

Peanut Situation and 2025 Outlook

Main Takeaways

- Peanut-planted acres in the United States and Georgia are expected to remain steady at current levels in 2025.
- Forward contract prices in Georgia are projected to decline, with an estimated seasonal price range of \$475–\$525 per ton.
- Peanut profitability is anticipated to remain a significant challenge for producers in 2025.

The year 2024 brought unique challenges for peanut producers across the United States. In Georgia, the nation’s leading peanut-producing state, the season began with delays because of a wet spring, followed by hot and dry conditions during the early and late summer months. Hurricanes Debby and Helene disrupted key peanut-producing regions, creating further complications. Despite these obstacles, the U.S. peanut production forecast for 2024 is 2.95 million metric tons, an increase of 10.8% compared to 2023. This marks the third-largest peanut production in U.S. history, trailing only the record years of 2017 and 2012.

This significant production highlights the resilience and adaptability of American peanut farmers. The U.S. is the fourth-largest peanut-producing country in the world in 2024, after China, India, and Nigeria. In 2024, Georgia and other peanut-producing states expanded peanut acreage as lower relative prices for cotton, corn, and soybeans made peanuts a more attractive option. Nationwide, planted peanut acreage increased by 9.7% from 2023, reaching 1.8 million acres—the second-largest total in the past decade, following 2017. Harvested acreage is estimated at 1.75 million acres, slightly below the planted acreage. Georgia growers in particular expanded their peanut acreage from 775,000 acres in 2023 to 850,000 acres in 2024, which is 47% of total U.S. planted acres.

The 2024 peanut crop yield is forecast at 3,723 lb per acre, representing a 1.4% decrease from the 2023 average yield of 3,775 lb per acre and falling below the 5-year average of 3,938 lb per acre (Figure 1). The decline in yield is primarily attributed to the impact of Hurricane Helene on peanut farms in Florida, Georgia, and South Carolina.

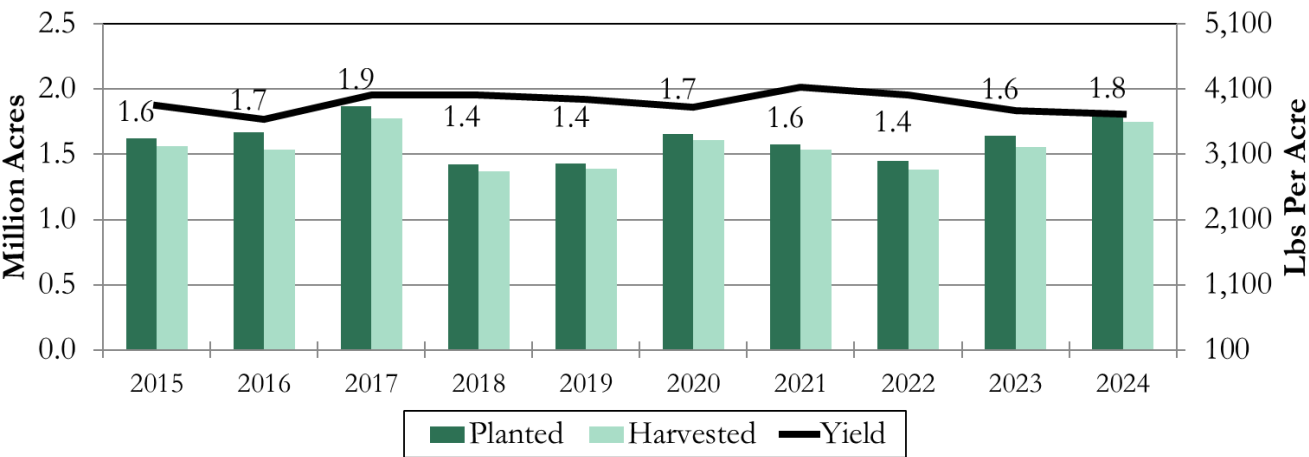


Figure 1. U.S. Planted Acres, Harvested Acres, and Yield Per Acre, 2015–2024. Data Sources: USDA National Agricultural Statistics Service.

Despite the yield challenges, the overall quality of the 2024 peanut crop is excellent. According to the Georgia Federal-State Inspection Service (as of December 13), 99.5% of the crop is classified as Segregation 1—the highest grade used for the edible market. Segregation 2 is 0.4%, which has excess damage that loses substantial value, and Segregation 3 is just 0.1%, which is unsuitable for the edible market because of aflatoxin contamination but can be used for crushing peanut oil. These results highlight the production of a high-quality crop with minimal damage or aflatoxin presence in 2024.

The total peanut supply (Figure 2) for the 2024–25 marketing year consists of three key components: carryover stocks from the 2023 crop totaling 672,000 metric tons, the 2024 production forecast of 2,954,000 metric tons, and 45,000 metric tons of imports. Together, this brings the total supply to an estimated 3,671,000 metric tons. Total U.S. peanut use (Figure 2) for the 2024 crop is projected to be slightly below that of the 2023 crop, but remains at a relatively high level. The total disappearance of peanuts—including food consumption, crushing, exports, seed use, shrinkage, and residual—is forecasted at 2,924,000 metric tons. This will leave an ending stock of 747,000 metric tons for the 2024–25 marketing year.

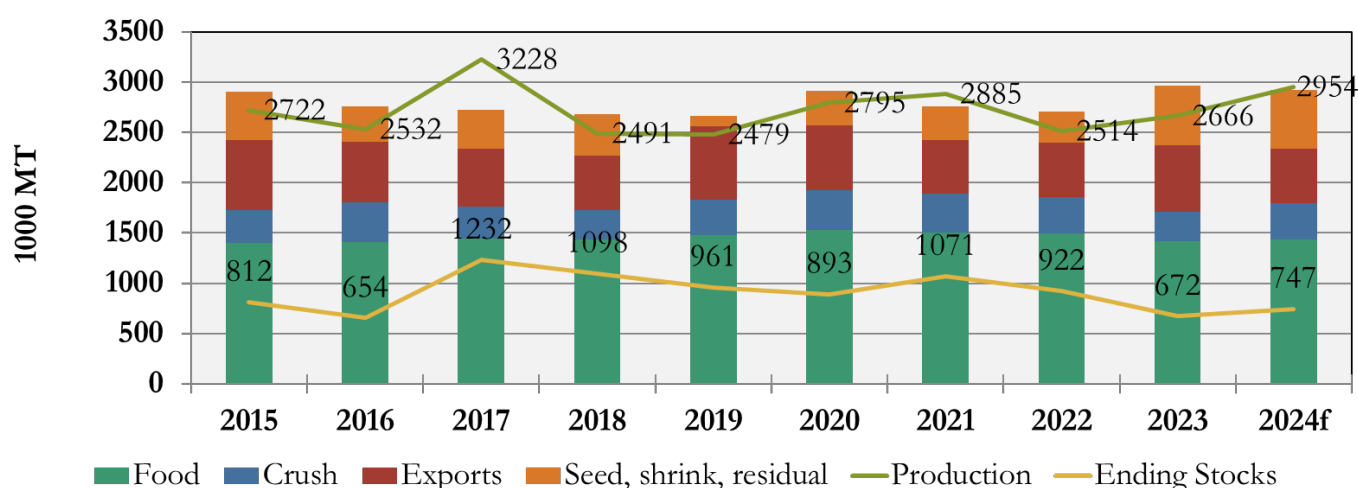


Figure 2. U.S. Peanut Production, Usage, and Stocks, 2015–2024. Data Sources: USDA Foreign Agricultural Service.

Per capita peanut consumption reached a record high of 7.6 lb during the pandemic but has since leveled off with a slight decline. In 2023, per capita peanut consumption was estimated at 7.2 lb. According to the USDA *Peanut Stocks and Processing* report released on November 25, 2024, shelled edible-grade utilization for the season to date (August–October 2024) totaled 596,926,000 lb, a 3.8% decline compared to the same period last year. Within this category, peanut butter remains the largest use of shelled peanuts, followed by peanut snacks and peanut candy. Peanut butter consumption has fallen by 4.8%, peanut snacks have increased by 2.2%, and peanut candy usage has decreased by 7.2%. These shifts are largely attributed to the current economic climate, which is influencing consumer demand for peanut products.

While most peanuts produced in the United States are consumed domestically, we are the fourth-largest peanut exporting country in the world, after India, Argentina, and China. U.S. peanut exports account for approximately 22% of total U.S. production, representing about 14% of the global peanut export market share. The top five export destinations for U.S. peanuts are Mexico, Canada, China, the Netherlands, and the United Kingdom. However, trade policy uncertainties could pose challenges for U.S. peanut exports, potentially limiting market

opportunities and exerting downward pressure on peanut prices.

Looking ahead to 2025, carryover stocks are projected to be approximately 747,000 metric tons. With low cotton prices, shellers are in no hurry to offer contracts or purchase peanut acreage. Additionally, persistently high fertilizer costs may incentivize farmers to continue planting peanuts. Considering these factors, it is reasonable to anticipate lower-priced forward contracts compared to 2024. For Georgia growers, season average prices are expected to range between \$475 and \$525 per ton. If these price levels are realized, peanut profitability will remain a significant challenge for producers in 2025.