



August 12, 2024

### **USDA crop estimate August 12, 2024 and Chinese crop situation**

#### **USA**

The hereunder USDA crop estimate was just announced.

No real surprise with a crop estimated to produce 3.4 million fst.

Most important is the weather the next 5 to 7 weeks. The crop will need a lot more rain to achieve yields and a good quality.

Outside East GA that has received lots of rains from hurricane Debby, the rest of GA and AL have not received a drop of rain the past 10 days. And the next 2 weeks forecast looks hot and dry.

So, we are not out of the woods yet. We need more rain, especially with those hot temperatures. The only good news is that night time temperatures will be in the low to high 70's.

The Virginia/Carolinas received tremendous amounts of rain from the hurricane. They needed the rain (but not that much). East GA and the V/C will definitely benefit from the dry forecast.

USDA crop estimate

12-  
Aug-24

State	Area Planted			Area Harvested			Yield per Acre (lbs)			Production (fst)		
	2023	2024	%	2023	2024	%	2023	2024	%	2023	2024	%
<b>Alabama</b>	175,000	190,000	8.57%	171,000	186,000	8.77%	2,810	3,300	17.44%	240,255	306,900	27.74%
<b>Florida</b>	160,000	170,000	6.25%	152,000	161,000	5.92%	3,320	3,700	11.45%	252,320	297,850	18.04%
<b>Georgia</b>	775,000	850,000	9.68%	770,000	845,000	9.74%	4,070	4,100	0.74%	1,566,950	1,732,250	10.55%
<b>Total SE</b>	1,110,000	1,210,000	9.01%	1,093,000	1,192,000	9.06%	3,769	3,921	4.05%	2,059,525	2,337,000	13.47%
<b>Arkansas</b>	35,000	45,000	28.57%	34,000	44,000	29.41%	5,800	5,300	-8.62%	98,600	116,600	18.26%
<b>Mississippi</b>	18,000	26,000	44.44%	16,000	25,000	56.25%	3,600	3,800	5.56%	28,800	47,500	64.93%
<b>Missouri</b>	20,671	23,000	11.27%	19,000	22,000	15.79%	5,000	5,000	0.00%	47,500	55,000	15.79%
<b>Total Delta</b>	73,671	94,000	27.59%	69,000	91,000	31.88%	5,070	4,815	-5.01%	174,900	219,100	25.27%
<b>New Mexico</b>	11,000	11,000	0.00%	10,000	10,000	0.00%	2,100	2,300	9.52%	10,500	11,500	9.52%
<b>Texas</b>	225,000	235,000	4.44%	180,000	205,000	13.89%	2,600	2,800	7.69%	234,000	287,000	22.65%
<b>Oklahoma</b>	16,000	18,000	12.50%	15,000	17,000	13.33%	3,900	4,100	5.13%	29,250	34,850	19.15%
<b>Total SW</b>	252,000	264,000	4.76%	205,000	232,000	13.17%	2,671	2,874	7.60%	273,750	333,350	21.77%
<b>North Carolina</b>	124,000	130,000	4.84%	123,000	129,000	4.88%	4,300	4,400	2.33%	264,450	283,800	7.32%
<b>South Carolina</b>	77,000	83,000	7.79%	74,000	80,000	8.11%	4,050	4,000	-1.23%	149,850	160,000	6.77%
<b>Virginia</b>	29,000	30,000	3.45%	29,000	30,000	3.45%	4,830	4,700	-2.69%	70,035	70,500	0.66%
<b>Total V/C</b>	230,000	243,000	5.65%	226,000	239,000	5.75%	4,286	4,304	0.41%	484,335	514,300	6.19%
<b>Total USA</b>	1,665,671	1,811,000	8.72%	1,593,000	1,754,000	10.11%	3,757	3,881	3.30%	2,992,510	3,403,750	13.74%

Estimates since not being reported by USDA

**China**

Report received from our contact Wang Jun.

## **Overall situation**

Crop development so far is below expectation compared with our last visit. Current estimation that 2024 crop can still be considered a fair one, but in some flat fields from Henan to Shandong, the crop development is not very good or below average. Mainly due to the dry weather in early stage which makes pegging more difficult. The excessive rainfalls then caused further problems to growth of the pods.

### **Shandong Province**

Rainy days have been welcomed at first as the dry weather is damaging crop growth, but the continuous and excessive rainfalls became headache again, especially to flat fields where drainage is an issue.

Peanuts in flat & low areas are facing big problems-overall situation is something poor to below average, number of pods per two stems range between 15-20 pods, about 30% smaller than last year. Farmers told us that although the plants have grown well, but the dry weather during flowering and pegging was a blow to their hope of a good crop.

Situation in hilly areas is better than previously thought, seems that lack of rainfalls in May/June has not brought significant damage to flowering and pegging, number of pods every two stems is more than 25-30 pods, which is better than last year, and kernels are developing well too.

Western Shandong: Both Hsuji type and Virginia type planted in hilly areas are doing fair to good, those in flat field varies-about 30-40% has problems of fewer pods, although planted area increased slightly in these area, I am afraid that yield in average could be smaller, thus erase potential gains in area increase.

Qingdao Area: As per last report, planted area almost similar to last crop, those in flat field is poor to below average too, while in northern part of Qingdao, especially hilly and high lands-crop outperforms those in south part, which is also better than last crop.

Yantai/Weihai Area-situation is similar to Qingdao area- farmers are praying for good weather from August for good crop.

Farmers we talked with are not satisfied with yield of wheat, nor the buying price either. But they think price of peanut from last crop is better than expected, however, this does not mean they will plant more peanuts due to availability of land and rotation arrangement.

### **Northeast China**

The situation in this area is still good so far, number of pods is up to normal crop year, and shall be classified as normal to good, planted area is bigger than last crop, but mainly goes to runner type and red skin variety, area of Virginia type has not increase that much.

The past several weeks also witnessed more than need rainfalls, but according to reports from meteorological report, the precipitation is still good to peanut growth. Farmers in this region are also happy to plant more peanuts thanks to good revenue from last crop.

### **Henan**

Peanuts in South part of this province is in trouble due to dry and floods afterwards, while in northern part, situation is not that bad. Peanut in this region will be classified as below average so far.

Peanut from Henan are mainly for crushing & local edible purpose, but the production is also important to overall peanut price, one source indicated that planted area in Henan increased by over 15%, while my impression is that this can't be that huge-possibly similar to last or less than 10% maximum.

## **Market Situation**

After checking with different dealers and information from crushing industry, total volume bought by crushing industry until late June is about 1,220 thousand tons which is bigger than 1,070 thousand tons from previous season, but smaller than 1770 thousands in previous 5 seasons. This well reflected decreasing demands for peanut oil & also impact from a slowing economic.

Total export is less than 400 thousand tons which is however about 8% increase from previous crop year, thanks to bullish Argentine peanuts and good harvest of Chinese origin.

It is generally expected that total import of peanuts will be smaller than last year, partly due to weak demands and weak Chinese currency, also market participants

are expecting increased planted area and good harvest may narrow the margin of importers, but I think it is still too early to say that.

There are still reasonable carryovers from current crop-some dealers are speculating on new crop, I think that this will be available in the market in the coming 3-4 weeks when situation of new crop becomes clearer, so far we may not expect price hiking yet.

We started to see some hope for a softening sea freight market, but it seems that the situation in middle east will not support freight market return to the level of last October, this will remain problem to Chinese exporters in coming months.