

Dear client,

This week we will give you an overall view on the peanut market. This will be combined with the information that we received during the Anuga which was held in Koln last month.

As usual, at the end of this e-mail we will have a our prices FCA and afloat, together with some graphic reports as an attachment). In case you have questions of enquiries for these goods (or goods that are not on these lists), do not hesitate and contact us please.

### **Peanut situation in a nut shell**

#### **USA**

Storms and flood // Delay and aflatoxin // In shells and Virginia's off the market // Sold out on bird food market

#### **ARGENTINA**

Comfortable position, no need to be aggressive // Price increase // Planting process in progress // Still no small counts // Bird feeding market complete guess

#### **CHINA**

First shipments new crop taken place // Quiet period, less demand then expected // High freight rates // Good quality // Prices at reasonable low levels // Limited availability on the spot market

#### **BRAZIL**

2015 crop sold out // Bird food market zero availability // Aflatoxin rejections

#### **SPOT MARKET**

Limited availability // Demand picking up // Cover November & December

#### **USA**

With it's huge crop, US is still an important player in the peanut market. The first shipments of the 2015 Runners are now being planned. However, there has been some storms and floods recently in the South-East causing unexpected delays and aflatoxin problems (especially in South-Carolina). Yields will be lower then expected. Shellers are therefore not offering any in shells. This will have a big impact on Europe because so far the in shells were being bought at very interesting prices, especially compared to the high prices from China. Because of this stop, people are forced to buy other origins but luckily the Chinese prices are being offered at relatively low prices so this gap is quite smaller then before. As far as Virginia's, sellers are off the market as well. Leaving pretty much only the Runner type peanuts to sell.

Prices for new crop Medium Runner are around USD 1200 CIF EMP. Medium Runner blanched, however, are still around USD 1400-1450 CIF EMP, but it is quite known that USA is totally not interesting on blanched peanuts compared to Argentina. It is still unknown what will be done with the 2014 peanuts that have been forfeited and the impact that they will have on the US peanut market. The government still has to make a decision about these peanuts.



As far as bird food market, US is at the moment sold out on 2014 crop, apart from US splits or 14/16 screen with splits. As for new crop they will not sell any for bird feeding until they really find aflatoxin levels between 15-20 ppb. For the time being we do not foresee any changes in this.

Please find attached the latest US peanut crop progress.

### **ARGENTINA**

China has still been buying a lot from Argentina and it is expected that this will continue up and till January. Because of this Argentina has no need to push their goods into the market and are therefore holding on to higher prices then expected. There is no need to go back to the period with the extreme low prices such as USD 1100 C+F for 38/42 and 40/50. Having US being very secret about their prices makes it even more easier for Argentina because buyers are then obligated to shift to Argentina. For the time being Argentina is quite busy with following up their current contracts. In case people are ready to pay that premium price they might be able to squeeze these shipments into their tight schedule, but in any other case they simply reject enquiries that do not contain firm purchase prices. They are in a quite comfortable position.

The weather conditions in the peanut are similar to the period during the Anuga, cold and drizzly. The plantings for the 2016 have started recently. As mentioned in our previous report, after the planting there will be more light in the tunnel regarding availabilities (especially on the smaller kernels!!) and expected prices. This will around end of November.

Due to the reasons above, prices have gone up lately. Window prices for Runner 38/42 raw are USD 1180-1200 C+F EMP whereas Runner 38/42 blanched are being offered at USD 1300-1350 C+F EMP levels. There are few that slowly come back in the market with Runner 50/60 raw but these are quite rare. On top of that there is an extra premium to this count since it is currently the smallest that you can get from Argentina.

As far as peanuts for bird feeding from Argentina, currently there is one big question mark about this. Argentina is using these small kernels for seeding. From the buyers side we are experiencing a rather silence as far as interest, a lot of buyers have decided to buy sunflower kernels for bird feeding as an alternative. For the exporters side we are receiving either rejections or crazy price offers such as USD 1150 /MT C+F. This level is similar to the current Chinese Red skin for bird feeding peanuts (USD 1200 /MT CIF) which is very odd because Argentine bird feeding peanuts are normally like USD 200-300 /MT cheaper. So, with these high prices it has no point to go the buyers and some buyers are still not fond of Argentinian origin and prefer other origins.



## CHINA

The first loads of the new crop has been shipped this week, together with the corresponding 2015 crop certificates and labels, and are expected mid December in Europe. Some might have shipped their goods before November but these will contain 2014 crop certificates and labels because CIQ does not issue 2015 labels before November (due to peanuts that might not be dry enough causing mould possibility).

The last couple of weeks China has been experiencing a very quite period (weak demand) and a big increase in sea freight. During the Anuga the Chinese exporters did not get much orders even the price is much lower than last year. Shipping agent were mentioning increase from USD250 to USD1000 (20 feet) and increase from USD500 to USD1800 (40 feet) for European main ports. Luckily they did not increase that much but it is still very important to check the daily rates for sea freight and to make calculations based on that. The low interest cannot be related to the quality because the quality in general looks good, nice colour and hardly to find dry mould and black spot in the in shells.

Domestic market is getting firmer with having some buyers placing their orders this month, especially now that prices have reached their bottom levels, more or less similar to the costs price of the farmers and dealers. Leaving pretty much no margin in between. Especially the Red skin kernels which have dropped with USD 100 /MT compared to 3 weeks ago. Exporters are now trying to push these type into the European market because in the previous reports these types were ranked as very expensive. In shells are still being offered at quite interesting price levels but this will not continue too long. The availability in this type has turned out lower then expected, for example east part of Shandong. A big volume of the in shells have been sold to the domestic market which use them for roasting and consumption during Chinese new year.

Next to the domestic market the oil crushers push their presence in the market as well. It is commonly acknowledged that crushing plants have big carryover oil from previous crop, however, they must buy new crop at slightly higher price to boost price of peanut oil

Chinese new year will be held begin February so the weeks towards that period will be extra active. Since the peanut is an indispensable nut and is also being used for edible oil consumption, the demand and prices will go up even more. This will put extra pressure on the spot goods which are already limited available, some grades are even not available anymore. Only thing that can be done is to cross over to other origins/grades for the time being and wait for the new shipments to arrive.

We still have the following 2014 crop on stock left in Rotterdam (subject availability):

- 24/26
- 25/29 blanched

As far as new crop prices, the following are indications for CIF EMP: in shell 9/11 at USD 1600, 24/28 at USD 1800 and 25/29 blanched at USD 1650.



### **BRAZIL**

Brazil is currently more or less sold out on their 2015 crop. There are some 38/42 blanched and splits blanched left but these are being offered for January shipment onwards. They are now focusing on their new crop, having some exporter already being booked for the first semester (May-June-July). The bird feeding market is even more disaster then Argentina, having really zero offers. Some shipments are currently being rejected in Europe so this origin really needs to be careful with what they are shipping to Europe, preferably having max 10 ppb. As of January/February the prices for the 2016 will be more firm, however we highly recommend you to make sure that you are now already booking your bird feeding peanuts for shipment March/April.

### **SPOT MARKET**

The spot market during November and December will be very important because of the lack of shipment goods from origin. US having delay, Brazil and Argentine shipping only big kernels, India waiting for the winter crop, South-African not shipping at all and China new crop arriving around Christmas. The blanched peanuts are facing even more difficulties then the raw ones, for example Argentina 38/42 blanched crop 2015 being offered at USD 15000 FOT!! So spot market in Europe will be very tight and will remain this, especially since demand will be now picking up.

In case you have questions of enquiries for these goods (or goods that are not on these lists), do not hesitate and contact us please.

Kindest regards,  
Paul, Nurcan and Mark  
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### PEANUT PRICES FCA\*

Packaging quantity	Total MT	Origin	Grade	Crop	Price US\$ /MT
140 bags	7,00	Argentinian	Runner 38/42	2015	1325
60 big bags	75,00	Argentinian	Runner 50/60	2014	1175
20 big bags	25,00	Argentinian	Runner 50/60	2015	1375
19 big bags	20,00	Argentinian	Runner 60/70	2014	1195
360 poly bags	9,00	Argentinian	Runner 60/75 blanched	2014	1425
20 big bags	25,00	Argentinian	Runner 60/75 blanched	2014	1425
8 big bags	10,00	Argentinian	Runner 70/80	2014	1160
80 big bags	100,00	Argentinian	Runner 80/100	2015	1075
20 big bags	25,00	Argentinian	Runner splits blanched	2015	1325
39 big bags	48,00	Brazilian	Runner splits blanched	2015	1425
16 big bags	14,40	Chinese	Virginia Shandong 25/29 blanched	2014	1875
280 cartons	7,00	Chinese	Virginia Shandong 24/26	2014	2275
18 big bags	7,40	Chinese	In shell 11/13	2014	1875
32 big bags	35,00	Nicaraguan	Splits blanched	2014	1460
125 big bags	125,00	USA	Medium Runner 40/50	2014	1345
17 big bags	18,60	USA	Virginia Extra large 28/32	2013	1375
SPECIAL OFFERS					
500 cartons	12,50	Argentinian	Roasted splits	2015	1925
30 drums	6,00	Argentinian	Paste colour 42 Density 4 mills extra smooth	2014	2100

### PEANUT PRICES CFR / CIF (AFLOAT)\*

Packaging quantity	Total MT	Origin	Grade	Crop	ETA	Price US\$ /MT
20 big bags	25,00	Brazilian	Runner 38/42 blanched	2015	25-11-2015	1300
1520 bags	38,00	Chinese	Virginia Shandong 24/26	2014	22-11-2015	2150

### CASHEW PRICES FCA\*

Packaging quantity	Total lb	Origin	Grade	Crop	Price US\$ /lb
500 cartons (2x10kg tin)	30000	Indian	WW320 (FANPAC UK)	2015	3,65
21 cartons	1050	Nigerian	SP	2015	2,85
25 cartons	1250	Nigerian	SS	2015	2,95
10 cartons	500	Nigerian	WW180	2015	4,30
51 cartons	2550	Nigerian	WS	2015	3,20
320 cartons	16000	Vietnam	LP	2015	3,12
145 cartons	7250	Vietnam	SP	2014	2,77
695 cartons	34750	Vietnam	SW320	2015	3,40
300 cartons	15000	Vietnam	WW320	2015	3,53

\* Prices are subject to final confirmation.



### CASHEW PRICES CFR / CIF (AFLOAT)\*

Packaging quantity	Total lb	Origin	Grade	Crop	ETA	Price U\$ /lb
300 cartons	15000	Indian	WW320	2015	19-11-15	3,25
700 cartons	33600	Vietnam	WS	2015	20-11-15	3,25

### SUNFLOWER PRICES\*

Sunflower	CROP 2015	Incoterm	Crop	Currency	Price / mt
<b>Bulgarian</b>					
Bulgarian Sunflower kernels Bakery		Ex works Bulgaria	2015	EUR	790
Bulgarian Sunflower kernels chips bakery		Ex works Bulgaria	2015	EUR	645
Bulgarian Sunflower kernels confectionary (premium 420 pcs/ounce)		Ex works Bulgaria	2015	EUR	1050
Bulgarian sunflower in-shells Jaguar XL (290-315 pcs/ounce)		Ex works Bulgaria	2015	EUR	1190

### PUMPKIN PRICES\*

Pumpkin	new crop!	Incoterm	Crop	Currency	Price / mt
<b>China</b>					
Chinese pumpkin kernels GWS Grade A		CFR Rotterdam	2015	USD	4375
Chinese pumpkin kernels GWS Grade AA		CFR Rotterdam	2015	USD	4625
Chinese pumpkin kernels Shine Skin Grade A		CFR Rotterdam	2015	USD	4325
Chinese pumpkin kernels Shine Skin Grade AA		CFR Rotterdam	2015	USD	4610

\* Prices are subject to final confirmation.

**US PEANUT CROP ESTIMATE, NOVEMBER 2015**

Peanut Area Harvested, Yield, and Production - States and United States: 2014 and Forecasted November 1, 2015

State	Area harvested		Yield per acre			Production	
	2014	2015	2014	2015		2014	2015
				October 1	November 1		
	--- 1,000 acres ---		----- pounds -----			--- 1,000 pounds ---	
Alabama .....	173.0	197.0	3,150	3,600	3,600	544,950	709,200
Florida .....	167.0	172.0	4,000	3,400	3,300	668,000	567,600
Georgia .....	589.0	780.0	4,135	4,400	4,400	2,435,515	3,432,000
Mississippi ...	31.0	42.0	4,000	4,000	4,000	124,000	168,000
New Mexico ....	4.5	5.0	3,500	3,100	3,100	15,750	15,500
North Carolina :	93.0	89.0	4,320	4,000	3,800	401,760	338,200
Oklahoma .....	11.0	9.0	4,000	3,800	3,900	44,000	35,100
South Carolina :	108.0	100.0	3,800	3,400	3,000	410,400	300,000
Texas .....	127.0	161.0	3,620	3,600	3,300	459,740	531,300
Virginia .....	19.0	19.0	4,450	4,000	4,000	84,550	76,000
United States ..	1,322.5	1,574.0	3,923	3,997	3,922	5,188,665	6,172,900 = <b>3,086,450</b>

**Short Tons**

Production is forecast at 6.17 billion pounds, down 2 percent from the October forecast but up 19 percent from last year. Area for harvest is expected to total 1.57 million acres, down less than 1 percent from October but 19 percent higher than 2014. Harvested acreage was updated due to extensive flooding in South Carolina. Based on conditions as of November 1, the average yield for the United States is forecast at 3,922 pounds per acre, down 75 pounds from the October forecast and 1 pound below the 2014 average yield of 3,923 pounds per acre. If realized, production in Georgia, the largest peanut-producing State, will be a record high.

Source: USDA November 10, 2015