

ALL QUIET ON THE WESTERN FRONT BUT NOT SO QUIET ON THE EASTERN FRONT?

Market Report

A theme that will recur in many agri-product markets in the years to come. A slow down in consumption in the West, whilst Eastern markets consumption forges ahead. This could have a profound effect on the availability of foodstuffs in the West and, of course, their prices - peanuts being no exception.

It has long been a train of thought that China could well become a net importer of peanuts and that day is probably not too far away.

The availability of peanuts to the EU could also be further reduced due to the continual torrent of regulation flowing from Brussels making the import of peanuts both expensive and ever more risky.

China has recently re-emerged from its protracted New Year celebrations with a whimper rather than a bang! Prices are quietly creeping up on the back of higher sea freight and are likely to continue to rise as stocks run down towards the Summer months, especially for the larger sized nuts where there are few alternative origins. Plantings, which take place in March/April, will go a long way to determining prices for 2011.

All very quiet in the US peanut market. The drastic cut back in planted acres which led to a 2009 crop of 1.84 million tons has tightened availability but not pushed up prices too dramatically. A curious

phenomena of this crop is the continuing availability of Jumbo runners, whilst medium runners are hard to find. As with China, the Spring plantings will go a long to determining prices from the Autumn of 2010.

The competition for land use is strong especially with Cotton prices so high. This could well mean there are little or no extra acres planted for peanuts, thereby squeezing the availability of US peanuts for export.

Argentina suffered mixed fortunes during its planting period of November/December. First it was very dry and then, when it rained, it poured. It then became dry again but with very high temperatures. We all know peanuts are very resilient and, so far, considering what it has gone through, the crop is mainly looking good. With 20% less plantings, it is to be hoped that there are no new weather issues in the next few months, otherwise peanut availability for the second half of 2010 could get really tight.

With the IPF in London at the beginning of April looking to be well attended by USA and Argentine shippers, we should have a better idea about US planting intentions and the condition of the Argentine new crop - though I can't imagine anything they say will have much effect on prices which are likely to remain firm for the foreseeable future.

Mark Gravette (Barrow Lane & Ballard Ltd)

ANNUAL GENERAL MEETING AND JOINT LUNCH

The AGM and Joint Lunch with CENTA will be held on -

Friday 23 April 2010

in the Sugar Room of -

**The Brewery
Chiswell Street, London
EC1Y 4SD**

The AGM will start at 11.00 am and lunch will be served at 1.30 pm.



INTERNATIONAL PEANUT FORUM

7-9 April 2010

**Lancaster Hotel
Lancaster Terrace, London
W2 2TY**

The programme includes EU regulations on aflatoxins, pesticide residues, EU health and nutrition claims; food safety and peanut handling; crisis management; product innovation; sustainability and, of course, the ever popular origin panel discussions covering the worldwide peanut supply and demand. To register for this event, please visit the website -

<http://ipf.peanutsusa.org.uk/ipf.php>