



The Real HEROES @ Work

MARKET HIGHLIGHTS

El Nino associated with the heating of the Pacific waters and a positive Indian Ocean Dipole is linked to the cooling of the Indian Ocean waters. Both are believed to impact the Indian monsoon. Although peanut prices in China are higher than a year ago, 19' crop area is expected to rise only by 1%. Argentina progress on the harvest is slow due to weather conditions. American Peanut farmers are unsure as to how much assistance a farm might receive from losses caused by trade with China.

Monsoon rains drench Gujarat as sowing picks up...

1 The Monsoon Smiles: India is likely to get above-average rainfall in the next two weeks after receiving below-average rains in the past two weeks. Monsoon rains are crucial for farm output, as about 55% of India's arable land relies on rainfall. Water levels in the main reservoirs were at 24% of their storage capacity, against 32% at the same time last year. Overall, India has received 17% less rain than average since the monsoon season began in June. Gujarat, the biggest producer of peanut; the rainfall deficit was as high as 42%. July ended with above-normal rainfall, brought much-needed relief to several parts of the country and bringing down the overall deficiency to nine percent. The next two weeks are expected to bring good rainfall.



benefit many segments including farmers. The commercialisation of high oleic peanut varieties is an example of market-oriented crop breeding. The way forward is a closed-loop value chain for high oleic peanuts to ensure high genetic purity of seed supplied to farmers for high quality to meet the standards of processors.

3 MEIS 2.0: India's export incentive scheme called Merchandise Exports from India Scheme (MEIS) will be replaced with a new duty refund scheme called Rebate of State and Central Taxes and Levies (RoSCTL). Instead of giving export incentives which are anywhere between 0.15% to 6%, the new scheme will seek to reimburse

duties to exporters. Earlier to the MEIS export incentive schemes, the commerce ministry supported peanut exports with a variety of schemes; FPS 2% (Focus product schemes); FMS 2% (Focus market schemes); Turnover Growth Incentives 2% and a Drawback credit of 1.5%. A noteworthy mention is the present interest subvention scheme of 5% for agri exporters in the MSME sector which makes working capital available at 4%-4.5%. However, with the incentive systems undergoing frequent changes, the schemes can be aptly named as MESS.

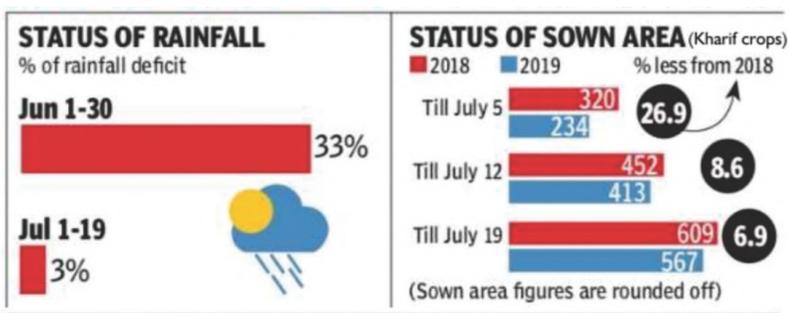
2 H.O! H.O! H.O! Indian Council of Agricultural Research announced two high oleic (H.O) peanut varieties, Ginnar 4 (ICGV 15083) and Ginnar 5 (ICGV 15090) with about 80% oleic acid content to be released for cultivation in India. Food processing industries in the USA and Australia had successfully tapped the potential of high oleic peanuts and the entire value chain of the peanut industry got benefited. Argentina took advantage of the high oleic peanut through high-value exports. With food processors keen to source high oleic peanuts from India for shelf-life benefits, this release can

PEANUT PRICE BEST QUOTES MARKET TREND UPTREND

BOLD 3035 AFLATOXIN B1B2G1G2:4PPB HUMAN GRADE OCT'18 \$1445 FOB CROP PRICE TERMS	BOLD 4045 AFLATOXIN B1B2G1G2:4PPB HUMAN GRADE OCT'18 \$1415 FOB CROP PRICE TERMS	BOLD 5560 AFLATOXIN B1B2G1G2:4PPB HUMAN GRADE OCT'18 \$1400 FOB CROP PRICE TERMS
BOLD 6065 AFLATOXIN B1B2G1G2:4PPB HUMAN GRADE OCT'18 \$1385 FOB CROP PRICE TERMS	BOLD 7080 AFLATOXIN B1B2G1G2:20PPB BIRD FEED OCT'18 \$1355 FOB CROP PRICE TERMS	BLANCHED 4151 AFLATOXIN B1B2G1G2:4PPB CHINA OCT'18 \$1600 FOB CROP PRICE TERMS
JAVA 5060 AFLATOXIN B1B2G1G2:4PPB HUMAN GRADE JAN'19 \$1730 FOB CROP PRICE TERMS	JAVA 6065 AFLATOXIN B1B2G1G2:4PPB HUMAN GRADE JAN'19 \$1700 FOB CROP PRICE TERMS	BLANCHED 5161 AFLATOXIN B1B2G1G2:4PPB CHINA OCT'18 \$1580 FOB CROP PRICE TERMS

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ACREAGE INCREASES WITH PACE OF RAINS



...crop increase in India may potentially create threat to the Chinese & African exports...

Indian Peanut Market

According to all India Kharif crop coverage report, as on July 19, sowing of peanut was around 2.72 mn hectares compared last year 2.91 mn hectares. In Gujarat, 10 to 15 percent area under cotton to be replaced by peanut due to delayed monsoon. Until last week, the area under kharif sowing was 27% less than the year-ago. A strong revival of the monsoon, especially in central, east and northwest India, has raised hopes for the annual kharif crop's performance. Most parts of Gujarat have received good rains. Moderate to heavy rains occurred over multiple places in Saurashtra and the Kutch region is battling flood-like situation. Poor rainfall last year slashed India's peanut crop output by 29 percent. For 2019-20, Indian peanut area may bounce back by 6 percent to 5 million hectares, and provided the monsoon season is less erratic, peanut yields could rebound. Indian peanut production would then be projected to recover to 5.8 million tons from the 4.7 million tons produced in their 2018-19 season, which could lead to more exports. Almost all of these early stages of growth is attributable to the unsung heroes of the peanut industry: **Farmers**. Every peanut farmer takes defeat and victory in the same stride and no matter what, he is ready to face the challenge; one more time...
Godspeed India!

...global peanut production is projected to be down by 2% to 44.9 million tons - USDA...

International Peanut Market

USA: Production of peanuts in 2019-20 is projected by USDA to be up by 3 percent based on modest increases in intended planting and yield. USDA reports that during March 2019, peanut exports were 39,929 metric tons, down 22.4 percent. The top buyers were Canada (8,916 MT), Mexico (8,408 MT) and the Netherlands (6,888 MT). China has not been a major buyer, purchasing only 1,896 MT compared to 14,093 MT last March.

Argentina: Harvesting slowed down due to poor weather conditions. It is estimated that about 60 percent of the peanut farming is left to be harvested, hoping conditions remain dry and cold. Peanuts maintained moisture percentages higher than 13 to 15 percent. The Argentine Peanut Chamber has welcomed the recent free trade agreement reached between Mercosur and the EU.

China: The total planting area is estimated to be increased with about 5 percent to 7 percent. The province of Shandong was the largest peanut cultivation province in China. However, in the past 10 years, not only it's total production has been surpassed by Henan but also was faced with problems of aflatoxin. Liaoning and Jilin on the other hand, are increasing their peanut planting area. Due to the cold weather, there will not be any problems with aflatoxin. There is a chance that the prices for the new crop will start at a higher level than crop 2018. Domestic consumption may nearly match the output growth so peanut exports from China may expand minimally in 2019-20.