

Dairy

Nuts

Inclusions

Chocolate

PEANUTS

The market certainly has changed since my last report.

Brazil's supply of current crop is getting tight to being depleted, and the new crop plantings are being delayed due to the lack of rain.

Argentina's supply of current crop is going down and shellers are raising their prices, and plantings are under pressure due to a continued drought.

China new crop is being delayed and quality seems to be affected by the heavy rains that were experienced. Taxes on blanched exports were cancelled. And prices have firmed up slightly the past month with renewed purchase interest for US peanuts.

India continues to battle rain with a fast approaching harvest for bolts.

And lastly the US new crop is being delayed due to rain.

USA

The Southeast had to deal with 3 rain events, being hurricane Sally, tropical storm Beta and recently rains from a cold front. Moreover temperatures have now dropped to below seasonal averages. Hurricane Sally was an issue especially for Alabama where some parts received over 20 inches of rain, but also for the Florida Panhandle and the Southwest corner of Georgia. Otherwise most other parts of the Southeast belt welcomed those rains. Those rain events resulted in the crop harvesting being delayed by about 2 weeks. We now have to deal with hurricane Delta which will most probably dump more rains in the Southeast, especially in Alabama who doesn't need any more rain. The combination of flooding in parts of the Southeast belt and lower temperatures could result I believe in an average yield, and not the record yield forecasted by the USDA. I would peg the crop at around 3.25 to 3.275 million fst at this time. Most importantly the quality of the crop, especially in the Southeast, is forecasted to be very good. Let's hope for this be true, after the disaster of the 2019 crop, and let's hope for the weather going forward to be favorable for a good harvest. Unfortunately the hurricane season is still going strong.

The key factor though is China. One would think that with a better crop output vs. last year, China would not be as interested in the US as they have been this year. Well, that doesn't seem to be the case considering the renewed buying interests received from China lately with increased prices. Today I believe that China will buy a considerable amount of US peanuts from the US both directly from the sheller and indirectly through the loan forfeitures..



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The market on current crop has obviously gone down from the higher levels we had for the 2019 crop. Nevertheless until the crop is harvested, until the industry has been able to ascertain what quantity and quality they have to deal with and until the shellers know at what prices they will be able to contract farmerstock, sellers will not be keen on offering much. The downside though is probably limited.

Argentina

On September 8, the Camara issued the following final crop estimate for the 2020 crop.

Despite a decrease of 9.35% in hectares planted, yields were 9.02% higher which only resulted in a 2.80% forecasted decrease in exports.

The availability of 2020 crop is coming down fast and with the amount of demand that I believe still exist in this market through June next year, I believe Argentina will be sold out within a couple of months.

At this time probably 80% or more has been sold.

With no Brazilian supply to speak of through probably May next year, there is no reason to believe that Argentine prices will not continue to rise.

As to the 2021 crop, Argentina is in the midst of a very long drought. They did receive some rains on 30/35% of the Southern and Eastern part of the Cordoba province as reported by one sheller, but the Central and northern area wasn't so lucky. Moreover the forecast doesn't look good for the next 2 weeks. There is obviously still time for optimum plantings, but one should remember that Argentina usually faces challenges with the rain and cold weather if harvest is late in the season.



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