

Dear client,

In our last brief peanut market report we mentioned that we would counter with an extensive follow-up. Please see below a broad view on what is happening in the peanut world.

#### **CHINA**

The peanut market in China is far more clear now. There is more and more demand for spot material, some grades are even sold out.

In general, there is 15-20% less planting of the new crop for whole China compared to last year. The total production will undoubtedly drop at similar proportion, if the yield remains comparable to the last crop. People are offering prices that differ from each other. We are talking about U\$ 100 difference between peanuts with 'good quality' and peanuts with 'less good quality'. The production area and risk of aflatoxine play a role in these differences too.

#### **Liaoning / Jilin**

The Liaoning province, with their Hsuiji type area, is effected the most; almost 50% less because of too dry weather. The crop in Jilin province, with their Red Skin type area, experiences a normal growth, though the plantings there are also about 20% less. Most farmers rely on rainfalls due to lack of irrigation system, some are expecting 10-15% reduction in yield. If this applies to the whole Jilin and Liaoning provinces, the total production can be 30%-40% less than 2013 crop.

#### **Shandong**

In the Shandong province, one of the biggest among all, the crop is also not promising as expected due to too dry weather, but the harvesting is still in progress. The dry weather in June and early July has caused concerns over poor yield, which however proved to be unnecessary. The rainfalls in late July have been helpful to flowering and pegging, though a little late. This has led to a certain percentage of immature in shells which may cause fewer jumbo ones. Most farmers expect higher price than last crop to fully cover their investments, especially since the low price of 2013 crop was not experience good at all.

#### **Henan**

As far as the Henan province, with the in shell area, the in shells there are unfortunately slight mouldy and sprouting due to wet weather during harvesting time. The planted area in Henan in general is also about 20% less than the previous crop. Henan is very sensitive to weather conditions; the continuous rainfalls in the past weeks resulted in tight supply and price increase, but the situation eased quickly in the last couple of days thanks to sunny and clear weather.

#### **Oil crushers**

We expect that the prices will become higher, especially during the beginning stage, but this depends on the peanut oil market too. At the moment oil crushers still have big stock due to the much cheaper price of soya beans (around 60% less than peanut oil). These crushers are not anxious to buy crushing peanuts from the new crop. This causes a shift in the consumption habit of the consumer which uses now more and more oil made of soya beans. Though the sales of peanut oil is also very slow, we have heard that there is a possibility that crushing plants issue supportive price and buying limited volume. Just to promote sales of peanut oil, as what they did several years ago.

Nevertheless, we all have to have a bit more patient to see the changes in this peanut market.

1/4

## **USA**

We have been mentioning this for weeks now, but at the moment the USA market is still basically shut down while the shellers are trying to get a better grip on the actual quality of the crop. We do not expect that they will pick it back up until harvest is complete in mid to late November. Both EU and Asia have a strong export interest in the USA but are content to wait until the shellers have a more clear look at the crop. The availability of blanched peanuts remains extremely tight. We experience this ourselves by having to turn down some enquiries, simply due to non-availability.

Attached you can find a peanut condition graph of the USA peanut. Alabama is certainly not looking good and Georgia continues to trail off. We were also told that there is some concern about aflatoxin in the crop due to drought in a large part of the South-East. Mainly the South-West of Georgia and South-East of Alabama experienced this for approximately 8 weeks at the tail end of their growing season. East Georgia got better rains and therefore does not seem as stressed. Current weather situation is that it should be decent for the next few weeks.

The USA peanut export continues to grow strong. Peanut butter exports are up 21% with Canada as the major market. Raw shelled peanuts are up 10.9% for July, down 5.4% for the year and Canada and Mexico are the top markets. In shells are also up 6% for July and down 26.1% for the year with Germany and the Netherlands as the top buyers.

## **ARGENTINA**

The Department of Agro-economic Information of the Cereals Board of Cordoba reported that the final calculation of in-shell peanut production in the province of Cordoba for 2013/2014 season is 915,971 tons, which is 2.3% lower than in the previous season. However, the kernels production increased by 2.7% due to the improved kernels/ pods relation because of favorable water conditions during the fulfillment.

Although the rains favored the peanut cultivar in the summer months, the biggest problem was at the beginning of the harvest. The unsettled weather conditions and the high relative humidity prevailing during April and May affected the normal drying of the pods, with the consequent delay in days between the digging and harvesting, exceeding 60 days in some zones, causing yield losses from 1 to 5 qq/ha.

The lack of fields supply and the sharp rise in rents were combined for a reduction in the peanut planting area for the next 2014/15 peanut crop of around 10%.

**PRICES (all according to EU quality specifications)**

In the international market, the lowest representative quotation for the 2013 peanut crop of the North American origin is being quoted at U\$ 1,360 /mt and U\$ 1,390 /mt C&F Rotterdam, with shipment in October/December 2014, for it's raw Medium Runner 40/50 & Jumbo Runner 32/36 respectively. The lowest representative quotation for the blanched edible Runner 40/50 of the 2013 peanut crop is being quoted at U\$ 1,600 /mt C&F Rotterdam. The European resellers quote at U\$ 1,450 C&F Rotterdam for the raw edible Runner 40/50 of the Argentine origin.

Argentina quotes the orientate price level for the new 2014 peanut crop at U\$ 1,450 /mt C&F Rotterdam for the raw edible Runner 40/50, with shipment from October 2014 onwards. The orientate quotation for the blanched edible Runner 40/50 of the new 2014 peanut crop of the Argentine origin is being quoted at U\$ 1,600 /mt C&F Rotterdam, with shipment from October 2014 onwards. The Splits peanuts, raw as well as blanched peanuts, have a discount of U\$ 100 /mt compared to the Runner peanut.

China quotes the orientate price level at U\$ 1,800 /mt C&F Rotterdam for the 2013 peanut crop as far as the raw edible Hsuji 40/50, with shipment from October 2014 onwards.

Brazil quotes their orientate price level at U\$ 1,450 /mt C&F Rotterdam for the 2014 peanut crop, for the raw edible Runner 40/50, with shipment from October onwards. The orientate quotation for the blanched edible Runner 40/50 of the 2014 peanut crop of the Brazil origin is being quoted at U\$ 1,600 C&F Rotterdam, with shipment from October 2014 onwards.

In the spot market in Rotterdam, the raw edible Runner 40/50 of Argentina for the 2014 peanut crop is being quoted at U\$ 1,600 FCA Rotterdam, while the raw edible USA Medium Runner (40/50) crop 2013 is being quoted at U\$ 1,475 FCA Rotterdam.

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
<b>Raw and Blanched peanuts</b>					
19 Big Bags	23.650	Argentine	Runner count 50/60	2014	US\$ 1.525
60 Big Bags	75.000	Argentine	Runner count 40/50	2013	US\$ 1.500
8 Big Bags	10.000	Argentine	Runner count 40/50	2014	US\$ 1.600
18 BB	21.500	Argentine	Runner Splits Blanched with Slight Mould	2014	US\$ 1.150
15 Big Bags	18.750	Argentine	Runner Splits Blanched	2013	US\$ 1.525
20 Big Bags	25.000	Brazilian	Jumbo Runner count 38/42,Blanched	2014	US\$ 1.680
17 BB	21.261	Brazilian	Runner count 50/60,Blanched	2013	US\$ 1.580
14 Big Bags	17.500	Brazilian	Runner count 40/50,Blanched	2014	US\$ 1.620
536 bags	13.400	Chinese	Red Skin count 50/60	2012	US\$ 1.700
1.360 cartons	34.000	Chinese	Virginia Shandong count 25/29,Blanched	2013	US\$ 1.770
6 Big Bags	6.000	Chinese	Virginia Shandong count 29/33,Blanched	2012	US\$ 1.600
40 BB	36.000	Chinese	Virginia Shandong count 35/39,Blanched	2012	US\$ 1.430
300 bags	9.000	Chinese	in shell Shandong count 9/11	2013	US\$ 1.720
299 bags	8.960	Chinese	In shell count 9/11	2012	US\$ 1.650
80 bags	2.000	Chinese	Sortex	2013	US\$ 650
44 BB	44.000	USA	Jumbo Runner count 38/42,Blanched	2012	US\$ 1.620
20 BB	20.000	USA	Jumbo Runner count 38/42,Blanched	2013	US\$ 1.700
38 BB	38.000	USA	Medium Runner count 40/50	2013	US\$ 1.475
3 Big Bags	3.000	USA	Runner Splits	2012	US\$ 1.275
748 cartons	14.960	Argentine	Diced 2/4 mm Roasted	2013	US\$ 2.450
137 cartons	3.425	Argentine	Runner Splits Roasted	2013	US\$ 2.100
1077 bags	21.540	Argentine	in shell 22/64 Striped	2014	US\$ 1.650
138 bags	2.760	Chinese	in shell 11/13 Roasted	2013	US\$ 2.200
350 bags	7.000	Chinese	GWS Grade A	2013	US\$ 4.625
<b>Peanut paste / Roasted splits</b>					
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
20 BB	25.000	Argentine	Jumbo Runner count 38/42	2014	16-10-2014	US\$ 1.450

\* Prices are subject to final confirmation.

**USA Peanut Conditions 2009-2014**











