



November 25, 2014

U.S.

The market has firmed up the past several weeks with the continuing lack of sellers from the U.S., lack of sellers from Argentina, and strengthening of the Chinese domestic market.

The U.S. 2014 crop harvesting stands today at 2'414'241 fsst (according to the National Peanut Tonnage Report) vs the November 11, 14 crop estimate of 2'522'450 fsst.

So far the aflatoxin numbers continue to be better than expected. Nevertheless one needs to consider that only a small percentage of the crop has been shelled so far. It will take several months to have a good idea of the overall quality. One thing that all Southeast shellers are facing that was unexpected is the high percentage of damage. This will mean greater losses on outturns. We believe that only once the shellers know exactly the crop size, the quantity they will handle, and have shelled enough to evaluate the quality of the remainder of what they have sold, will shellers come out as sellers.

Most of the demand that the market has seen lately has come from the export market. Very few holes seem to remain in the domestic market, hence the lack of market activity. Chinese buyers have suddenly come out trying to buy whatever is remaining of 2012 or 2013 crop.

On 2013 crop, one Southeast sheller is out there apparently at 53 cents for runner jumbo with other withdrawn or at higher levels (55 and above) - and that is for negative aflatoxin. On tight specifications, prices are in the high 50's, if not 60 cents. Cif Rotterdam prices are around us\$ 1500.-. Blanching availability continue to tighten with many shellers tight through the first 3 quarters of next year. Southwest still has space January forward. Prices for jumbo blanched are in the low 70's. Cif Rotterdam prices are around us\$ 1750.-.

Argentina

Argentina has little left to sell on 2014 crop. Those who still have material have moved their prices higher. We have heard levels in the low us\$ 1500.- with a us\$ 200.- blanching premium. Plantings for the 2015 crop are under way with good soil moisture.

Brazil

Brazil is looking to increase its plantings, but dry weather since October might impact this forecast.

South Africa

South Africa has received good rains in time for normal plantings. Plantings is under way, but it is unclear at this time if the increase of 11.7% will be reached.