



College of

**AGRICULTURE, FORESTRY
AND LIFE SCIENCES**

PEANUT SITUATION AND OUTLOOK

Nathan Smith, PhD

Southern Outlook Conference

September 29, 2020

Peanut Acreage*

State	2015	2016	2017	2018	2019	2020	
AL	200	175	195	165	160	185	
AR	16.3	24	30	26	34	40	
FL	190	155	195	155	165	175	
GA	785	720	835	665	670	810	
MS	44	39	44	25	20	23	
SE	1,219	1,113	1,304	1,036	1,054	1,233	17%
NM	5	8	7.6	5.5	4.7	6.2	
OK	10	13	19	16	15	16	
TX	170	305	275	155	165	190	
SW	185	326	305	176.5	185	212.2	15%
NC	90	101	119	102	104	107	
SC	112	110	122	87	65	85	
VA	19	21	27	24	25	28	
VC	221	232	272	213	194	220	13%
US	1,625	1,671	1,870.6	1425.5	1428	1,665.2	16.7%

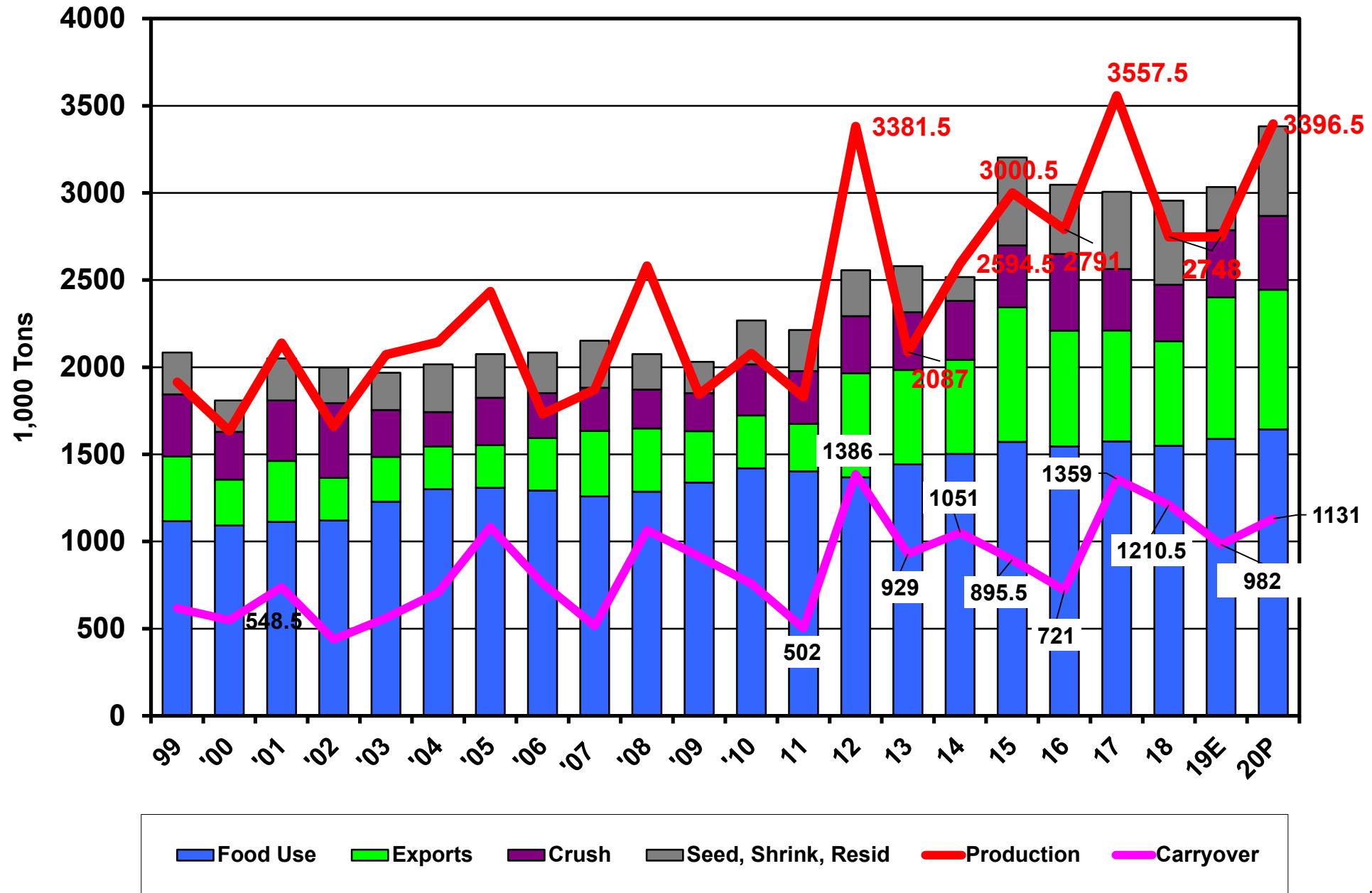
Source: *USDA NASS Crop Production Reports

2020 Peanut Production

	Planted Acres	Harvested Acres	Yield	Production
	1,000 acres		lbs/ac	Tons
AL	185	182	4,100	373,100
AR	40	39	4,900	95,550
FL	175	165	4,200	346,500
GA	810	800	4,500	1,800,000
MS	23	22	4,500	49,500
NM	6.2	6.2	3,100	9,610
NC	107	105	4,200	220,500
OK	16	15	3,600	27,000
SC	85	82	3,800	155,800
TX	190	180	2,900	261,000
VA	28	27	4,300	58,050
US	1,665.2	1,623.2	4,185	3,396,610

Source: USDA NASS Crop Production Reports

Peanut Production, Use, Carryover



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

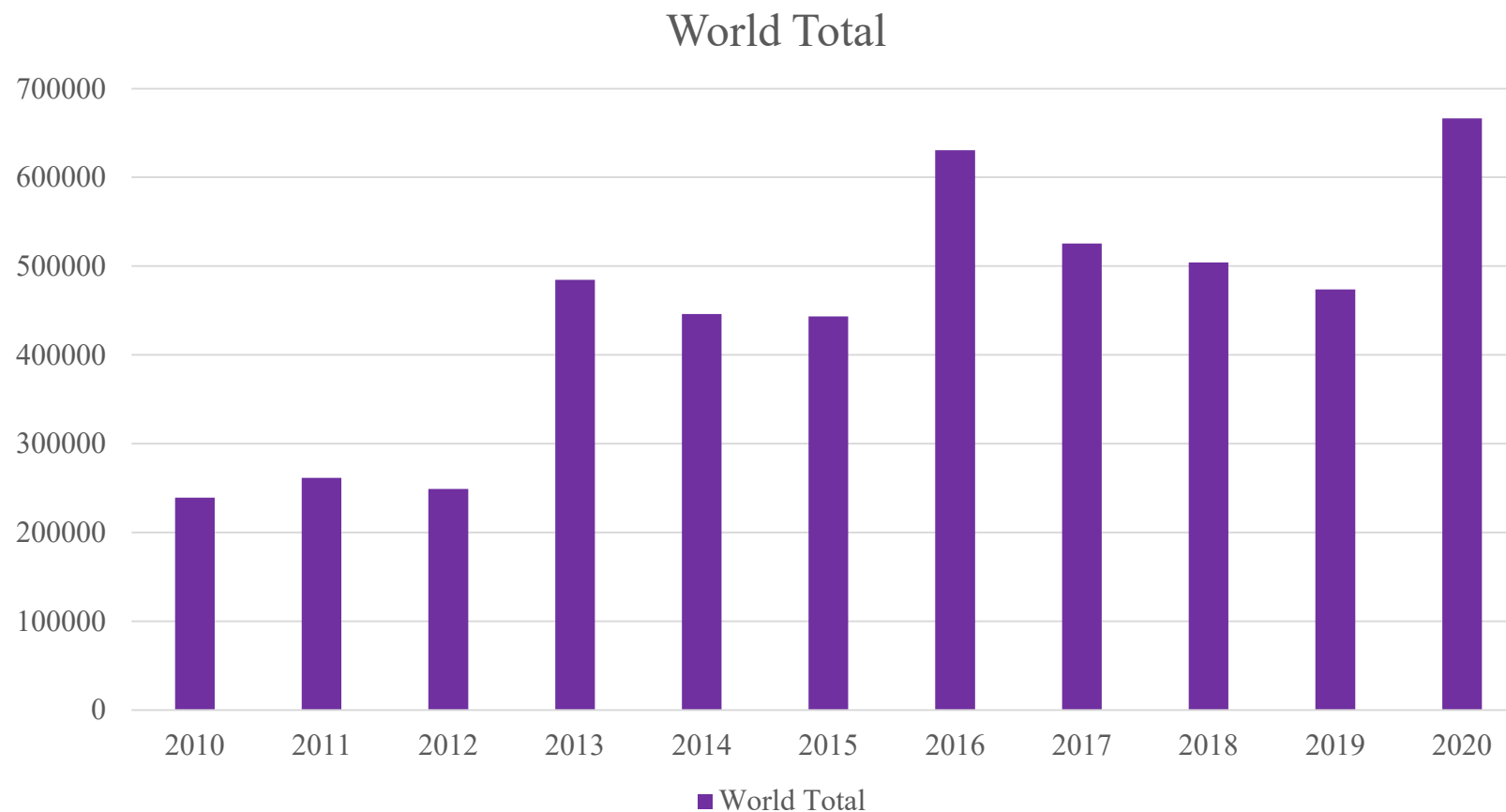
<i>1,000 lbs</i>	Aug 19' to Jul 20'	% Diff from Prev. Year
Candy	395,647	3.9%
Peanut Butter	1,410,264	5%
Snacks	481,430	2.9%
Total Shelled Edible	2,378,908	3.3%
In-Shell	140,915	2.1%
Total*	2,959,536	6.0%

Source: Peanut Stocks and Processing, NASS, USDA

* Includes all shelled peanuts crushed regardless of grade

US Peanut and Peanut Products Exports

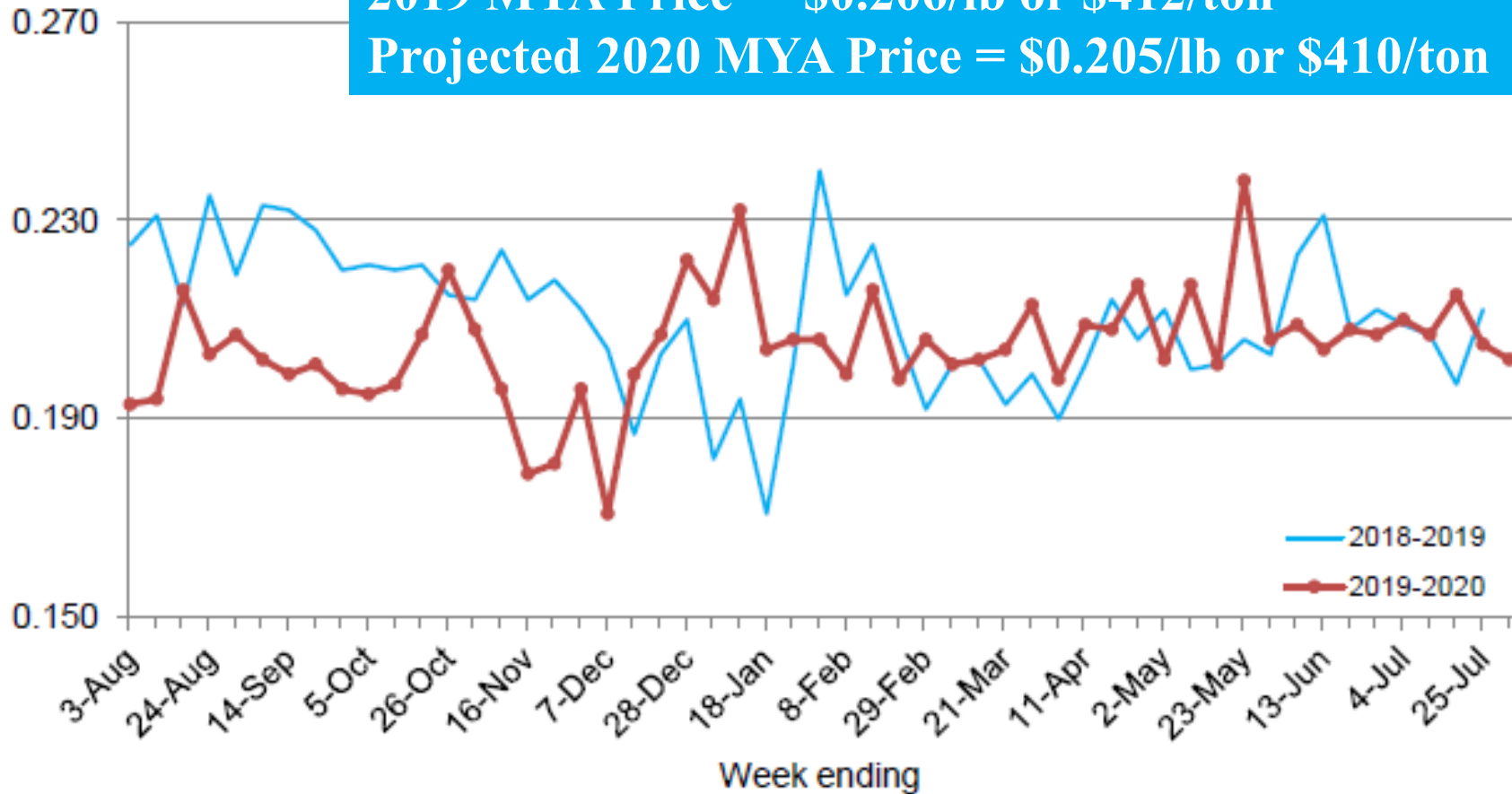
metric tons



Source: USDA Foreign Agricultural Service's Global Agricultural Trade System, Jan. 27, 2020

All Peanut Prices – United States

Dollars per pound



Source: Peanut Prices (Aug 7,2020) USDA, National Agricultural Statistics Service

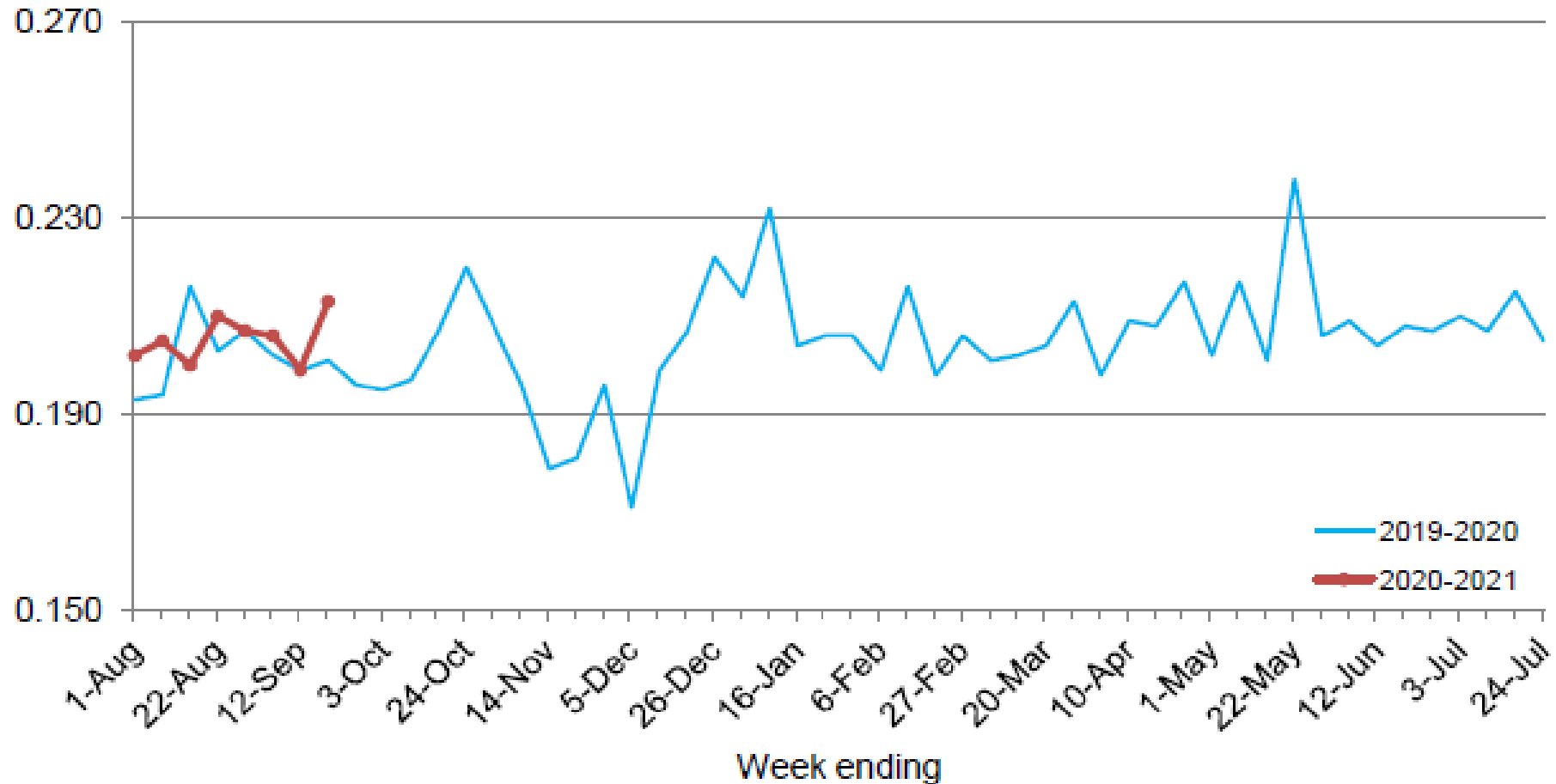
Peanut Price Loss Coverage Payment Rates

Marketing Year	MYA Price	PLC Payment Rate
2014/15	\$440/ton	\$95/ton
2015/16	\$386/ton	\$149/ton
2016/17	\$394/ton	\$141/ton
2017/18	\$464/ton	\$71/ton
2018/19	\$430/ton	\$105/ton
2019/20	\$412/ton	\$123/ton
2020/21	\$410/ton	\$125/ton

Data Source: USDA FSA

All Peanut Prices – United States

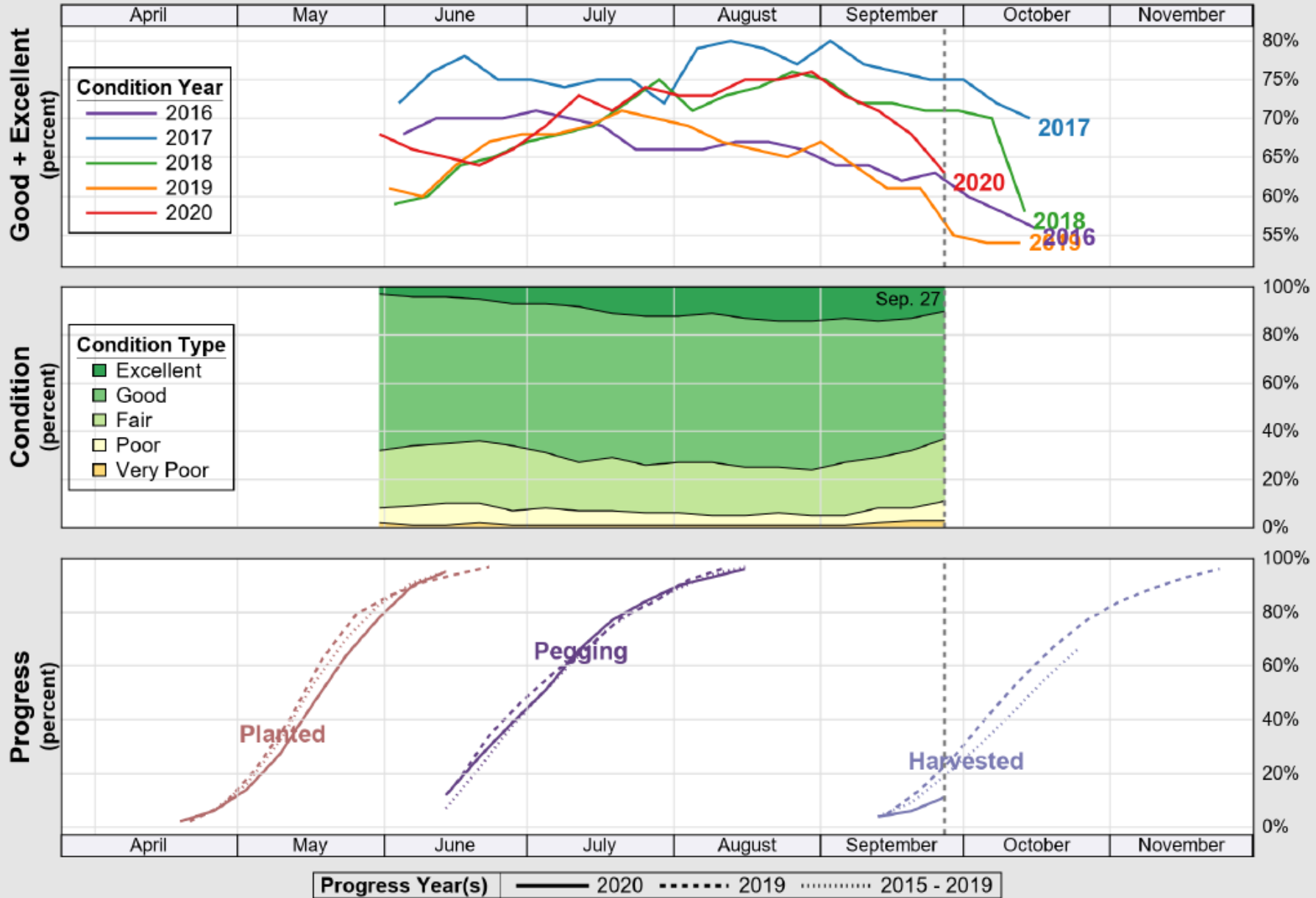
Dollars per pound



Source: Peanut Prices (Sep 25, 2020) USDA, National Agricultural Statistics Service

CFAP2 and Peanuts

- Not eligible for CFAP
- Eligible for CFAP2 as row crop for flat rate payment.
- Eligible acres of peanuts multiplied by a rate of \$15 per acre.
 - Total 2020 Reported Acres = 400
 - $400 \times \$15 = \$6,000$



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

Peanut Supply & Use Projections

	USDA			2020/21	2020/21	2020/21
	2018/19	2019/20	2020/21	Trendline Yield	5% Higher Yield	5% Lower Yield
	<i>1,000 Tons</i>					
Beginning Stocks	1,359	1,211	982	982	982	982
Production	2,748	2,748	3,397	3,339	3,566	3,227
Total Supply	4,165	4,016	4,513	4,378	4,606	4,266
Total Use	2,955	2,955	3,382	3,382	3,382	3,382
Ending Stocks	1,211	982	1,131	996	1,224	884

2021 Peanut Outlook

- Acreage hold steady given current prices and higher peanut usage. May reduce some due to trend in rotations.
- Strong domestic use should continue with COVID-19 positive impact on peanut butter sales.
- Expect prices to remain \$425-\$450 per ton in short term. The large production puts downward pressure if harvest a good quality crop and probably see lower price contracts.
- It's going to take a major shock to production or trade to move peanut market over the next couple years.



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THANK YOU

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