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# Peanuts

## Background for 1990 Farm Legislation

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## Abstract

The peanut program has led to surplus production and increasing Government costs throughout most of its history. These problems led to farm legislation in 1977 that initiated a two-price poundage quota peanut program, which was continued under the 1981 and 1985 farm acts. The 1981 Act suspended the peanut acreage allotments and decreased the poundage quota each year to eliminate excess peanuts supported at the higher of the two support prices. The 1985 Act continued many provisions of the 1981 Act but established guidelines for setting the poundage quota to match use. The peanut program will revert to permanent legislation of acreage allotments and parity supports unless a new program is enacted. An important issue for the upcoming farm legislation is whether to continue the current program or to include peanuts under a more general agricultural program.

**Keywords:** Peanuts, farm program, policies

## Foreword

Congress will soon consider new farm legislation to replace the expiring Food Security Act of 1985. In preparation for these deliberations, the Department of Agriculture and many groups throughout the Nation are studying preceding legislation to see what lessons can be learned that are applicable to the 1990's. This report updates **Peanuts: Background for 1985 Farm Legislation** (AIB-469) by Duane Hacklander and Walter Gardiner. It is one of a series of updated and new Economic Research Service background papers for farm legislation discussions. These reports summarize in a nontechnical form the experience with various farm programs and the key characteristics of the commodities and the farm industries which produce them. For more information, see the Additional Readings listed at the end of the text.

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## Summary

Peanuts are an important oil crop worldwide. Most peanuts produced in other countries are crushed for oil and protein meal. The United States is the main country producing peanuts used in such edible products as peanut butter, roasted peanuts, and peanut candies. U.S. peanut production has long been influenced by agricultural legislation.

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

The 1977 and 1981 peanut programs were designed to reduce Government costs, bring domestic supply of quota-supported peanuts more in line with demand, and recognize the possibility of expanding exports. These programs helped move producers toward increased market orientation and, at the same time, eased the transition for the peanut allotment holders and the communities that had become dependent on the old program. A reliable source of high-quality edible peanuts for domestic use and export was maintained. Consumers did not have access to the lower priced additional peanuts produced in excess of the quota level, and imports were restricted.

The current peanut program is a two-price poundage quota system authorized by the Food Security Act of 1985. The 1985 peanut program maintains the same goals as the 1977 and 1981 programs but ties the quota size more closely to domestic demand.

As in the 1981 Act, acreage allotments for peanuts were suspended in the 1985 Act; hence, peanut production is technically unrestricted. But additional peanuts are subject to marketing controls and receive a lower support price. Additional peanuts must be contracted for export by August 1 or placed under the loan for additionals; the price support for these peanuts is based on the crush value for peanuts, that is, oil and meal prices. The additional price support has remained at $149.75 per ton since 1986. The quota support price was $607.47 per ton in 1986 and increased to $615.87 in 1989.

Quota support prices are to be adjusted on the basis of cost of production, but increases cannot exceed 6 percent per year. Growers are permitted to lease or purchase quota from quota holders as long as the quota remains within county boundaries.

# Peanuts

## Background for 1990 Farm Legislation

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### Introduction

Peanuts are one of the world's principal oilseeds, ranking fourth behind soybeans, cottonseed, and rapeseed, with 10 percent of the total production of major oilseeds in 1985-87. Peanut byproducts make sizable contributions to global supplies of edible oil for human consumption and protein meal for livestock feeds. Principal countries producing peanuts are India, China, and the United States. Africa is also an important producing region. Most of the peanuts produced in Asia and Africa are crushed for food oil and animal feed.

Peanuts accounted for 3 percent of the production of major oilseeds in the United States in 1986-88 and ranked 12th in crop value. Soybeans are the dominant oilseed in the United States, with 86 percent of production, followed by cottonseed with 8 percent and sunflowerseed with 2 percent. U.S. peanuts derive most of their value from use of the seed as an edible nut, both in-shell and shelled, and in edible products, such as peanut butter and peanut butter sandwiches and cookies. Peanuts are also crushed to produce oil and meal, but the edible market commands a higher price than the crush market. U.S. peanuts that are rejected from edible channels because of quality factors are crushed. If there is an over-supply of a certain peanut type, those peanuts may be crushed. Peanut oil and peanut meal face strong competition from products derived from soybeans, cottonseed, and sunflowerseed.

Before 1977, U.S. growers produced considerably more peanuts than the domestic edible market could absorb at the support price. The peanut program costs to the Government were increasing. The 1977 and 1981 peanut programs were designed to reduce Government costs and to bring domestic supply and demand levels for peanuts used in edible products into balance. They were also designed to ease the transition for the peanut producers and their communities as the traditional program--largely unchanged since the 1930's--was replaced by shrinking poundage quotas for peanuts used in edible products. The 1985 program continued most of the provisions of the 1981 Act and sought to better match supply and demand.

The current program provisions expire after the 1990 crop. Without specific legislative action, the former allotment and marketing quota provisions would again be applicable.

## Structure of the Peanut Industry

The United States produced nearly 4 billion pounds of peanuts with a farm level value over $1 billion in 1988. There are relatively few farms harvesting peanuts compared with farms harvesting corn, wheat, and soybeans. Production is concentrated in nine States that planted 1.66 million acres in 1988.

### Production Characteristics

Soil type, climate, and operation of the peanut program determine the location of peanut production. Peanuts are best adapted to well-drained, light-textured soils and, depending on variety, require from 120 to 150 days from planting to maturity. Although the current peanut program no longer restricts production through acreage allotments, the poundage quota system still largely follows the historic allotment pattern. Peanuts are often grown in rotation with other crops, including wheat, soybeans, and corn.

#### Geographic Distribution of Production

There are three peanut-producing regions: the Georgia-Florida-Alabama region, referred to as the Southeast; the Texas-Oklahoma region, referred to as the Southwest; and the Virginia-North Carolina region, referred to as the Virginia-Carolina region. Seven States grow 98 percent of the U.S. peanut crop. Georgia is the leading peanut-producing State, accounting for about 45 percent of U.S. production. For 1986-88, the Southeast produced 65 percent of the peanuts, the Southwest 17 percent, and the Virginia-Carolina region 18 percent (table 1).

During the last three decades, the Southeast's share of U.S. production increased, but declined slightly in 1986-88 because of droughts in 1986 and 1987. The Southwest's share has ranged from 15 percent to 26 percent, and the Virginia-Carolina share has dropped. Total peanut acreage fell between 1979 and 1982 but has trended upward since then. Planted acreage has moved in line with changes in the national poundage quota since 1984.

Table 1--U.S. peanut production

| Region | 1951-60 | 1961-70 | 1971-80 | 1981-85 | 1986-88 |
|---|---|---|---|---|---|
| | | | Percent | | |
| Southeast | 49.2 | 51.1 | 61.6 | 66.4 | 64.5 |
| Southwest | 17.7 | 26.3 | 19.0 | 15.1 | 17.4 |
| Virginia-Carolina | 33.1 | 22.6 | 19.4 | 18.5 | 18.1 |

## Structure of Peanut Farms

According to the 1987 Census of Agriculture, 18,905 farms harvested peanuts. Of these farms, 18,529 were located in the nine peanut-producing States covered by USDA's Crop Production reports. The total number of farms harvesting peanuts was 23,046 in 1978. The harvested acreage per farm was about 76 acres in 1987 and 53 acres in 1978 and 1982.

Fifty-seven percent of the farms harvesting peanuts in 1987 had harvested acreage of less than 50 acres and 1 percent had harvested acreage of over 500 acres (table 2). Of the peanuts harvested, 35 percent came from farms harvesting an average of 100-249 acres. The large number of farms harvesting fewer than 50 acres of peanuts accounted for about 14 percent of the total.

Nearly all of the peanut poundage quota is allocated to farmers in nine States, with a small amount distributed to farmers in seven other States. Sixty percent of the basic poundage quota was allocated to the Southeast, 21 percent to the Southwest, and 19 percent to the Virginia-Carolina region in 1988. The largest allocations were Georgia, 577,034 tons; Alabama, 187,875 tons; and Texas, 185,702 tons. The States with the smallest basic poundage quota (less than 1,000 tons) were Arizona, California, and Missouri.

A 1982 cost of production survey, which included a sample of farms in the seven largest peanut-producing States, indicated that the split between quota production on owned and rented quota is about 50-50. The 50 percent of rented quota peanut production was further broken down to show that 9 percent was attributed to producers who rented quota only, while the remaining 41 percent was attributed to producers who rented the quota with land. Quota lease rates vary across States and between counties within States. Lease rates have trended upward since 1978 and are

Table 2--Number of farms harvesting peanuts and pounds of peanuts produced, by harvested acreage size distribution, 1987

| Harvested peanut acres | Farms | | Production | |
|---|---|---|---|---|
| | Number | Percent | Million pounds | Percent |
| 1-49 | 10,802 | 57.1 | 464 | 13.6 |
| 50-99 | 3,567 | 18.9 | 580 | 17.0 |
| 100-249 | 3,348 | 17.7 | 1,201 | 35.3 |
| 250-499 | 949 | 5.0 | 737 | 21.7 |
| 500-999 | 206 | 1.1 | 304 | 8.9 |
| 1,000 and over | 33 | .2 | 118 | 3.5 |
| Total | 18,905 | 100.0 | 3,404 | 100.0 |

Source: 1987 Census of Agriculture.

estimated to average about 7.5 cents per pound in the Southeast in 1987 (Fabre).

The peanut cost of production survey indicated that soybeans were another important crop on farms growing peanuts in the Southeast. In Georgia, about 19 percent of cropland per farm was planted to peanuts and nearly 42 percent was planted to soybeans. In North Carolina and Virginia, soybeans and corn accounted for over 60 percent of cropland planted. In the Southwest, wheat was the primary other crop grown on farms planting peanuts. Of the farms harvesting peanuts in 1978, 43 percent received over 50 percent of their total value of sales of agricultural products from sugar, Irish potatoes, hay, peanuts, and other field crops; 11 percent from cash grains; 17 percent from general crops; and 17 percent from livestock.

## Types of Peanuts

Three main types of peanuts are grown in the United States: Florunners, Virginia, and Spanish. The Southeast grows mostly the medium kernel runner peanuts. The Southwest used to grow two-thirds Spanish and one-third runner but now grows more runners than Spanish. Virtually all the Spanish peanut production is in Oklahoma and Texas. The Virginia-Carolina region grows mostly the large-kernel Virginia peanut. A fourth type, the Valencia, is grown in New Mexico.

In 1987/88, runner peanuts accounted for about 78 percent of peanuts used in domestic edible products, Virginia peanuts accounted for about 14 percent, and Spanish peanuts accounted for about 8 percent (table 3).

Table 3--Peanuts used in edible products, 1979-87

| Year 1/ | Runner | Virginia | Spanish | In-shell 2/ | Total |
|---|---|---|---|---|---|
| | | | Million pounds 3/ | | |
| 1979/80 | 977 | 169 | 147 | 1,151 | 1,444 |
| 1980/81 | 871 | 99 | 106 | 90 | 1,166 |
| 1981/82 | 990 | 138 | 97 | 151 | 1,376 |
| 1982/83 | 992 | 215 | 102 | 155 | 1,464 |
| 1983/84 | 1,032 | 163 | 116 | 130 | 1,441 |
| 1984/85 | 1,051 | 176 | 115 | 159 | 1,501 |
| 1985/86 | 1,092 | 207 | 123 | 176 | 1,598 |
| 1986/87 | 1,053 | 281 | 126 | 162 | 1,622 |
| 1987/88 | 1,153 | 217 | 115 | 141 | 1,626 |

1/ August-July marketing year.
2/ To convert from in-shell to shelled basis multiply the in-shell weight by 0.7519. Most peanuts sold in the shell are Virginia peanuts; Valencia peanuts are also used.
3/ Shelled basis.

## Trends in Domestic and Foreign Markets for Peanuts

Except for years when peanuts have been in short supply because of drought, domestic food use has grown steadily since World War II. The biggest food use of peanuts is peanut butter. Crushing peanuts for oil and meal varies from year to year, primarily because of fluctuations in production and foreign demand. U.S. peanut exports are small compared with domestic use. Major export markets for U.S. peanuts are the European Community, Canada, and Japan.

### Edible Peanuts

Peanut manufacturers produce three principal products: peanut butter, packaged nuts (includes salted, unsalted, flavored, and honey-roasted nuts), and peanut candies. Almost half of all peanuts processed in the United States for edible purposes are used in the manufacture of peanut butter (table 4). Packaged nuts account for almost one-third of all processed peanuts. Some of these are roasted in the shell, commonly referred to as "ballpark" peanuts, while a much larger quantity is used as shelled peanuts packed as dry-roasted peanuts, salted peanuts, or salted mixed nuts. Some peanuts are ground to produce peanut granules and flour.

Dry-roasted and salted peanuts compete with other edible nuts, such as almonds, cashews, and pistachios. Edible peanuts can complement tree nuts in mixed nut packs but can also substitute for tree nuts up to some maximum level depending on relative

Table 4--U.S. food uses of peanuts, 1979-87

| Year 1/ | Peanut butter | Salted peanuts | Peanut candy | Sandwich snacks 2/ | Other uses | Cleaned in-shell 3/ | Total |
|---|---|---|---|---|---|---|---|
| | | | Million pounds 4/ | | | | |
| 1979/80 | 700 | 285 | 258 | 30 | 20 | 151 | 1,445 |
| 1980/81 | 589 | 205 | 238 | 24 | 20 | 90 | 1,166 |
| 1981/82 | 654 | 278 | 256 | 23 | 15 | 151 | 1,377 |
| 1982/83 | 678 | 308 | 284 | 22 | 17 | 155 | 1,464 |
| 1983/84 | 671 | 302 | 298 | 24 | 15 | 130 | 1,441 |
| 1984/85 | 697 | 309 | 290 | 26 | 19 | 159 | 1,501 |
| 1985/86 | 701 | 359 | 314 | 25 | 24 | 176 | 1,598 |
| 1986/87 | 679 | 384 | 321 | 34 | 41 | 162 | 1,622 |
| 1987/88 | 701 | 374 | 326 | 46 | 38 | 141 | 1,626 |

1/ August-July marketing year.
2/ Peanut butter sandwich snacks sold commercially.
3/ To convert from in-shell to shelled basis multiply the in-shell weight by 0.7519.
4/ Shelled basis.

prices. Peanut candy accounts for about 20 percent of all processed peanuts. Peanuts are the dominant shelled nut used in candies, followed by almonds. Thus, such factors as cocoa and sugar prices affecting the candy market indirectly affect the demand for edible peanuts.

Unshelled Virginia peanuts are roasted for use as ballpark peanuts or cleaned, in-shell peanuts. As shelled peanuts, 50-60 percent of Virginias are used as cocktail nuts and salted peanuts and 50-60 percent of runners are used in peanut butter. Salted nuts and candy each account for about 20 percent of shelled runner use. Spanish peanut use is about evenly divided among salted nuts, peanut butter, and candy. Runners are the most important type for all shelled uses. Virginia peanuts dominate the roasted in-shell market. The Valencia peanut with its long shell containing three or four kernels is excellent for roasting in the shell.

Peanut Oil and Meal

In addition to edible uses, the peanut can be crushed into oil and meal. Peanuts rank among the world's principal oilseeds but contribute only insignificant quantities to the availability of edible oil and protein meal in the United States. In marketing years 1984-87, peanut oil ranked sixth (6 percent) in production of the world vegetable and marine oils, behind soybean oil (29 percent), palm oil (16 percent), sunflowerseed oil (13 percent), rapeseed oil (13 percent), and cottonseed oil (7 percent). Peanut meal ranked sixth (5 percent) in production of major protein meals, on a 44-percent protein meal equivalent, following soybean meal (61 percent), cottonseed meal (9 percent), fish meal (9 percent), sunflowerseed meal (7 percent), and rapeseed meal (7 percent). In marketing years 1985-87, U.S. peanut crush averaged 629 million pounds, or about 16 percent of peanut production. In comparison, soybeans crushed for oil and meal totaled more than 1.1 billion bushels (68 billion pounds).

Oilstock peanuts are generally those that have been rejected or diverted from edible channels. Diversion may be due to oversupply of a certain type. Rejections include "pick-outs" from edible nuts and other low-quality peanuts, such as Segregation 3 peanuts, those containing a toxin-producing mold, such as aflatoxin. Rejects also include improperly stored peanuts that are weathered (shriveled and wrinkled), infested by insects, or moldy. Small kernels, including 14/16 sheller grades, have been made ineligible for domestic edible use by the Peanut Administrative Committee (PAC).

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 principal 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.

Table 5--Peanut exports from specified countries 1/

| Country | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|---|---|
| | | | 1,000 metric tons | | | | |
| 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 |

1/ Local marketing years.

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 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 have 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 suspectable 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 additionals 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 additionals 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 have 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-North Carolina; Georgia-Florida-Alabama (Southeast); and Oklahoma-Texas (Southern Plains). In the past 3 years, the Virginia-North Carolina region had the highest returns per acre of the three regions. Virginia-North 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-North 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-North Carolina and the Southeast than in the Southern Plains.

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

| Crop year | Cash receipts | Cash expenses | Returns above cash expenses | | |
|---|---|---|---|---|---|
| | | | Total | Nominal | Deflated 1/ |
| | ----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 |

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

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-North 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 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 production 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 additionals.

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 additionals 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 additionals. 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 additionals. 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 additionals 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 additionals 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 represents 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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## Glossary

**Acreage allotment** -- An individual farm's share of the national acreage that the Secretary of Agriculture determines is needed to produce sufficient supplies of a particular crop. The farm's share is based on its previous production.

**Basic commodities** -- Six crops (corn, cotton, peanuts, rice, tobacco, and wheat) declared by legislation as price supported commodities.

**Carryover** -- Existing supplies of a farm commodity at the beginning of a new harvest for a commodity (end of the marketing year). It is the remaining stock carried over into the next year.

**Census of Agriculture** -- A survey taken by the Bureau of Census every 5 years to determine the number of farms, land in farms, crop acreage and production, livestock numbers and production, farm spending, farm facilities and equipment, farm tenure, value of farm products sold, farm size, type of farm, and so forth. Data are reported by various farm characteristics for States and counties.

**Commodity Credit Corporation (CCC)** -- A federally owned and operated corporation within the U.S. Department of Agriculture. The CCC was created to stabilize, support, and protect farm income and prices through loans, purchases, payments, and other operations. The CCC functions as the financial institution through which all money transactions are handled for agricultural price and income support and related programs. The CCC also helps maintain balanced, adequate supplies of agricultural commodities and helps in their orderly distribution. The CCC does not have any operating personnel or facilities.

**Food Security Act of 1985 (PL 99-198)** -- The omnibus food and agriculture legislation signed into law on December 23, 1985, that provides a 5-year framework for the Secretary of Agriculture to administer various agriculture and food programs. The act amends the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 for the 1986-1990 crop years (see permanent legislation).

**Generic advertising** -- Promotes purchases of a commodity without reference to the specific farmer or manufacturer. Generic advertising has been used to overcome competition from another product, to increase awareness of lesser known products, and to alter negative opinions about an item. Examples are dairy and beef promotion campaigns. Overseas market development is another application of generic advertising.

**Import quota** -- The maximum quantity or value of a commodity allowed to enter a country during a specified time period. A quota may apply to amounts from specific countries.

**Legume --** A family of plants, including many valuable food and forage species, such as peas, beans, soybeans, peanuts, clovers, alfalfas, and sweetclovers. Legumes can convert nitrogen (nitrogen fixation) from the air and build up nitrogen in the soil. Many of the nonwoody species are used as cover crops and are plowed under for improvement of the soil.

**Marketing quota --** Authorized by the Agricultural Adjustment Act of 1938, marketing quotas are used to regulate the marketing of some commodities when supplies are excessive. The quota represents, in general, the quantity USDA estimates to be required for domestic use and exports during the year. Marketing quotas are binding upon all producers if two-thirds or more of the producers holding allotments for the production of a crop vote for quotas in a referendum. When marketing quotas are in effect, growers who produce more of a commodity than their farm acreage allotments should yield are subject to marketing penalties on the "excess" production and are ineligible for Government price-support loans. Quota provisions have been suspended for wheat, feed grains, and cotton since the 1960's; rice quotas were abolished in 1981. Poundage quotas are still used for domestically consumed peanuts, but not for exported peanuts. Marketing quotas are used for major tobacco types.

**Oilseed crops --** Primarily soybeans, peanuts, cottonseed, sunflowerseeds, and flaxseed used for the production of edible and/or inedible oils, as well as high protein meals. Other oil crops are rapeseed, safflower, castor beans, and sesame.

**Parity index --** See prices-paid index.

**Permanent legislation --** Legislation that would be in force in the absence of all temporary amendments and temporarily suspended provisions. The Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 serve as the principal laws authorizing the major commodity programs. These laws are frequently amended; provisions are added, suspended, and repealed. For the past several decades, periodic omnibus agriculture acts have provided for specific fixed-period commodity programs by adding temporary amendments to these laws, and suspending conflicting provisions of those laws for the same period. The temporarily suspended provisions of the 1938 and 1949 Acts go back into effect if current amendments, such as the Food Security Act of 1985, lapse and new legislation is not enacted.

**Price support programs --** Government programs that aim to keep farm prices received by participating producers from falling below specific minimum prices. Price-support programs for major commodities are carried out by providing loans to farmers so that they can store their crops during periods of low prices. The loans can later be redeemed if commodity prices rise sufficiently to make the sale of the commodity on the market profitable, or the farmer can forfeit the commodity to the Commodity Credit Corporation (CCC). In the latter case, the commodity is stored and is not available to the market until prices rise above statutory levels that allow the CCC to sell the commodities.

**Prices-paid index --** An indicator of changes in the prices farmers pay for goods and services (including interest, taxes, and farm wage rates) used for producing farm products and those needed for farm family living. Is referred to as the parity index when computed on a 1910-14=100 base.

**Referendum --** The referral of a question to voters to be resolved by balloting. For example, marketing quotas, acreage allotments, or marketing agreements have been subject to referenda.

**Section 22 --** A section of the Agricultural Adjustment Act of 1933 that authorizes the President to restrict imports by imposing quotas or fees if the imports interfere with Federal price support programs or substantially reduce U.S. production of products processed from farm commodities.

**Temporary Emergency Food Assistance Program (TEFAP) --** Established in 1983 to allow donation of commodities owned by the Commodity Credit Corporation to States in amounts relative to the number of unemployed and needy persons. The food is distributed by charitable organizations to eligible recipients.

**Two-price plan --** Price discrimination between the domestic and export markets by selling commodities for export at a different price than in the domestic market. Governments or firms may adopt a two-price plan in order to expand markets, dispose of surpluses, and increase returns.

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 |
|---|---|---|---|---|---|---|---|
| | Million pounds 1/ | | | | | | Percent |
| 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 | 2,083 | 542 | 610 | 557 | 3,792 | 832 | 21.9 |

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

| Year | Ending stocks | | | Price received by farmers | Loan rate | | Export 2/ |
|---|---|---|---|---|---|---|---|
| | CCC | Free 1/ | 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 | 27.7 | 30.37 | 7.49 | 20.00 |

--- = Not applicable.

1/ Basically commercial stocks.

2/ 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 1/ |
|---|---|---|---|
| | Outlays | Repayments | |
| | Million dollars | | |
| 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 2/ | 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 |

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

2/ 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 1/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | 1,000 metric tons | | |
| Production: | | | | | |
| 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 |
| Imports: | | | | | |
| 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 |
| Exports: | | | | | |
| 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 |

See footnote at end of table.

Continued--

Appendix table 5--World peanut supply and disappearance, 1983-87--Continued 1/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | 1,000 metric tons | | |
| Crush: | | | | | |
| 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 |
| Food: | | | | | |
| 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 |

1/ Local marketing years.

Appendix table 6--World peanut meal supply and disappearance, 1983-87 1/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | 1,000 metric tons | | |
| Production: | | | | | |
| 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 |
| Imports: | | | | | |
| 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 |
| Exports: | | | | | |
| 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 |

See footnote at end of table.

Continued--

Appendix table 6--World peanut meal supply and disappearance, 1983-87--Continued 1/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | 1,000 metric tons | | |
| Consumption: | | | | | |
| 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 |

1/ Local marketing years.

Appendix table 7--World peanut oil supply and disappearance, 1983-87 1/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | 1,000 metric tons | | |
| Production: | | | | | |
| 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 | 54 | 84 | 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 |
| Imports: | | | | | |
| 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 |
| Exports: | | | | | |
| 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 |

See footnote at end of table.

Continued--

Appendix table 7--World peanut oil supply and disappearance, 1983-87--Continued 1/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | 1,000 metric tons | | | |
| Consumption: | | | | | |
| 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 |

1/ Local marketing years.

Appendix table 8--U.S. peanut exports, 1983-87 1/ 2/

| Country | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | Metric tons | | |
| 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 |

1/ August-July marketing year.

2/ 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 1/ 2/

| Country | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|---|
| | | | Metric tons | | | |
| 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 |

1/ August-July marketing year.
2/ Crude and refined oil combined.

Appendix table 10--U.S. exports of peanuts and peanut products 1/ 2/

| Item | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|
| | | | Metric tons | | |
| 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 |

1/ August-July marketing year.
2/ 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 1/

| Item | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---|---|---|---|---|---|
| | | | Million metric tons | | | |
| Production: | | | | | | |
| 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 |
| Exports: | | | | | | |
| 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 |
| Imports: | | | | | | |
| 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 |
| Crush: | | | | | | |
| 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 |

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

Appendix table 12--Provisions of peanut programs, 1961-89

| Provision | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 |
|---|---|---|---|---|---|---|
| Parity price (¢/lb) 1/ | 12.90 | 13.50 | 14.00 | 14.10 | 14.50 | 14.80 |
| Support price (¢/lb) | 11.05 | 11.07 | 11.20 | 11.20 | 11.20 | 11.35 |
| Nonrecourse loan (¢/lb): | | | | | | |
| Quota peanut loan rate | 11.05 | 11.07 | 11.20 | 11.20 | 11.20 | 11.35 |
| Non-quota peanut loan rate | -- | -- | -- | -- | -- | -- |
| National marketing poundage quota (1,000 tons) | 970.0 | 1,006.0 | 1,006.3 | 1,066.6 | 1,187.4 | 1,368.5 |
| National allotment (1,000 acres) | 1,612.4 | 1,612.6 | 1,612.1 | 1,612.6 | 1,613.5 | 1,613.0 |
| CCC domestic sales: 2/ | | | | | | |
| Announced minimum (¢/lb) 3/ | -- | -- | -- | -- | -- | -- |

| Provision | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 |
|---|---|---|---|---|---|---|
| Parity price (¢/lb) 1/ | 15.10 | 15.50 | 16.30 | 17.00 | 17.90 | 19.00 |
| Support price (¢/lb) | 11.35 | 12.01 | 12.38 | 12.75 | 13.425 | 14.25 |
| Nonrecourse loan (¢/lb): | | | | | | |
| Quota peanut loan rate | 11.35 | 12.01 | 12.38 | 12.75 | 13.425 | 14.25 |
| Non-quota peanut loan rate | -- | -- | -- | -- | -- | -- |
| National marketing poundage quota (1,000 tons) | 1,428.9 | 1,489.3 | 1,549.6 | 1,537.6 | 1,553.7 | 1,634.2 |
| National allotment (1,000 acres) | 1,612.8 | 1,612.8 | 1,612.3 | 1,612.9 | 1,612.7 | 1,612.8 |
| CCC domestic sales: 2/ | | | | | | |
| Announced minimum (¢/lb) 3/ | -- | -- | -- | -- | -- | -- |

| Provision | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 |
|---|---|---|---|---|---|---|
| Parity price (¢/lb) 1/ | 21.90 | 24.40 | 26.30 | 27.60 | 28.70 | 31.50 |
| Support price (¢/lb) | 16.425 | 18.3 | -- | -- | -- | -- |
| Nonrecourse loan (¢/lb): | | | | | | |
| Quota peanut loan rate | 16.425 | 18.3 | 19.725 | 20.7 | 21.525 | 21.0 |
| Non-quota peanut loan rate | -- | -- | -- | -- | -- | 12.5 |
| National marketing poundage quota (1,000 tons) | 1,771.0 | 1,900.0 | 1,899.8 | 2,004.0 | 2,068.9 | 1,680.0 |
| National allotment (1,000 acres) | 1,614.0 | 1,614.0 | 1,613.5 | 1,614.0 | 1,614.2 | 1,614.0 |
| CCC domestic sales: 2/ | | | | | | |
| Announced minimum (¢/lb) 3/ | -- | 18.3 | 19.725 | -- | -- | 4/ 22.05+CC |

See footnotes at end of table.

Continued--

Appendix table 12--Provisions of peanut programs, 1961-89--Continued

| Provision | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|
| Parity price (¢/lb) 1/ | 35.80 | 38.10 | 41.50 | 43.30 | 44.00 | 45.90 |
| Support price (¢/lb) | -- | -- | -- | -- | -- | -- |
| Nonrecourse loan (¢/lb): | | | | | | |
| Quota peanut loan rate | 21.0 | 22.75 | 22.75 | 27.5 | 27.5 | 27.5 |
| Non-quota peanut loan rate | 15.0 | 12.5 | 12.5 | 10.0 | 9.25 | 9.25 |
| National marketing poundage quota (1,000 tons) | 1,596.0 | 1,516.0 | 1,440.0 | 1,200.0 | 1,167.0 | 1,134.0 |
| National allotment (1,000 acres) | 1,614.0 | 1,614.0 | 1,734.0 | Suspended | Suspended | Suspended |
| CCC domestic sales: 2/ | | | | | | |
| Announced minimum (¢/lb) 3/ | -- | -- | -- | -- | -- | -- |

| Provision | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|
| Parity price (¢/lb) 1/ | 45.50 | 44.80 | 46.70 | 48.90 | 50.60 |
| Support price (¢/lb) | -- | -- | -- | -- | -- |
| Nonrecourse loan (¢/lb): | | | | | |
| Quota peanut loan rate | 27.95 | 30.37 | 30.37 | 30.76 | 30.79 |
| Non-quota peanut loan rate | 7.40 | 7.49 | 7.49 | 7.49 | 7.49 |
| National marketing poundage quota (1,000 tons) | 1,100.0 | 1,355.5 | 1,355.5 | 1,402.2 | 1,440.0 |
| National allotment (1,000 acres) | Suspended | Suspended | Suspended | Suspended | Suspended |
| CCC domestic sales: 2/ | | | | | |
| Announced minimum (¢/lb) 3/ | -- | 30.37+CC | 30.37+CC | 30.76+CC | 30.79+CC |

1/ Average parity price of peanuts for July.
2/ Sales made at fixed prices or through competitive bids.
3/ In any event, the CCC can not sell stock holdings at less than the going market price.
4/ The sales price increased to 22.47 cents plus costs if sold after December 31, 1978.

Source: Green, Robert C. A Database for Support Programs of Program Crops, 1961-90. Staff Report (forthcoming). U.S. Department of Agriculture, Economic Research Service.

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