

### U.S. Peanut Exports

The United States is one of the major world exporters of edible peanuts (table 5). Although the United States accounts for only about 9 percent of world peanut production, its share of world trade is 27 percent. U.S. peanut exports were over 1 billion pounds from 1977/78 to 1979/80, but fell to 503 million pounds in 1980/81 because of higher prices and reduced availability resulting from a drought in 1980. Exports gradually recovered until they again exceeded 1 billion pounds in 1985/86. Exports fell below 700 million pounds in 1986/87 and 1987/88 because of reduced supplies and increased competition.

Nearly all U.S. peanut exports are for edible use, but in some years, up to 20 percent are oilstock exports for crushing. The value of peanut exports averaged \$197.5 million for marketing years 1985-87. About 20 percent of the U.S. peanut crop was exported in the mid-1980's, compared with around 3 percent in the early 1960's and 15 percent in the early 1970's.

Before 1970, U.S. peanut exports averaged less than 100,000 metric tons each year and accounted for less than 5 percent of world trade. Most of these shipments went to Canada as edible nuts. U.S. peanut exports increased in 1971 and continued expanding during the 1970's in line with rising domestic supplies, reduced marketings from the principal African exporters (Nigeria and Senegal), and increasing demands in Canada, Western Europe, and Japan.

Exports dropped in 1980, after severe drought reduced the U.S. peanut crop to its lowest level in 17 years. The worldwide recession in the early 1980's and the strong U.S. dollar slowed the recovery of U.S. peanut trade by keeping demand down. Since 1985, the princi-

pal destinations of U.S. peanuts have been the European Community (64 percent), Canada (16 percent), and Japan (9 percent). The U.S. share has fallen in recent years because of increased competition, particularly from China.

Peanut shipments by other exporters (mainly Sudan, China, and India) fluctuated widely during the 1960's and 1970's, primarily reflecting the volatile nature of peanut production in these countries. Sudan accounted for a sizable share of the world market during most of the 1970's before dropping off in 1979 as a result of reduced supplies.

China emerged as a major exporter in 1980, with sales to Japan and other Asian countries and small shipments to Western Europe. High peanut prices brought on by the drought-stricken U.S. crop, policy incentives for expanding oilseed production, and the opportunity to increase foreign exchange earnings were the primary reasons for the increase in Chinese peanut exports. Argentina is now the third largest exporter behind China and the United States.

The primary outlets for world peanut exports have been the European Community countries (particularly the Netherlands, United Kingdom, and Federal Republic of Germany), Canada, and Japan.

Peanut products exported to Canada and Mexico must be manufactured from quota peanuts. Peanut products exported to other destinations are mostly manufactured from additional peanuts. Additional peanuts are those produced in excess of the quota level. A substantially lower price support applies to additional peanuts so it is advantageous to contract with a sheller or other buyer to assure a price above production costs. Under the current two-price peanut program, the restriction

Table 5—Peanut exports from specified countries <sup>1</sup>

Country	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
	<i>1,000 metric tons</i>						
United States	261	309	337	390	473	301	280
Sudan	131	70	51	15	11	10	75
China	157	232	209	213	332	398	359
Argentina	64	111	121	117	186	170	160
South Africa	39	5	6	47	21	1	37
India	46	35	60	40	15	40	10
Gambia	43	70	34	33	25	40	55
Brazil	19	13	12	20	12	8	8
Vietnam	18	40	33	35	45	40	40
Malawi	10	6	2	13	20	20	42
Paraguay	1	13	6	17	18	23	19
Other	218	184	132	157	207	215	224
Total	1,007	1,088	1,003	1,097	1,365	1,266	1,309

<sup>1</sup> Local marketing years.

was implemented to protect against the possibility of contract additional peanuts being processed into products in the United States, exported to Canada or Mexico, and then imported back into the United States to displace some higher price-supported quota peanuts. The displaced quota peanuts could end up under Government loan to be disposed of by the Government, probably at a loss.

### ***Exports of Oil and Meal***

Roughly half of the world's peanut production is crushed into peanut oil and meal. Peanut oil is the higher valued product and, therefore, the primary output of the peanut crushing industry.

World trade in peanut oil, while fluctuating from year to year, trended upward during the 1960's and early 1970's in line with growing world demand for vegetable oils. World exports peaked in 1977 and averaged about 350,000 metric tons in the late 1980's. Increased competition from tropical oils and rapeseed oil limited peanut oil trade in the 1980's.

Senegal, China, Argentina, and Brazil are the leading peanut oil exporters. U.S. exports of peanut oil are small (5 percent of world trade) and fluctuate from year to year. Exports as a share of production have been volatile, ranging from as low as 1 percent in 1962 to 36 percent in 1985 and falling below 5 percent in 1986-87. U.S. export earnings from peanut oil averaged \$2.6 million for fiscal years 1986-87, less than 1 percent of total vegetable oil export earnings during this period.

Major markets for U.S. peanut oil exports are the European Community, Canada, and Hong Kong. U.S. exports declined in the early 1980's due to the drought-reduced 1980 crop, the global recession, and the strong U.S. dollar which dampened sales. Large crops in 1984 and 1985 led to an unusually large crush and abundant peanut oil supplies in 1985/86. U.S. exports surged to 93 million pounds in 1985/86.

Peanut meal, the other product from crushing peanuts, is used primarily as a protein supplement in livestock feed rations. Because peanuts are primarily crushed for the higher valued oil, the supply of peanut meal is influenced by developments in the fats and oils market. World trade in peanut meal has been highly variable over the past two decades, reflecting year-to-year fluctuations in world peanut production and crush. World exports averaged 650,000 metric tons between 1985/86 and 1987/88 compared with 1.5 million metric tons in 1975/76-1977/78. The United States consumes essentially all of its peanut meal production.

### ***The Export Outlook***

The United States can export over 1 billion pounds of peanuts a year as shown by the experiences in 1978/79, 1979/80, and 1985/86. However, peanut exports can fall dramatically, especially when production falls. This happened in 1980/81 when U.S. exports were halved following the 1980 drought. Availability of supplies and a reputation as a reliable supplier are important, but other factors also will influence U.S. peanut exports in the 1990's.

U.S. peanut exports have generally commanded a price premium over peanuts from other origins in world trade because of a quality difference. Foreign suppliers have improved their quality in recent years and become more price competitive. There is increasing concern about chemical residues in peanuts and many other food crops. In the case of peanuts, aflatoxin is also a concern. Both domestic and foreign buyers are setting tighter standards for residues and aflatoxin. The maximum allowable aflatoxin level in a number of countries is well below the current U.S. limit. The peanut industry is responding to this demand for tighter standards by phasing in lower aflatoxin limits. New peanut handling practices and technology are being evaluated to improve peanut quality.

The Food Security Act of 1985 gave USDA the authority to use Commodity Credit Corporation (CCC) funds or commodities to counter or offset the adverse effects of unfair trade practices on U.S. agricultural exports. The program, known as the targeted export assistance (TEA) program, has provided funds to the National Peanut Council to promote U.S.-origin peanuts and peanut products in Europe. Funding began with \$4.5 million for fiscal year 1987 and was \$6 million in calendar year 1988. A \$4-million allocation was approved for calendar year 1989.

The performance of the TEA program in Europe has been encouraging, despite the surge in prices of U.S. edible kernel peanuts in Europe caused by low U.S. crops in 1986 and 1987. U.S. exports to the TEA countries increased for the 1987/88 marketing year, despite high world prices, while exports to the non-TEA countries declined. TEA and other export programs could be factors affecting the peanut export outlook.

Exports will continue to be influenced by the purchasing power in importing countries, the value of the dollar, and the price of U.S. peanuts relative to peanuts from other origins. Exports will also depend on the supplies and prices of competing edible nuts (almonds, cashews, hazelnuts, Brazil nuts, walnuts, pistachios,

pecans, and macadamia nuts) as well as snack foods.

Developments in the fats and oils sector are likely to reduce the importance of peanuts as an oilstock. Expanded production and consumption of cheaper vegetable oils—particularly soybean, palm, rapeseed, and sunflowerseed—and the ease of substitution among the oils are likely to displace some peanut oil or force prices lower.

### **Trends In Prices and Farm Returns**

U.S. yields averaged about 1,000 pounds per acre in the mid-1950's. By the late 1970's, yields averaged more than 2,600 pounds per acre. Factors responsible for the yield increases included improvements in peanut varieties and cultural and management practices. During this period, acreage was limited by allotments and price supports were above costs of production. This reduced the price risk and encouraged adoption of production-increasing technology and practices to increase yields on allotted acres. Shifting to higher yielding varieties, especially the Florunner, substantially increased yields. Improved mechanization, increased fertilizer applications, insect and weed control, and cultural practices also contributed to the increases in yields.

Yields averaged over 2,800 pounds per acre in 1984 and 1985, but droughts in 1986 and 1987 cut average yields to 2,407 pounds and 2,339 pounds per acre. These dry years increased interest in irrigation systems, especially in the Southeast. As more irrigation systems are installed, yields will be less susceptible to droughts.

Environmental and health concerns have led to restrictions on certain agricultural chemicals used in peanut production. This may curb yield increases if suitable substitutes are not found.

### ***Production Costs and Returns***

The Agriculture and Food Act of 1981 introduced a policy of unrestricted production for additional peanuts. This policy was consistent with expanding export demand and increasing production efficiency. Least-cost producers had an opportunity to expand, and new producers could enter the market in areas having a competitive advantage.

Unrestricted production has attracted only a small number of new growers because new growers are not eligible for the quota support price unless they buy or lease

quota in a traditional peanut-growing area. State average quota lease rates since 1978 have ranged from less than 3 cents per pound to nearly 11 cents per pound, depending on year and location. State average quota sale prices have ranged from 9 cents per pound to 40 cents a pound. Quota sale prices incorporate buyers' expectations about the future of the peanut program. Buyers are assured of poundage quotas only for the years remaining under the current farm legislation. Quota peanuts are currently supported at \$615.87 per ton and additional at \$149.75 per ton. Also, peanuts require investment in specialized equipment for production and specialized knowledge of cultural practices.

The basic national poundage quota for 1988 was 2.8 billion pounds, 70 percent of total peanut production. Production is larger than the national poundage quota for several reasons. First, quota holders may overplant to protect against low yields and ensure that they produce enough peanuts to market their quota. Second, under the current program, quota holders and growers without a quota become eligible for a share in increases in their State's poundage quota if they have a record of producing and marketing additional peanuts in 2 of the previous 3 years. Finally, there are some low-cost producers who can profitably produce additional for the export market.

The national poundage quota increased 2.7 percent for 1989, suggesting that production will increase in 1989 if yields are average. In the longer run, peanut production will depend on the prospects for increases in poundage quotas and the competitiveness of U.S. peanuts in world markets. If peanut quotas were reduced or eliminated, peanut production would tend to shift to least-cost producers, whether they are current quota holders or not. Growth in demand may be uneven among end products that use different peanut types, which could affect the competitiveness of different regions.

U.S. cash receipts for peanuts peaked in 1984, with gross returns exceeding \$725 per acre (table 6). Cash receipts have fallen each year since 1984, except for 1986. Cash receipts in 1987 were 13 percent below the level of 1984, due to lower yields, which have fallen from 2,828 pounds in 1984 to 2,281 pounds per planted acre in 1987.

Cash expenses per acre trended lower from about \$450 per planted acre in 1981 to \$395 in 1985 but exceeded \$400 again in 1986 and 1987. Seed costs increased by 38 percent between 1985 and 1987 to surpass \$82 an acre. Chemicals, the largest single cash expense, decreased slightly in 1987 after remaining

steady for the past 5 years at about \$90. General farm overhead costs increased 45 percent between 1985 and 1986, rising from 6 percent to 9 percent of total cash expenses. Interest costs, which accounted for 19 percent of total cash expenses in 1986, were sharply lower in 1987, falling by nearly 35 percent.

Cash expenses per pound of peanuts ranged from 16 cents to 18 cents from 1981 to 1987, except in 1984 and 1985 when high yields reduced costs to 14.7 cents and 14.2 cents a pound. Returns after cash expenses ranged from 7 cents to 11 cents a pound of peanut production between 1981 to 1987. In 1980, a drought year, cash expenses were 22.5 cents a pound and returns above cash expenses were only 1.5 cents.

Returns above cash expenses increased in 1986 to \$261 an acre, up \$19 over those of 1985. Cash expenses and total receipts were lower in 1987, but because expenses fell just 3 percent while receipts fell 7 percent, returns after cash expenses declined 12 percent.

ERS' annual cost of production report describes peanut costs and returns for three regions: Virginia-Carolina; Georgia-Florida-Alabama (Southeast); and Oklahoma-Texas (Southern Plains). In the past 3 years, the Virginia-Carolina region had the highest returns per acre of the three regions. Virginia-Carolina had average receipts of \$759 an acre during 1985-87. The Southeast averaged \$669 an acre, and the Southern Plains averaged only \$516 an acre during the same period.

Cash expenses averaged \$455 an acre in the Virginia-Carolina region during 1985-87, \$419 an acre in the Southeast, and \$329 in the Southern Plains. Seed and chemical costs were much higher in Virginia-Carolina and the Southeast than in the Southern Plains.

Virginia-Carolina regional returns after cash expenses averaged \$303 per acre in 1985-87, which was the highest during that time period. Although the Southeast had the highest return after expenses in 1985, its 1985-87 average was only \$250 an acre, or \$53 an acre less than Virginia-Carolina. Returns in the Southern Plains averaged \$187 an acre during the same time.

## History of the Peanut Program

The U.S. Congress has established a number of programs since the early 1930's to support and stabilize farm prices and income and to adjust production to market needs for certain "basic" commodities. While the programs have varied from one period to another, several key peanut program features have remained in place through the years, including marketing quotas, price supports, and acreage allotments (acreage allotments were suspended in the Agriculture and Food Act of 1981).

### Early Programs

The failure of the Agricultural Marketing Act of 1929 and earlier programs to stabilize farm prices led to enactment of the Agricultural Adjustment Act of 1933. The aim of this legislation was to bolster the prices of certain basic commodities in surplus supply. Under the act, farmers could take land out of production in return for benefit payments financed largely by processing taxes on the commodities.

Peanuts came under production control and diversion provisions of the act after being designated as a basic crop in April 1934. The program included contracts with peanut growers obligating them to plant no more than 90 percent of the 1933 or 1934 planted acreage or

**Table 6—Peanut sector costs and returns, 1980-87**

Crop Year	Cash receipts	Cash expenses	Returns above cash expenses		
			Total	Nominal	Deflated <sup>1</sup>
----- Dollars per planted acre -----			----- Dollars per pound -----		
1980	376.45	343.31	33.14	0.022	0.026
1981	721.19	439.23	281.96	.106	.113
1982	668.05	419.82	248.23	.094	.094
1983	562.79	420.22	159.79	.068	.065
1984	726.46	416.49	309.97	.110	.102
1985	638.00	391.52	246.48	.089	.080
1986	677.32	416.37	260.95	.111	.097
1987	631.23	402.73	228.50	.100	.085

<sup>1</sup> Returns deflated to constant 1982 dollars by the GNP implicit price deflator.

the average acreage for those 2 years. The contract provided benefit payments for diverting peanuts into crushing for oil and meal. The program was successful in diverting 154 million pounds (farmers' stock) of the 1934 crop into oil and meal and reducing the 1935 crop by 1 percent.

In January 1936, the Supreme Court (Hoosac Mills decision) declared the production control features of the 1933 Act unconstitutional and voided the provisions on processing taxes. Thus, the program, involving contracts between the Federal Government and individual farmers and financed by processing taxes, was terminated. Congress then enacted the Soil Conservation and Domestic Allotment Act. This 1936 legislation authorized payments to farmers for voluntarily shifting acreage from soil-depleting surplus crops into soil-conserving legumes and hays. Peanuts were designated as a soil-depleting crop under this act.

In 1937, four regional growers' associations were organized to participate in the peanut diversion programs. The associations were reduced to three, the current number, in 1940. The associations were authorized to buy up to a certain quantity of peanuts at prices established by USDA which absorbed storage costs and losses on surplus peanuts diverted to crushing. This program was continued through 1940, with payments made only to growers who voluntarily participated in the conservation phase of the program. However, this voluntary program was ineffective in reducing production because of acreage expansion by nonparticipants.

### **World War II and After**

The Agricultural Adjustment Act of 1938 was amended in April 1941 to authorize marketing quotas for peanuts and to re-establish peanuts as a basic crop. This act, as amended, made price supports mandatory for peanuts at 50-75 percent of parity. Peanut marketing quotas were also approved for the 1941-43 crops in a grower referendum, with penalties provided for noncompliance.

When the United States entered World War II, the penalties for noncompliance were not applied because of the increased demand for oil, food, and feed from peanuts. Likewise, acreage allotments and marketing quotas were not imposed for the period 1943-48. Consequently, U.S. peanut acreage expanded from a 1938-41 average of 1.9 million acres to 3.4 million acres during the 1943-48 period. The CCC was the only authorized purchaser of farmers' stock peanuts from

1943 to 1946. In December 1946, the growers' associations resumed purchasing operations.

To insure growers a share in the profit from defense contracts and to provide an incentive for wartime production, legislation raising loan rates up to 85 percent of parity was approved in May 1941 for selected crops. Peanuts were added to the list of selected crops in December 1941. Eligibility for the higher loan rate further required producer approval of marketing quotas for those crops and extended the increased loan rates through the 1946 crop year.

Generally, the Secretary of Agriculture is directed to proclaim marketing quotas when supplies of the authorized crop are excessive. Peanuts are an exception because marketing quotas must be proclaimed for peanuts without regard to the supply situation. Farmers can disapprove the quota in a referendum, but they never have. Again, unlike most crops, the vote on peanut quotas is for 3 years instead of 1 year. But, if quotas are disapproved, another referendum will be held the following year.

The 85 percent of parity loan rate was also extended to certain nonbasic commodities, including peanuts for oil, under the Steagall Amendment (approved July 1941). The support rate was further increased to 90 percent of parity for peanuts and peanuts for oil by an amendment to the Emergency Price Control Act of 1942 (approved October 1942). This level of support remained in effect for 2 years after the end of the war.

Price support rates were scheduled to revert to prewar parity levels upon expiration of wartime price supports on December 31, 1948. However, the Agricultural Act of 1948 continued mandatory price support at 90 percent of parity through 1949. Peanuts for oil were supported at 60 percent of parity.

The Agricultural Act of 1949 set support levels for basic commodities at 90 percent of parity for 1950 and between 80 percent and 90 percent for 1951. Producers were to receive price supports only if acreage allotments and marketing quotas were in effect. For 1952 and succeeding crop years, cooperating producers of basic commodities were to receive support prices at levels varying from 75 percent to 90 percent of parity, with the specific level depending on supply.

With the outbreak of the Korean war in 1950, the Secretary of Agriculture used the national security provision of the 1949 Act to keep price support levels for peanuts at 88 percent of parity. The support rate for peanuts was raised to 90 percent for the 1952-55 crops. From

1955 to 1977, the support price for peanuts varied between 75 percent and 86 percent of parity. The rate remained at the legal minimum of 75 percent from 1970 to 1977.

Marketing quotas and acreage allotments have been in effect for peanuts since 1949. The quotas originally were set above U.S. domestic needs to help alleviate the world food shortage. The national allotments were lowered each year from 1949 until 1954 when the legal minimum (established in 1941) of 1.61 million acres was reached. Short crops in 1955 and 1956 caused allotments to increase slightly for 1956 and 1957. Until they were suspended in 1982, the allotments remained at the legal minimum, except for some increases for types of peanuts in short supply, primarily Valencias.

To protect the domestic peanut price support program, the U.S. Government has, since 1953, set an annual import quota of 1,709,000 pounds (shelled basis), which is extremely small compared with about 1.6 billion pounds used in domestic foods. Some peanut products and peanut butter are not covered. Section 22 of the Agricultural Adjustment Act of 1933, as amended, gave the President authority to impose import quotas on farm commodities whenever imports interfered with the agricultural adjustment program. During the shortfall in domestic production in 1954 and 1980, larger quantities of peanuts were imported under emergency quotas.

The United States maintains relatively small import duties on imports of peanuts and peanut products. Shelled peanuts are charged 7 cents tariff per pound, unshelled peanuts are charged 4.25 cents per pound, peanut meal is charged 0.3 cents per pound, and peanut oil and peanut butter are charged 3 cents per pound.

Before 1978, the price support was based on parity and supports were substantially above world levels. Because of this, quantities taken under loan grew and Treasury costs for operating the program mounted, since the CCC had to dispose of surplus stocks at a price below the support.

In December 1967, legislation authorized the sale or lease of acreage allotments for the 1968 and 1969 crop years; these transfer provisions were made permanent by a 1969 law. The sale and lease of allotments were restricted to the same county.

### **1977 Legislation**

The peanut program was an issue during deliberations on the 1977 farm legislation because of surplus pro-

duction and mounting costs to the Government. The peanut program had been essentially unchanged since 1949. The minimum legal acreage allotment had been in effect since the 1957 crop, and the support price based on 75-90 percent of parity began trending up in the late 1960's as inflation took hold. This escalation caused concern about the competitive position of peanuts in both domestic and foreign markets. Parity prices are those which will give farm products generally the same per-unit purchasing power in terms of goods and services farmers buy as that which prevailed in the base period of 1910-14. Over a period of years, as farms become larger and farm technology and yields change, price ratios alone provide a less accurate barometer of the financial well-being of farmers.

These profitable and stable conditions induced technological advancement in peanut production. The national average yield increased 2.5 times between 1957 and 1977. Domestic use increased at a slower rate, leading to surplus domestic supply.

The peanut program was substantially changed by the Food and Agriculture Act of 1977. The new peanut legislation was introduced to reduce Government costs and was envisioned as a transition for bringing production into line with demand with minimal economic hardship to peanut producers.

Unlike the voluntary programs for wheat, feed grains, rice, and cotton, the peanut program was still mandatory. Under mandatory programs, if at least two-thirds of the producers voting in a referendum approve the program, it becomes binding on all producers.

The 1977 Act implemented a two-price poundage quota program, retaining some elements of the old program such as acreage allotments and price supports. The acreage allotment system remained as an integral part of the new program. Producers still were required to have an allotment if they wished to grow and market peanuts. The minimum national acreage allotment was set at 1.614 million acres and apportioned among the States generally as in the past. The 1977 Act required that transfers of allotments within a county be allowed. Under the previous program, transfer of allotment within a county was permitted only if the Secretary of Agriculture approved it.

In addition to acreage allotments, each allotment holder was given a poundage quota. Producers could produce in excess of their quota, within their acreage allotments, but the quantity on which they could receive the higher of the two price support levels was limited to the quota. Peanuts in excess of quota are referred to as additional.

The minimum national quota was set at 1.680 million tons for 1978 and decreased 5 percent each year to 1.596 million tons in 1979, 1.516 million tons in 1980, and 1.440 million tons in 1981. The poundage quota for an individual farm was computed through the following formula: Farm quota equaled farm base production poundage multiplied by a national factor. The farm base production poundage equaled the acreage allotment for the farm multiplied by the farm yield. Farm yield equaled the average yield on the farm for the best 3 years out of the 5 years 1973-77. Yield appraisals were made for farms that did not grow peanuts for at least 3 years during the base period and for those that had substantial changes in farm operation. The national factor was computed so that the sum of the farm quotas equaled the national quota.

Beginning with the 1979 crop, the farm quota was raised if individual producers undermarketed their quota the previous year and if they had planted sufficient acreage, based on their farm yield in the previous year, to have expected to market their quota. The total of the undermarketing carryovers was restricted to 10 percent of the national quota, but an individual's carryover was not limited unless the maximum was reached. Producers did not risk losing or having the allotment reduced if they planted enough acreage, based on their farm yield, to produce at least 75 percent of their quota.

A minimum price support for quota peanuts was set at \$420 per ton on a national basis. The quota support continued to be adjusted (differentials) to reflect quality and type as in the past, but deductions for inspection, handling, or storage were no longer allowed. The price support on additional peanuts was mandated to be announced by February 15 and was based on the world market conditions for peanuts and the expected price of peanuts for crush. In addition, CCC announced a minimum export resale price for loan peanuts each year.

Even though quota and additional peanuts were grown in the same field, there was a significant difference in the application of the program. Producers grew quota peanuts mainly for the domestic market for edible uses and seed for the next year's crop, thus being assured of the higher of the two price supports. Quota peanuts could be contracted any time before harvest or placed under quota loan at harvest. Producers had a choice of two ways to market their additional peanuts. Producers could contract for sale with a handler. The contracts had to be signed before June 15, and the peanuts could be used only for crush or export and not for domestic food or seed uses. Additional peanuts

could also be delivered to buying points at harvest and placed under loan, with the producers receiving the additional price support.

Once the peanuts were received and placed under loan, the producers no longer had control of them. The additional peanuts received for loan could be used for crush, export, or the domestic edible market. Use in the domestic edible market required the buyer to pay no less than the handling costs plus 100 percent of the quota loan if purchased at time of delivery during harvest, 105 percent of quota loan if purchased after delivery but before December 31, or 107 percent of the quota loan if purchased January 1 or after. This provision, plus the import quota, ensured that the domestic market would not be undercut. Any profits on the additional peanuts that accrued through the sale of additional loan peanuts into domestic edible uses were used to offset losses on quota loan peanuts of the same type in the same production area. Any remaining profits were distributed back to the producers based on the volume of delivered additional loan peanuts in a given area of a particular type.

### 1981 Legislation

The 1981 Act, which covered the 1982-85 crops, further modified the peanut program. The 1981 Act maintained the two-tier price system and continued the reduction in the poundage quota. A major change was the suspension of acreage allotments. Quota support prices were limited to quota holders and applied to the poundage quota, but since acreage constraints were removed, anyone was allowed to produce peanuts. However, additional peanuts were eligible only for the lower support price, and they were subject to marketing controls.

Use of additional loan peanuts in the domestic edible market was restricted to the provisions outlined in the 1977 Act, requiring purchasers to pay a quota peanut price plus handling and storage costs. Contract additional peanuts were restricted to the export or crush markets. The price support for additionals was based on the crush value for peanuts. The price support for additionals decreased from \$200 per ton in 1982 to \$148 per ton for 1985.

The carrying forward of undermarketed quota remained the same, although unused quotas from 1979 and prior marketing years could not be carried forward.

The contract deadline for additional peanuts for export or crush was moved from June 15 to April 15. Growers argued that June 15 was past the time crop planting

decisions were made and that it would be better to have contracts signed before planting. Domestic buyers were also concerned about ways of ensuring supplies for the domestic edible market since domestic demand exceeded the poundage quota level and contract additional were for the export or crush markets. The supply of additional loan peanuts that could be bought back for domestic edible use was thought to be limited if producers mainly grow peanuts for quota and contract additional. Thus, the use of a contract deadline and its timing remained issues.

The quota support price was established by law at no less than \$550 per ton, up from \$455 in 1981. Increases in quota support were to reflect increases in costs of production but not to exceed 6 percent per year. Peanuts are the only field crop, except flue-cured and burley tobacco, for which support price adjustments are based by law on cost of production. Questions were raised by producers about the accuracy of cost of production estimates and whether these estimates should be used to set the quota support rate. A minimum CCC export resale price for additional loan peanuts was announced each year and was \$425 per ton for 1985.

Sale and lease of poundage quotas were still permitted only within a county in the major peanut-producing States. In States with less than 10,000 tons of quota in 1981, cross-county sale and lease were permitted.

The minimum poundage quota was reduced from 1.44 million tons in 1981 to 1.2 million tons in 1982 and then was reduced about 3 percent per year to 1.167 million tons in 1983, 1.134 million tons in 1984, and to 1.1 million tons for 1985. The annual percentage reductions were shared equally among States.

Quota reductions came, first, from farms owning quotas that did not have adequate tillable land to produce it; next, from farms where the quota had not been planted in 2 of the last 3 years; then, from farms where the quota had been leased away to another farm; and finally, from farms producing their own quota. In practice, the last two categories were combined for the 1982 and 1983 quota poundage reductions to give producers a chance to adjust to the new regulations. The 1984 and 1985 poundage reductions were made by category. The objective was to get quotas into the hands of actual growers.

### **1985 Legislation**

The current peanut program continues the two-tiered price support program for quota and additional peanuts

through 1990. The program is mandatory after a January 1986 referendum approved it for the 1986-90 marketing years.

The 1985 Act established that the annual national poundage quota must be set at a level equal to the estimated quantity of peanuts that will be devoted to domestic edible, seed, and related uses but not less than 1.1 million tons. The national quota level must be announced by December 15 preceding the marketing year. The 1986 national quota was allocated among States based on their 1985 allocations. Individual farm quotas were then granted to farms that had a quota in 1985. The national quota was 1.355 million tons in 1986 and 1987. The quota was increased to 1.402 million tons for 1988 and to 1.44 million tons for 1989.

The national average support rate for the 1986 crop of quota peanuts was set at the 1985 rate, adjusted for increases in an index of commodity and service prices, interest, taxes, and wages paid by producers during calendar years 1981-85. The 1986 quota support rate was \$607.47 a ton. The support rate for the 1987-90 crops is the rate for the previous crop, adjusted to reflect any increases in the cost of production (excluding any change in the cost of land) during the previous calendar year. The support rate cannot be increased by more than 6 percent from the previous year. The quota support rate remained at \$607.47 a ton for 1987 and increased to \$615.27 and \$615.87 a ton for 1988 and 1989.

The price support level for additional peanuts is set at a level that ensures no loss to CCC from sales or disposal of the peanuts. In determining this level, USDA must consider the demand for peanut oil and peanut meal, the expected prices for other vegetable oils and protein meals, and the demand for peanuts in foreign markets. The additional support rate has remained at \$149.75 a ton for 1986-89. USDA has maintained for the 1986-89 peanut crops a minimum price of \$400 a ton for additional peanuts sold for export edible use. The support rates for quota and additional peanuts must be announced by February 15.

The 1985 legislation maintained the 1981 provisions covering sale and lease of poundage quotas. Sale or lease of poundage quotas are still permitted only within a county in the major peanut-producing States. In States with less than 10,000 tons of quota for the preceding crop, farm poundage quotas may be sold, leased, or transferred anywhere in the State. If quota could be sold or leased across county or State lines, production would shift to the most profitable production



regions. This could affect some local economies. If no change is made, the production movement would be more gradual, coming from shifts in nonquota peanut production. Growth is expected in the Southeast.

The provisions of a minimum acreage allotment of 1.61 million acres and support based on 75-90 percent of parity are still in the statutes, and the peanut program will revert to them unless changed, or held in abeyance, in future legislation.

### **Grower Associations**

The peanut program is administered by three regional grower associations that act as agents for USDA. These associations keep records of quota and additional marketings, arrange warehousing for CCC loan peanuts, and operate the price support loan program. To get the support price, a grower places peanuts in storage arranged by the regional association. Once this is done, the grower no longer has control of them. Instead, the peanuts are part of a pool controlled by the association and CCC. Growers who have placed peanuts under loan are eligible for dividend payments if the association revenues from selling peanuts in the pool exceed costs of running the loan program. Although the regional associations operate independently of each other in most matters, they do share in each others' losses. This was the case in 1987/88 when revenues from the Virginia-Carolina region and the Southeast were used to offset losses in the Southwest.

## **Program Effects**

Peanut farmers voted in 1986 to approve the peanut program, thus making it mandatory with direct effects on producers, consumers, and taxpayers. The program also has indirect effects on the allocation and prices of resources.

### **Producers**

Peanuts have been under a marketing quota longer than any other crop, except tobacco. As a result, peanut producers concentrated on maximizing returns from their allotment. Support prices were tied to parity before 1978 and a legislated minimum acreage allotment applied before 1982. Growing peanuts was profitable under the peanut program in effect before 1978. Before the 1977 Act, few marketing decisions were required of the producer, who was paid the support price when peanuts were delivered to the warehouse or buying point. The production of additional peanuts under the 1977, 1981, and 1985 Acts and the price

effects from the 1980, 1986, and 1987 droughts have made producers more market conscious.

USDA does not report separate prices received by farmers for quota and additional peanuts. The quota support rate, the minimum price that domestic manufacturers have to pay for edible use, has consistently been above the average contract price for additional peanuts. For example, the average contract price for additional peanuts for export for the 1985-87 crops is estimated to be about \$285 per ton, or \$300 per ton lower than the average quota support rate.

It is a common practice for growers to market both quota and additional peanuts on a ratio basis. That is, growers sell their additional and quota peanuts to the same buyer, negotiating both the quantity ratio and the prices of each. Typical ratios have been 3:1 and 1:1, quota peanuts to additional peanuts. Such contracts make it difficult to measure the actual price or revenue a grower receives for additional and quota peanuts. Furthermore, growers may place their additional under loan and, depending on the performance of the loan pools, eventually receive more than the additional support price.

Estimating the price of peanuts in the absence of a program is difficult because peanuts have been under a program for so long. However, an approximation might be the per-unit total economic costs, which represent the breakeven longrun average price necessary to continue producing a crop. The 1985-87 average total economic costs for peanuts were about \$410 a ton, or \$183 lower than the \$591-a-ton quota support rate. This is only an approximation of a nonprogram price because the cost estimates are based on behavior under the program where the location of production is largely determined by the historical quota allocations and because changes in trade have not been included.

Since the peanut program is mandatory, if approved in a referendum, the benefits of the high support accrue to all quota holders on the basis of their quota size. Program benefits accrue to quota holders whether or not they produce peanuts because farm quotas may be rented to other growers. According to a 1982 peanut cost of production survey, about half of the quota is owned and half rented. Quota rents vary widely among the production areas but had an estimated rental value of about 7.6 cents per pound in the Southeast in 1987 and 5 cents a pound in the other regions.

Over several decades, peanuts have become less and less competitive in the oil and meal markets and

the edible market has become more important as the only outlet that can absorb peanuts at the support price.

### Consumers

Assuming that the domestic price for peanuts for edible use is about \$183 per ton above the longrun breakeven cost, U.S. consumers paid annually about \$190 million more for farmers' stock peanuts to be used in domestic food products in 1985/86 to 1987/88. The high peanut support rates are reflected in higher consumer prices for peanut butter, peanut candy, peanut butter sandwiches, salted peanuts, and roasted peanuts, in-shell.

### Taxpayers

Since 1962, CCC net farm-related program expenditures have totaled nearly \$1 billion, an average of about \$40 million per year (app. table 4). Annual net CCC farm-related expenditures for the peanut program averaged \$30 million in the 1960's, \$62 million in the 1970's, and \$10 million in the 1980's. The high program outlays in the mid-1970's reflect an administrative decision to only sell loan peanuts for at least the quota loan rate plus handling charges. Under the current peanut program, the cost to taxpayers should be minimal because the national poundage quota is set based on expected demand. Also, the additional loan rate is substantially below the export market price for edible peanuts and below the current crush value. As long as domestic demand equals or exceeds the quota, taxpayer costs should remain small.

### Indirect

The value of peanut allotments was capitalized into the value of the land originally assigned the historical allotment, giving these areas a higher tax base and the original recipients a value transfer. The sale or lease of acreage allotments within a given county was authorized starting with the 1968 crop. Allotments were discontinued under the 1981 Act, but the poundage quotas that were assigned to allotment holders under the 1977 Act were continued. The value of the original allotments are now reflected in the poundage quotas. The 1982-87 average sale price per pound for peanut quota ranged from 13.5 cents in Oklahoma to 33.8 cents in Georgia. The quota value increases the cost of entry for new producers who plan to grow quota peanuts.

Before the 1977 Act, the peanut program limited production to historical growing areas. Now additional peanuts can be grown anywhere, but the poundage

quotas are still based on historical allotment areas and, thus, limit shifts in production areas.

The high support prices assured producers a price above the world market price and above production costs. Producers quickly adapted economical yield-enhancing production practices because they did not face the risk of falling prices during the growing season.

## Issues

Several issues will be debated in connection with legislation to succeed the 1985 Act that expires with the 1990 crop. If no new legislation is passed, the peanut program will revert to the provisions of permanent legislation. This would entail a return to the allotment system (restrictions on production) and parity-based price supports. Under current conditions, the immediate result would be surplus production and high Government costs. An important issue under reversion to permanent legislation would be the granting of an exclusive right to a high price support to historical holders of an allotment or quota.

Several issues are raised by proposals to continue the current two-tier poundage quota program:

- What would be the effects of further adjustments of the poundage quotas? Should the level of peanut stocks be considered when setting the national poundage quota?
- What would be the effects of different support price levels (for both quota and additional peanuts)? Government cost, consumer costs, and grower returns would be affected by this decision.
- What would be the effects of changing, eliminating, or keeping the contract deadline for additional peanuts for export?
- Should sales of poundage quotas across county and State lines be allowed?
- Can the peanut program with its Section 22 import quota be retained and trade liberalization goals achieved?

Another possibility is to include peanuts under a more general farm program, such as the soybean program. Poundage quotas could be eliminated, and a one-price level for peanuts based on world supply and demand conditions could evolve. Import quotas and export

restrictions to Canada and Mexico could also be eliminated.

An alternative is to eliminate or phase out the program entirely, leaving market forces to determine the size and location of domestic peanut production.

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Appendix table 1—U.S. peanut acreage, yield, and production, 1950–88

Year	Planted	Harvested	Yield	Production
	----- Million acres -----		Pounds per acre	Million pounds
1950	2.63	2.27	898	2,035
1951	2.51	1.98	834	1,679
1952	1.84	1.44	936	1,356
1953	1.80	1.52	1,040	1,574
1954	1.82	1.39	727	1,008
1955	1.88	1.67	925	1,548
1956	1.83	1.38	1,161	1,607
1957	1.75	1.48	970	1,436
1958	1.70	1.52	1,205	1,814
1959	1.58	1.44	1,097	1,523
1960	1.53	1.40	1,232	1,718
1961	1.52	1.40	1,185	1,657
1962	1.51	1.40	1,228	1,719
1963	1.50	1.40	1,391	1,942
1964	1.49	1.40	1,502	2,099
1965	1.52	1.44	1,661	2,390
1966	1.49	1.42	1,700	2,416
1967	1.47	1.40	1,765	2,477
1968	1.50	1.44	1,770	2,547
1969	1.51	1.46	1,742	2,535
1970	1.52	1.47	2,030	2,983
1971	1.53	1.45	2,066	3,005
1972	1.53	1.49	2,203	3,275
1973	1.53	1.50	2,323	3,474
1974	1.52	1.47	2,491	3,668
1975	1.53	1.50	2,564	3,847
1976	1.55	1.52	2,464	3,739
1977	1.54	1.51	2,456	3,715
1978	1.54	1.51	2,619	3,952
1979	1.55	1.52	2,611	3,968
1980	1.52	1.40	1,645	2,303
1981	1.51	1.49	2,675	3,982
1982	1.31	1.28	2,696	3,440
1983	1.41	1.37	2,399	3,296
1984	1.56	1.53	2,878	4,406
1985	1.49	1.47	2,810	4,123
1986	1.57	1.54	2,407	3,701
1987	1.57	1.55	2,341	3,619
1988	1.64	1.61	2,445	3,981

Appendix table 2—U.S. peanut use and ending stocks, 1950–87

Year beginning August 1	Food	Crush	Exports	Seed, feed, and residual	Total use	Ending stocks	Stocks-to-use ratio
	<i>Million pounds</i>						<i>Percent</i>
1950	981	629	69	211	1,890	332	17.6
1951	1,015	432	8	120	1,575	416	26.4
1952	1,008	195	3	144	1,350	422	31.3
1953	1,017	303	239	151	1,710	286	16.7
1954	1,019	107	9	130	1,265	209	16.5
1955	955	257	6	157	1,375	387	28.1
1956	1,029	260	102	152	1,543	456	29.6
1957	1,084	239	48	162	1,533	361	23.5
1958	1,096	335	62	170	1,663	514	30.9
1959	1,154	292	72	96	1,614	424	26.3
1960	1,244	362	81	87	1,774	368	20.7
1961	1,265	256	34	84	1,639	389	23.7
1962	1,293	302	43	75	1,713	397	23.2
1963	1,347	380	97	107	1,931	410	21.2
1964	1,411	473	179	75	2,138	373	17.4
1965	1,445	517	238	153	2,353	412	17.5
1966	1,420	587	222	229	2,458	372	15.1
1967	1,419	644	198	236	2,497	353	14.1
1968	1,467	654	105	319	2,543	357	14.0
1969	1,498	581	140	321	2,539	353	13.9
1970	1,518	799	290	277	2,884	453	15.7
1971	1,515	814	552	187	3,068	392	12.8
1972	1,612	850	521	257	3,240	429	13.2
1973	1,712	683	709	247	3,351	553	16.5
1974	1,664	590	740	82	3,076	1,146	37.3
1975	1,749	1,447	434	313	3,934	1,060	26.9
1976	1,635	1,108	783	666	4,192	608	14.5
1977	1,675	487	1,025	556	3,743	581	15.5
1978	1,759	527	1,141	521	3,948	586	14.8
1979	1,777	571	1,057	522	3,927	628	16.0
1980	1,465	446	503	505	2,919	413	14.1
1981	1,696	573	576	795	3,640	757	20.8
1982	1,849	342	681	463	3,335	864	25.9
1983	1,856	387	774	564	3,551	611	17.2
1984	1,911	625	860	199	3,595	1,424	39.6
1985	2,023	812	1,043	826	4,704	845	18.0
1986	2,073	514	663	294	3,545	1,003	28.3
1987	2,071	560	618	543	3,792	833	21.9

Appendix table 3—Peanut prices and ending stocks, 1950-87

Year	Ending stocks			Price received by farmers	Loan rate		Export <sup>2</sup>
	CCC	Free <sup>1</sup>	Total		Quota	Nonquota	
	Million pounds				Cents per pound		
1950	7	325	332	10.9	10.80	—	—
1951	142	274	416	10.4	11.50	—	—
1952	92	330	422	10.9	12.00	—	—
1953	30	256	286	11.1	11.90	—	—
1954	0	209	209	12.2	12.20	—	—
1955	37	250	387	11.7	12.20	—	—
1956	151	305	456	11.2	11.40	—	—
1957	118	243	361	10.4	11.10	—	—
1958	196	318	514	10.6	10.66	—	—
1959	172	252	424	9.6	9.68	—	—
1960	103	265	368	10.0	10.06	—	—
1961	70	319	389	10.9	11.05	—	—
1962	105	292	397	11.0	11.07	—	—
1963	106	304	410	11.2	11.20	—	—
1964	65	308	373	11.2	11.20	—	—
1965	89	323	412	11.4	11.20	—	—
1966	114	258	372	11.3	11.35	—	—
1967	12	341	353	11.4	11.35	—	—
1968	0	357	357	11.9	12.01	—	—
1969	0	353	353	12.3	12.38	—	—
1970	11	442	453	12.8	12.75	—	—
1971	4	388	392	13.6	13.42	—	—
1972	24	405	429	14.5	14.25	—	—
1973	0	553	553	16.2	16.43	—	—
1974	552	594	1,146	17.9	18.30	—	—
1975	958	102	1,060	19.6	19.73	—	—
1976	0	608	608	20.0	20.70	—	—
1977	2	579	581	21.0	21.53	—	—
1978	0	586	586	21.1	21.00	12.50	20.00
1979	0	628	628	20.6	21.00	15.00	20.00
1980	0	413	413	25.2	22.75	12.50	21.75
1981	2	755	757	26.8	22.75	12.50	21.75
1982	0	864	864	25.1	27.50	10.00	23.70
1983	0	611	611	24.7	27.50	9.25	20.00
1984	0	1,424	1,424	27.9	27.50	9.25	21.25
1985	0	845	845	24.3	27.95	7.40	21.25
1986	0	1,003	1,003	29.2	30.37	7.49	20.00
1987	0	833	833	28.0	30.37	7.49	20.00

— = Not applicable.

<sup>1</sup> Basically commercial stocks.

<sup>2</sup> Minimum export price for CCC nonquota peanuts.

Appendix table 4—CCC net farm-related peanut program expenditures, 1962–87

Fiscal year	Loan operations		Net price support and related expenditures <sup>1</sup>
	Outlays	Repayments	
	<i>Million dollars</i>		
1962	47.8	37.1	10.7
1963	65.4	43.5	21.9
1964	52.8	24.5	28.3
1965	70.9	44.1	26.8
1966	85.4	39.1	46.3
1967	92.5	45.6	46.9
1968	81.5	45.6	35.9
1969	86.0	46.9	39.1
1970	80.6	45.8	34.8
1971	146.4	75.5	70.9
1972	179.9	83.4	96.5
1973	185.6	130.3	55.3
1974	174.5	170.5	4.0
1975	201.3	80.1	121.2
1976 <sup>2</sup>	294.3	26.5	250.4
1977	125.6	126.4	(.8)
1978	109.9	149.1	(39.1)
1979	116.1	89.4	26.7
1980	115.6	87.7	27.8
1981	78.2	50.4	27.8
1982	153.4	141.2	12.2
1983	76.0	82.3	(6.2)
1984	68.7	67.5	1.2
1985	168.0	155.8	12.2
1986	214.6	182.2	32.4
1987	31.5	23.2	8.3

<sup>1</sup> Loans and purchases, storage and handling expenses, and other outlays less sales proceeds, loan repayments, and other receipts, excluding PL 480 commodity costs. Parentheses indicate net receipts.

<sup>2</sup> Includes July–September 1976 to allow for shift from July/June to October/September fiscal years.

Appendix table 5—World peanut supply and disappearance, 1983-87 <sup>1</sup>

Item	1983/84	1984/85	1985/86	1986/87	1987/88
	<i>1,000 metric tons</i>				
<b>Production:</b>					
India	7,086	6,436	5,120	6,060	4,800
China	3,951	4,815	6,664	5,882	6,170
United States	1,495	1,998	1,870	1,679	1,642
Senegal	568	560	587	842	963
Indonesia	747	755	780	750	780
Burma	532	667	560	544	559
Nigeria	591	500	400	400	475
Argentina	329	270	439	518	450
Sudan	413	390	275	450	400
Zaire	367	375	375	380	380
South Africa, Rep. of	72	196	111	119	207
Other	2,576	2,720	2,754	2,828	2,935
Total	18,727	19,682	19,935	20,452	19,761
<b>Imports:</b>					
EC-12	506	525	586	562	577
Netherlands	125	142	149	177	199
United Kingdom	106	130	178	147	145
Germany, Fed. Rep. of	76	99	106	111	111
France	117	85	81	51	50
Italy	41	31	34	32	33
Spain	25	28	30	29	25
Japan	118	108	126	114	130
Canada	91	91	101	107	105
USSR	67	79	88	86	80
Singapore	36	57	75	75	80
Hong Kong	27	36	76	72	75
Indonesia	30	24	49	66	65
Switzerland	23	27	33	40	35
Other	122	124	154	158	146
Total	1,020	1,071	1,288	1,280	1,293
<b>Exports:</b>					
United States	337	390	473	301	280
China	209	213	332	398	359
Argentina	121	117	186	170	160
Sudan	51	15	11	10	75
India	60	40	15	40	10
South Africa, Rep. of	6	47	21	1	37
Gambia	34	33	25	40	55
Brazil	12	20	12	8	8
Paraguay	6	17	18	23	19
Vietnam	33	35	45	40	40
Malawi	2	13	20	20	42
Other	132	157	207	215	224
Total	1,003	1,097	1,365	1,266	1,309
<b>Crush:</b>					
India	5,544	5,241	4,210	4,840	3,854
China	1,954	2,532	3,482	3,015	3,219
Senegal	285	185	284	500	640
Burma	426	534	443	435	447
United States	176	283	369	233	254
Nigeria	227	210	174	184	212
Argentina	123	129	142	350	249
EC-12	95	75	52	31	30
Other	1,285	1,396	1,253	1,336	1,367
Total	10,115	10,585	10,414	10,924	10,272
<b>Food:</b>					
China	1,474	1,703	2,342	2,010	2,146
United States	835	858	895	940	939
Indonesia	643	650	691	687	706
India	461	418	330	390	310
Zaire	219	224	224	229	229
Senegal	187	275	181	222	207
Japan	139	135	144	139	145
EC-12	369	402	450	498	490
Other	2,130	2,165	2,207	2,470	2,541
Total	6,457	6,830	7,464	7,585	7,713

<sup>1</sup> Local marketing years.



Appendix table 6—World peanut meal supply and disappearance, 1983-87 <sup>1</sup>

Item	1983/84	1984/85	1985/86	1986/87	1987/88
	<i>1,000 metric tons</i>				
<b>Production:</b>					
India	2,328	2,201	1,768	2,033	1,618
China	782	1,013	1,393	1,206	1,288
Senegal	107	68	109	200	256
Burma	164	205	170	165	169
United States	72	120	152	98	104
Nigeria	87	81	67	70	82
Argentina	48	52	58	144	100
EC-12	39	30	21	13	9
Other	490	554	477	512	520
Total	4,117	4,324	4,215	4,441	4,146
<b>Imports:</b>					
Eastern Europe	274	204	179	379	310
Poland	194	121	138	269	250
German Democratic Rep.	10	28	21	40	20
Czechoslovakia	70	55	20	70	40
EC-12	253	167	203	241	232
France	23	37	75	93	103
Netherlands	30	41	41	68	60
USSR	27	31	43	50	40
Thailand	2	2	33	35	50
Other	41	19	66	44	55
Total	597	423	524	749	687
<b>Exports:</b>					
India	300	225	200	300	250
Senegal	89	67	105	190	243
Sudan	57	50	40	50	60
China	11	8	94	90	50
Argentina	28	30	22	40	45
EC-12	36	12	14	13	16
Other	45	69	53	34	35
Total	566	461	528	717	699
<b>Consumption:</b>					
India	2,028	1,976	1,568	1,733	1,368
China	77	1,005	1,299	1,116	1,238
Eastern Europe	277	207	183	382	313
Poland	194	121	138	269	250
Czechoslovakia	73	58	24	73	43
German Democratic Rep.	10	28	21	40	20
Burma	164	205	170	165	169
United States	68	111	158	98	99
EC-12	253	186	218	234	227
France	38	55	96	94	104
Netherlands	10	33	32	65	50
Nigeria	87	81	67	70	82
Thailand	17	14	45	47	61
USSR	27	31	43	50	40
Other	451	448	481	541	550
Total	4,143	4,264	4,232	4,436	4,147

<sup>1</sup> Local marketing years.

Appendix table 7—World peanut oil supply and disappearance, 1983–87 <sup>1</sup>

Item	1983/84	1984/85	1985/86	1986/87	1987/88
	<i>1,000 metric tons</i>				
<b>Production:</b>					
India	1,608	1,520	1,221	1,404	1,119
China	490	632	871	754	805
Senegal	94	56	93	165	211
Burma	136	171	143	139	143
United States	5484		117	72	79
Nigeria	73	67	56	59	68
Argentina	31	32	37	94	64
EC-12	40	24	17	12	9
Other	400	449	387	418	429
Total	2,926	3,035	2,942	3,117	2,927
<b>Imports:</b>					
EC-12	279	244	238	260	269
France	154	122	121	131	134
Italy	31	37	37	42	45
Germany, Fed. Rep. of	22	21	19	14	16
Netherlands	20	12	9	14	19
United Kingdom	10	10	10	11	12
Hong Kong	25	32	31	35	25
Switzerland	10	10	10	10	10
Singapore	0	0	6	6	5
United States	0	0	1	5	15
Other	29	27	11	8	10
Total	343	313	297	324	334
<b>Exports:</b>					
Senegal	92	42	81	100	136
China	49	40	80	80	60
Argentina	30	28	33	77	55
Brazil	26	79	14	34	30
EC-12	62	45	43	37	43
Belgium-Luxembourg	26	25	25	25	25
France	11	6	8	6	9
Netherlands	18	10	7	5	5
South Africa, Rep. of	0	6	13	0	11
United States	3	13	42	3	3
Other	33	21	24	22	23
Total	295	274	330	353	361
<b>Consumption:</b>					
India	1,608	1,520	1,221	1,404	1,119
China	441	592	791	674	745
Burma	136	171	143	139	143
EC-12	254	226	212	233	239
France	173	138	126	127	128
Italy	30	38	38	45	48
United States	51	78	57	81	91
Nigeria	77	78	56	59	68
Sudan	41	52	35	58	55
Senegal	2	14	12	65	75
Zaire	40	41	41	41	41
Hong Kong	23	30	28	32	20
Other	297	283	277	307	320
Total	2,970	3,085	2,873	3,093	2,916

<sup>1</sup> Local marketing years.

Appendix table 8—U.S. peanut exports, 1983-87 <sup>1 2</sup>

Country	1983/84	1984/85	1985/86	1986/87	1987/88
<i>Metric tons</i>					
Greece	23	108	0	35	0
Belgium-Luxembourg	1,295	3,385	4,848	1,362	1,375
Denmark	3	33	20	6	18
France	29,934	25,999	11,668	3,590	2,871
Germany, Fed. Rep. of	6,796	11,466	12,152	11,348	18,129
Ireland	1	0	100	153	315
Italy	2,336	7,340	5,126	4,105	2,882
Netherlands	46,132	55,120	107,845	69,757	74,090
United Kingdom	50,428	61,709	60,527	44,522	36,171
Portugal	16	108	40	2,688	1,807
Spain	6,103	7,614	10,883	9,723	10,092
Total EC	143,079	172,882	213,209	147,289	147,750
Canada	63,642	57,494	55,946	41,888	30,748
Japan	25,691	27,399	30,765	21,487	16,835
Mexico	34	2,263	858	86	2,221
Norway	2,137	3,713	2,083	1,918	2,366
Panama	279	216	247	140	106
Sweden	1,874	1,484	1,792	3,071	3,304
Switzerland	6,495	4,125	6,700	4,785	579
Trinidad-Tobago	2,426	2,013	2,195	685	528
Venezuela	127	4	0	31	164
New Zealand	2,145	4,174	3,451	1,625	2,350
Australia	3,236	706	766	376	595
Nigeria	0	11,087	33,828	0	0
Other	2,656	5,920	4,004	2,835	3,292
Total	253,821	293,480	355,844	226,216	210,838

<sup>1</sup> August-July marketing year.

<sup>2</sup> Includes all export kernel categories (edible kernels, in-shell, prepared and preserved, and oilstock) converted to shelled-weight basis.

Appendix table 9—U.S. peanut oil exports, 1982-87 <sup>1 2</sup>

Country	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
<i>Metric tons</i>						
France	1,000	0	0	5,294	0	0
Germany, Fed. Rep. of	0	0	0	0	3	0
Italy	0	0	830	12,716	0	0
Netherlands	17	40	1,552	10,978	0	0
United Kingdom	0	1,059	3,346	5,198	0	0
Spain	0	1	0	0	0	0
Total EC	1,017	1,100	5,728	4,186	3	0
Canada	1,191	751	1,128	1,787	1,818	1,917
Hong Kong	0	101	543	5,180	968	731
Malaysia	0	4	43	1	0	327
Switzerland	0	0	5,825	0	0	0
Sweden	0	582	0	0	0	0
Other	142	681	61	939	122	164
Total	2,350	3,219	13,328	42,093	2,911	3,199

<sup>1</sup> August-July marketing year.

<sup>2</sup> Crude and refined oil combined.

**Appendix table 10—U.S. exports of peanuts and peanut products <sup>1 2</sup>**

Item	1983/84	1984/85	1985/86	1986/87	1987/88
	<i>Metric tons</i>				
Shelled, for oil stock	41,957	38,270	68,148	11,688	6,902
Shelled, not for oil stock	185,830	219,581	235,179	170,151	153,169
Prepared and preserved, blanched	3,391	6,464	17,105	15,894	19,806
Prepared and preserved, excluding blanched	4,467	4,363	6,921	2,735	4,988
In-shell	13,441	24,803	28,490	25,748	25,973
Total peanuts	253,821	293,480	355,844	226,216	210,838
Crude peanut oil	3,055	12,792	37,743	2,391	2,384
Refined peanut oil	164	536	4,350	521	815
Total peanut oil	3,219	13,328	42,093	2,912	3,199
Peanut butter	4,575	4,571	4,505	5,866	5,854

<sup>1</sup> August-July marketing year.

<sup>2</sup> Shelled basis. To convert from in-shell to shelled basis multiply the in-shell weight by 0.7519.

**Appendix table 11—World supply and utilization, major oilseeds, 1982-87 <sup>1</sup>**

Item	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
	<i>Million metric tons</i>					
<b>Production:</b>						
Soybean	93,306	82,800	93,140	97,030	97,980	103,070
Cottonseed	27,323	26,090	33,910	30,630	27,120	30,960
Peanut	17,630	18,400	19,680	19,990	20,270	20,390
Sunflowerseed	16,506	15,430	17,990	19,560	19,250	20,660
Rapeseed	15,063	14,270	16,930	18,570	19,470	23,060
Flaxseed	2,648	2,130	2,320	2,350	2,660	2,270
Copra	4,484	3,810	4,680	5,310	4,710	4,320
Palm kernel	1,800	1,970	2,270	2,560	2,560	2,620
Total	178,760	164,900	191,070	196,130	194,080	207,490
<b>Exports:</b>						
Soybean	28,506	26,140	25,270	26,070	28,560	30,050
Cottonseed	114	250	290	280	250	280
Peanut	1,013	950	1,100	1,370	1,270	1,310
Sunflowerseed	1,922	1,960	2,180	1,980	1,820	2,200
Rapeseed	2,394	2,580	3,150	3,630	4,580	4,570
Flaxseed	499	680	610	670	710	600
Copra	274	290	320	440	320	270
Palm kernel	135	180	140	130	130	140
Total	34,857	33,030	33,060	34,550	37,710	39,510
<b>Imports:</b>						
Soybean	27,999	25,460	25,450	27,570	29,180	28,740
Cottonseed	114	180	270	260	250	290
Peanut	994	960	1,070	1,260	1,270	1,260
Sunflowerseed	1,875	1,840	2,130	1,890	1,940	2,020
Rapeseed	2,528	2,680	3,290	3,650	4,920	4,340
Flaxseed	492	610	630	730	800	600
Copra	247	250	330	380	330	290
Palm kernel	140	110	110	110	120	100
Total	34,389	32,090	33,280	35,850	38,800	37,630
<b>Crush:</b>						
Soybean	77,343	71,050	73,860	77,450	85,550	84,880
Cottonseed	21,517	21,080	26,670	23,920	21,180	23,680
Peanut	10,727	10,030	10,590	10,460	10,790	10,530
Sunflowerseed	14,371	13,570	15,770	16,710	16,460	17,790
Rapeseed	14,073	13,300	15,510	16,990	18,430	20,870
Flaxseed	2,081	2,110	1,940	1,790	1,870	1,780
Copra	4,266	3,680	4,230	5,320	4,660	4,290
Palm kernel	1,734	1,790	2,150	2,460	2,400	2,590
Total	146,112	136,610	150,710	155,100	161,330	166,410

<sup>1</sup> Trade and crush are aggregated using individual marketing years.