

Dairy

Nuts

Inclusions

Chocolate

PEANUT

The market remains fairly quiet both in the USA and Internationally. Manufacturers are continuing to look at a plentiful supply and hoping for lower prices.

Crop expectations worldwide were very good until recently. But now, we have drought pressure on both Argentina and Brazil which could potentially delay/reduce plantings and we have too much rainfall in India and China which could potentially damage/reduce/delay their respective new crops.

USA

The industry cannot wait to be done with the terrible 2019 crop. Losses to both shellers and manufacturers have been extreme this past crop. The good news is that the 2020 crop should be plentiful and should be of good quality, at least in the Southeast and the Virginia/Carolina areas. The Southwest is still questionable with the extreme drought they have been under.

Market wise, there hasn't been much activity. There still are some holes in demand through the end of the year, but those manufacturers are waiting for the market to come down further prior to make a decision. Moreover shellers are probably pretty comfortable basis what they have contracted. January forward, I still expect the domestic market to be 70% covered with manufacturers hoping for lower prices. Fallside prices will be a tale of two markets I believe with those shellers with little to sell wanting high prices and those with opening possibly looking at prices close to January forward levels.

A few words on the USDA stocks and processing numbers. The carryover number of 1'077'265 fst that the USDA came out with does not make any sense whatsoever. The numbers are just wrong. If one takes last year carryover + production + imports and deduct domestic consumption, exports and crushing, the number would be 903'052 fst (per my calculation).

USDA stocks and processing for July: Candy numbers got a huge boost vs. a year ago. I still believe that the peanut butter number are understated vs. what we hear from the manufacturers and the lack of production capacity.

July 20 vs. July 19: Peanut candy up 50.81%, Peanut snacks up 1.40%, Peanut butter up 0.90%, Total edible up 5.06%, Inshells down 3.22%

Aug 19-July 20 vs. Aug 18-July 19: Peanut candy up 3.86%, Peanut snacks up 2.94%, Peanut butter up 5.05%, Total edible up 3.26%, Inshells up 2.14%



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