

2013/14 Peanut Situation and Outlook

Southern Outlook Conference

Atlanta, GA

September 24, 2013



College of Agricultural and Environmental Sciences
College of Family and Consumer Sciences

Peanut Situation



- Large Carryover weighing on the market.
- Uncertainty about 2013 Production
 - Georgia acreage down 42%
 - U.S. acreage down 35%
- USDA NASS Yield Estimate
 - GA projected average 3,900 lb/ac
 - U.S. projected average 3,603 lb/ac.
- Use slowed by high prices of 2011 crop, taking a while to recover.
- Exports? Projected up.
- Boom – Bust or Roller Coaster cycle



Peanut Planted Acreages *(1,000 acres)*

	2008	2009	2010	2011	2012	2013M	2013J	%Diff 12/13
AL	195	155	190	170	220	150	130	-41%
FL	150	115	145	170	210	190	150	-29%
GA	690	510	565	475	735	475	510	-31%
MS	22	21	19	15	52	22	24	-54%
SE	1,057	801	919	830	1,217	837	814	-33%
NM	8	7	10	6.6	10	6	6	-40%
OK	19	14	22	24	24	24	18	-25%
TX	257	165	165	105	150	140	80	-47%
SW	284	186	197	135.6	184	170	104	-43%
NC	98	67	87	82	107	80	80	-25%
SC	71	50	67	77	110	90	85	-23%
VA	24	12	17	16	20	14	14	-30%
VC	193	129	171	175	237	184	179	-24%
US	1,534	1,116	1,288	1,141	1,638	1,190	1,097	-33%

Source: NASS Prospective Plantings, Acreage and Crop Production Reports, 2012-13
M= March Planting Intentions, J=June Acreage Report

2013 Peanut Planted Acreages

STATE	FSA*	NASS**	NASS Sep***
ALABAMA	138,765	130,000	140,000
ARKANSAS	11,729		
FLORIDA	131,386	150,000	135,000
GEORGIA	426,235	510,000	430,000
MISSISSIPPI	32,455	24,000	34,000
NEW MEXICO	7,185	6,000	6,000
N CAROLINA	80,376	80,000	81,000
OKLAHOMA	16,450	18,000	18,000
S CAROLINA	79,447	85,000	81,000
TEXAS	114,690	80,000	117,000
VIRGINIA	15,089	14,000	16,000
OTHER STATES	927		
US TOTAL	1,054,736	1,097,000	1,058,000
SE	728,842	814,000	739,000
SW	138,325	104,000	141,000
VC	174,912	179,000	178,000
*September 17 Revised FSA Reported Crop Acreage			
** June 28 NASS Acreage Report			
*** September 12 Crop Production Report			

Planted Acres of Virginias and Runners

	2012	2013
Runners	1,343,402	793,814
Virginias	233,204	203,599

Source: USDA-FSA

Farmer Stock Peanuts

(1,000 pounds)

	July 30, 2012	July 30, 2013
Runners	225,560	1,762,860
Virginias & Valenicas	47,188	225,650
Total	272,838	1,924,996

Source: "Peanut Stocks and Processing" August 30, 2013. USDA-NASS

Peanut Yields

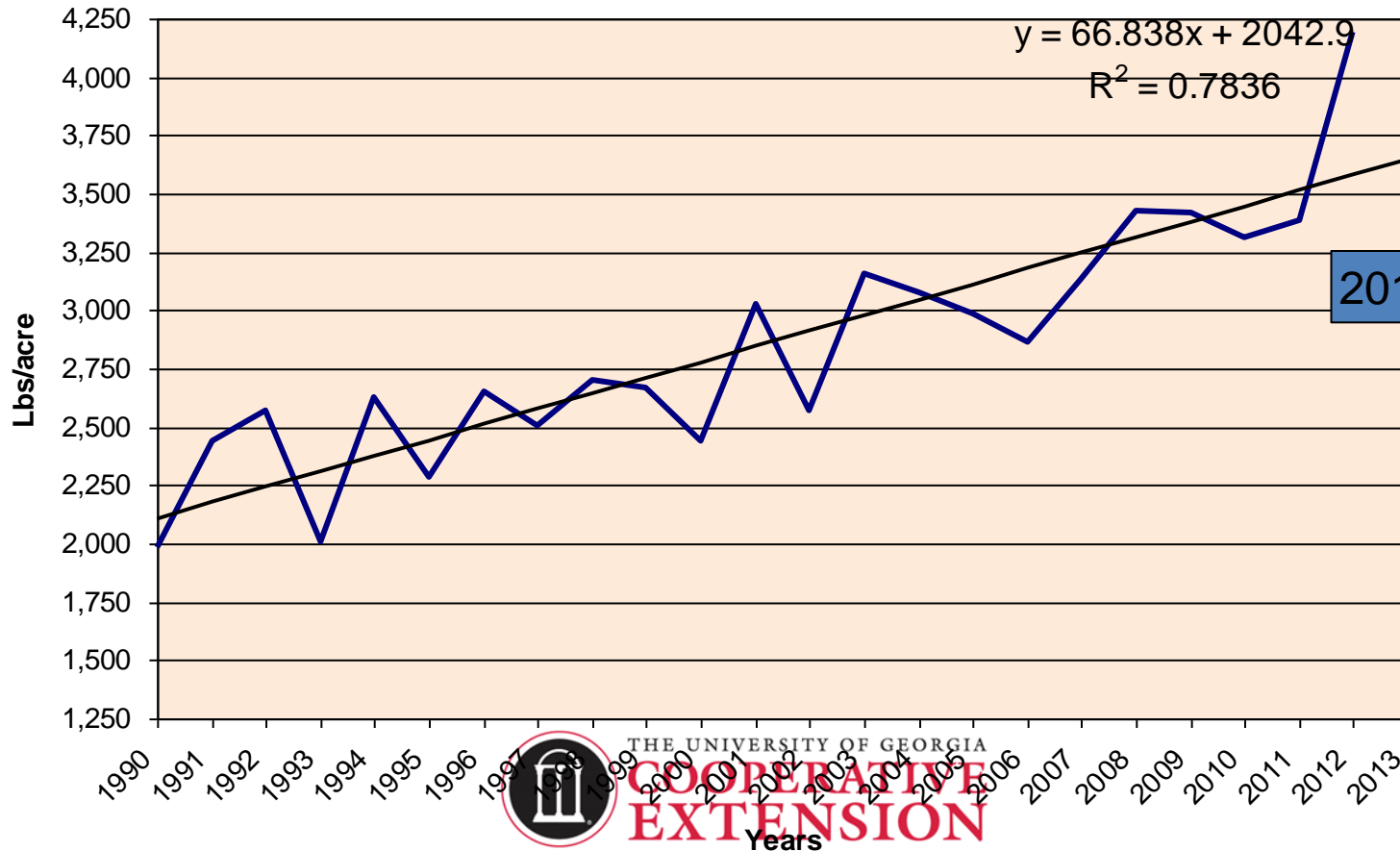
	2005	2006	2007	2008	2009	2010	2011	2012
AL	2750	2500	2550	3500	3300	2600	2950	4000
FL	2700	2500	2700	3200	3200	3500	3500	3900
GA	2840	2780	3120	3400	3560	3530	3625	4550
MS	3200	2900	3300	3900	3000	3500	4000	4400
NM	3500	3600	3200	3200	3100	3400	3000	3200
NC	3000	3200	2900	3700	3700	2700	3600	4100
OK	3270	2850	3400	3500	3300	3350	2600	3800
SC	2800	3000	3100	3900	3100	3500	3300	3800
TX	3750	3550	3700	3300	3270	3600	2680	3500
VA	3000	3200	2500	3350	3700	1880	4100	4200
US	2989	2863	3073	3426	3421	3312	3386	4192



Source: NASS Crop Production

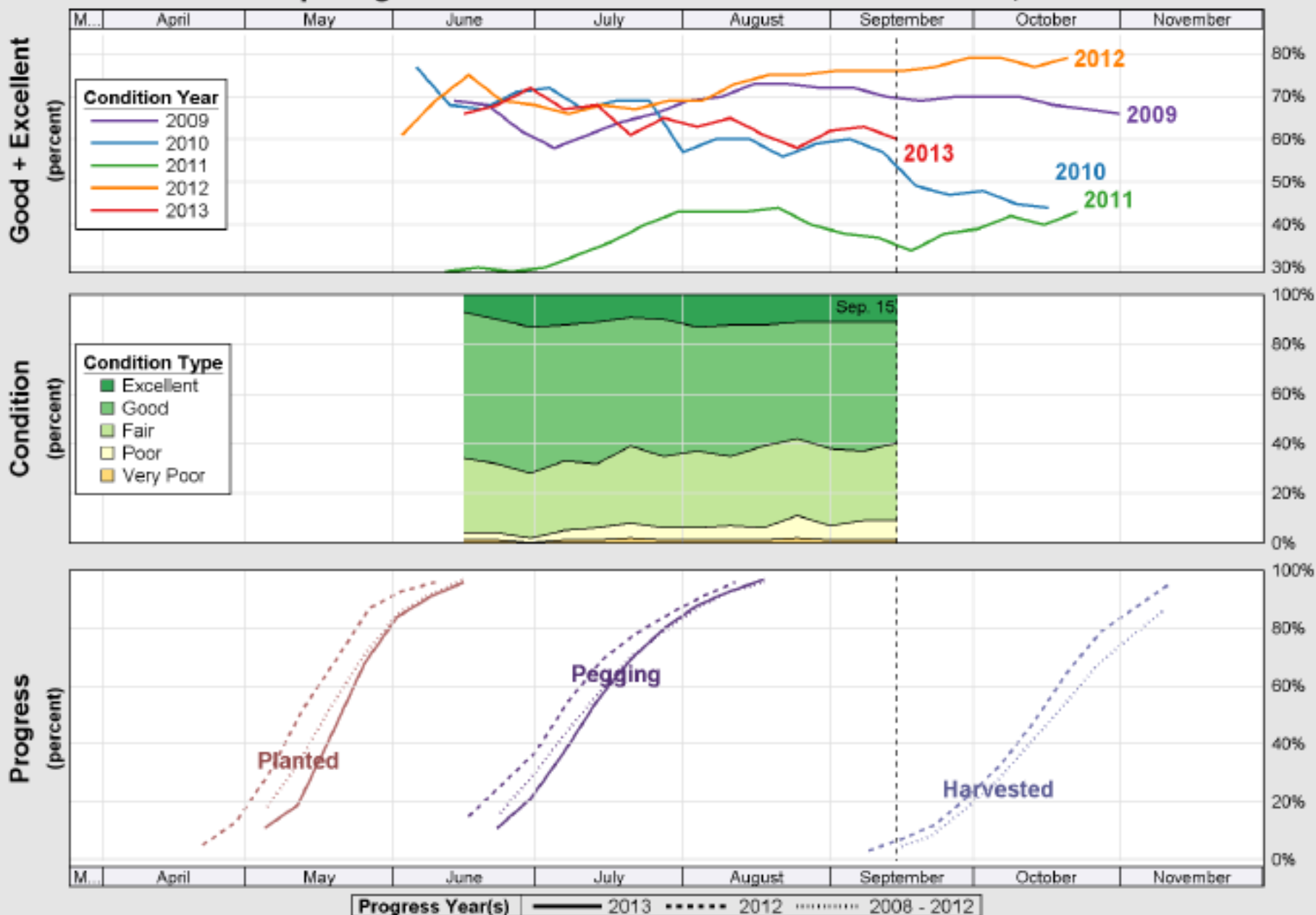
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U.S. and Regional Peanut Yields 1990-2012

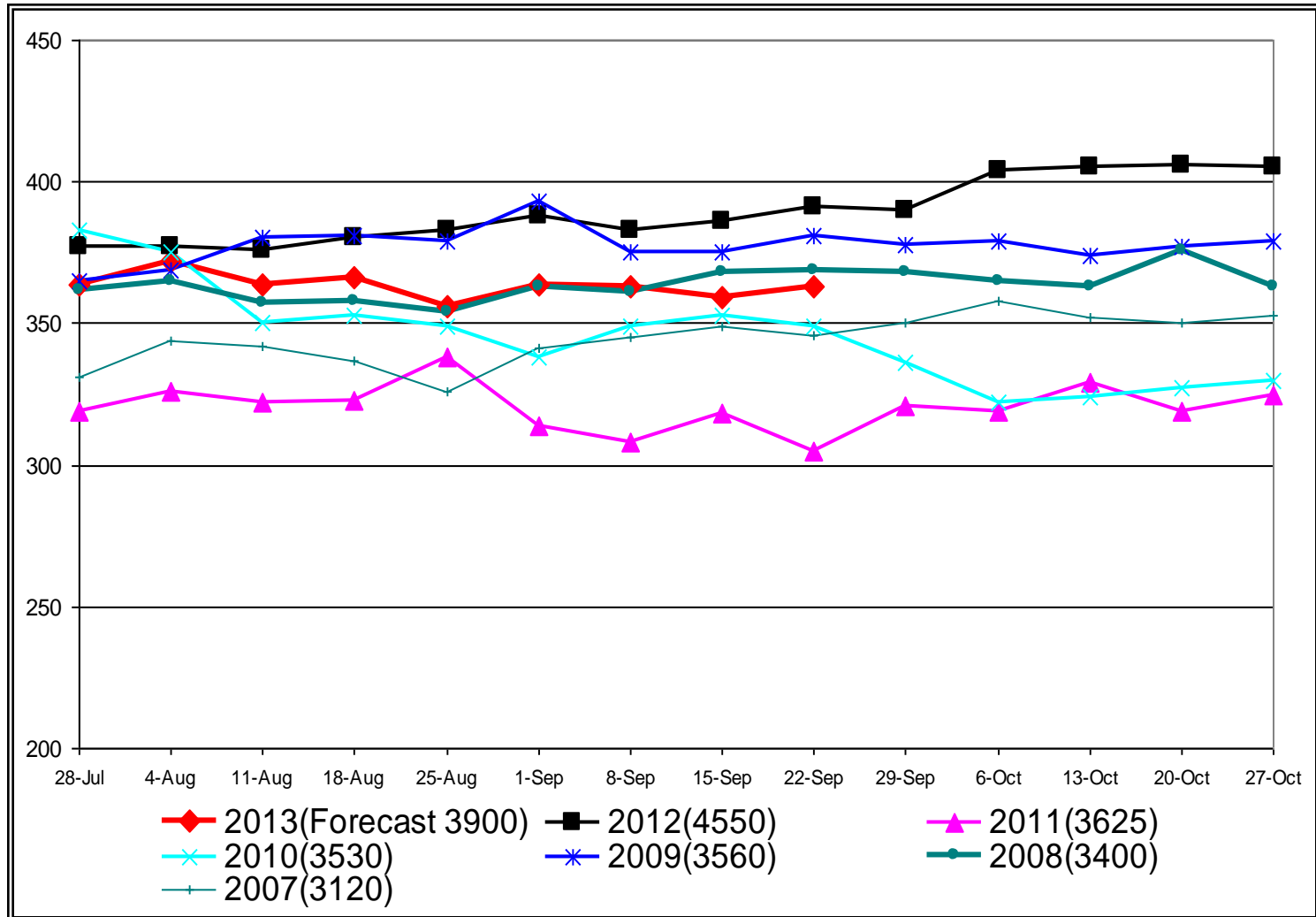


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2013 Trend Yield



Georgia Peanut Crop Condition Index 2007-2013 Crop Years



Crop condition index is computed from USDA-NASS Crop Progress Report, Peanut Condition values. The numbers in parentheses are peanut final yields.
Division of Entomology and Plant Pathology, Georgia Institute of Technology, College of Family and Consumer Sciences

2013 Peanut Yields

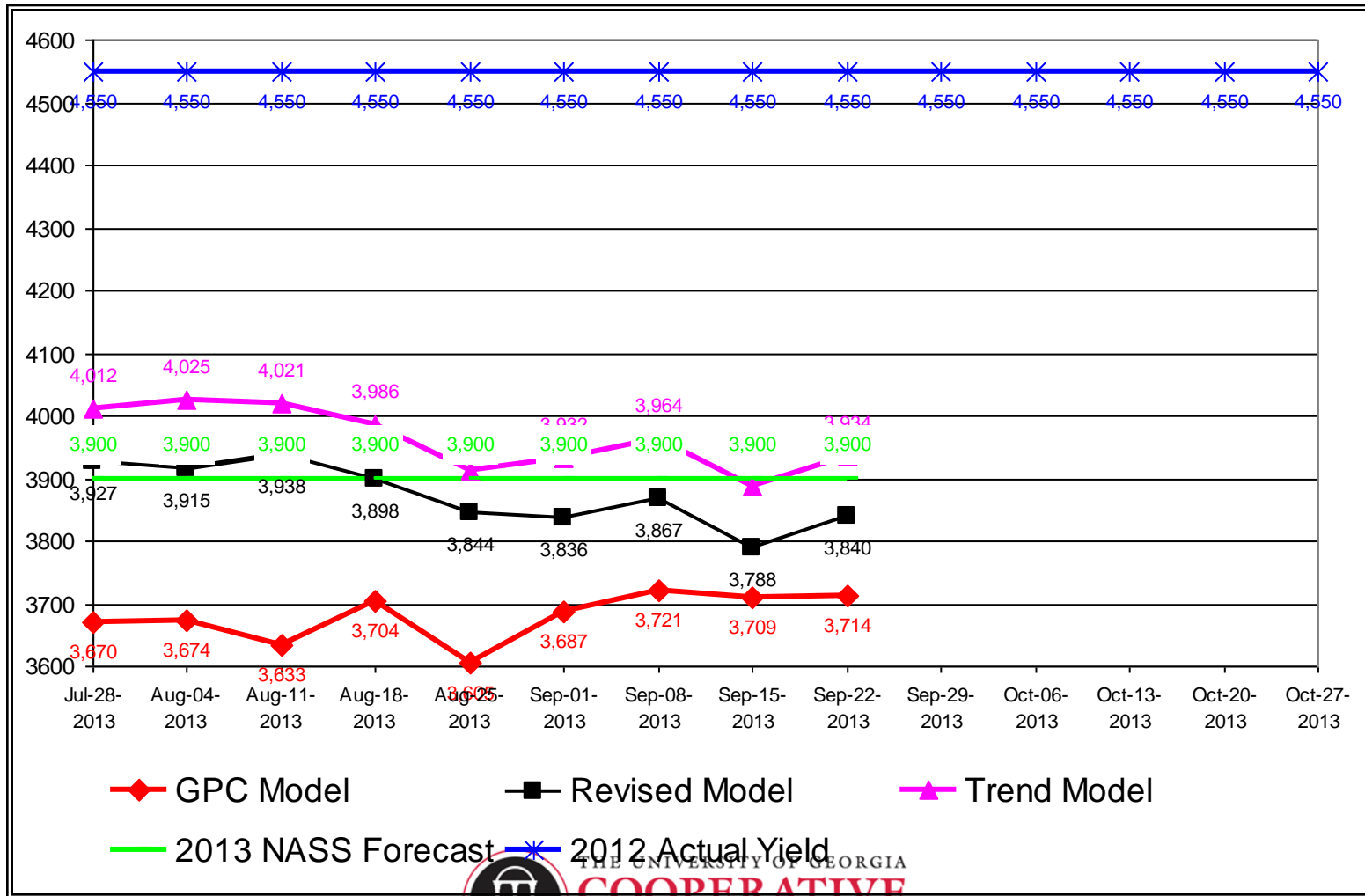
	SE					SW				VC				US
Crop Year	AL	FL	GA	MS	Total	OK	TX	NM	Total	VA	SC	NC	Total	US
2012	4,000	3,900	4,550	4,400	4,335	3,800	3,500	3,200	3,520	4,200	3,800	4,100	3,971	4,192
2013	3,100	3,500	3,900	3,200	3,645	4,000	3,500	3,200	3,549	4,100	3,200	3,600	3,468	3,603
	-22.5%	-10.3%	-14.3%	-27.3%	-15.9%	5.3%	0.0%	0.0%	0.8%	-2.4%	-15.8%	-12.2%	-12.7%	-14.1%



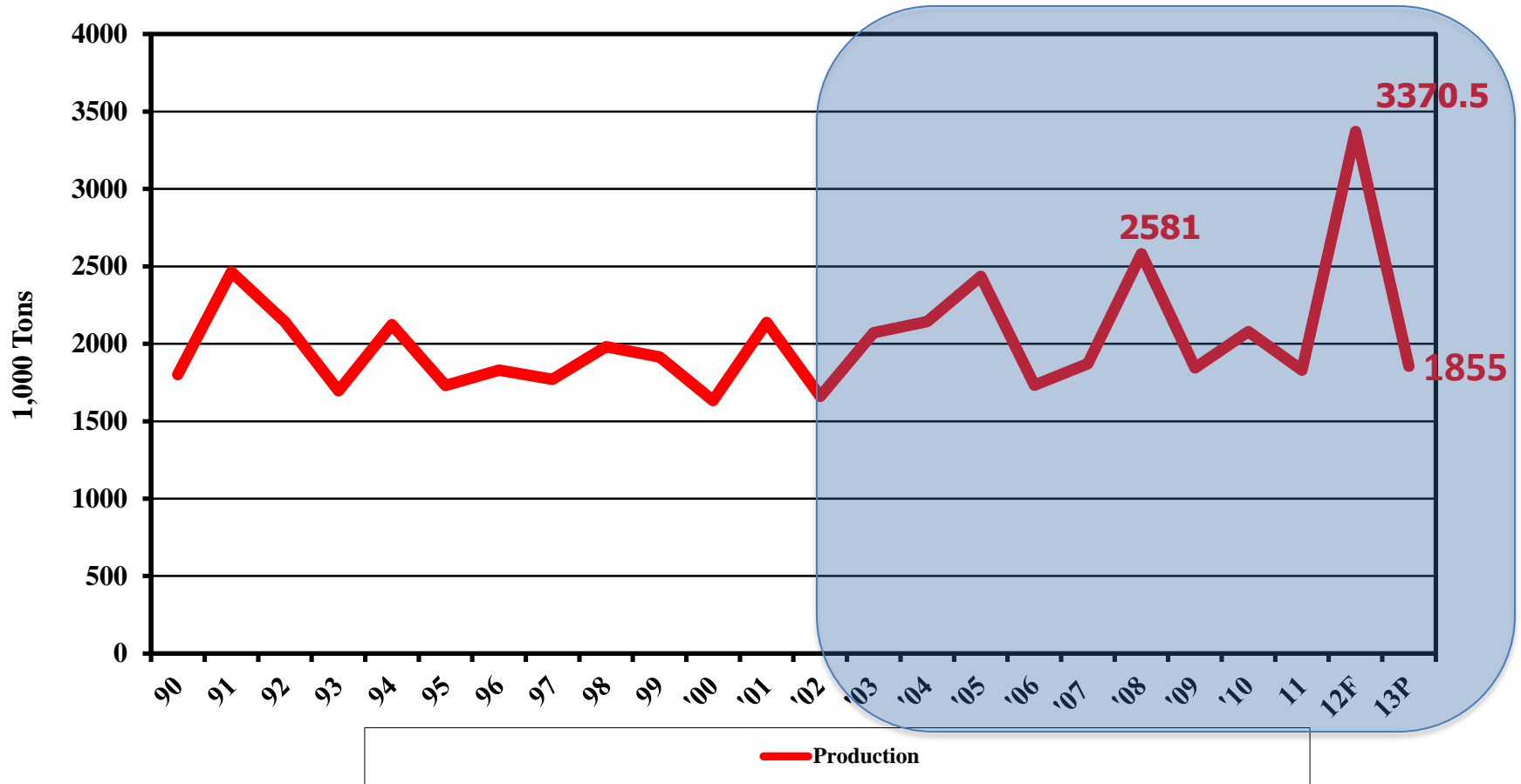
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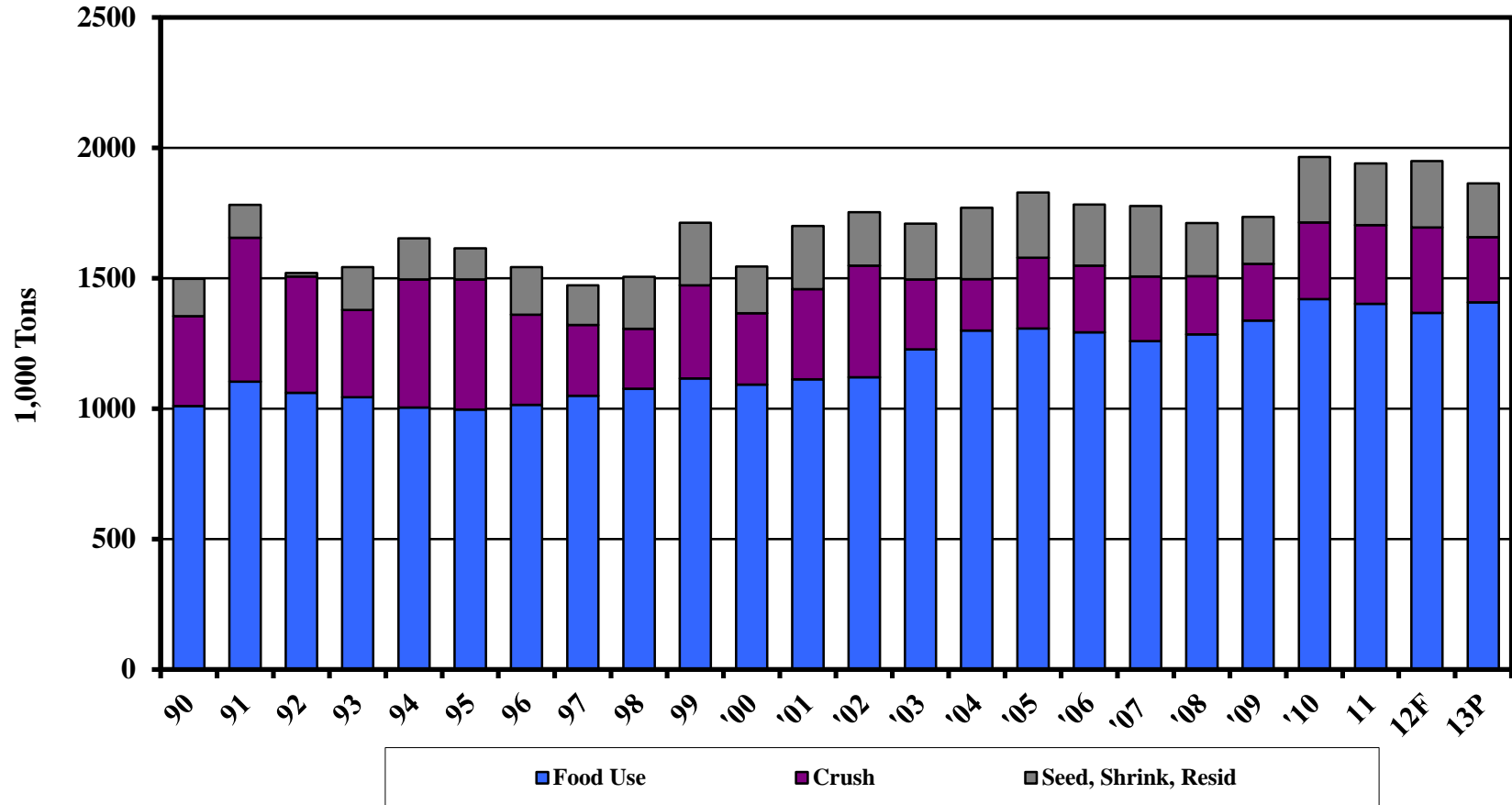
Georgia 2013 Peanut Yield Predictions (Pounds/acre)



US Peanut Production



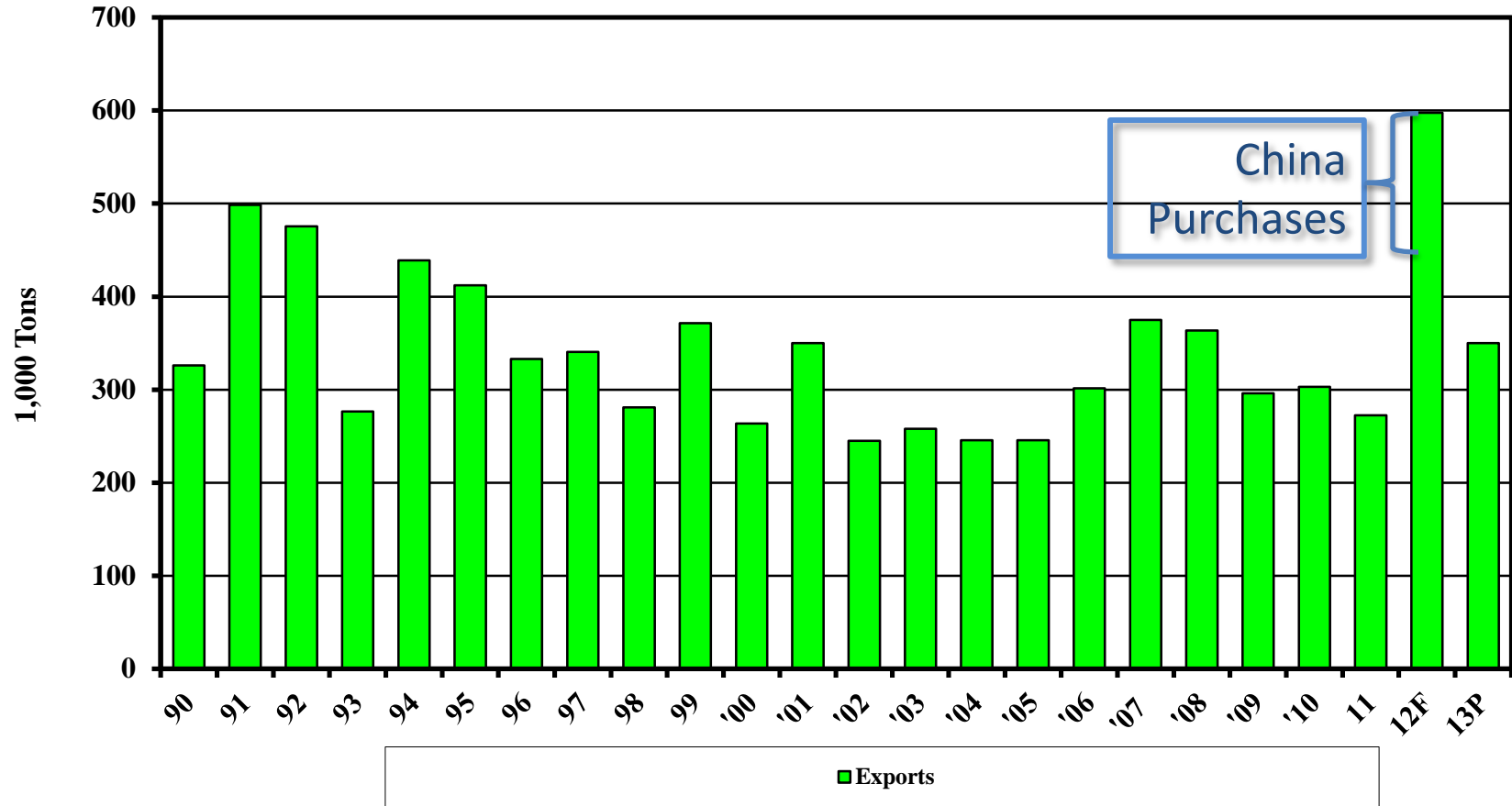
Peanut Domestic Use



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Source: Oil Crops Outlook, ERS, USDA

Peanut Exports





USA

- Leading quality supplier to world market
- Price premium over other origins
- Leading country for technology:
 - Seed variety development
 - Mechanization in farming
 - Warehousing, shelling, and manufacturing
 - Positive lot ID system for traceability
 - Aflatoxin detection and control

Current Export Market Situation

- 2012-crop largest in U.S. history, 3.4 million tons
- China bought U.S. peanuts for first time- 78,000 T
 - India was unable to supply as usual
 - Chinese middle class = Japan total population
- Argentina delayed selling, giving U.S. opportunity
 - Exports to EU tripled for first 6 months of 2013
 - Canada +18%; Mexico +29%; Japan +20%;Russia +440%
 - World exports 294,086 tons, +158%
 - New markets where we had nothing
 - Ukraine – from zero to 2,921 MT
 - Indonesia – from 22 to 2,021 MT
 - Algeria – from zero to 2,325 MT

Source: American Peanut Council
Georgia Peanut Tour Hot Topics 9/17/13

Four Key Export Markets

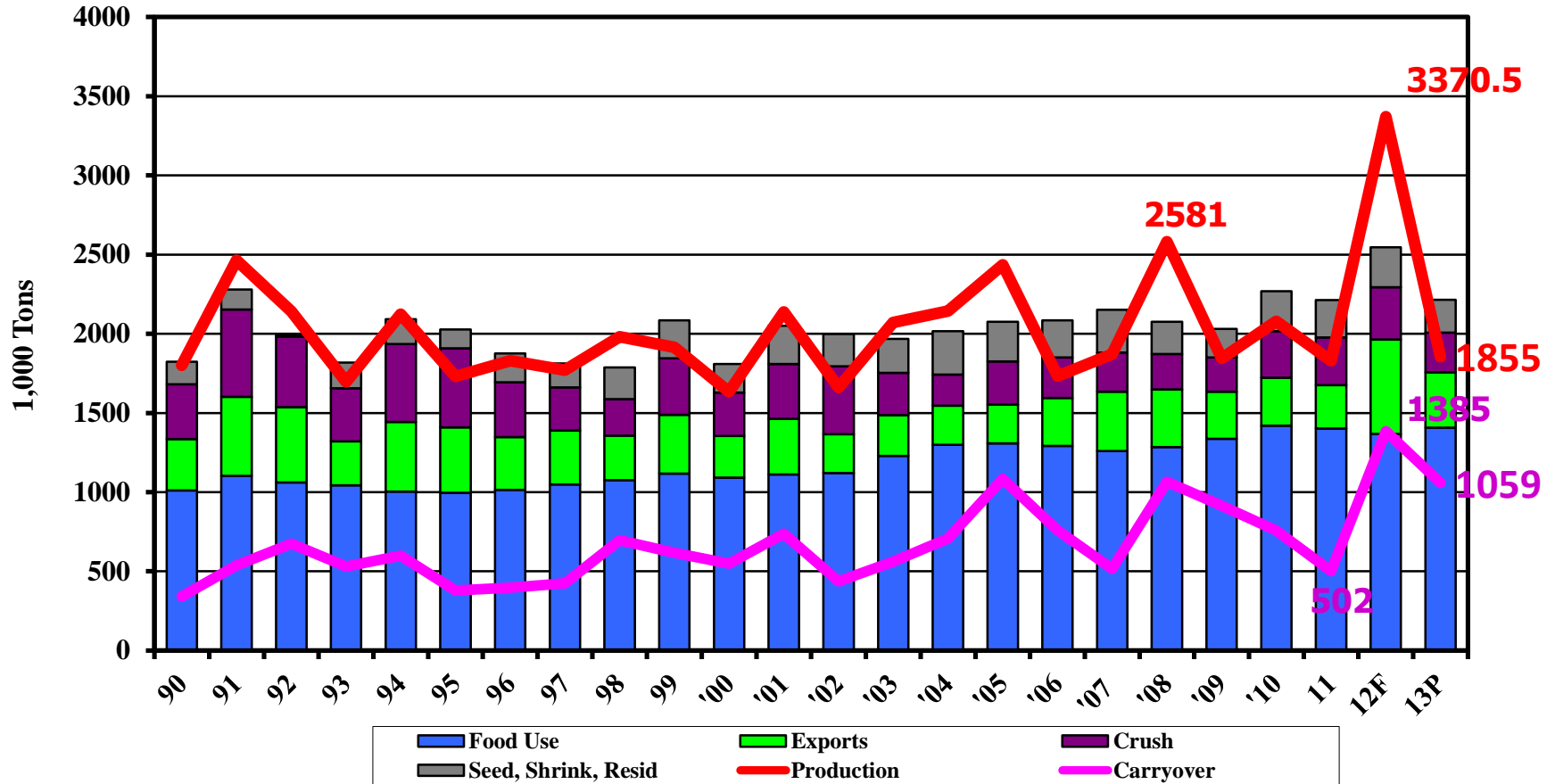
- Canada
 - Largest export market, 96,514 T in 2012
 - High per capital peanut butter consumption
- Mexico
 - Fastest growing market for U.S. peanuts, 54,710 T
 - Competition from Argentina and Nicaragua
- EU
 - 71,192 in 2012, **already 93,970 through June**
 - Netherlands by far the largest, then Germany, UK, Spain
 - Manufacturing dominated by large multi-nationals
- Japan
 - Relatively small market with potential for growth, 9,386 T in 2013
 - China has been #1 supplier of peanuts to Japan
 - Japan wants to source more U.S. peanuts
 - Supply reliability
 - Food safety
- Plus opportunities for China being explored

Source: American Peanut Council

Georgia Peanut Tour Hot Topics 9/17/13

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Peanut Disappearance by Use



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Source: Oil Crops Outlook, ERS, USDA

Peanut Supply & Demand

USDA			3425 lb Yld	3800 lb Yld
2011/12	2012/13	2013/14	1.030 mil Acres	1.030 mil Acres

	<i>1,000 Tons</i>				
Beginning Stocks	758	502	1,385	1,385	1,385
Production	1,830	3,371	1,855	1,764	1,957
Total Supply	2,715	3,932	3,273	3,181	3,374
Total Use	2,213	2,547	2,214	2,214	2,214
Ending Stocks	502	1,385	1,059	967	1,160

2013 Expected Yield	3603 lb/ac
Planted Acres	1,058 mil
Harvested Acres	1,030 mil






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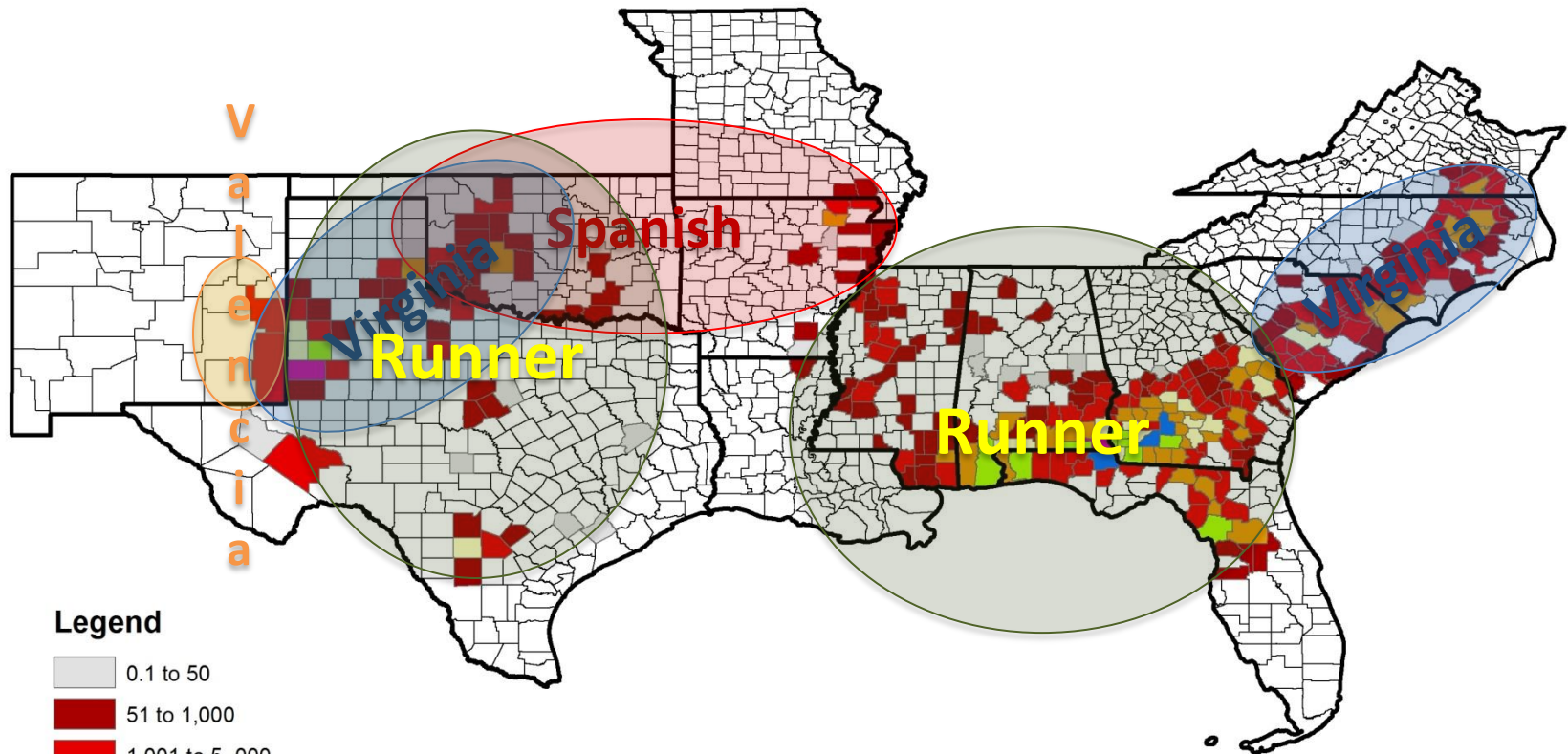
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New! Jif Almond and Cashew Butters

Four Distinct Markets

- In-shells (7%)
 - Virginias, Valencias
- Candy (17%)
 - Spanish, Runners
- Snacks (18%)
 - Virginias, Runners
- Peanut Butter (56%)
 - Runners
- SW
 - \$650/ton Va and Sp
 - \$450/ton Run
- VC
 - \$550/ton Va
- SE
 - \$450/ton Run
 - (Now \$500 offers)

USDA FSA CERTIFIED PEANUT ACRES 2013 SEPTEMBER REPORTS



Legend



Map Generated by the
National Center for Peanut Competitiveness
University of Georgia
Source: FSA, USDA

2014 and Beyond?

- Peanut acres will depend on price of cotton and corn.
- Farmers are responding to market signals.
 - While maintaining a long rotation in some areas, other areas they shift in and out of peanuts depending on cost and returns outlook.
- How much of new crop do manufacturers want each year or does the old crop carryover met market needs? (About 2 cent difference between 2012 and 2013 shelled edible offers.)

Thank You



Partial support provided by growers for
economics education and research

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Who's Next?