
Peanut Situation and 2023 Outlook

Highlights

- Planted acres are expected to increase in 2023 in the United States and Georgia, a reversal of the 2-year decline in planted acres.
- Peanut disappearance of the 2022–2023 crop is projected to remain strong at 3 million tons; this is supported by forecasted increases in food use and exports over last year.
- Georgia forward contract prices are expected to be down with an estimated season average price of \$475 per ton (ranging \$450–\$500 per ton).

Outlook

Prior to planting decisions for 2022, the peanut industry had come off a bountiful production year with excellent average U.S. yields. The 2021–2022 crop was the third highest peanut crop on record and supply was expected to exceed consumption by 140,000 tons, resulting in ample carryover of 1.18 million tons. Furthermore, the quality of the 2021–2022 crop was high and there was no rush to “buy” peanut acres with early forward contracts.

Prices for cotton, a crop that competes for acres with peanuts, hit record highs during early 2022, leading to a shift in planted acres away from peanuts into cotton. Georgia farmers planted 685,000 acres of peanuts in 2022, down 9.3% from the 2021 crop and the 2nd year in a row that planted peanut acres declined in Georgia and nationally. U.S. planted peanut acres totaled 1.46 million acres, a reduction of 7.7% from the previous year.

Yields of the 2022–2023 crop are estimated to be relatively good. The U.S. Department of Agriculture (USDA) National Agricultural Statistics Service forecasted 2022 yields at 4,090 lb per acre for the U.S. and 4,400 lb per acre for Georgia, down 1% from 2021. If realized, this would be the fourth-highest average Georgia yield on record and third-highest average U.S. yield. U.S. peanut production is estimated at 2.89 million farmer stock tons, down 9.3% from 2021. As determined by the USDA Federal State Inspection Service, quality of the 2022–2023 crop looks good with 99.8% of the crop grading Seg. 1, the highest quality grade segment.

Demand for edible peanuts remains high with recent estimates of consumption at 7.9 lb per capita. Consumers continue to choose edible peanut products although the speed of growth has slowed. For the 2021–2022 marketing year, there was an increase in peanuts used in candy (up 13.1%) followed by a decrease in snack peanuts (down 4.0%) and peanut butter (down 2.7%). So far in the 2022–2023 marketing year, peanuts used in candy and snacks are down but peanut butter use is up. Total food use for the 2022–2023 marketing year is forecast at a record 1.69 million tons. If realized that would be an increase of 2.1% from 2021–2022. Exports are projected up 1.5% to 600,000 tons. Crush is forecast to be down to 403,000 tons, a decrease of 4.2% from 2021–2022. These all combine to an expected total peanut disappearance of 3.07 million tons for the 2022–2023 marketing year, potentially the second highest consumption on record.

Looking ahead to 2023, carryover is expected to be around 1 million tons of quality peanuts. However, the competition for acres with cotton is also expected down. Continued high fertilizer

prices and significantly lower expected cotton prices may push farmers into planting peanuts. Given all of these factors, it is not unreasonable to expect lower-priced forward contracts than we saw in 2022. Season average prices ranging between \$450–\$500 per ton are sensible planning expectations for Georgia growers in 2023.

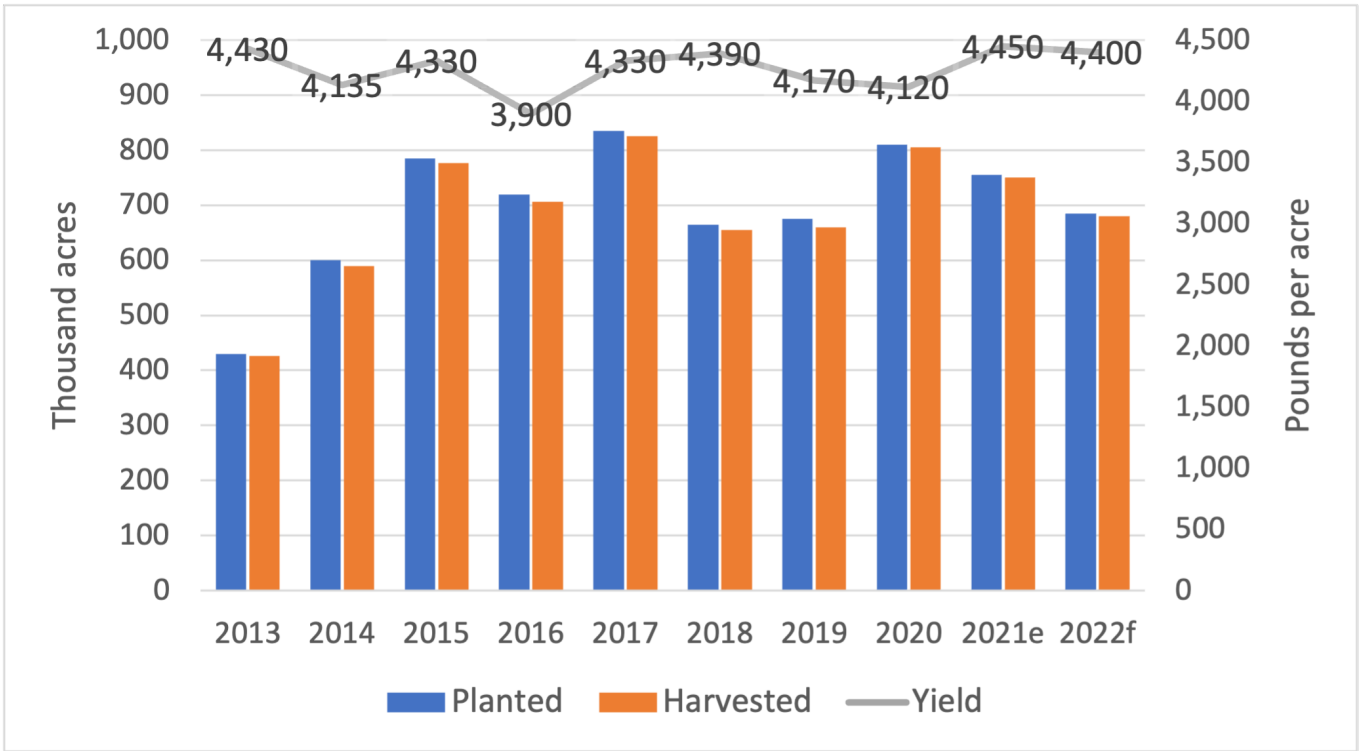


Figure 2. Total U.S. peanut production, disappearance, and ending stocks since 2014–2015.

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Figure 1. Georgia planted and harvested peanut acres and yield per acre, 2013–2022.