2010
OKLAHOMA PEANUT EXPO

Peanut Market
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U. S. Supply

• 2005 Crop - 2,410,000 farmer stock tons
• 2006 Crop – 1,737,225 farmer stock tons
• 2007 Crop – 1,815,000 farmer stock tons
• 2008 Crop - 2,573,950 farmer stock tons
• 2009 Crop - 1,844,175 farmer stock tons
• 2010 Crop - ???
OKLAHOMA ACRES

- 2005 - 33,000 acres
- 2006 - 22,000 acres
- 2007 - 17,000 acres
- 2008 - 18,000 acres (only 55% of ’05 ac.)
- 2009 – 13,000 acres (wrong direction)
- 2010 - ???
2009 Demand (usage)

• Demand for the U.S. Crop 2,083,000 tons

• Demand includes:
  - domestic usage – 1,450,000 tons
  - seed - 100,000 tons
  - crushing for oil - 125,000 tons
  - exports - 400,000 tons
Supply and Demand

• Supply  1,844,000 tons ’09 Crop
  +1,034,000 tons carry-in
  + 60,000 tons imports
  2,938,000 tons
  -2,083,000 tons  Demand
  855,000 tons  Carry-out

• This is 179,000 tons less than last year, but still a few too many peanuts.
Peanut Market (3/5/10)

• 2009 crop shelled peanuts have ranged from the low 50-cent on early sales to the mid 40’s.
• The latest USDA crop estimate of 1,844,000 tons has the market in a holding pattern.
• Buyers are in a wait and see mode, if acres are over 1.15 mil, pricing could weaken. If acres are lower than 1 mil. prices will go higher. In the SE with $450/ton, acres will likely increase.
• Higher cotton prices are dampening the excitement on peanuts.
• Sellers are holding and waiting to see the acres planted for ’10, which will determine the market for the balance of the ’09 crop and ’10 crop.
Other Market Factors

• China is offering peanuts at $400/Mt higher than the US and Argentina.
• Argentina has reduced acres 25% for the 2010 crop.
• If China does not get competitive with the US and Argentina (reduces exports), the US is the only place to get peanuts for EU
• How many peanuts will be planted in ’10?
Supply and Demand

• Supply  1,816,000 tons ’10 Crop  
  +  855,000 tons carry-in  
  +  60,000 tons imports  
    2,731,000 tons  
  -  2,083,000 tons Demand ?  
    648,000 tons Carry-out

• Carry-out would be down 207,000 tons from the ’09 crop carry-out, but would allow for any crop yield problems. This is pretty tight.
2010 Crop

• We need to increase US peanut acres by 5 – 8% in ’09
• We expect SW Runner peanut acres to be down 25%
• 2009 harvested acres – 1,081,000 acres
• 2010 – 1,081,000 ac. X 105% = 1,135,000 ac. X
  3,200 lbs/ac = 1,816,000 tons
• 3160 lb/ac (5 yr. avg.) *last two years 3400 lb/ac yields
• This would give a comfortable carry-out (648,000 tons)
  and hedge, if the yields are lower, but it is not too many
  peanuts
• With cotton edging up every day, farmers will have to
decide where peanuts fit in.
Summary

• If acres are less than 1 million acres, prices could get stronger.
• If acres are greater than 1.15 million acres, prices could weaken.
• In OK, you can maintain your acres or slightly increase and have no significant effect on the market. (OK grows 1.24% of the US Crop)
• There is a demand for Hi-Oleic, low aflatoxin peanuts.
• There is a specific demand for Spanish and Virginia type
• We are also seeing significant demand for SW peanuts in Mexico
OKLAHOMA

GROW MORE PEANUTS !!!