

# 2010 OKLAHOMA PEANUT EXPO

Peanut Market  
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March 5, 2010

# 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 - ???

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# 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 !!!