

Dear client,

In this week we enlighten you about peanuts from the USA, Argentina and China.

USA

From the USA there is still a stock of about 950,000 metric farmer tons left from the 2013 crop. Though this means a stable to weak market (through December 2014), the recent drought conditions and other factors have caused shellers to withhold offers for both 2013 and 2014 crop. Europe and Asia are showing interest in these tons and buying them to fill some holes for their October - December 2014 position. The interest from Asia will even remain through the early parts of the new year, which cleans up the 2012 and 2013 crop.

The 2014 crop is calculated at 2.48 million tons and a carry-out of approximately 900,000 farmer stock tons. Blanched material remains a very serious issue. Before the availability was tight but due to the aflatoxin issues the demand on blanching will rise even more. For example, the USA peanut kernels export from August 2013 till July 2014 was around 246,000 tons total, which around 209,000 were raw and only around 40,000 blanched.

Because of the lack of rains during the last two months the crop situation has changed too. For example, the main planted area Georgia has a 34% dug of their area, a 20% harvested area with a very short soil moisture, 6% harvest with very poor quality and 16% harvest with poor quality. The peanuts that were planted in dry land (without irrigation) were affected the most. These peanuts have not received rains when needed, and the rains that came later did not have an effect on the yield, because the cycle of the peanut cultivar was over. The majority of the bad quality peanuts from dry land will go for crushing. This means that USA will have less production of high quality peanuts, but enough peanuts as per EU quality specifications.

Regardless of the quality of the crop, expectations for exports will be at least 500,000 tons of the farmer stock as the majority of the shellers sold earlier in the year at lower prices (about 70-80%). Shellers do not need to sell unless they can realize higher prices or buy farmer stock to cover their sales. Another key point is that China is showing interest for peanuts with max 50 ppb for their crushing needs. This way the shellers can dispose their peanuts with high aflatoxine since blanching is limited.

Argentina

Final number of Argentina crop 2014 as per Cereal Chamber of Cordoba:

- Total Planted Area: 382,116 hectares
- Lost Hectares: 5,452 hectares
- Yield per Hectare: 26.4 tons (in-shell)
- Kernels Production: 672,894 tons (dirty and with moisture)

The production number will decrease after processing with an estimated final result of around 400,000 tons of peanuts in condition - ready to be exported. However, these results may differ since many fields had very poor yields.

About 70-75% of the plantings have been completed. There were some rains falls last week but they cover only a part of the area. More rain is needed to complete the plantings and have a good start of the 2015 crop. According to the weather forecast this will fall in the next couple of days, but as everybody know, the bottleneck lies in the rainfalls during January/February. For the 2015 crop the figures show around 350,000 hectares, but this preliminary number since in general there is an estimation of 10% of reduction.

The farmers experience troubles with finding a good rental land. The main reason is the lack of owners that want to rent lands for peanuts due to erosion and some lands are not in the proper conditions to be planted because they do not have the correct rotation. Depending on the area the prices are between US\$ 500 and US\$ 750 per hectare. Please bear in mind that the rental land costs for soya is around US\$ 280 per hectare.

The sales activities for the current and new crop continue but we see that Argentina is a bit reluctant to go ahead; they seem to be waiting for prices from the USA in the hope to have cheaper price levels. Argentine is only offering what is really left on stock and if they have firm selling possibilities. Since a large amount of the crop is already sold, they are not able to offer for long positions.

China

We get mixed messages from origin regarding the old and new crop. Some say that the quality of the old crop (2013) is bad and the aflatoxin level is high, others refer the same situation to the new crop. They think that the aflatoxin level is even worse than the old crop and are also reluctant to offer the remaining quantity of the old crop and are only willing to offer new crop, such as in-shells. The weather conditions has also effected different areas, some had first drought and then later on wet. The market remains quiet; buyer's are not in a hurry to buy and seller's are also not in a hurry to sell. The farmers are also not fond of the current collection prices as they think that they still have time to find better prices.

Chinese exporters are offering at prices that differ from each other; US\$ 100-150 per ton difference between peanuts with 'good quality' and peanuts with 'less good quality'. Yet again, the production area and risk of aflatoxine play a predominant role in these price differences.

New crop will be shipped as of this month. We also noticed that the sea freight has increased, but this may decrease later on. The demand for the quantities will definitely be influenced by oil crushers. In case they start to collect, the prices for the export will go up again and cause a stir in the market fluctuation. Other news is that China started to buy peanut oil from Argentina, Brazil and Africa weeks ago and they are now also buying peanut kernels from India.

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

Kindest regards,
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Trade Department

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PEANUTS - PRICES FCA & CIF ROTTERDAM & UNSHIPPED

Prices on FCA Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	Price US /mt
Raw, Blanched and Roasted peanuts					
24 big bags	30,0	Argentine	Runner 40/50	2014	1,635
17 big bags	21,4	Argentine	Runner 50/60 (Livorno)	2014	1,485
20 big bags	25,0	Argentine	Runner 70/80	2014	1,350
137 cartons	2,7	Argentine	Runner Splits Roasted	2013	2,250
1077 paper bags	21,5	Argentine	In-shell 22/64 Striped	2014	1,575
3 big bags	3,5	Brazilian	Runner 38/42	2013	1,500
1884 paper/poly bags	47,1	Chinese	Red Skin 50/60	2012	1,675
620 vacuum bags	15,5	Chinese	Virginia Shandong 24/28	2013	1,850
1390 cartons	34,8	Chinese	Virginia Shandong 25/29 Blanched	2013	1,825
20 big bags	20,0	USA	Jumbo Runner 38/42 Blanched	2012	1,625
57 big bags	56,9	USA	Spanish 70/80 High Oleic Bar ready	2013	1,395
Peanut paste					
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
40 big bags	50	Argentine	Runner 60/70 blanched	2014	21-11-2014	1,550
700 poly bags	17,5	South-African	Common Natal 60/70	2014	8-11-2014	1,685
720 poly bags	18	South-African	Common Natal 60/70	2014	19-11-2014	1,685

Prices unshipped goods are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	Shipment	Price US /mt CIF
40 big bags	50,0	Argentine	Runner 60/70 for birdfeeding	2014	November, Tilbury	1,125
40 big bags	50	Argentine	Runner 60/70 blanched	2014	November	1,500
40 big bags	50	Argentine	Runner 60/70 blanched	2014	December	1,500
120 big bags	150,0	Argentine	Runner 60/70	2014	November	1,450
1520 poly bags	38,0	Chinese	Red Skin 50/60	2013	November, Felixstowe	1,800
680 cartons	17,0	Chinese	Virginia Shandong 24/28	2014	October	1,800
1360 cartons	34,0	Chinese	Virginia Shandong 25/29 Blanched	2014	December	1,725
840 cartons	19,0	Chinese	Virginia Shandong 29/33 Blanched	2014	December	1,700

* Prices are subject to final confirmation.

CASHEWS - PRICES FCA & CIF ROTTERDAM & UNSHIPPED

Prices on FCA Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	Price US\$ /lb
350 cartons	7,938	Vietnamese	LBW320	2014	3,37
100 cartons	2,268	Vietnamese	SW350	2014	3,38
300 cartons	6,803	Vietnamese	WW280	2014	3,90
210 cartons	4,762	Vietnamese	WW450	2014	3,38

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

Packaging quantity	Total MT	Origin	Grade	Crop	ETA	Price US\$ /lb
700 cartons	15,875	Vietnamese	LBW320	2014	1-11-2014	3,30
150 cartons	3,401	Vietnamese	LBW320	2014	13-11-2014	3,30
200 cartons	4,535	Vietnamese	LP	2014	27-11-2014	2,85
500 cartons	11,339	Vietnamese	WW320	2014	27-11-2014	3,70
700 cartons	15,876	Vietnamese	WW450	2014	4-11-2014	3,32
156 cartons	3,401	Vietnamese	WS	2014	13-11-2014	3,10
700 cartons	15,24	Vietnamese	WS	2014	18-11-2014	3,10
150 cartons	3,265	Vietnamese	WS	2014	20-11-2014	3,10
500 cartons	10,886	Vietnamese	WS	2014	27-11-2014	3,10

Prices unshipped goods are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	Shipment	Price US\$ /lb CIF
700 cartons	15,876	Vietnamese	LP	2014	December	2,85
700 cartons	15,876	Vietnamese	WW320	2014	November	3,70

* Prices are subject to final confirmation.