

PEANUTS

The world market has certainly turned more bullish.

- India continues its battle with weather with uncertainty as to the final kharif crop size, its quality and its ability to supply its usual markets.
- China continues to put pressure on many international markets buying all the peanut oil they can find, as well as some high oleic peanut kernels purchases especially from Argentina.
- The US is in the last stretch of the harvest of its new crop, but numerous weather event have lowered the crop size expectations.
- Brazil finally received some rains, but still delayed by 3 to 4 weeks. But no supply left for its 2020 crop.
- Argentina finally had some rains and will be able to plant on time.
- La Nina is looming over South America.
- Unsold stocks in Europe are dwindling down.
- Supply of birdfeed in Europe is very low with worldwide prices increasing.
- Inshells look to be in a tight situations this coming season with consequently much higher prices.

USA

Lots of uncertainties with the size of the peanut crop. The last estimate we had from the USDA (which is attached) called for a crop of 3.347 million fst. Nevertheless the weather has since then not cooperated with certain areas. West Texas, between the lack of rain this season and the freezing temperatures that they are currently experiencing, could end up with much lower yields. Especially Alabama, but also West Georgia could end up with lower yields, a direct result from the rainfalls from the different hurricanes that have battered the Gulf of Mexico. And to make matter worse we could end up with more rain from ETA. And the Virginia/Carolinas areas seems to be dealing with maturity issues. The USDA will issue a new crop production estimate on November 10 that I believe will be lower again.

Dairy

Nuts

Inclusions

Chocolate

Now let's talk about cotton. Dec 21 cotton is at 69.5, but rose above 71 at the end of October. Not many expected this sharp price increase. Some believe we could see this price go a little higher, giving potentially some competition for acres for the 2021 crop.

Market sentiment within the sellers seem to have switched lately. Until recently most shellers I believe felt that the US was going to have at least a 3.25 to 3.3 million fst crop. Also most shellers probably didn't believe in the continuous buying interest that we are seeing from China at high prices for farmerstock. And lastly shellers didn't expect the runup in cotton prices.



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