

Peanut Situation and Outlook

Southern Agricultural Outlook Conference
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Peanut Situation

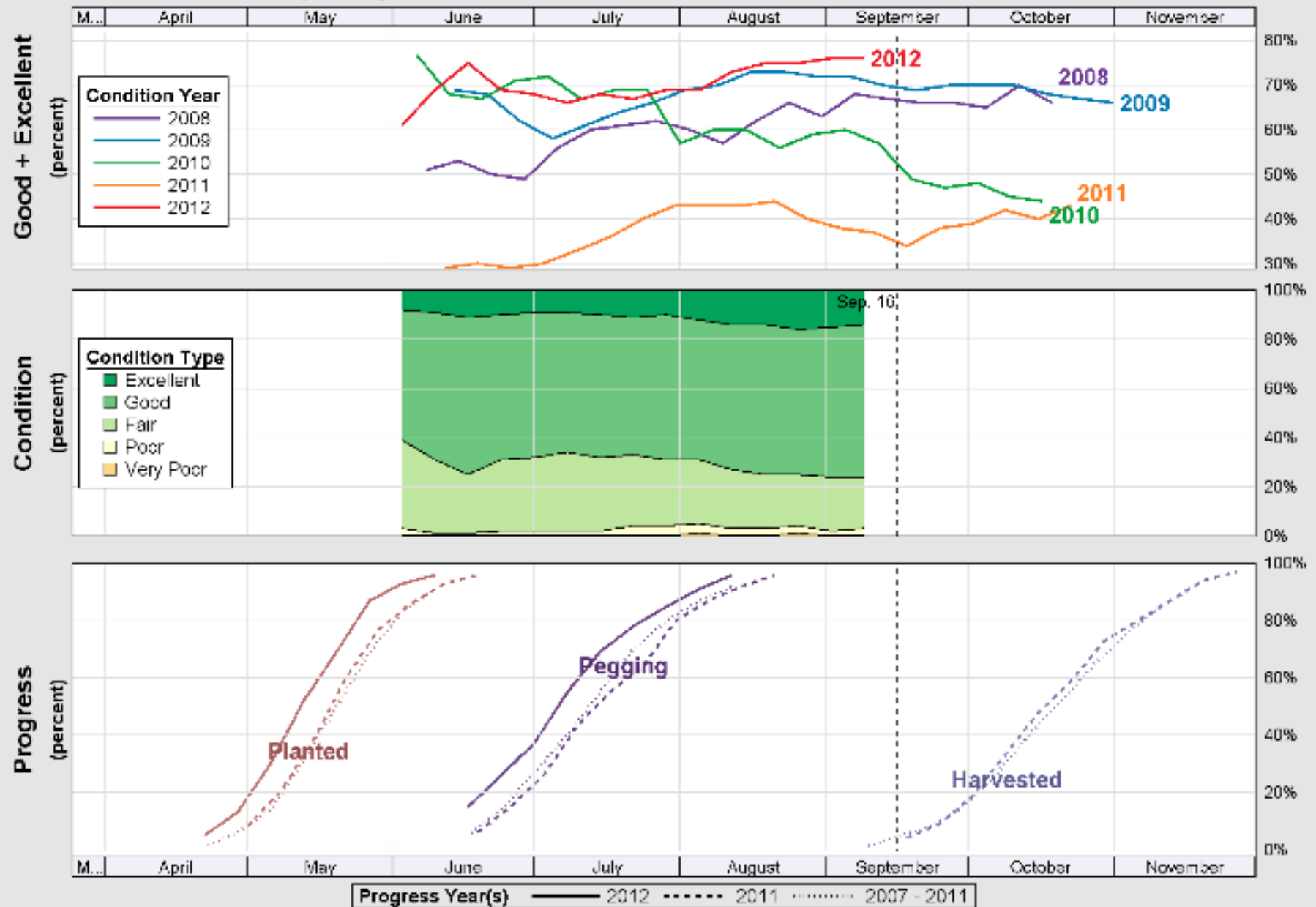


- Harvest has begun, a tidal wave is looming from large yields and increased acreage.
- Updated USDA NASS Crop Production Estimates
 - US Planted Acreage raised to 1,636,000 acres.
 - Record US Yield raised to from 3,562 to 3,712 lb/ac.
- Use slowed by high prices last year.
- <http://farmprogress.com/southern-farmer-story-peanut-crop-set-break-records-9-63464>

Peanut Planted Acreages *(1,000 acres)*

	2008	2009	2010	2011	2012M	2012J	2012 FSA	
AL	195	155	190	170	210	190	218.3	
FL	150	115	145	170	190	190	190	
GA	690	510	565	475	570	710	724.5	
MS	22	21	19	15	50	50	44.3	
SE	1,057	801	919	830	1020	1,140	1,178.4	
NM	8	7	10	6.6	7	8	9.7	
OK	19	14	22	24	27	28	20	
TX	257	165	165	105	140	130	146.4	
SW	284	186	197	135.6	174	166*	194.6	
NC	98	67	87	82	100	105	105.9	
SC	71	50	67	77	105	95	106.6	
VA	24	12	17	16	23	20	19.6	
VC	193	129	171	175	228	220	232.1	9/12/12
US	1,534	1,116	1,288	1,141	1,422	1,526	1,605	1,636

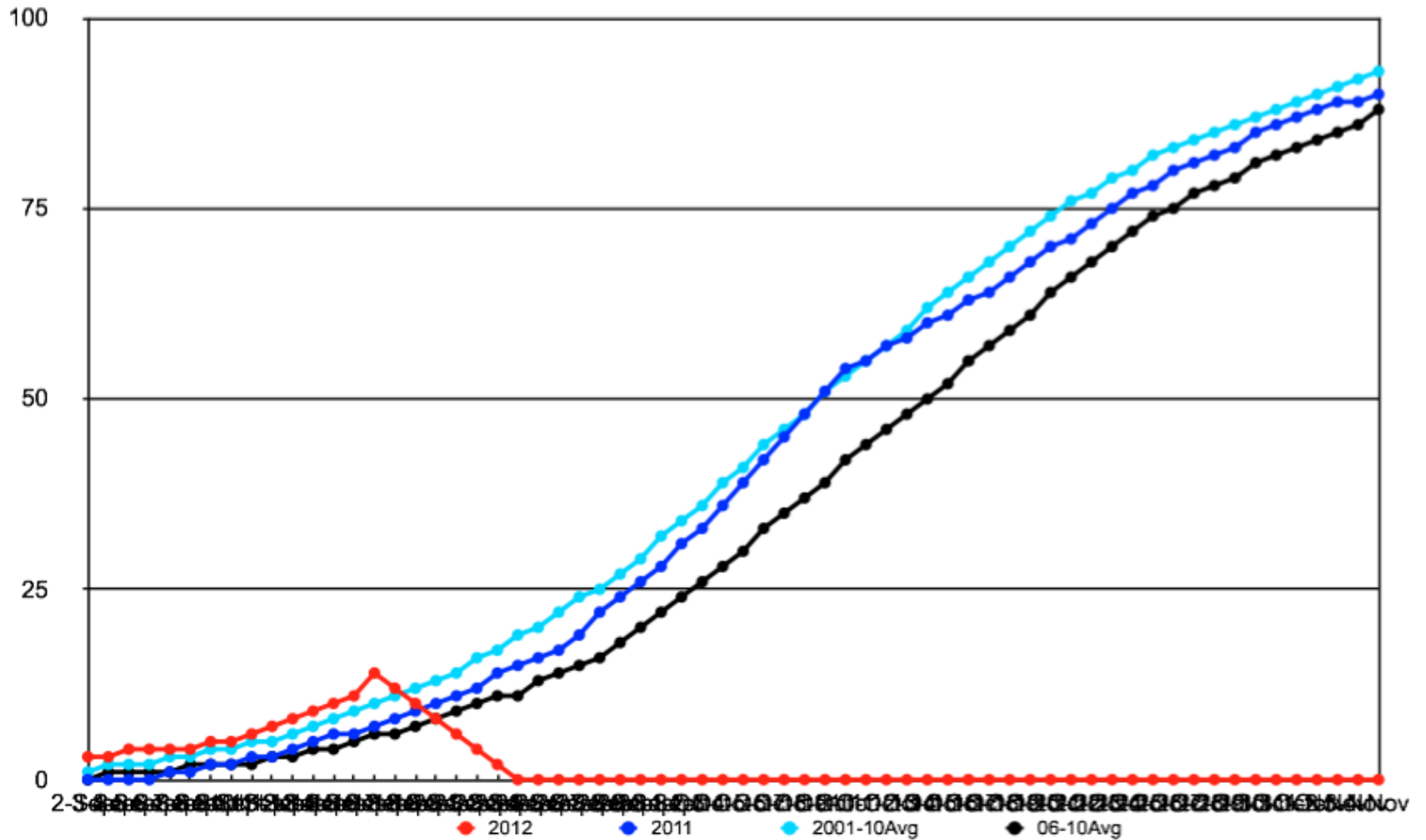
Source: NASS Prospective Plantings, Acreage and Crop Production Reports, 2012
M = March Intention, J = June Acreage, FSA = Acreage Reported



Source: National Agricultural Statistics Service (NASS), Crop Progress Report

Peanuts Crop Progress in Georgia, 2012

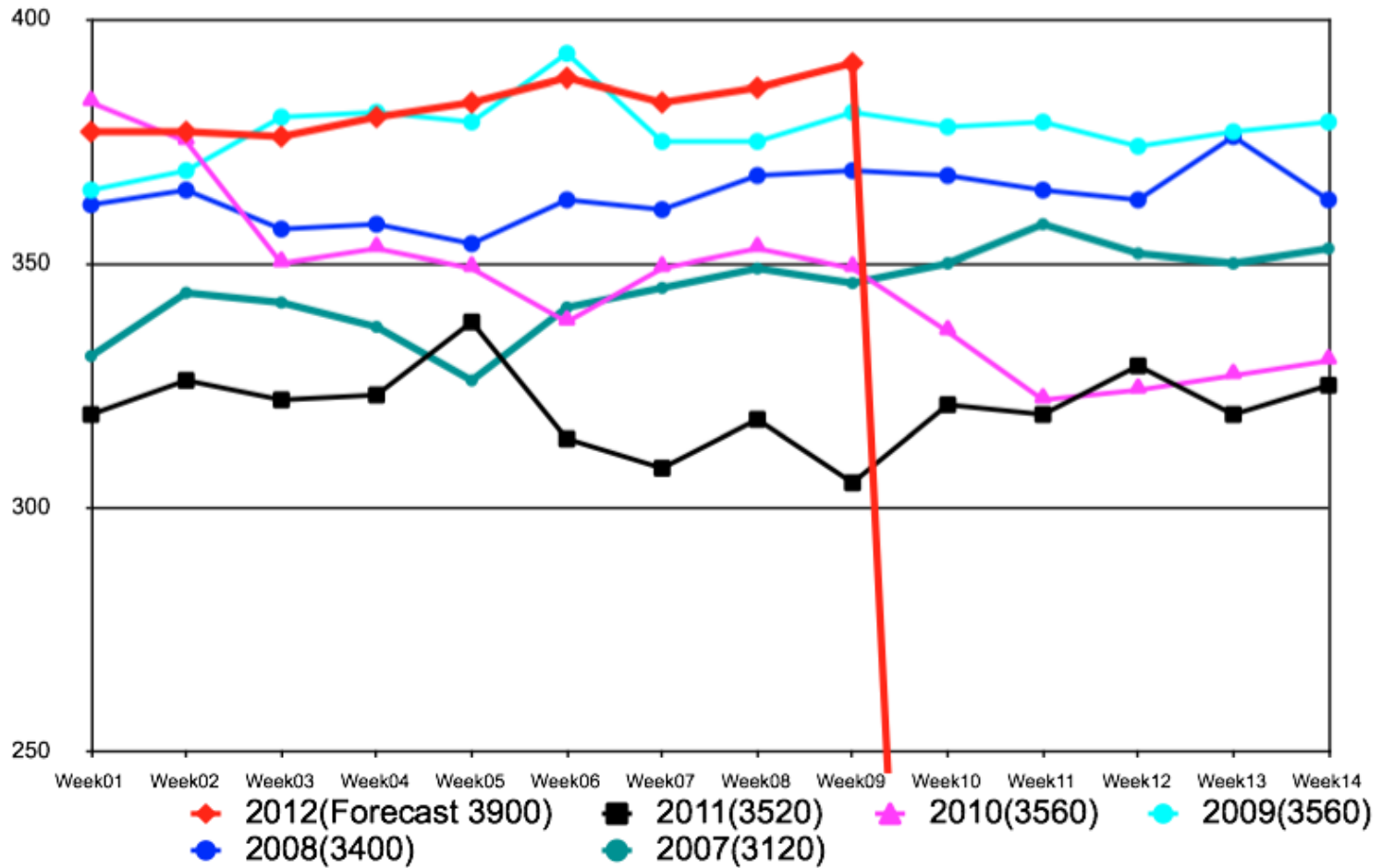
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Source: National Agricultural Statistics Service (NASS), Crop Progress Report.

Chart generated by: National Center for Peanut Competitiveness

Crop Progress and Condition Index for Peanuts in Georgia, 2007-2012

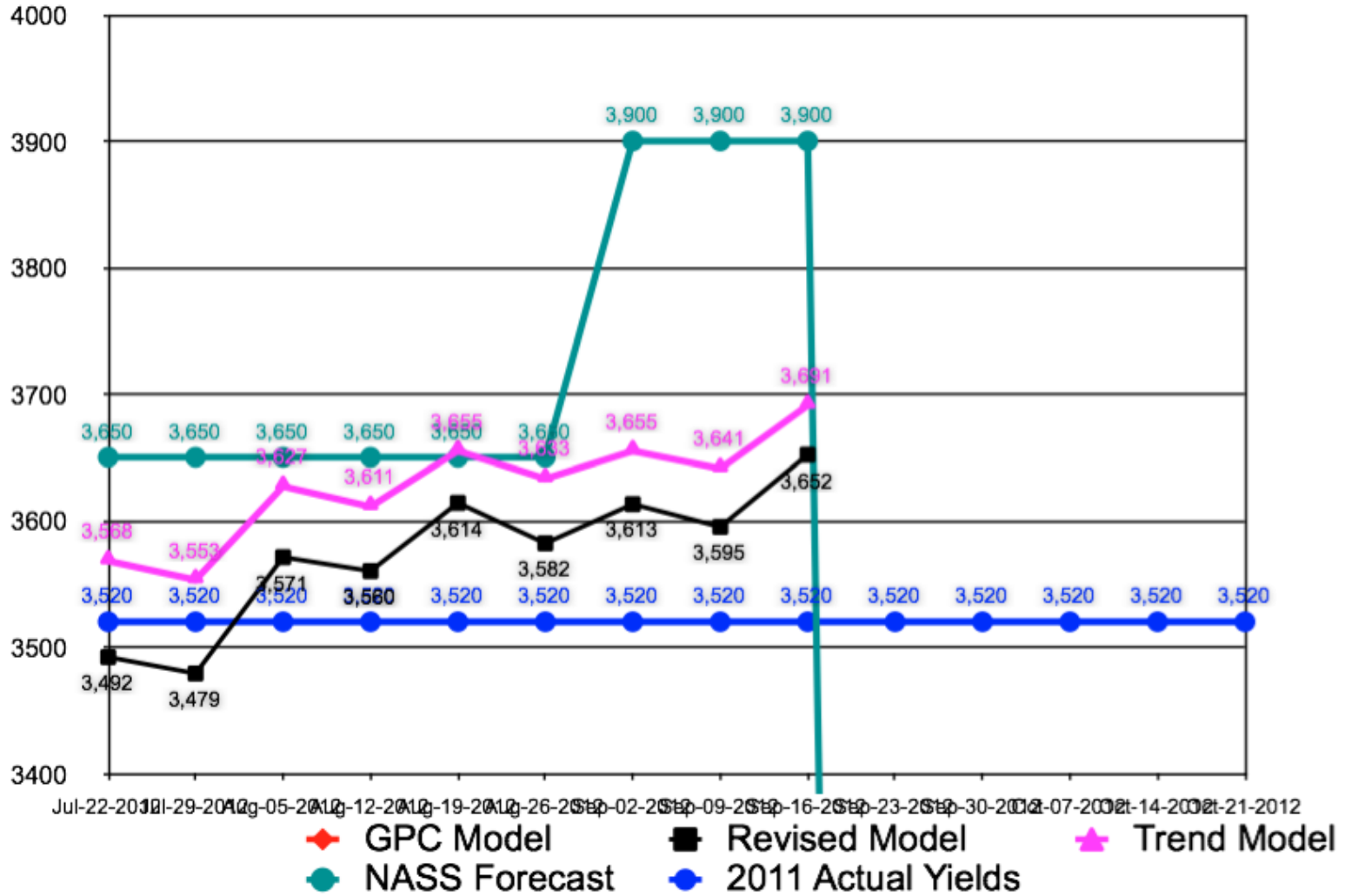


Source: National Agricultural Statistics Service (NASS), Crop Progress Report.

The numbers in parentheses are peanut final yields.

Chart generated by: National Center for Peanut Competitiveness

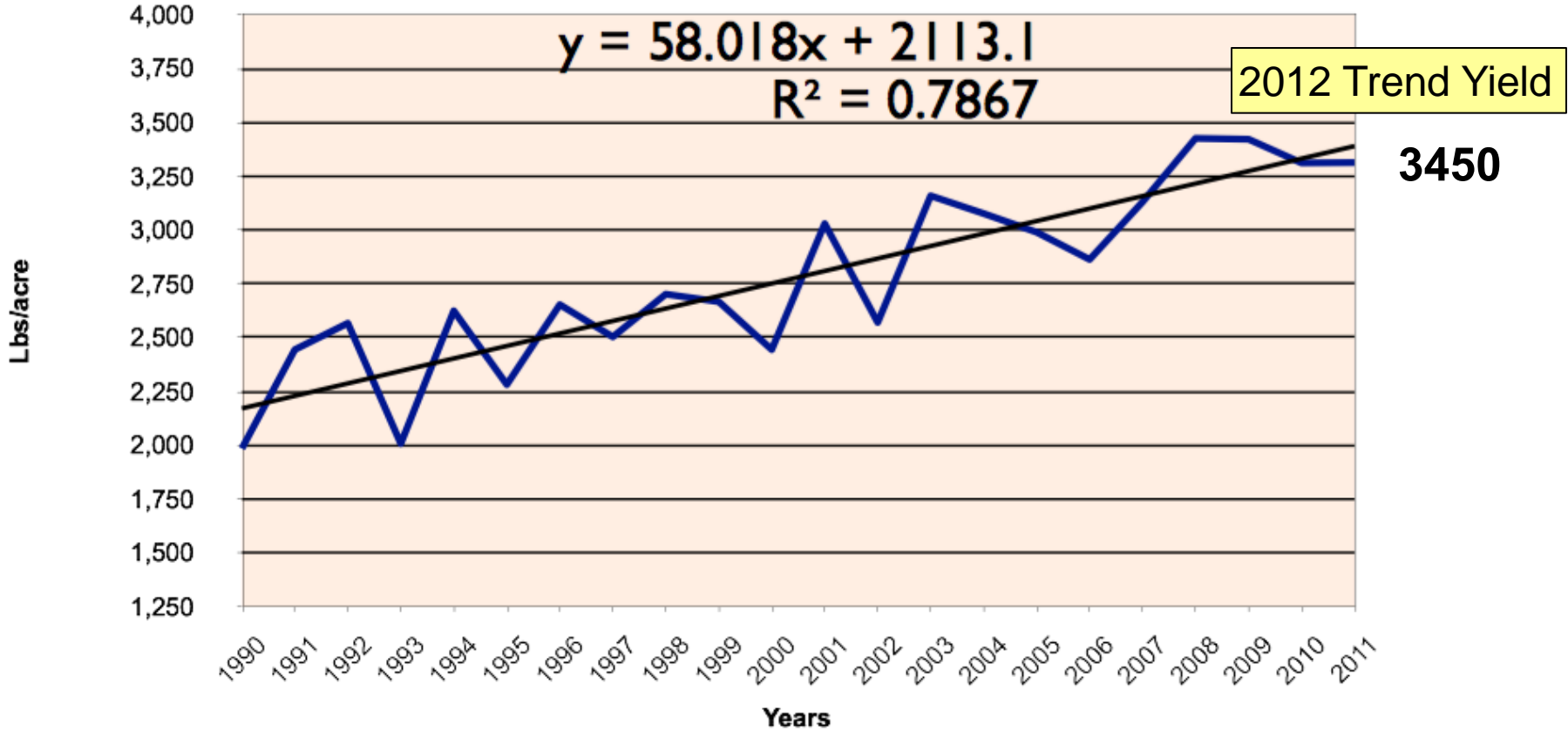
Georgia Peanut Yield Predictions (Pounds/acre), 2012



Source: National Center for Peanut Competitiveness

— US — Linear.(US)

U.S. and Regional Peanut Yields 1990 - 2011



Peanut Yields

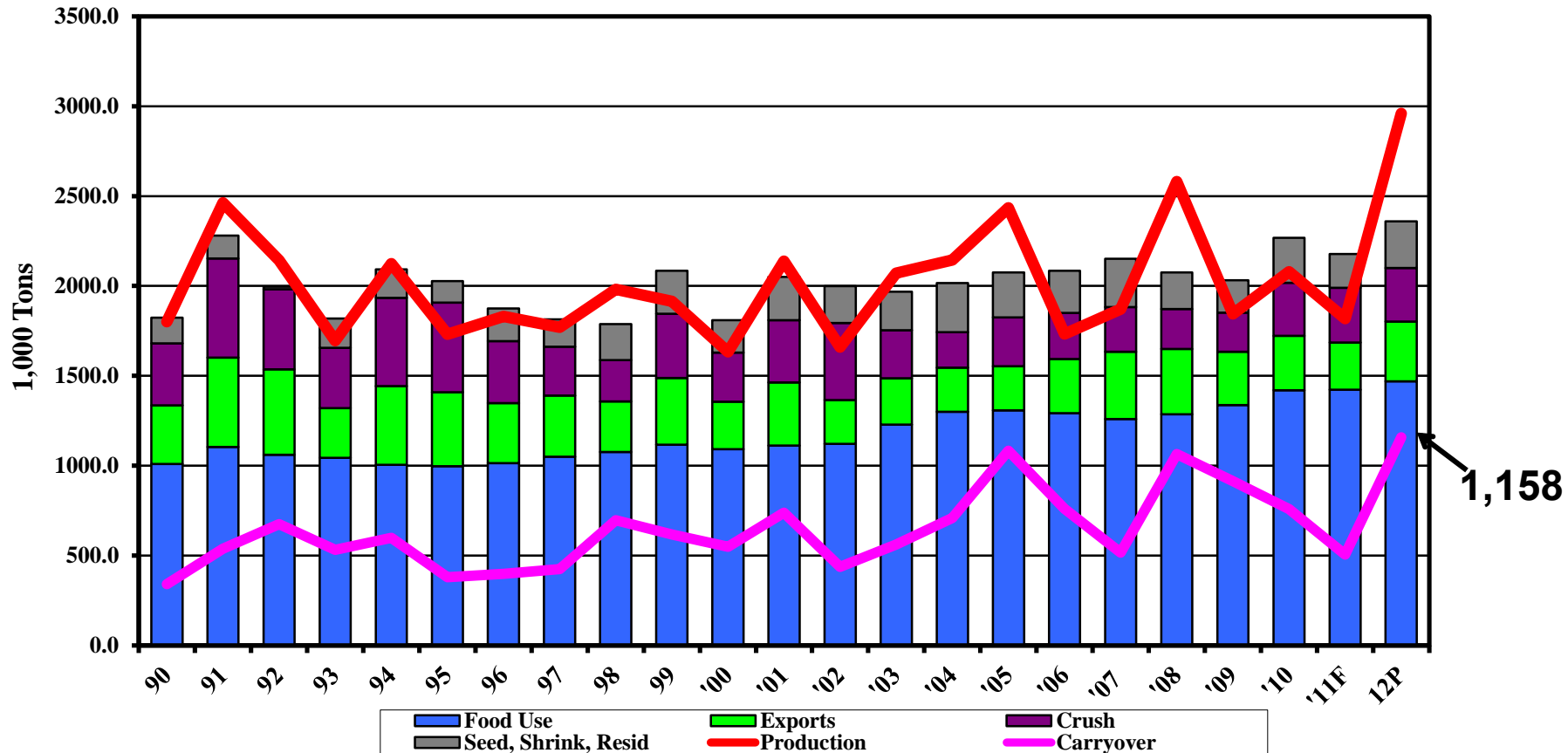
	2005	2006	2007	2008	2009	2010	2011	2012
AL	2750	2500	2550	3500	3300	2600	3000	3200
FL	2700	2500	2700	3200	3200	3500	3500	3700
GA	2840	2780	3120	3400	3560	3530	3520	3900
MS	3200	2900	3300	3900	3000	3500	4000	3900
NM	3500	3600	3200	3200	3100	3400	2700	3200
NC	3000	3200	2900	3700	3700	2700	3600	3700
OK	3270	2850	3400	3500	3300	3350	2700	3500
SC	2800	3000	3100	3900	3100	3500	3200	3400
TX	3750	3550	3700	3300	3270	3600	2400	3800
VA	3000	3200	2500	3350	3700	1880	3800	3700
US	2989	2863	3073	3426	3421	3312	3313	3714

Record Yield

Source: NASS Crop Production

7-Yr Olympic Avg = 3,222

Peanut Disappearance by Use

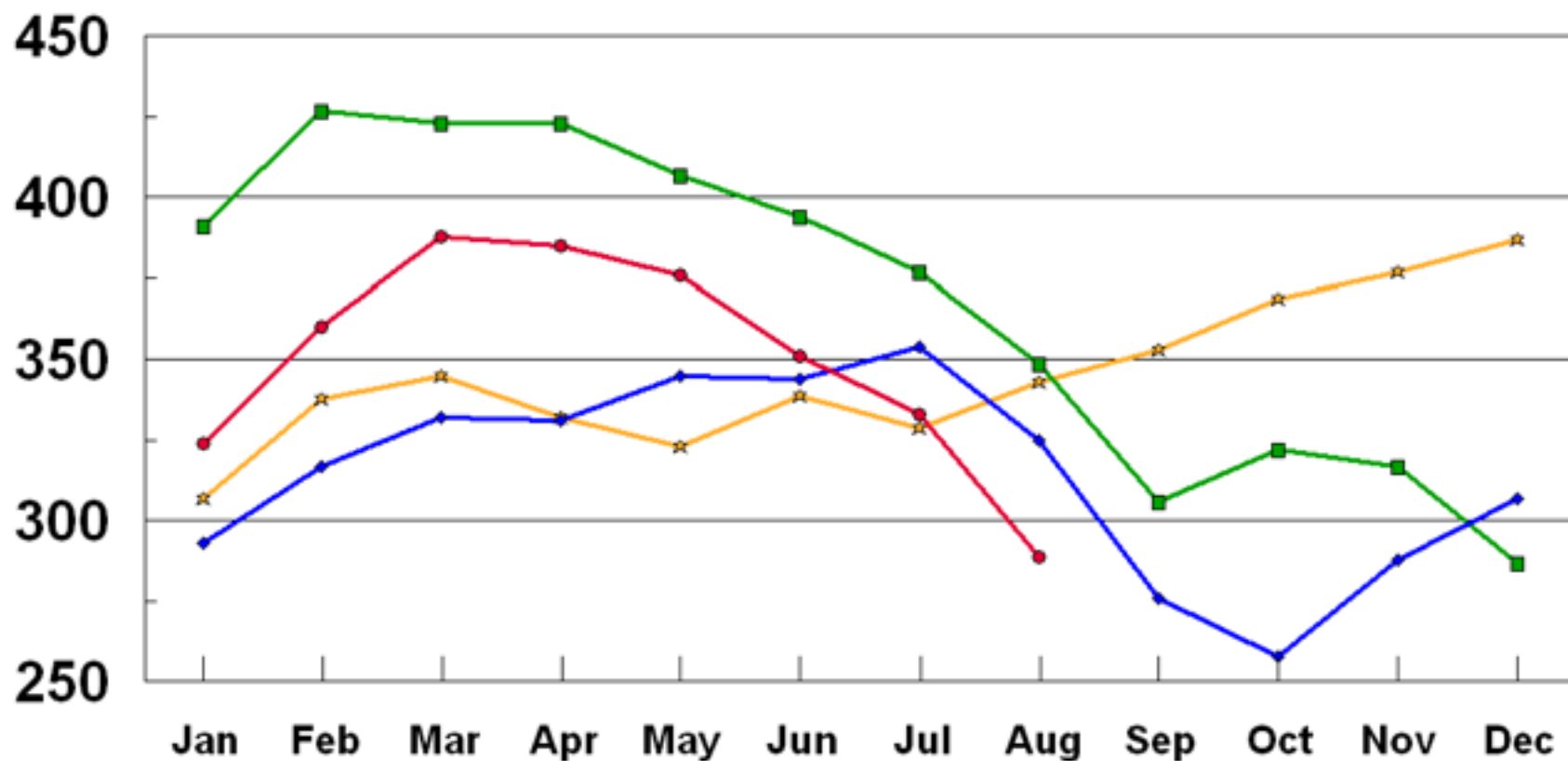


Source: Oil Crops Outlook, ERS, USDA

Shelled Peanuts - United States

Cold Storage Stocks, 2009-2012

Million Pounds



USDA-NASS
9-21-2012

—★— 2009 —■— 2010 —◆— 2011 —●— 2012

Peanut Projections

	USDA			3714 lb Yield +10% Use	3600 lb Yield	3500 lb Yield	3400 lb Yield
	2010/11	2011/12	2012/13		1.6 mil Acres	1.6 mil Acres	1.6 mil Acres
1,000 Tons							
Beg Stocks	915	758	505	505	505	505	505
Production	2,079	1,818	2,962	2,962	2,871	2,791	2,712
Total Supply	3,025	2,684	3,517	3,517	3,426	3,346	3,267
Total Use	2,267	2,179	2,360	2,400	2,400	2,400	2,400
Ending Stocks	758	505	1,158	1,117	1,026	946	867



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Shelled Edible Use in Primary Products, Total Shelled & In-Shell Use

1,000 lbs	Aug 11' to Jul 12'	% Diff from Prev. Year
Candy	394,678	- 0.002%
Peanut Butter	1,197,748	- 0.013%
Snacks	390,068	- 0.01%
Total*	2,002,155	- 0.01%
In-Shell	14,144	- 0.03%

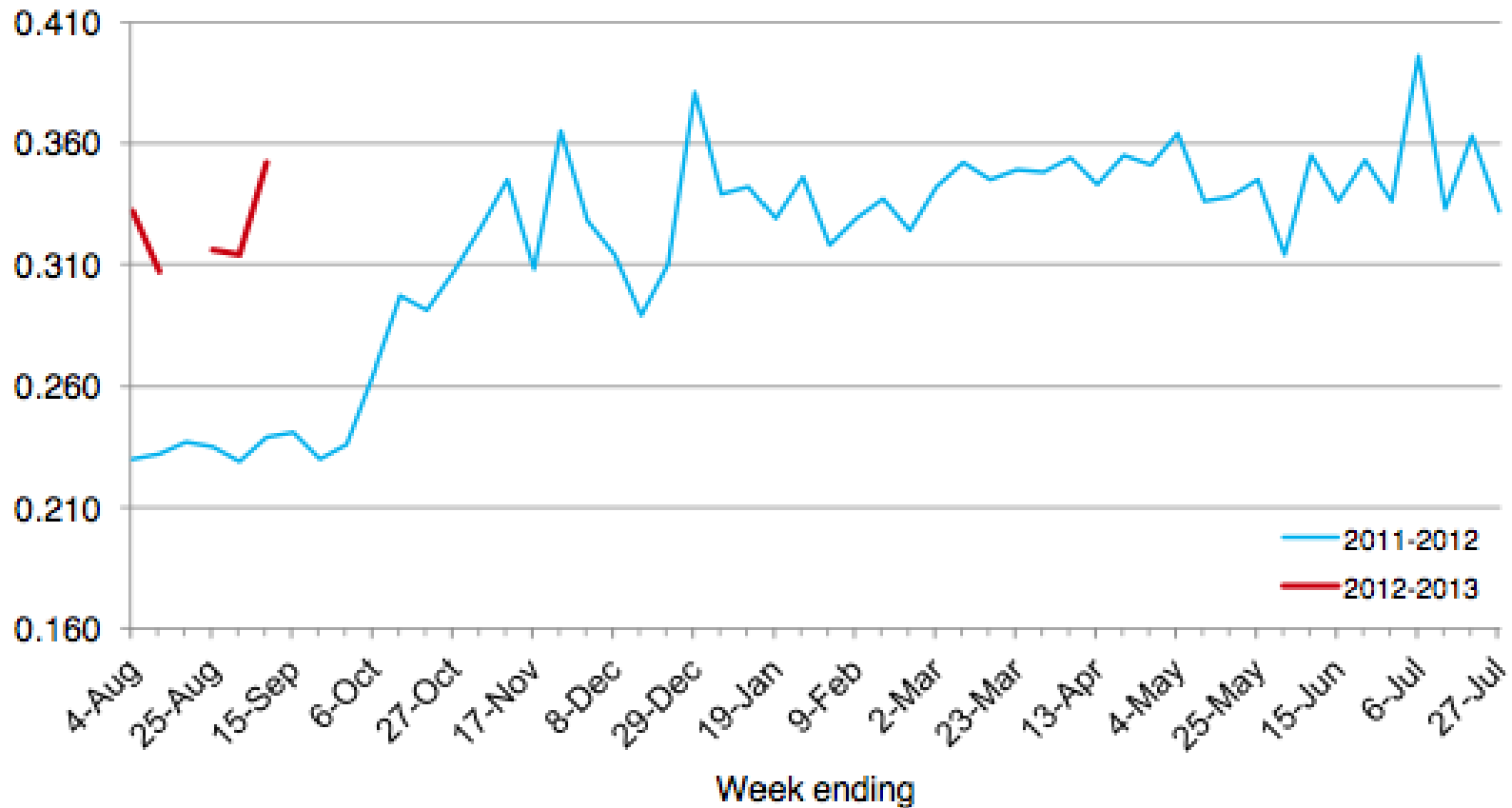


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Source: Peanut Stocks and Processing, NASS, USDA
* Includes all shelled peanuts crushed regardless of grade

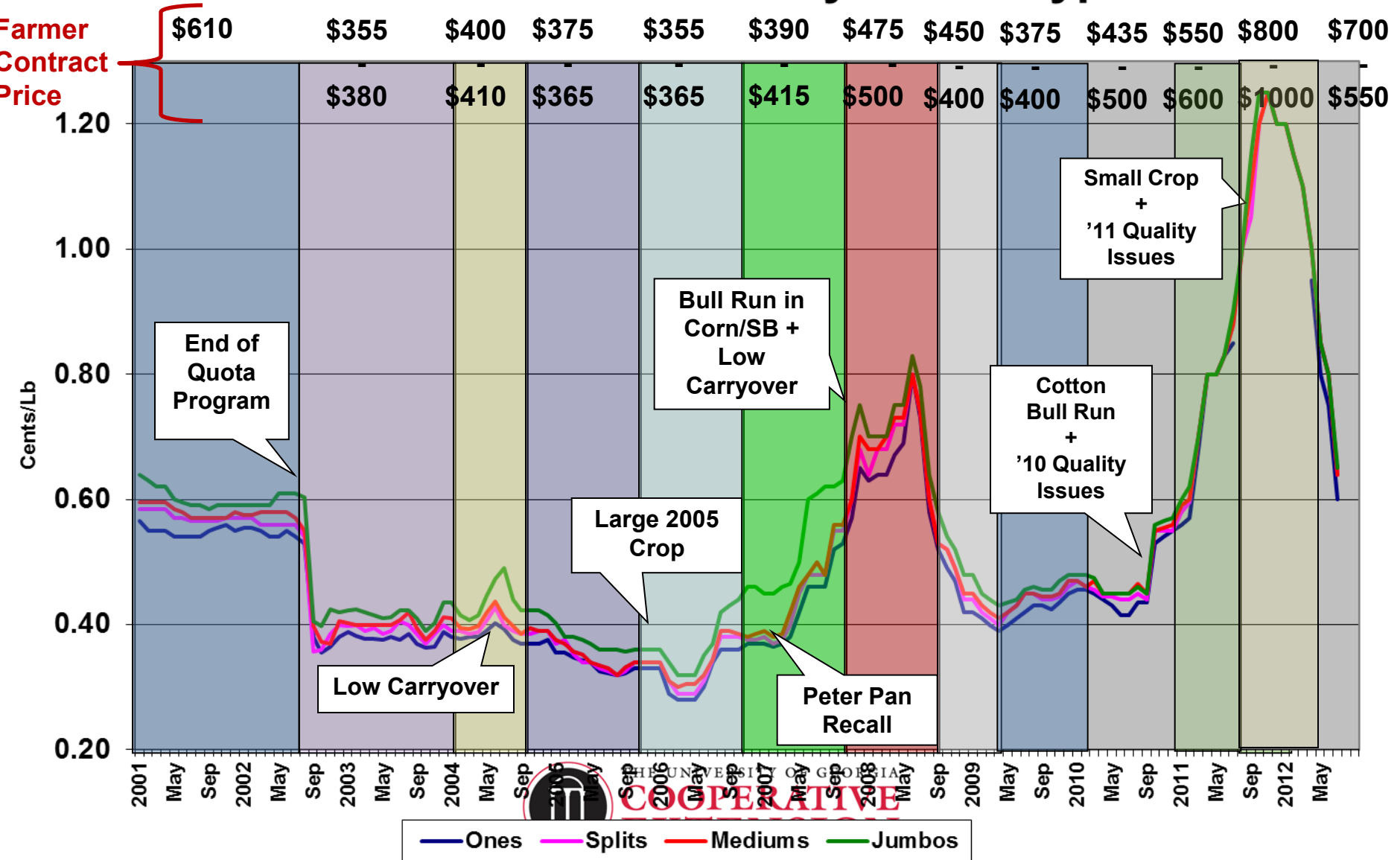
All Peanut Prices – United States

Dollars per pound



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Shelled Peanut Prices by Grade Type



College of Agricultural and Environmental Sciences
 The University of Georgia
 Center of Family and Consumer Sciences

Chart Developed by Dr. Nathan B. Smith, University of Georgia

Data Source: Private Peanut Broker and UGA estimate of contract prices

Peanut Market Assistance Loans

- \$355 National Loan Rate
- 9 month loan beginning first day of the first month in which loan is made.
- Marketing loan may be obtained thru:
 - FSA county office,
 - Designated Marketing Association,
 - or Cooperative Marketing Association

Marketing 2012 Crop

- Less than 50% of the crop in SE was contracted.
- VC and SW regions tend to plant only what they contract.
- SE planted a lot of on contracted “acres”
- No bids for uncontracted tons. Peanuts will be forced into the loan.

Marketing 2012 Crop

- Choices are:
 - Sell for spot market, probably \$355 to \$400 per ton
 - Store in marketing loan and wait for new crop price in 2013 to pull up 2012 old crop price.
 - Basically waiting to see if 2013 planted acres will down enough to bring prices up.

When to Enroll in Loan

- Harvest in October, loan starts November 1, expires end of July.
- or
- Store commercially and enroll on January 1, have until end of September.

- Have until end of January to enroll in marketing loan. Could have loan peanuts in storage when harvesting next year.
- Shellers have incentive to clear out warehouses.

What About Next Year?

- Shellers and manufacturers will try to find the price that will drop acres to 1.2 million or below.
- Will growers forfeit loan peanuts to the government?
- Export increase with lower prices and lower dollar.
- Consumption needs to be increased.
 - Expect major users to begin ad campaigns.
 - Eat More Peanuts!