

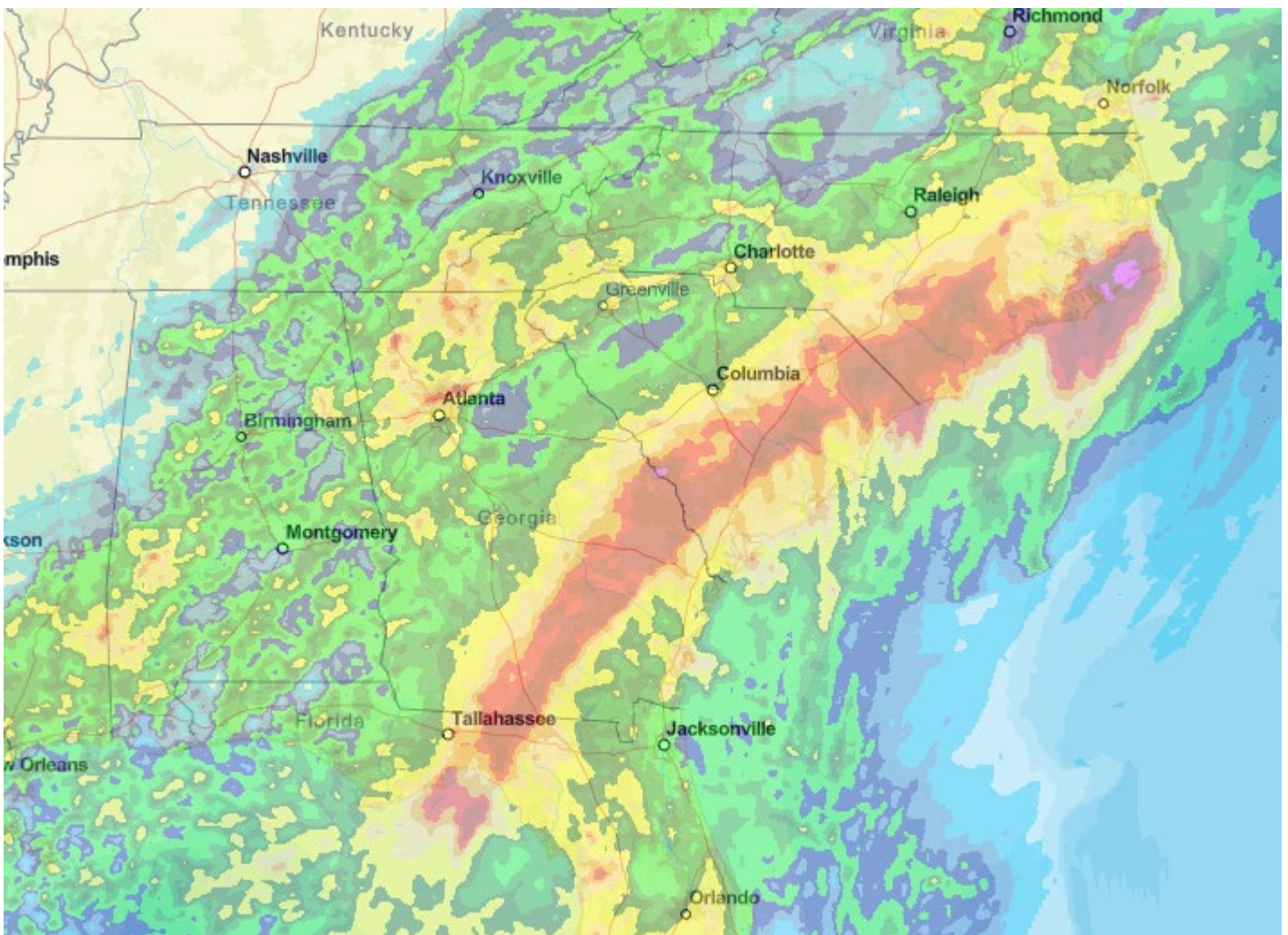


September 5, 2023

I will be updating my database of people receiving my monthly report. Please confirm that you wish to continue receiving my report. I will delete any person not confirming that they wish to continue to receive the report.

All eyes on the US and Chinese new crops.

USA
Weather and crop:
The biggest news lately was hurricane Idalia that first hit Florida, then went through Georgia, South Carolina and North Carolina, dumping a lot of rains on the peanut crop. Most of the heavy rain (up to 8 inches) fell in North Florida, Central, South and East Georgia, and Central and East South Carolina, Central and East North Carolina. Western Georgia got some rain (0.5 to 1.5 inches). Alabama who was in real need of moisture got from 0 to 1.5 inch.



After several weeks of extremely dry and hot weather, the rain was needed. At this point, I would say that the crop in

the Southeast and the Virginia/Carolinas, with the exception of Alabama and possibly some parts of Western Georgia, is doing fairly well. Provided the weather stays dry the next several weeks, these excessive rainfalls should not cause too many issues with the crop, to the contrary. Alabama and some parts of Western Georgia will need rains to finish the crop and avoid bigger losses to yield and quality. I don't believe that the Southeast crop will be as good as the last 3 years, but should still be a decent crop with pockets of problems.

So far, we have not heard of any damages to shelling plants and/or buying points and/or fields with the exception of some facilities and pivots I believe in Florida.

The Southwest is still under dry and hot weather, although some rains fell in West Texas and rains fell in Southern Texas due to last week's tropical storm Harold. Their crop should be slightly better than last year's crop. The big question though that remains is harvested acres.

Now let's hope for good weather during the harvest.

Market:

The current crop market, despite being somewhat quiet, has seen several businesses taking place both domestically and internationally. Prices domestically are around 60/61 on splits, 61/62 on mediums and 62/64 cents on jumbos. The EU market is somewhat all over the place. Heard prices of us\$ 1650.- to us\$ 1725.- for raw mediums/jumbos and us\$ 1975.- to 2050.- for blanched. Many shellers are withdrawn, assessing the new crop situation.

New crop, at best, is at the same level as current crop with many shellers withdrawn until they have assessed the new crop situation, both in terms of crop size and quality. And that will probably take quiet some time. As to the EU market, shellers will probably wait until they have a chance to shell some of the new crop before selling any additional EU quality to assess the aflatoxin situation of the crop.

Blanching slots could be tight the next 12 months with the increase of export business and the probability of more blanching for quality purposes. Current crop is being offered at a premium over normal differential.

Lastly, the carryover for the 2022 crop is 1.036 million fst which is slightly higher than anticipated. This is due to mainly to a lower number of shelled peanuts being crushed. It is difficult to assess what the carryover for next year will be. But if one assumes a 15% increase in exports, a flat domestic consumption and a crop of 3.1 million fst, then the carryover should be about the same as this year. Needless to say, any decrease in the crop size or increase in exports, would bring that carryover number down.

USDA Stocks and processing: July 2023.

Jul 23 vs. Jul 22: Peanut candy **down 33.95%**, Peanut Snacks **down 8.27%**, Peanut butter **up 2.89%**, Other products **down 32.86%**, Total edible **down 9.70%**, Inshell **down 6.28%**

Aug 22-Jul 23 vs. Aug 21-Jul 22: Peanut candy **down 9.87%**, Peanut snacks **down 6.13%**, Peanut butter **up 5.04%**, Other products **down 24.63%**, Total edible **down 0.89%**, Inshell **up 14.49%**

USDA exports: June 2023.

Jun 23 vs. Jun 21: the US exported 49'038 mt, an increase of 42% over last year. China was up 163%, the EU27 was up 107%, the UK was up 25%, Canada was up 13% and Mexico was up 1%. The only major that was down was Japan down 40%.

Aug-Jun 23 vs. Aug-Jun 22: the US exported 407'339 mt the first 11 months of the year, an increase of 2% over last year. The EU27 was up 18%, Canada was up 3%, China was up 10%. Otherwise, Mexico down 1%, Japan was down 3% and the UK was down 37%.

Argentina

Not much new about the Argentine current crop. Exports are still expected to be 35 to 40% lower than last year. Prices

are above us\$ 1900.- for raw and us\$ 2100.- for blanched. No expectations for those prices to come down.

The market is starting to talk about new crop, with expectations of a 10 to 15% increase in plantings. The issue at the moment though is the lack of moisture. Plantings are about a month to a month and half away and the Argentine peanut area desperately needs rain.

Brazil

The Brazilian market has been somewhat quiet with still good amount of farmerstock available although at high prices, West European manufacturers continue to want to buy at levels of us\$ 2100 or higher but are seemingly unable to find suitable material because of pesticides or afla issues.

New crop plantings are expected to be up as well 10 to 15%.

Brazil exports for July 2023:

Peanut oil: 6'759 mt exported in July, bringing the total year to date to 64'494 mt. For July, 5'257 mt went to China and 1'365 mt to Italy.

Peanuts: 32'183 mt were exported in July, bringing the total year to date to 166'241 mt. For July, 8'865 mt went to Russia, 8'077 mt to Algeria, 7'771 mt to the EU, 1'494 mt to Ukraine, 950 mt to South Africa.

China

The Chinese market continues to be extremely quiet and somewhat weak although prices for both the physical and the futures have been quite resilient. Futures are at RMB 10660.- after rising last week to RMB 10920.-.

The crop seems to be doing well. Some southern parts of China have already started to harvest peanuts. Harvest for the main peanut area should start promptly with Northern China following later on.

With the weaker demand driven by the bad economic situation and the expectations of a good crop, it is very possible that prices come down. The question is when.

Imports continue to be impacted by the currency with the US\$/RMB exchange rate at 7.25. Lots of question about what China will import this coming season. No question they will continue to import all they can from Senegal and other African countries. Sudan, with its continuing conflict, is the big mystery. There is no question that plantings and production will be impacted, but by how much. Will this give the US more opportunity to export farmerstock? On the other hand, the current currency exchange rate should allow for more exports as prices get more interesting. Possibly some help for those European manufacturers.

Imports for July 2023:

Peanuts:

China imported 23'334 mt incl. 11'327 mt from USA and 10'729 mt from Sudan.

For the 1st 7 month of the year, China imported 611'259 mt (an increase of 33.69% vs. last year) incl. 337'744 mt from Sudan, 170'296 mt from Senegal, 81'928 mt from USA, 12'277 mt from Argentina and 6'472 mt from India.

Peanut oil:

China imported 16'721 mt incl. 8'924 mt from Brazil, 5'065 from India and 1'754 mt from Argentina.

For the 1st 7 month of the year, China imported 166'847 mt (an increase of 93.51% vs. last year) incl. 75'671 mt from India, 57'944 mt from Brazil, 19'847 mt from Argentina, 8'013 mt from Sudan.

India

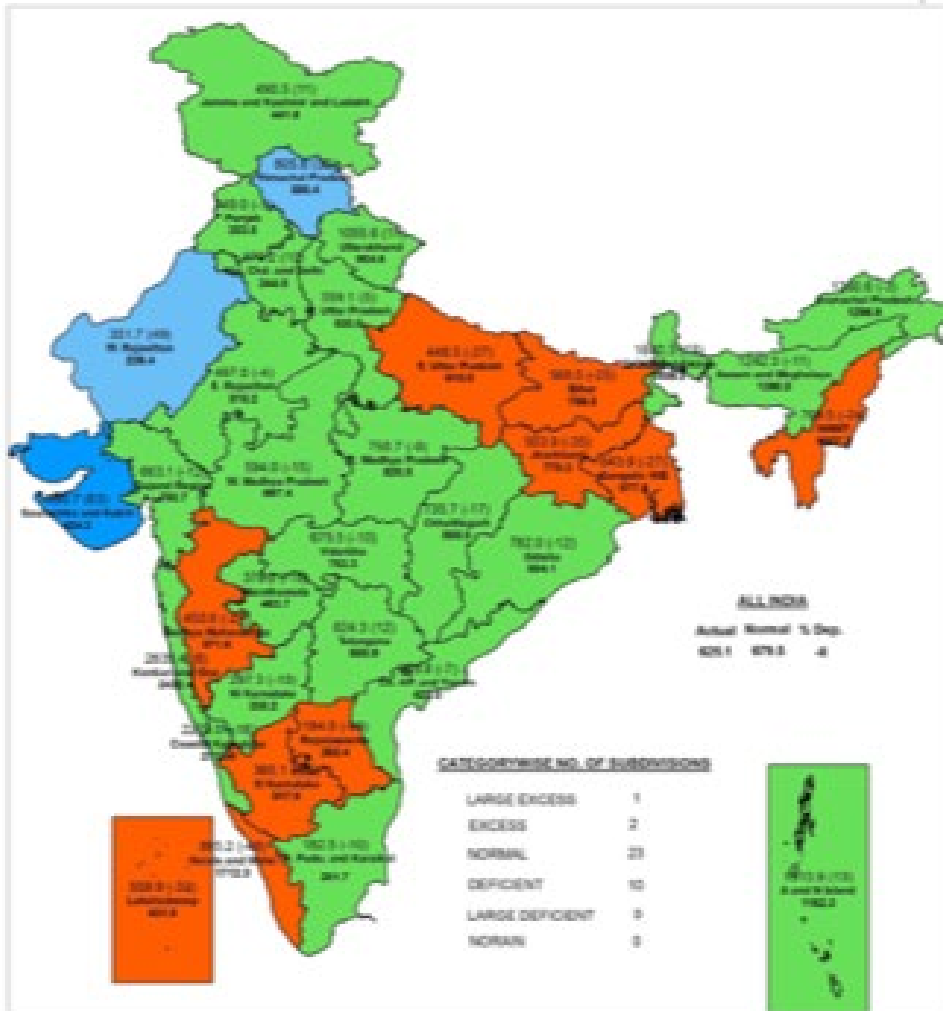
According to the Agriculture Ministry, 43.27 Lakh Ha were planted vs. 44.75 last year, a drop of 3.31%.

Monsoons are behind (see map hereunder). India needs rain. Nothing desperate yet it seems, but bears watching.



SUBDIVISION RAINFALL MAP

Period : 01-04-2023 To 28-08-2023



Legend

Large Excess (>40% or more) Excess (20% to 40%) Normal (0% to 20%) Deficient (0% to 20%) Large Deficient (>40% to 80%) No Rain (<0.1mm) No Data

NOTES:

- (a) Rainfall figures are based on operation data.
- (b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
- (c) Percentage Departure of rainfall are shown in brackets.