National Peanut Research Laboratory

2003 Outlook Conference

Peanut Situation and Outlook

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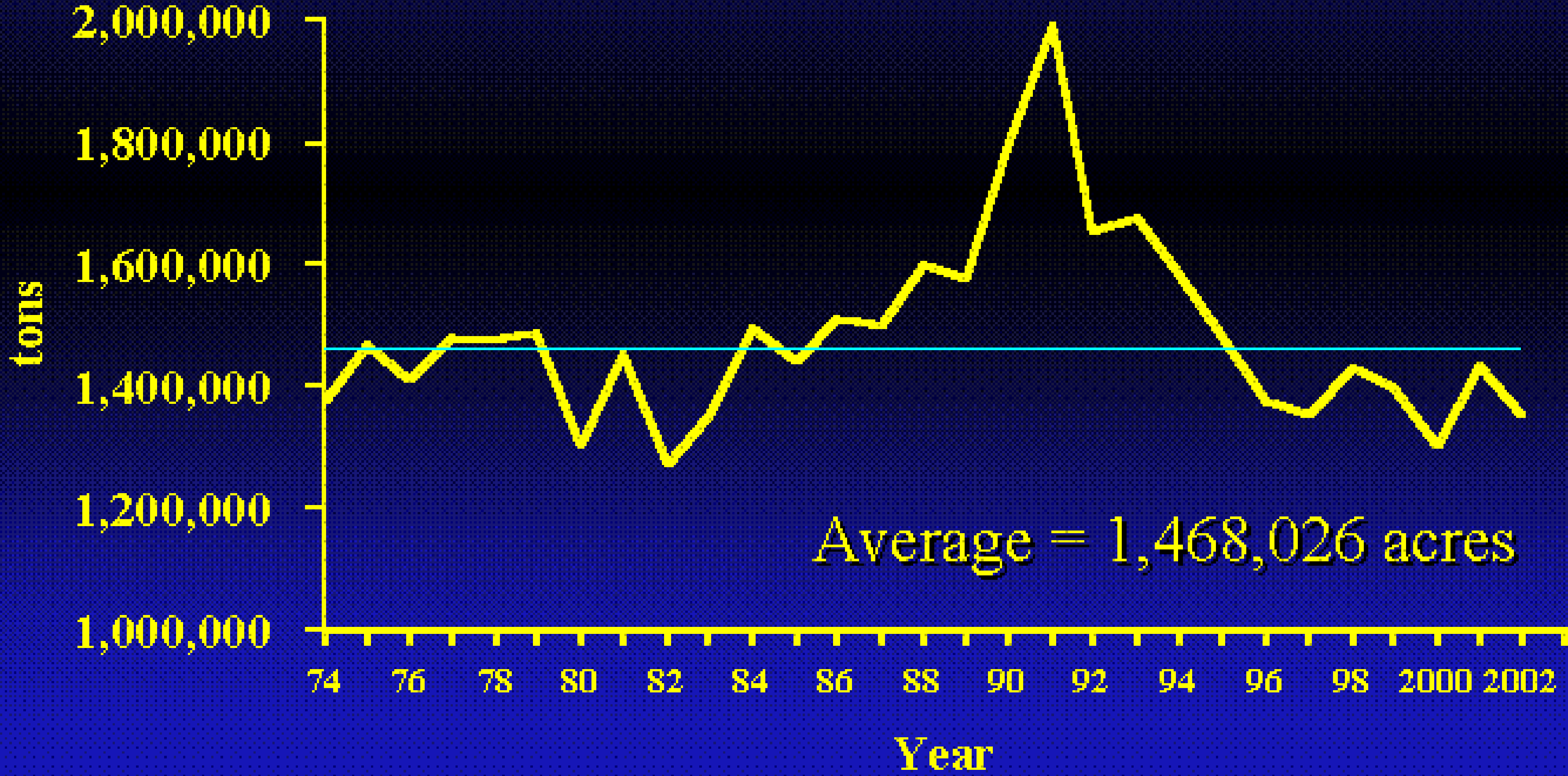
Objectives

Address the current situation in peanuts:

- **production**
- **stocks**
- **prices**

Address the competitiveness of US peanuts in domestic and international markets

US Peanut Acres (1974 - 2002)



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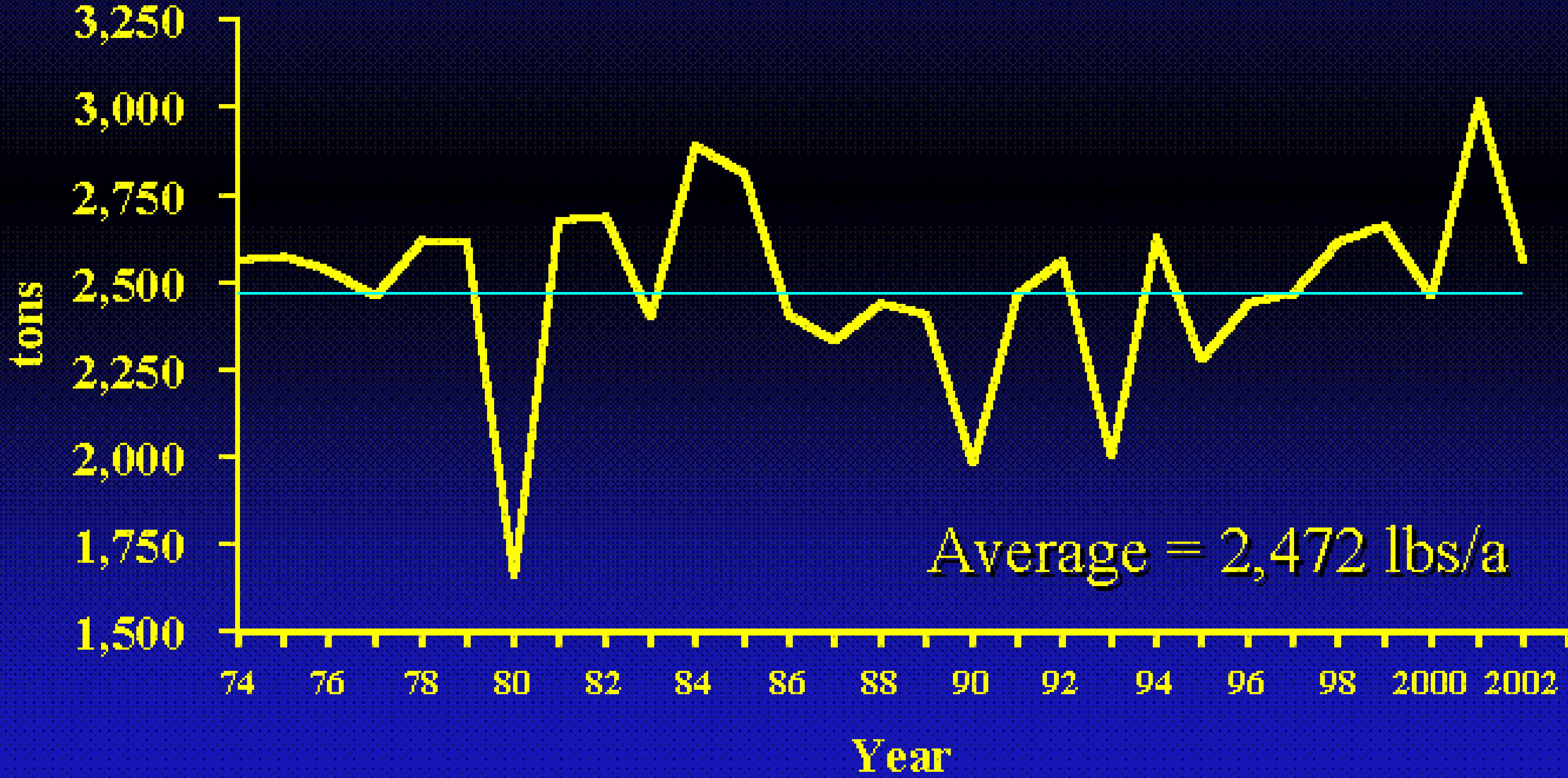
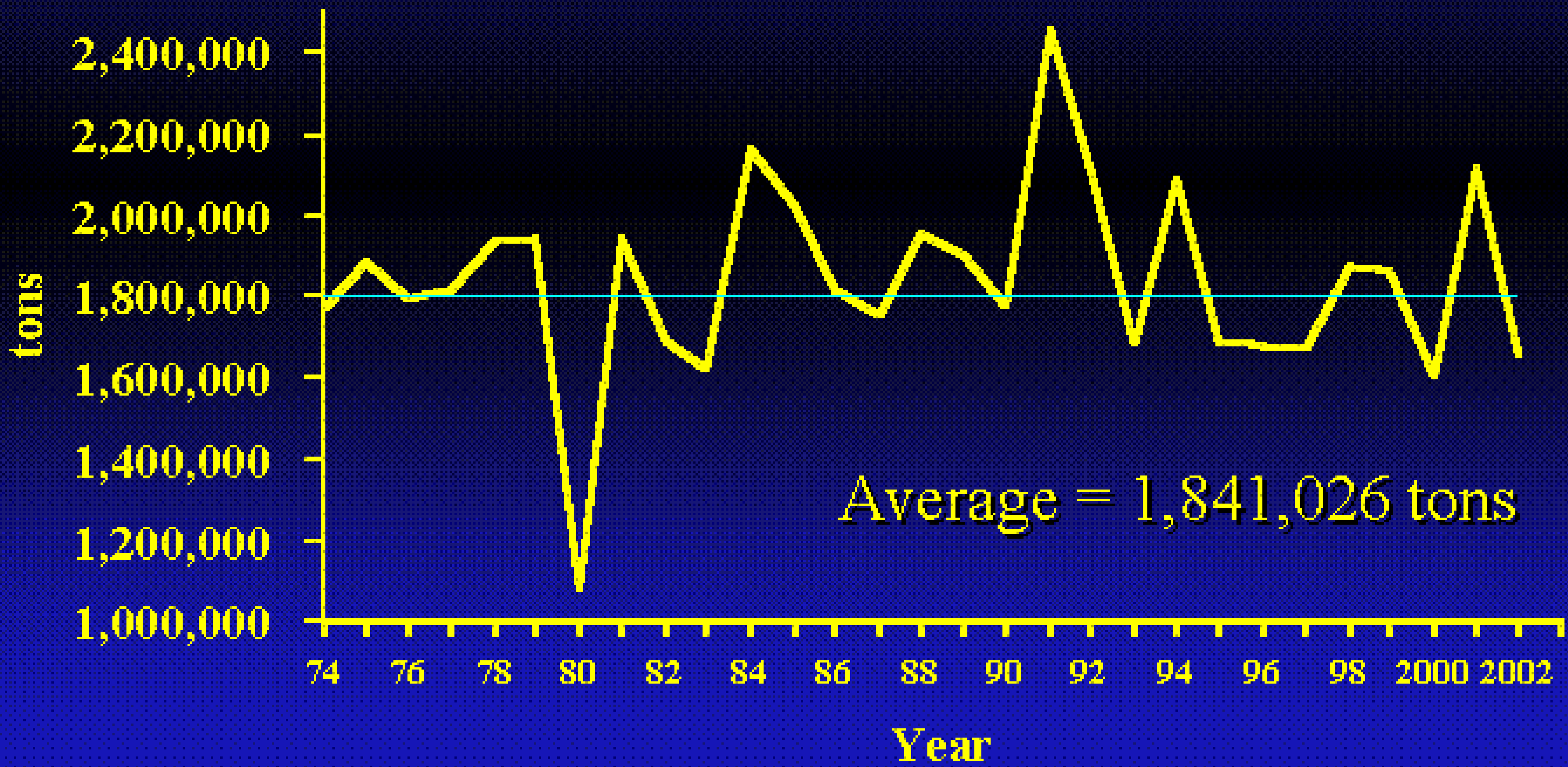
US Peanut Yield (1974 - 2002)



US Peanut Production (1974 - 2002)



CY 2003 Planted Acres, Yield, and Production by State

	Acres	Yield	Production
AL	189,000	2900	274,050
FL	107,000	2900	155,150
GA	535,000	3200	856,000
NC	100,000	2900	145,000
VA	33,000	2800	46,200
OK	57,000	2900	55,100
TX	240,000	3400	408,000
US	1,277,000	3,121	1,992,950

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Loan Stocks in2002/03

- Over 650,000 FS tons were placed under loan from the 2003 crop

- Essentially all were bought out. Only 4,500 FS tons remain in loan and probably left to mature

-Stocks (in FS equivalent)

2002 = 422,944 tons

2003 = 105,878 tons   (stocks are very tight)

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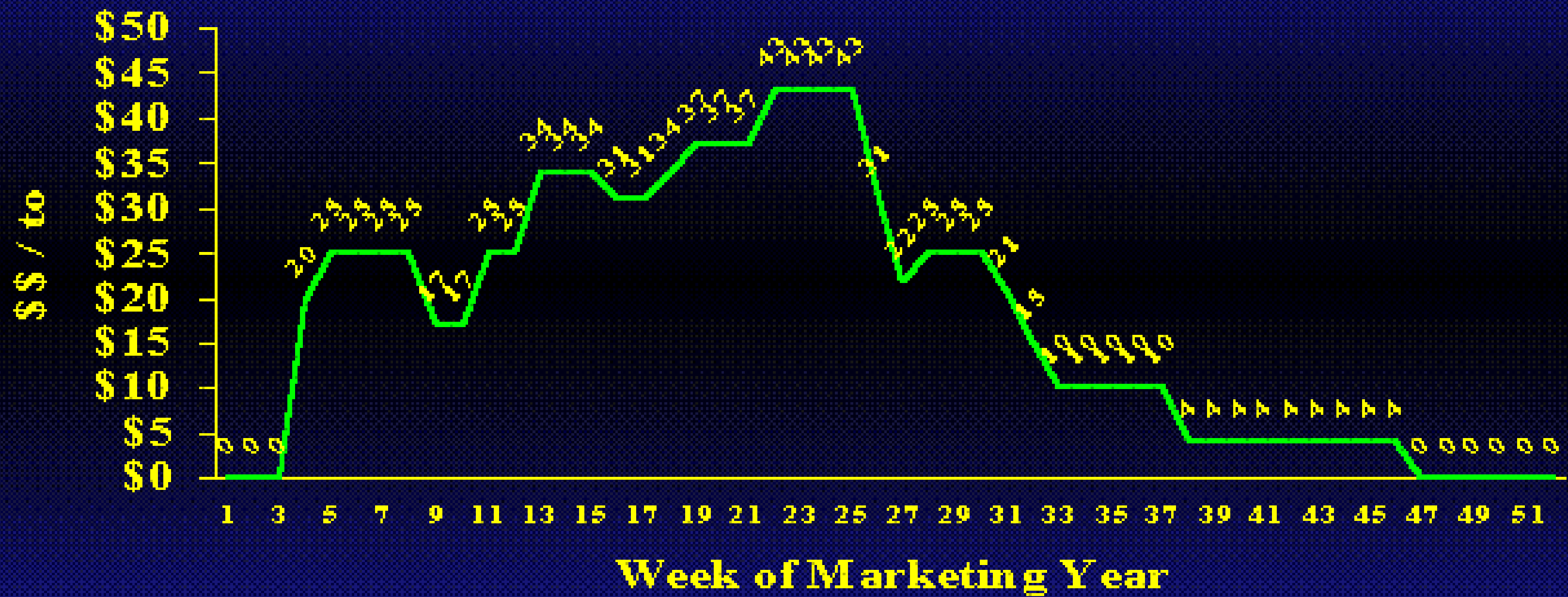
2002/03 National Posted Price (runners)

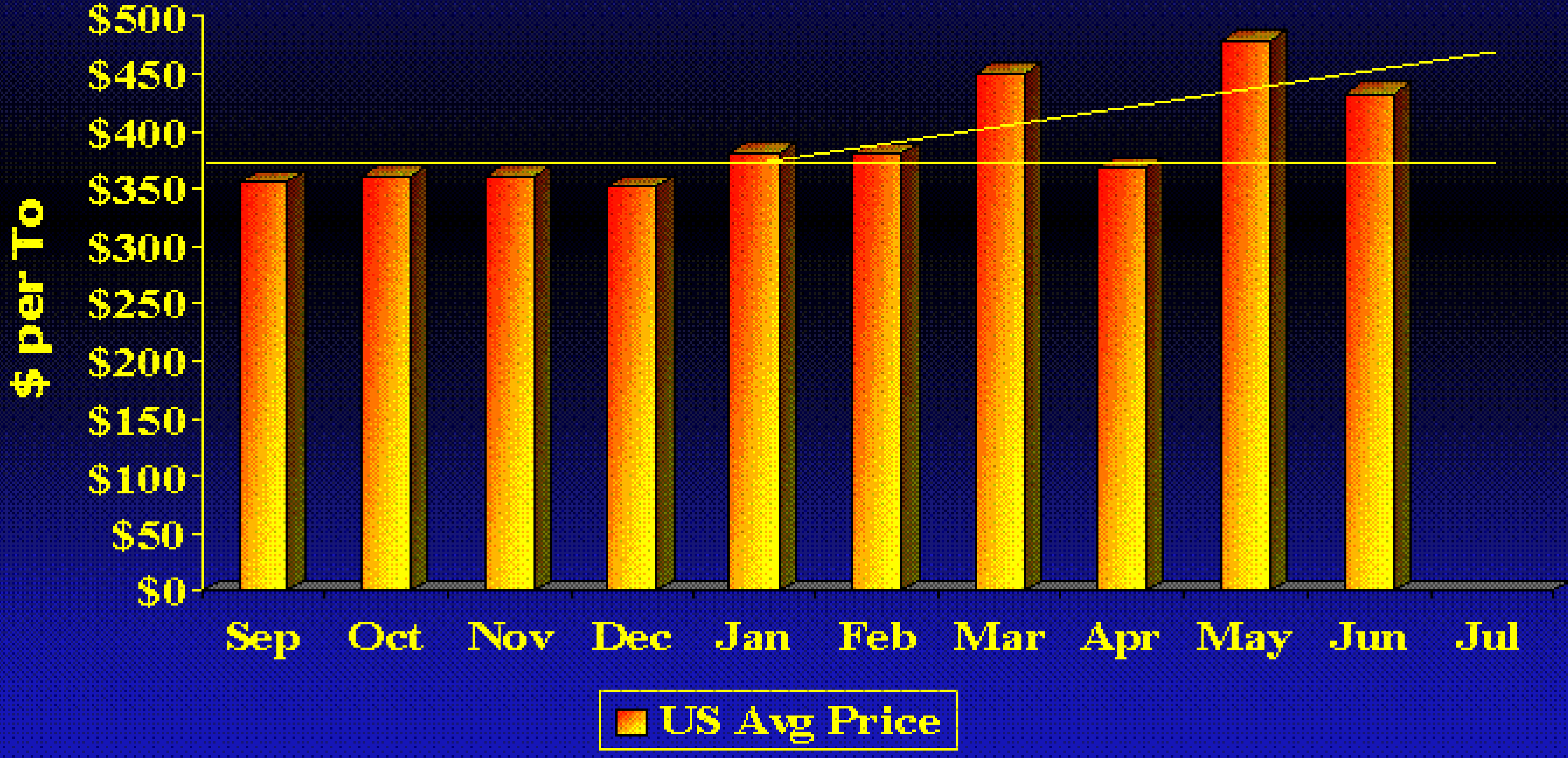
LDP and/or MLG 2002/2003



Average LDP for CY 2002 peanuts was <u>$28.75 /ton</u>

Average MLG for CY 2002 peanuts was <u>$39.60 /ton</u>

US Average Price



Source: Dr. Nathan Smith

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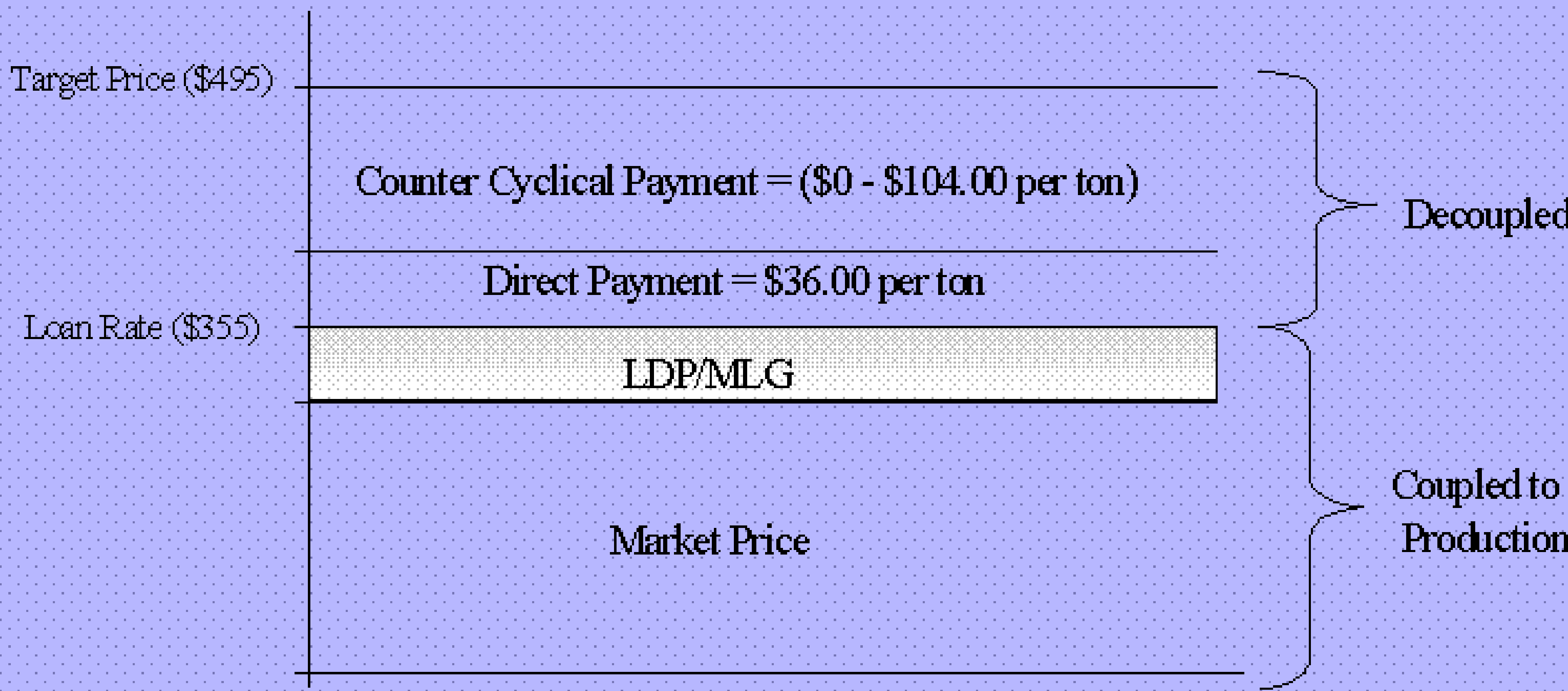
Reaching the $495.00/ton Target Price

Peanut Revenue ($/ton)



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2002 Payments and Prices

Target Price	= $495
Direct Payment	= $36
Loan Rate	= $355
CCp	= $ 95
Avg. Pnt Price	= $364

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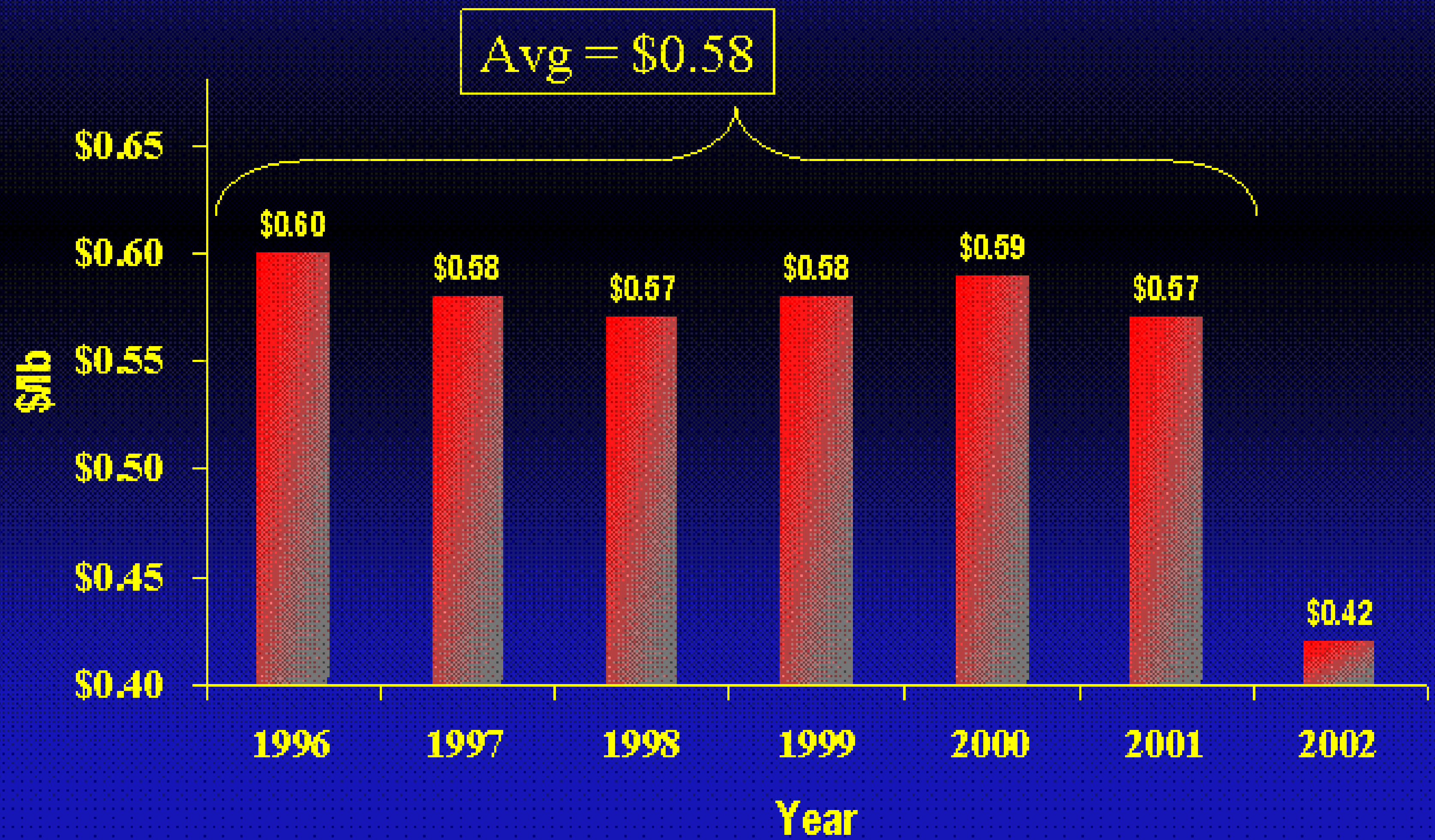
US Shelled Stock Peanut Prices (Domestic)



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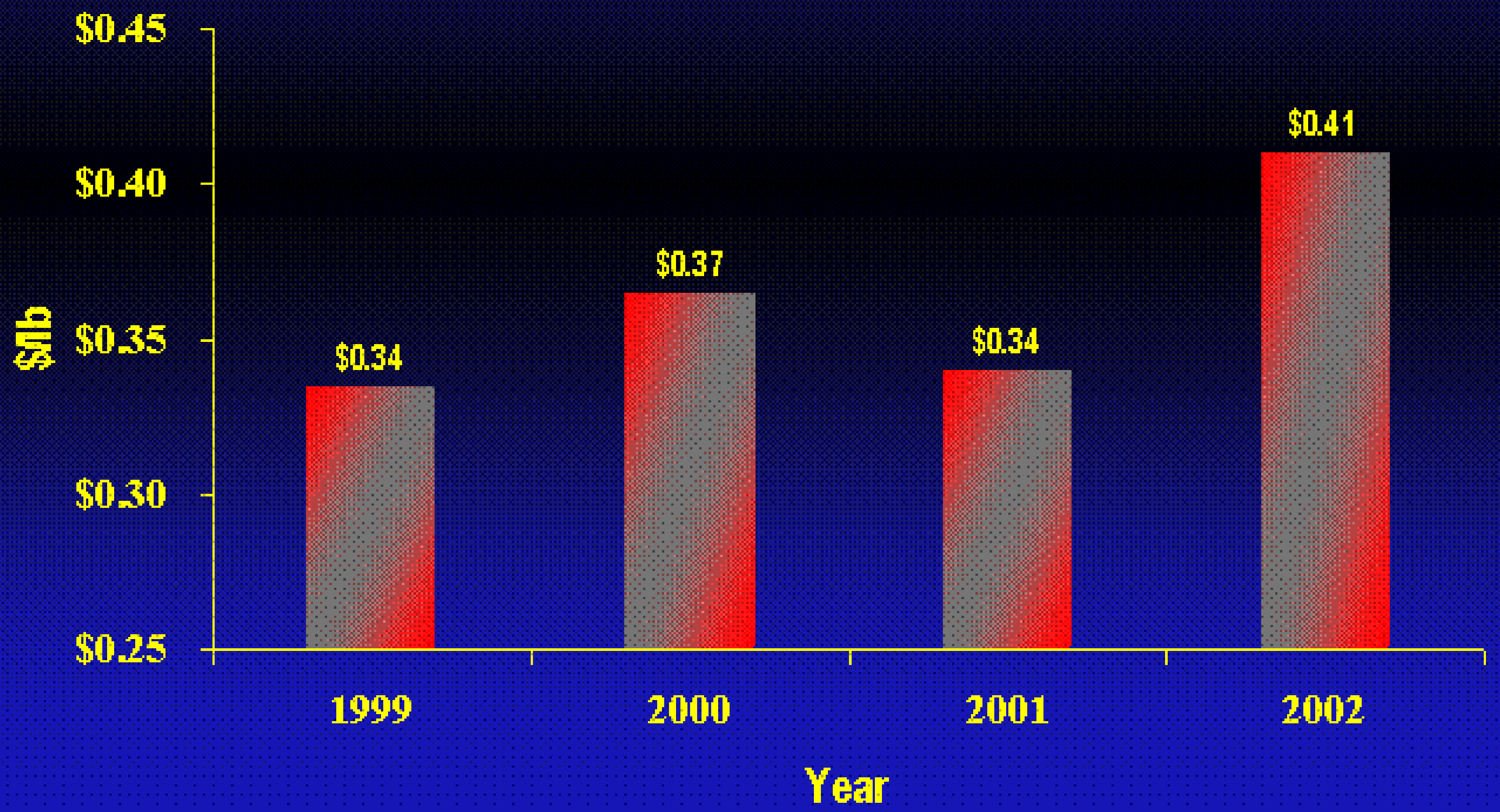
US Shelled Stock Peanut Prices (Export)



Summary :

We are more competitive in US domestic markets:

- *More competitive against imports*
- *More competitive against competing products*

For now, the US is not as competitive in world markets as we were under the 2 – price system (NPP is very important)

Upward pressure on world market prices will spur world production which should place downward pressure on world peanut price – NPP will be more important in this scenario.

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Questions

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