk for any problems with heat and drought during the remainder of the growing season- especially since the blanching industry does not / will not have enough capacity to clean up additional peanuts due to aflatoxin.

In reference to the piece about China above, USA sees more and more interest from Asian buyers and, with the current drought situation in the Henan growing region as well as the North-East growing regions of China, it is expected that this will intensify - especially considering that China is believed to have cut acreage by ~20-30% this year and lower production has been forecasted in India.

Attached you can also find figures of the USA crop progress, explained per state (2009-2014) next to the crop progress report. Alabama dropped significantly in this week's report. Most probably this is due to the higher % of peanuts planted on dry land compared to the rest of the southeast like Georgia and Florida which have a higher % under irrigation. Georgia also continued its decline that started 3 weeks ago. The Virginia/Carolina areas are still seeing a great crop and could stand to see less rainfall. The Southwest continues on it's pace with a good crop. As for the US as a whole crop, it has seen a drop (Alabama's large drop coupled with Georgia's slide).

In case you have questions of enquiries for peanuts, do not hesitate and contact us please. Your feedback is highly appreciated.

Kindest regards,
Paul, Nurcan and Mark
Trade Department

Direct +31-107620518 | **Office** +31-104364937
Mobile +31-653162064

Prices on FCA Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	Price US \$/mt
Raw and Blanched peanuts					
299 bags	14,95	Argentinian	Runner count 40/50	2014	\$1,475
22 Big Bags	22,17	Argentinian	Runner count 40/50	2013	\$1,450
20 Big Bags	25	Argentinian	Runner count 50/60	2014	\$1,460
19 Big Bags	21,622	Brazilian	Runner count 38/42	2013	\$1,295
19 Big Bags	23,75	Brazilian	Runner count 38/42	2014	\$1,475
20 Big Bags	25	Brazilian	Runner count 40/50 Blanched	2013	\$1,525
17 Big Bags	21,25	Brazilian	Runner count 50/60 Blanched	2013	\$1,485
60 Big Bags	75	Brazilian	Runner count 38/42,Blanched	2013	\$1,595
992 bags	24,8	Brazilian	Runner Splits Blanched	2013	\$1,525
941 bags	23,525	Chinese	Red Skin count 50/60	2012	\$1,675
3 Big Bags	3	Chinese	Red Skin count 50/60	2013	\$1,800
680 cartons	17	Chinese	Virginia Shandong count 24/28	2013	\$1,845
680 cartons	17	Chinese	Virginia Shandong count 25/29, blanched	2013	\$1,775
17 Big Bags	15,3	Chinese	VS count 35/39 Blanched	2012	\$1,350
299 bags	8,97	Chinese	in shell Shandong washed 9/11	2012	\$1,650
500 bags	15	Egyptian	in shell EW count 7/9	2012	\$1,650
60 bags	1,5	Various	Sortex	2013	\$700
20 Big Bags	20	USA	Jumbo Runner Blanched	2012	\$1,575
20 Big BAGs	20	USA	Jumbo Runner Blanched	2013	\$1,645
20 Big Bags	20	USA	Runner Splits	2012	\$1,100
Roasted peanuts					
748 cartons	14,96	Argentinian	Roasted Diced count 2/4 mm	2013	\$2,250
137 cartons	2,74	Argentinian	Roasted Splits	2013	\$1,900
225 bags	4,5	Chinese	in shell Roasted count 11/13	2013	\$2,250
Pumpkin seeds / Cashews					
1.240 bags	31	Chinese	GWS Grade A	2013	\$4,495
150 cartons	7.500 lbs	Vietnamese	W 280	2014	\$8,380
700 cartons	35.000 lbs	Vietnamese	W 320	2014	\$7,480
Peanut paste / Roasted splits					
In case you have a specific interest in these goods, please ask us.					

Prices on C+F Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	ETA	Price US\$ /mt
Raw and Blanched peanuts						
10 Big Bags	12,5	Argentinian	Runner count 40/50	2013	22-8-2014	\$1,450
680 cartons	17	Chinese	Virg Shandong count 24/28	2013	20-8-2014	\$1,700
1.360 cartons	34	Chinese	Virg Shandong count 25/29,Blanched	2013	20-8-2014	\$1,585
40 Big Bags	40	Usa	Jumbo Runner Blanched	2013	17-9-2014	\$1,580
Cashews						
700 cartons	35.000 lbs	Indian	W 320	2014	12-9-2014	\$7,350
700 cartons	35.000 lbs	Vietnamese	W 320	2014	1-9-2014	\$7,350
Special offer!						
USA Spanish High Oleic count 50/60,crop 2013 at US\$ 1.425 .mt CIF Rotterdam - shipment: September 2014 thru incl April 2015						

* Prices are subject to final confirmation.

US PEANUT CROP PROGRESS

Peanuts Pegging - Selected States
 [These 8 States planted 96% of the 2013 peanut acreage]

State	Week ending			2009-2013 Average
	August 17, 2013	August 10, 2014	August 17, 2014	
	percent			
Alabama	99	86	94	85
Florida	100	96	98	97
Georgia	94	98	99	97
North Carolina	100	97	100	100
Oklahoma	96	93	94	97
South Carolina	98	99	100	98
Texas	99	85	97	98
Virginia	95	91	96	90
8 States	96	94	98	96

Peanut Condition - Selected States: Week Ending August 17, 2014
 [National crop conditions for selected States are weighted based on 2013 planted acreage]

State	Very poor	Poor	Fair	Good	Excellent
	percent				
Alabama	-	12	43	37	8
Florida	-	4	16	72	8
Georgia	1	7	29	50	13
North Carolina	-	1	16	65	18
Oklahoma	-	-	36	54	10
South Carolina	-	2	16	68	14
Texas	1	10	33	49	7
Virginia	-	-	2	80	18
8 States	1	7	28	53	11
Previous week	1	5	26	54	14
Previous year	1	5	33	49	12

Alabama: Precipitation estimates for the state ranged from 0.01 inches to 1.57 inches. Dry conditions a feature in most areas, indicating the need for rain. Peanut condition mostly fair to good.

Florida: Rainfall ranged from 0.07 of an inch to 4.15 inches. Peanut pegging was at 98 percent, behind the previous year but ahead of the 5-year average. Peanut condition was mostly good for the State.

Georgia: Precipitation estimates for the state ranged from no rain up to 4.4 inches. Washington County, 'Peanuts doing well but seem to be a little slow growing.' Thomas County, 'Peanuts are getting close to checking maturity.' Atkinson County, 'spraying fungicides in peanuts.' Peanut condition mostly good to fair.

North Carolina: The state experienced widespread showers and thunderstorms with many areas receiving between 1.0 and 2.0 inches of precipitation. Peanut condition mostly good to fair.

Oklahoma: Seven of the eight Mesonet districts received some rainfall last week; however totals were very minimal. Row crops continued to make progress. Peanut condition was rated 90 percent good to fair. Peanuts pegging reached 94 percent complete by Sunday, up 1 point from the previous week, on track with the previous year and the five-year average.

South Carolina: The State average rainfall for the seven-day period was 0.5 inches. Peanut condition mostly good.

Texas: Most areas of the state received measurable rainfall last week. Peanut condition mostly good to fair.

Virginia: Diverse rain showers this week. Most areas experienced 0.5 to 1.5 inches of rain, with some areas receiving as much as 5 inches of rain. The recent rains contributed to favorable conditions for Virginia's row crops.

USA Peanut Conditions 2009-2014









