TRENDS IN U. S. PEANUT ACREAGE, PRODUCTION AND USAGE, 1947-65

by

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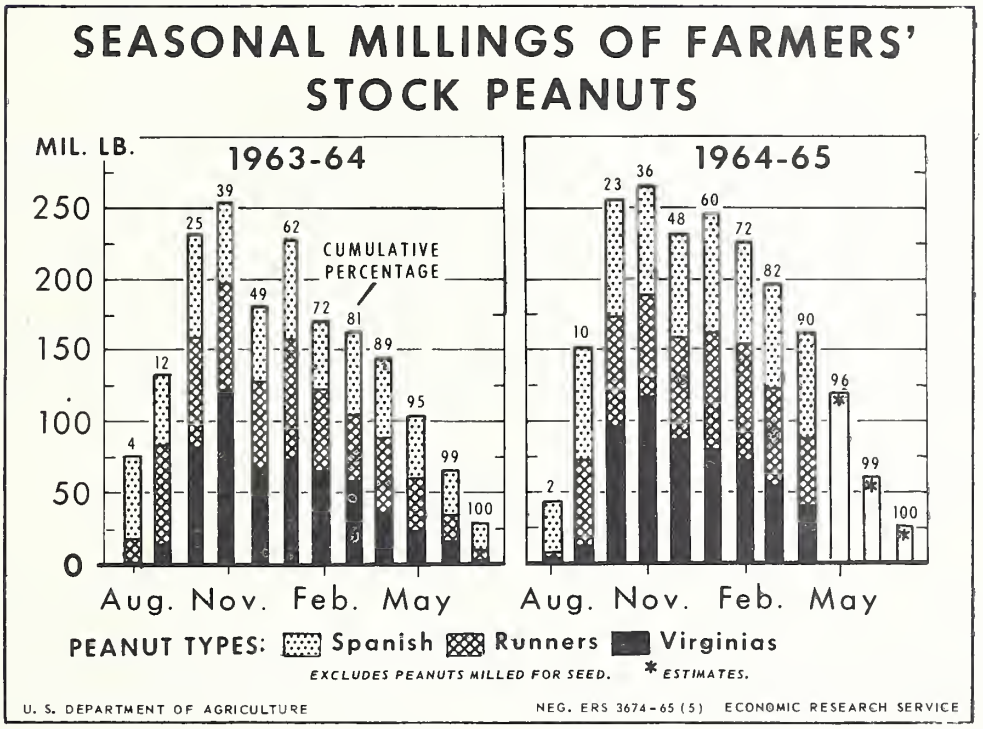

The bulk of the U. S. peanut crop is marketed directly to shellers who receive about 90 percent of their peanuts during August-December. Millings (cleaning and shelling) are spread over a greater part of the season although about 50 percent is completed by the end of December.

Millings for the 1964-65 season were about 90 percent complete through April 1965. Peak month for milling Virginias is usually November, but for Runners and Spanish it may occur before or after November. (See page 21).

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Peanuts, also known as groundnuts, are a basic cash crop of economic importance to approximately 100,000 farmers in the Virginia-Carolina area, Southeastern area, and Southwestern areas of the United States. 1/ The peanut is a legume closely related to the bean and pea but differs from them because it develops its pods underground. Also, its high oil content makes it more like a nut than like other legumes.

In the United States, peanuts are grown almost exclusively for the domestic food market. More than two-thirds of the crop is utilized for edible consumption as nuts. In other major-producing countries--India, Mainland China, Senegal, Niger, Mali, and Nigeria--peanuts are produced primarily for their oil and meal. Consequently, the United States plays a relatively minor role in the international trade of peanuts for crushing into oil and meal. The Commodity Credit Corporation (CCC) price support rate maintains U. S. peanut prices at a level about double the world price of peanuts. 2/ For this reason, virtually all U. S. exports are peanuts purchased by private firms from CCC stocks at prices which approximate world market prices for peanuts used for crushing into oil.

Acreage Allotments and Marketing Quotas Have Been in Effect Each Year Since 1949

Efforts to control production and support prices of peanuts in the United States were initiated in 1935. Voluntary acreage control programs were in effect from 1935 through 1940. This system of control was not regarded as satisfactory so, in 1941, marketing quotas were put into effect. 3/ Penalties were provided for growers who did not comply. However, penalties were not applied in 1942 because of the need for greater output of oil at the beginning of the War period. In 1942 over 400 million pounds of "excess-acreage" peanuts were sold for oil. From 1943 through 1948, there were no allotments

1/ The U. S. peanut belt is comprised of 3 production areas: Virginia-Carolina area (Virginia, North Carolina, Tennessee, and that part of South Carolina north and east of the Santee-Congaree Broad rivers); Southeast area (Georgia, Florida, Alabama, Mississippi, and the southern part of South Carolina); and Southwest area (Arkansas, Arizona, Louisiana, Oklahoma, Texas, California, and New Mexico). The 4 basic types of peanuts are (1) the Virginia, mostly grown in the Virginia-North Carolina area; (2) the Runner, mostly grown in the Southeast area; and (3) the Spanish, grown in all areas but mainly the Southeast and Southwest areas; and (4) the Valencia, grown in the Southwest with virtually all the production in New Mexico.

2/ The CCC price-support program is based on the prices of peanuts for edible uses.

3/ Peanuts were reestablished as a basic crop in 1941.

Table 13.--Peanuts: Allotments, acreage, yield, marketing quotas and production, farmers' stock basis, 1938-65

Crop year	Acreage: Allotment: Actual 1/	Acreage: Allotment: Legal minimum 2/	Acreage: Harvested for nuts: Total	Acreage: Harvested for nuts: Percentage of allotment	Yield per acre: Used in determining allotments	Yield per acre: Actual	Announced marketing quota	Production	Production less announced marketing quota	Excess acreage peanuts sold for oil 3/
	1,000 acres	1,000 acres	1,000 acres	Percent	Pounds	Pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1938-41	1,448	4/	1,888	5/131	4/	759	6/	1,436	---	7/
1942	1,610	1,610	3,355	8/208	4/	654	1,256	2,193	937	409
1943	9/	4/	3,528	---	---	617	---	2,176	---	---
1944	---	4/	3,068	---	---	678	---	2,081	---	---
1945	---	4/	3,160	---	---	646	---	2,042	---	---
1946	---	4/	3,141	---	---	649	---	2,038	---	---
1947	---	4/	3,377	---	---	646	---	2,182	---	---
1948	9/	4/	3,296	---	---	709	---	2,336	---	---
1949	10/2,629	1,610	2,308	88	651	808	10/1,700	1,865	165	---
1950	2,200	2,100	2,262	103	665	900	1,286	2,035	749	68
1951	1,889	1,610	1,982	105	734	837	1,300	1,659	359	194
1952	1,706	1,610	1,443	85	777	940	1,300	1,356	56	---
1953	1,679	1,610	1,515	90	790	1,039	1,326	1,574	248	---
1954	11/1,610	1,610	1,387	86	837	727	11/1,348	1,008	-340	---
1955	1,731	1,610	1,669	96	920	928	1,592	1,548	-44	---
1956	1,650	1,610	1,385	84	894	1,161	1,500	1,607	107	---
1957	1,611	1,610	1,481	92	901	969	1,451	1,436	-15	---
1958	1,612	1,610	1,516	94	1,026	1,197	1,652	1,814	162	---
1959	1,612	1,610	1,453	90	1,101	1,092	1,772	1,588	-184	---
1960	1,612	1,610	1,410	87	1,160	1,266	1,868	1,786	-82	---
1961	1,612	1,610	1,410	87	1,205	1,234	1,940	1,740	-200	---
1962	1,613	1,610	1,412	88	1,250	1,282	2,012	1,810	-202	---
1963	1,612	1,610	1,409	87	1,250	1,435	2,012	2,022	+10	---
1964	1,613	1,610	1,405	87	1,325	1,569	2,133	2,205	+72	---
1965 12/	1,613	1,610	---	---	1,475	---	2,375	---	---	---

1/ Includes additional acreage for types of peanuts in short supply and/or required by legislation passed subsequent to establishment of the allotment. 2/ The 1941 allotment was declared the legal minimum except in 1950 when it was set at 2.1 million. The 1950 allotment was increased to 2.2 million in order to conform with subsequent legislation. 3/ In 1941, 1942, 1950 and 1951, producers could harvest without penalty peanuts from acreage in excess of their allotments if these peanuts were sold for crushing. Allowance has been made for substitution between quota and excess acreage peanuts. 4/ Not applicable. 5/ No penalties were imposed on peanuts from acreage in excess of allotments. 6/ Defined as peanuts grown on allotted acres. 7/ 157 million pounds in 1941. 8/ The Department of Agriculture requested farmers to expand their acreage in order to provide peanuts for crushing. 9/ The 1943 quota and allotment were terminated because of the war and not reimposed until the 1948 crop. However, they were also terminated for the 1948 crop because of the need for oil. 10/ The law specified that the marketing quota for 1949 be equal to the 1943-47 average production adjusted for trend and prospective demand conditions. 11/ Except for the minimum acreage required by law, the 1954 allotment would have been 1,546 thousand acres, based upon a marketing quota of 1,294 million pounds. The marketing quota was raised in order to obtain the minimum acreage allotment. 12/ Preliminary except for allotment, legal minimum, yield used in determining allotment, and announced marketing quota.

Table 14.--Peanuts: Price per pound, quantity acquired under support program, farmers' stock basis, by areas, 1938-64

Crop year	Average price: Average support, United States	Average price: Received by farmers in-: Virginia-Carolina area	Average price: Received by farmers in-: Southeastern area	Average price: Received by farmers in-: Southwestern area	Average price: United States	Average price: Paid to CCC for crushing	Acquired under support program 1/: Virginia-Carolina area	Acquired under support program 1/: Southeastern area	Acquired under support program 1/: Southwestern area	Acquired under support program 1/: Total: Quantity	Acquired under support program 1/: Total: Percentage of Production
	Cents	Cents	Cents	Cents	Cents	Cents	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Average 1938-41	2/	4.0	3.5	3.4	3.7	2.3	50	272	56	378	26
1942	2/	7.4	6.1	4.8	6.1	4.1	54	420	426	899	41
1943	2/	7.4	7.1	6.8	7.1	4.2	429	1,072	276	1,778	3/82
1944	2/	8.8	7.8	7.6	8.0	4.4	474	937	334	1,745	3/84
1945	2/	9.2	8.0	7.9	8.3	4.4	380	993	346	1,718	3/84
1946	9.8	10.3	8.8	8.6	9.1	9.7	4	17	34	55	3
1947	10.8	11.0	9.9	9.6	10.1	8.7	98	226	204	528	24
1948	10.4	10.9	10.5	10.3	10.5	5.4	214	740	213	1,167	50
1949	10.5	10.9	10.3	10.1	10.4	4.4	81	477	205	763	41
1950	10.8	12.7	10.4	10.3	10.9	7.5	96	554	184	835	41
1951	11.5	12.2	9.6	9.2	10.4	6.2	132	352	56	540	32
1952	12.0	11.3	10.4	11.4	10.9	7.2	37	69	0	106	8
1953	11.9	12.0	10.6	11.0	11.1	6.5	6	258	30	294	19
1954	12.2	13.5	11.1	11.7	12.2	0	0	0	0	0	0
1955	12.2	13.1	11.2	11.5	11.7	5.6	10	190	68	268	17
1956	11.4	11.9	10.7	11.2	11.2	5.5	89	245	0	334	21
1957	11.1	10.7	10.1	10.4	10.4	5.2	58	50	3/	108	8
1958	10.7	10.9	10.5	10.5	10.6	5.0	83	240	60	383	21
1959	9.7	10.6	9.0	9.6	9.6	5.3	14	194	38	246	15
1960	10.1	11.0	9.4	10.0	10.0	5.1	28	199	71	299	17
1961	11.0	11.6	10.7	10.9	10.9	5.0	31	138	62	231	13
1962	11.1	11.8	10.6	11.0	11.0	5.0	106	160	65	331	18
1963	11.2	11.3	11.2	11.2	11.2	5.9	44	303	31	378	19
1964 4/	11.2	11.8	11.0	10.8	11.2	5/6.7	100	325	100	525	24

1/ Includes purchases under the No. 2 purchase program. 2/ No base price established. 3/ CCC was designated as the sole purchaser of farmers' stock peanuts in these years. 4/ Preliminary. 5/ Estimated price received for all peanuts sold by CCC on a kernel basis.

because of increased needs for peanuts. Allotments and quotas were reimposed for the 1949 crop, and set at a level above food and farm uses because of the continuing need for peanuts to help alleviate the world food shortage (table 13).

Alloted acres were reduced each year from 1949 until 1954 when the legal minimum of 1,610,000 acres was reached. In 1955, alloted acreage was raised to 1,731,000 acres because the small 1954 crop increased the possibilities of a short supply in 1955-56. The 1956 national allotment was first set at the legal minimum but was subsequently raised by 40,000 acres for Virginia and Valencia types of peanuts because of a short supply for those types during the 1955 crop year. Since 1956, the annual acreage allotment has been held to the 1.6-million-acre minimum permitted by law except for small increases for peanuts in short supply (table 13).

Peanut acreage allotments are small, averaging about 15 acres per farmer. To be eligible for price support, a grower must not exceed the acreage allotment for his farm. If quotas are approved by growers in referendum and are in effect, the price of peanuts will be supported at some level between 75 and 90 percent of parity. If quotas are rejected, support will be at 50 percent of parity to cooperators. The latest referendum was held in December 1962, when a record 96.9 percent of the growers voting approved marketing quotas for the 1963, 1964, and 1965 crops. Historically, growers have always approved quotas.

Minimum Acreage Allotment Produces Surplus Peanuts; CCC Losses Are Small

Because of the sharp uptrend in yields per acre harvested for nuts, total U. S. production of farmers' stock peanuts from the national minimum allotment of 1.6 million acres has resulted in a supply of peanuts above edible requirements. 1/

In recent years, CCC has acquired 15-24 percent of the peanut crops in carrying out price support operations (table 14). The peanuts are sold for dollars in the domestic and world markets. CCC diverts these peanuts from the edible market into (1) crushings for oil and meal, (2) exports, and (3) in some recent years, peanut butter for school lunches and the needy. By far the largest diversion outlet for CCC peanuts over the years is crushings and the Corporation sells these nuts for about one-half the support price. For example, 1964-crop peanuts were supported at $224 per average grade net ton but CCC received about $120 per ton for peanuts diverted into oil channels. Exports of peanuts (shelled) bought from CCC by private firms have consisted primarily of dollar sales to Canada and Western Europe for edible uses. Historically, Western Europe has purchased peanuts for crushing. Prior to June 1963 large quantities of CCC-owned peanuts were processed into peanut butter for

1/ Farmers stock peanuts means picked and threshed peanuts which have not been shelled, crushed, cleaned or otherwise changed (except for removal of foreign material, loose shelled kernels, and excess moisture) from the form in which customarily marketed by producers.

Table 15.--Peanuts: United States average support level and support rates by type, farmers' stock basis, 1951-65

Year beginning Aug. 1	U. S. average support level			Announced final support rate of average grade ton				
	Effective parity Aug. 1	Supported at		Virginia	Runner	Southeast Spanish	Southwest Spanish	Valencia
		Percent of Aug. parity	Amount					
	Dollars	Percent	Dollars	Dollars per ton	Dollars per ton	Dollars per ton	Dollars per ton	Dollars per ton
1951	262	88	230.56	244.00	218.51	238.11	266.47	1/
1952	266	90	239.40	252.71	227.90	245.38	233.52	1/
1953	264	90	237.60	250.77	225.90	243.38	231.52	1/
1954	272	90	244.80	257.99	233.29	250.66	238.56	1/
1955	272	90	244.80	257.99	233.29	250.66	238.56	1/
1956	264	86	227.04	242.98	212.56	230.30	223.43	231.83
1957	272	81.4	221.40	236.80	206.70	224.38	218.33	226.95
1958	264	80.8	213.20	224.97	200.50	217.69	209.69	220.17
1959	258	75	193.50	205.30	180.64	197.90	189.83	200.94
1960	256	78.6	201.24	213.93	188.08	204.36	197.61	210.95
1961	258	85.6	221.00	233.69	207.84	224.12	217.37	233.82
1962	270	82	221.40	234.19	208.71	226.35	217.13	234.19
1963	280	80	224.00	236.86	211.24	228.98	219.70	236.86
1964	282	79.4	224.00	236.86	211.24	228.98	219.70	236.86
1965	2/286	78.3	224.00	236.86	211.24	228.98	219.70	236.86

1/ Basis of support price determination over 1951-55 period not comparable with that of 1956-64. During the 1951-55 period support was on the basis of a "base grade ton." 2/ April 1965 parity.

Table 16.--Peanuts: Price support operations, crop years, 1935-64

Crop year	Support level 1/		Average price per pound received by farmers	Quantity pledged for price support loans	Under price support programs 2/						
	Percentage of parity on Aug. 1	Per pound			Loan Acquisitions plus direct purchases 3/	Disposition 4/				Losses	
						Edible and seed	Crushing	Export	Sec. 32	Total	Per pound acquired
	Percent	Cents	Cents	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million dollars	Cents
1935			3.12		73	---	73	---	---	0.3	0.4
1936			3.72		---	---	---	---	---	---	---
1937			3.28	173	166	5	161	---	---	2.3	1.4
1938			3.26	243	253	1	252	---	---	3.3	1.3
1939			3.39	26	69	14	54	---	---	.7	1.0
1940			3.32	60	558	223	327	---	---	7.9	1.4
1941	68	4.35	4.67	---	378	215	157	---	---	0	0
1942	5/90	5/6.6	6.09	---	899	474	409	---	---	0	0
1943	90	7.1	7.12	---	---	---	---	---	---	---	---
1944	90	7.3	8.04	251	---	---	---	---	---	---	---
1945	90	7.5	8.27	309	---	---	---	---	---	---	---
1946	90	8.6	9.10	400	55	18	36	---	---	6/- .6	6/-1.1
1947	90	10.0	10.1	383	528	7/	250	275	---	3.5	.7
1948	90	10.8	10.5	483	1,167	19	477	655	---	25.6	2.2
1949	90	10.5	10.4	345	763	34	685	145	---	39.7	5.2
1950	90	10.8	10.9	552	835	132	582	61	---	17.1	2.0
1951	88	11.5	10.4	253	540	106	390	6	---	9.4	1.8
1952	90	12.0	10.9	107	106	16	55	0	---	4.8	4.7
1953	90	11.9	11.1	457	294	10	189	238	---	14.0	4.8
1954	90	12.2	12.2	14	0	2	19	8	---	---	---
1955	90	12.2	11.7	300	268	---	186	1	---	17.1	6.4
1956	86	11.4	11.2	366	334	---	170	99	---	20.2	6.0
1957	81.4	11.1	10.4	243	108	8	81	45	8	6.1	5.6
1958	80.8	10.7	10.6	264	383	---	233	59	9	21.2	5.5
1959	75	9.7	9.6	317	246	18	178	65	10	11.4	4.6
1960	78.6	10.1	10.0	277	299	---	244	86	66	14.5	4.8
1961	85.6	11.0	10.9	199	231	---	122	33	63	13.0	5.6
1962	82.0	11.1	11.0	276	331	---	181	46	63	9/18.7	5.6
1963	80.0	11.2	11.2	340	378	---	282	104	10/68	9/28.0	7.4
1964	79.4	11.2	8/11.2	8/403	---	---	---	---	---	---	---
1965	*78.3	8/11.2									

1/ From 1937 through 1940, CCC made nonrecourse loans to peanut cooperatives to finance purchase, storage, and diversion or sale of farmers stock peanuts by these cooperatives in order to facilitate a surplus removal program of the Department. 2/ Farmers stock basis government purchase programs for peanuts in 1943 to 1945 were for purposes other than price support and are not included. 3/ Acquisitions and purchases from the crop. 4/ Dispositions made within the crop year. Does not include stocks carried into the next year. 5/ Support level originally announced at 85 percent of parity, or 6.2 cents per pound, but revised October 3, 1942, before substantial movement of eligible peanuts took place. 6/ Net gain. 7/ Less than 500,000 pounds. 8/ Preliminary. 9/ Program activities not completed. 10/ Beginning with 1963 direct purchases of peanut butter for donations to needy persons and school lunch program. *April 1965 parity. Source: ASCS.

distribution to school lunch and needy persons and CCC received about 10 cents per pound for these shelled peanuts. Since 1963, purchases of peanut butter for these programs have been made directly from manufacturers.

As may be seen in table 16 (which summarizes annual peanut price support operations 1935 through 1964), CCC losses have varied widely from $40 million in 1949 to zero in 1954. Since 1955, CCC annual losses have averaged around $17 million or about 9 percent of the farm value of U. S. peanut production. On a per pound basis, CCC losses have averaged about 6 cents for all peanuts acquired under the price support program.

The Agricultural Act of 1949, as amended, provides for peanut price support at a level between 75 and 90 percent of parity depending upon the percentage which the total supply of peanuts is of the normal supply at the beginning of the marketing year (August 1). Since 1949, the U. S. average level of support has varied from a low of $193.50 per ton (75 percent of parity) in 1959 to a high of $244.80 per ton (90 percent of parity) in 1954 and 1955. The 1964 rate was $224 per ton (79 percent of August 1964 parity) and the 1965 minimum announced April 16, 1965, is also set at $224 per ton (table 15). Price supports for peanuts are carried out through loans and purchases.

Proportion of Peanut Acreage Harvested for Nuts Increases as Hay and Hogging off Uses Decline

U. S. peanut acreage planted for all purposes dropped sharply from 4.1 million acres in 1947 to 1.5 million in 1960 and has since held steady as acreage allotments were maintained at the legal minimum. Acreage harvested for nuts declined from 3.4 million in 1947 to 1.4 million in 1960 and has remained on that plateau through 1964. Peanut acreage harvested for hay and other purposes (primarily hogging off) has shown a steady downtrend in the postwar era, reaching the lowest level of record in 1964 (table 17). During 1947-49, the proportion of peanut acreage harvested for nuts to total acreage planted was 84 percent. This proportion increased as acreage for hay and hogging off declined. Since 1960, about 92 percent of the U. S. acreage has been harvested for nuts.

Southeast Area Accounts for One-half of Peanut Acreage and Production; Yields Increasing in All Areas

While harvested acreage has changed little in recent years, peanut output on a farmers' stock basis has increased from 1,588 million pounds in 1959 to 2,205 million pounds in 1964 because of the sharp uptrend in yields. The U. S. average yield per acre harvested for nuts has more than doubled in the postwar years, increasing from 646 pounds in 1947 to the 1964 record of 1,569 pounds. The sharp uptrend in yields reflects increased use of fertilizer, herbicides, shifts to higher-yielding varieties, and growth of more plants per acre by closer plantings and closer rows. Year-to-year fluctuations in yields and in production are largely due to weather conditions, such as droughts during the growing period, hurricanes or sustained rains during harvesting and curing, and untimely frosts. Peanut yields per acre are highest in the Virginia-Carolina area and lowest in the Southwest (see fig. 1 page 27). In recent years, roughly 50 percent of total U. S. peanut production has been in the Southeast, 30 percent in the Virginia-Carolina area, and 20 percent in the Southwest area (table 19).

Table 17.--Peanuts: Acreage, yield and production, U. S., 1947-65

Year	Acres planted			Acres harvested		Other purposes 2/	Yield per acre harvested		Production	
	Grown alone	Inter-planted	Equivalent solid 1/	For nuts	For hay		For nuts	For hay	For nuts	For hay
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Pounds	Tons	1,000 pounds	1,000 tons
1947	4,094	376	4,282	3,377	3,091	905	646	.45	2,182	1,401
1948	3,824	293	3,971	3,296	2,931	675	709	.49	2,336	1,440
1949	2,762	265	2,894	2,308	1,895	586	808	.54	1,865	1,015
1950	2,633	195	2,731	2,262	1,876	469	900	.52	2,035	967
1951	2,510	190	2,606	1,982	1,789	624	837	.57	1,659	1,018
1952	1,838	143	1,909	1,443	1,362	466	940	.58	1,356	794
1953	1,796	100	1,846	1,515	1 249	331	1,039	.63	1,574	787
1954	1,824	114	1,881	1,387	1,254	494	727	.61	1,008	761
1955	1,882	62	1,913	1,669	1,251	244	928	.60	1,548	756
1956	1,834	59	1,862	1,385	961	478	1,161	.63	1,607	607
1957	1,746	62	1,777	1,481	649	296	969	.64	1,436	413
1958	1,702	48	1,726	1,516	641	210	1,197	.71	1,814	457
1959	1,598	44	1,620	1,453	443	167	1,092	.64	1,588	284
1960	1,542	40	1,562	1,410	481	152	1,266	.69	1,786	332
1961	1,539	28	1,554	1,410	459	144	1,234	.68	1,740	314
1962	1,531	28	1,545	1,412	451	133	1,282	.67	1,810	301
1963	1,529	26	1,542	1,409	621	133	1,435	.67	2,022	418
1964 3/	1,521	4/	4/	1,405	472	116	1,569	.68	2,205	320
1965 5/	1,514									

1/ Acreage grown alone, plus one-half the interplanted acres. 2/ Primarily hogging off. 3/ Preliminary. 4/ Data no longer available. 5/ March 1 planting intentions.

Table 18--Peanuts: Supply and disposition (farmers' stock basis) 1947-64

Year beginning August	Supply						Disposition							Production of				
	Production for nuts			Imports	Stocks, Aug. 1 2/	Total supply	Exports and shipments	Used for seed		Feed farm loss & shrinkage	Domestic food use		Crushed for oil	Oil		Meal		
	Farmers stock basis	Conversion factors 1/	Kernel basis					Total 3/	Per acre planted		Total	Per capita		Total	Yield per 100 pounds crushed	Total	Yield per 100 pounds crushed
	Mil. lb.	Pct.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Lb.
1947	2,182	69.92	1,526	4/	248	2,430	482	222	54	79	935	6.5	477	139	29.1	243	50.9
1948	2,336	69.91	1,633	4/	235	2,571	725	166	58	44	961	6.6	473	141	29.8	225	47.6
1949	1,865	71.06	1,325	4/	202	2,067	172	152	60	67	863	5.8	610	184	30.2	278	45.6
1950	2,035	70.37	1,432	0	203	2,238	69	145	58	67	981	6.5	629	186	29.6	295	46.9
1951	1,659	69.76	1,157	0	347	2,006	8	109	58	30	1,015	6.7	432	130	30.1	200	46.3
1952	1,356	68.27	926	0	412	1,768	3	104	59	38	1,008	6.5	195	55	28.2	87	44.6
1953	1,574	68.91	1,085	4/	420	1,994	239	106	58	46	1,017	6.4	303	83	27.4	127	41.9
1954	1,008	67.12	677	180	283	1,471	9	120	58	12	1,019	6.3	107	26	24.3	47	43.9
1955	1,548	70.90	1,098	5	204	1,757	6	106	64	66	955	5.8	257	75	29.2	109	42.4
1956	1,607	71.62	1,151	5	367	1,979	102	103	58	58	1,029	6.2	260	76	29.2	114	43.8
1957	1,436	70.56	1,013	2	427	1,865	48	104	59	53	1,084	6.4	239	67	28.0	102	42.7
1958	1,814	70.78	1,284	2	337	2,153	62	106	61	58	1,096	6.3	335	97	29.0	142	42.4
1959	1,588	72.10	1,145	1	496	2,085	72	107	66	65	1,154	6.6	292	86	29.5	126	43.2
1960	1,786	71.32	1,274	4/	395	2,181	81	104	69	50	1,244	6.9	362	104	28.7	153	42.3
1961	1,740	71.16	1,238	3	340	2,083	34	117	68	53	1,265	6.9	256	70	27.3	111	43.4
1962	1,810	71.06	1,286	2	358	2,170	43	122	76	44	1,293	7.0	302	86	28.5	131	43.4
1963	2,022	70.60	1,428	2	366	2,390	97	128	80	56	1,349	7.2	380	111	29.2	155	40.8
1964	2,205	70.60	1,558	2	380	2,587	155	135	85	67	1,385	7.3	475	140	29.5	190	39.8
1965 5/					6/370												

1/ Percentage yield of kernels (both edible and oil stock) from shelling of farmers' stock peanuts. 2/ Includes oil stock peanuts. 3/ In the following year. 4/ Less than 500,000 pounds. 5/ Preliminary. 6/ Forecast.

The Southeast area produces mainly the Runner and Spanish types of peanut. Peanut acreage harvested for nuts in this area has been stable during the past 5 years, averaging 735,000 acres annually and comprising 52 percent of the U. S. total of 1,410,000 acres (table 19). Georgia accounts for about 65 percent of the Southeast total and Alabama 27 percent. Yields per acre harvested for nuts have generally trended upward from 671 pounds in 1947 to a record 1,589 pounds in 1964. As may be seen in figure 1, yields per acre in the Southeast closely parallel the U. S. average. Peanut output in the Southeast has accounted for 50 percent of U. S. production during the postwar period.

The Virginia-Carolina area produces chiefly the large-seeded Virginia-type peanut. Acreage harvested for nuts has also been stable during the past 5 years, averaging about 280,000 or 20 percent of the U. S. total. North Carolina accounts for 63 percent of the area total and Virginia the remaining 37 percent. Yields per acre have nearly doubled in the postwar era, increasing from 1,094 pounds in 1947 to 2,048 in 1964. Because peanut yields in the Virginia-Carolina area are well above the other 2 areas, this area has accounted for 30 percent of total U. S. output in the postwar era.

The Southwest area produces chiefly the small-seeded Spanish-type peanut. Valencia-type produced in New Mexico is of minor importance and separate statistics are not available. Since 1960, peanut acreage harvested for nuts in this area has been steady at 400,000 annually, accounting for 28 percent of the U. S. total. Texas accounts for 69 percent of the Southwest total and Oklahoma

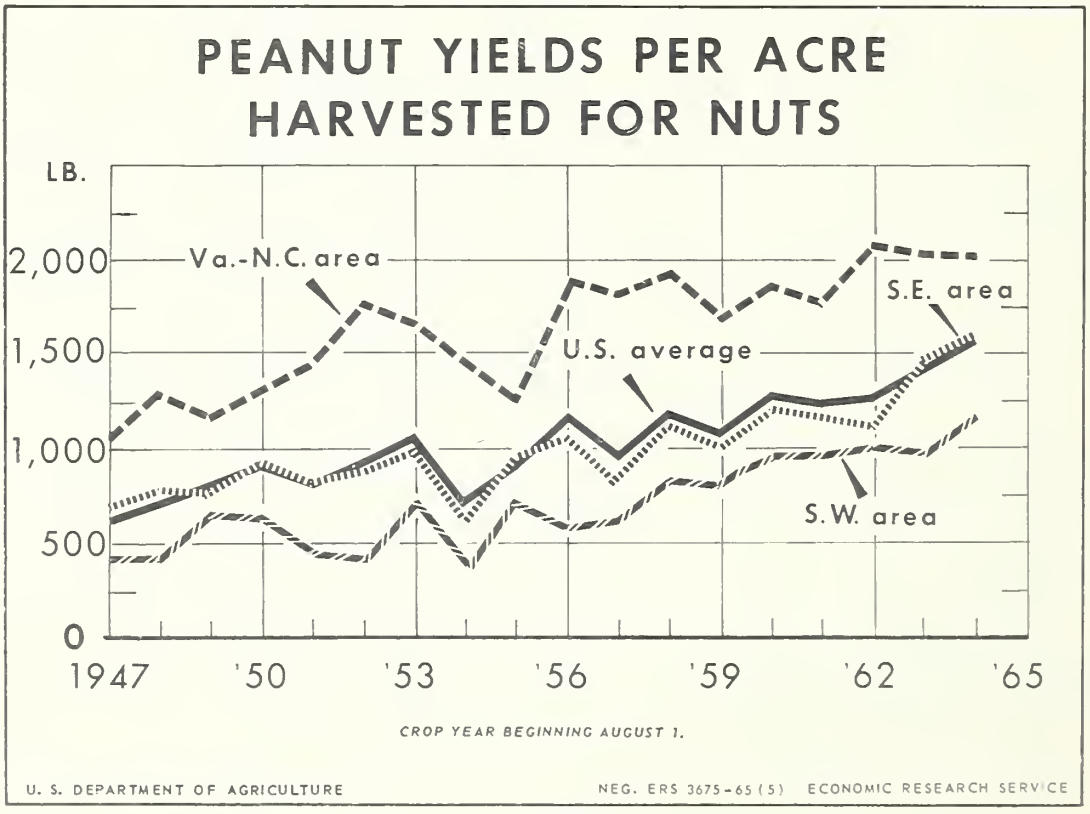

FIGURE 1

Table 19.--Peanuts: U. S. acreage, yield, and production, selected States and areas, 1947-64

Year	United States		Virginia-North Carolina area				Southeast area				Southwest area			
			Virginia	North Carolina	Area total		Alabama	Georgia	Area total		Oklahoma	Texas	Area total	
	Acreage harvested for nuts													
	1,000 acres	Pct.	1,000 acres	1,000 acres	1,000 acres	Pct.	1,000 acres	1,000 acres	1,000 acres	Pct.	1,000 acres	1,000 acres	1,000 acres	Pct.
1947	3,377	100	162	292	459	14	463	1,124	1,731	51	325	836	1,187	[illegible]
1948	3,296	100	164	295	464	14	436	1,169	1,754	53	306	752	1,073	[illegible]
1949	2,308	100	138	230	373	16	353	783	1,234	54	170	513	701	30
1950	2,262	100	148	227	379	17	335	728	1,164	51	212	490	719	32
1951	1,982	100	146	232	381	19	298	641	1,026	52	220	338	575	29
1952	1,443	100	118	191	311	22	209	492	771	53	112	237	361	25
1953	1,515	100	110	179	291	19	215	522	808	53	119	287	416	28
1954	1,387	100	106	176	284	20	201	440	712	52	100	281	391	28
1955	1,669	100	116	188	307	18	223	528	828	50	134	389	534	32
1956	1,385	100	118	198	319	23	214	522	810	58	70	175	256	19
1957	1,481	100	106	180	289	20	205	510	786	53	109	287	406	27
1958	1,516	100	105	178	286	19	209	510	790	52	122	307	440	29
1959	1,453	100	104	178	284	20	201	490	756	52	115	289	413	28
1960	1,410	100	104	176	280	20	191	475	729	52	110	285	401	28
1961	1,410	100	104	176	280	20	193	475	731	52	115	277	399	28
1962	1,412	100	104	176	280	20	195	472	731	52	115	278	401	28
1963	1,409	100	104	176	280	20	195	478	737	52	117	268	392	28
1964	1,405	100	101	173	274	20	196	480	740	52	123	261	392	28
	Yield per acre harvested for nuts													
	Lb.		Lb.	Lb.	Lb.		Lb.	Lb.	Lb.		Lb.	Lb.	Lb.	
1947	646		1,220	1,030	1,094		630	695	671		450	425	437	
1948	709		1,435	1,175	1,263		815	700	731		500	400	434	
1949	808		1,400	1,055	1,179		820	780	785		680	640	651	
1950	900		1,540	1,110	1,275		970	935	933		590	675	648	
1951	837		1,630	1,390	1,477		690	900	832		520	350	422	
1952	940		2,040	1,605	1,765		1,000	800	859		425	375	400	
1953	1,039		1,990	1,510	1,685		930	990	968		960	625	724	
1954	727		1,625	1,425	1,495		550	605	602		410	380	397	
1955	928		1,560	1,070	1,254		940	955	951		960	615	705	
1956	1,161		2,080	1,775	1,879		1,010	1,090	1,062		725	500	578	
1957	969		2,060	1,700	1,823		660	910	839		800	525	613	
1958	1,197		2,100	1,860	1,938		1,060	1,160	1,123		1,090	730	847	
1959	1,092		1,910	1,580	1,696		800	1,100	1,000		1,125	720	848	
1960	1,266		1,890	1,810	1,840		1,140	1,250	1,212		1,425	770	965	
1961	1,234		1,850	1,760	1,793		1,075	1,210	1,170		1,275	800	959	
1962	1,282		2,250	2,000	2,093		1,160	1,005	1,126		1,415	800	1,001	
1963	1,435		2,030	2,060	2,049		1,215	1,560	1,445		1,450	730	978	
1964	1,569		2,080	2,030	2,048		1,325	1,710	1,589		1,500	1,025	1,196	
	Production from harvested acres for nuts													
	1,000 lb.	Pct.	1,000 lb.	1,000 lb.	1,000 lb.	Pct.	1,000 lb.	1,000 lb.	1,000 lb.	Pct.	1,000 lb.	1,000 lb.	1,000 lb.	Pct.
1947	2,182	100	198	301	302	14	292	781	1,161	53	146	355	519	23
1948	2,336	100	235	347	586	25	355	818	1,282	55	153	301	468	20
1949	1,865	100	193	243	440	24	289	611	968	52	116	328	456	24
1950	2,035	100	228	252	483	24	325	681	1,086	53	125	331	466	23
1951	1,659	100	238	322	563	34	206	577	853	51	114	118	243	15
1952	1,356	100	241	307	549	40	209	394	662	49	48	89	145	11
1953	1,574	100	219	270	490	31	200	517	782	50	114	179	301	19
1954	1,008	100	172	251	424	42	111	266	429	43	41	107	155	15
1955	1,548	100	190	201	385	25	210	504	787	51	129	239	376	24
1956	1,607	100	245	351	599	37	216	569	860	54	51	88	148	9
1957	1,436	100	218	306	527	37	464	135	660	46	87	151	249	17
1958	1,814	100	221	331	554	31	222	592	888	49	133	224	373	20
1959	1,588	100	199	281	482	30	161	539	756	48	129	208	350	22
1960	1,786	100	197	319	515	29	218	594	883	49	157	219	377	22
1961	1,740	100	192	310	502	29	207	575	855	49	147	222	383	22
1962	1,810	100	234	352	586	32	196	548	823	46	163	222	401	22
1963	2,022	100	211	363	574	28	237	746	1,065	53	170	196	384	19
1964	2,205	100	210	351	561	26	260	821	1,175	53	184	268	468	21

29 percent. Yields per acre harvested have nearly tripled, rising from 437 pounds in 1947 to the record 1,196 pounds in 1964. Because yields are below the other areas of the peanut belt, the Southwest area has accounted for only 20 percent of the U. S. production during 1947-64.

Kernel Yields in Shelling Is Important Economic Factor

Few farmers store peanuts on the farm for any extended period. As soon as the peanuts are cured and picked, most farmers deliver their crops directly to shellers, warehousemen, or buying brokers. Customarily, settlement with farmers is based on grades determined by the Federal-State Inspection Service from samples drawn from the loads as they are received at the plant or warehouse. On loads that meet specified minimum-quality requirements, but are not purchased by a sheller or broker, the CCC offers non-recourse loans as the means of supporting prices to growers.

Farmers' stock peanuts are graded to determine the following factors:

1. Proportion of good quality kernels, commonly referred to as "sound mature kernels." This classification excludes undeveloped kernels that pass through a specified screen opening.

2. Proportion of "sound-split kernels."

3. Proportion of "other kernels" which are better quality kernels but are not large enough to ride a specified screen size and hence be graded as sound mature kernels.

4. Proportion of defective kernels, commonly called "damaged kernels." Defective kernels include those riding the screen that are discolored, diseased, decayed, and insect-damaged.

5. Proportion of loose shelled kernels which are kernels that are separated from the shells and are mixed in with in-shell peanuts.

6. Amount of foreign material, or all substances other than peanuts in the shells or peanut kernels.

7. Moisture content.

8. Proportion of hulls or shells.

9. Applies solely to Virginia-type peanuts: (a) Proportion of peanuts with large shells suitable for making "hand picks" which are sold for roasting in the shell. (b) Proportion of "extra large", sound kernels included in the sound, mature kernels.

Table 20 shows the average quality factors of farmers' stock peanuts graded by the Federal-State Inspection Service, by type of peanut, for crop years 1949-64. These data indicate that the average kernel yield (total

Table 20--Peanuts: Average quality factors, crops 1949-64 1/

Virginia

Type and crop year	Sound kernels: Split 2/	Sound kernels: Mature	Sound kernels: Total	Damaged kernels	Other kernels	Total sound, damaged & other kernels 3/	Loose shelled kernels	Foreign material	Moisture	Fancy size	Extra large kernels
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1949			65.60	1.03	4.35	70.98	---	2.76	8.44	---	19.51
1950			67.28	1.16	2.90	71.34	---	2.67	8.52	---	24.25
1951			67.11	1.13	2.64	70.88	---	2.79	8.78	57.57	27.65
1952			66.54	1.04	2.84	70.42	---	2.81	8.30	70.05	26.61
1953			65.37	1.53	2.71	69.61	---	3.51	9.10	58.92	30.41
1954			66.19	1.11	2.65	69.95	1.30	3.14	8.84	63.10	31.34
1955			66.48	.50	4.56	71.54	1.40	3.07	8.40	56.38	24.35
1956			66.31	2.13	3.04	71.48	1.22	2.11	8.70	63.36	31.16
1957			65.64	3.71	2.44	71.79	2.03	2.33	9.37	64.01	33.58
1958			66.56	1.53	3.39	71.48	1.67	2.80	8.70	60.04	30.96
1959			69.01	1.54	2.69	73.24	1.88	2.59	9.14	58.71	29.05
1960 5/			70.34	.78	2.96	74.08	2.37	2.89	8.60	52.05	28.04
1961 5/	1.41	66.45	67.86	1.37	2.81	72.04	2.40	3.77	8.68	68.29	32.47
1962 5/	1.67	69.65	71.32	1.35	2.07	74.74	2.89	3.14	9.03	61.60	33.67
1963 5/	1.53	65.13	66.66	1.34	3.48	71.48	3.96	4.22	9.04	61.79	30.53
1964 5/	2.37	68.84	71.21	.77	2.59	74.57	6.19	4.44	8.62	56.76	25.64

Runner

Type and crop Year	Sound kernels: Split 2/	Sound kernels: Mature	Sound kernels: Total	Damaged kernels	Other kernels	Total sound, damaged & other kernels 3/	Loose shelled kernels	Foreign material	Moisture
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1949			69.78	1.12	3.50	74.40	---	4.18	7.98
1950			68.04	1.02	4.40	73.46	---	3.77	7.35
1951			63.49	3.76	5.44	72.69	---	4.36	7.51
1952			65.53	.91	5.56	72.00	---	4.37	6.61
1953			64.34	2.48	5.18	72.00	---	4.16	7.10
1954			62.95	2.03	5.49	70.47	2.28	5.68	7.22
1955			68.87	1.06	4.41	74.34	2.32	3.63	7.51
1956 4/			65.42	1.41	7.04	73.87	2.66	4.12	7.00
1957			60.69	3.86	9.14	73.69	2.55	4.59	8.53
1958			64.74	.92	8.44	74.10	2.24	4.14	7.60
1959			64.72	1.90	8.13	74.75	3.08	4.08	7.93
1960 5/			65.18	.95	8.10	74.23	3.00	4.02	8.40
1961 5/	2.01	63.27	65.28	.63	8.54	74.45	3.91	3.89	8.21
1962 5/	2.11	62.38	64.49	.94	7.36	72.79	3.31	3.91	8.57
1963 5/	2.57	63.25	65.82	.40	8.08	74.30	2.22	3.67	7.87
1964 5/	2.55	62.61	65.16	.33	9.50	74.99	3.15	3.54	8.11
			Southeast Spanish						
1949			73.29	1.51	4.52	79.32	---	3.89	8.06
1950			72.22	2.16	3.08	77.46	---	4.18	7.18
1951			68.28	3.44	4.32	76.04	---	4.55	7.03
1952			65.92	2.28	5.43	73.63	---	5.31	6.66
1953			71.41	2.50	3.45	77.36	---	4.27	7.16
1954			67.16	2.09	4.46	73.71	4.33	5.88	7.40
1955			72.92	1.77	3.55	78.24	5.24	4.56	8.02
1956 6/			69.21	1.25	7.41	77.87	4.92	5.16	6.93
1957			65.93	2.69	8.34	76.96	4.71	4.72	7.74
1958			70.58	.89	6.34	77.81	4.72	4.44	7.75
1959			68.64	2.09	5.97	76.70	4.87	4.06	7.83
1960 5/			70.19	1.59	5.26	77.04	5.34	4.27	8.52
1961 5/	2.19	69.32	71.51	1.33	4.98	77.82	6.24	3.86	8.95
1962 5/	2.97	66.74	69.71	1.46	4.69	75.86	5.19	3.95	8.57
1963 5/	3.43	68.52	71.95	.69	4.87	77.51	3.73	3.67	8.26
1964 5/	3.52	67.13	70.65	.61	5.52	76.78	4.26	3.53	8.39

Continued-

Table 20.--Peanuts: Average quality factors, crops 1949-64 1/ (Continued)

Type and crop year	Sound kernels: Split 2/	Sound kernels: Mature	Sound kernels: Total	Damaged kernels	Other kernels	Total sound, damaged & other kernels 3/	Loose shelled kernels	Foreign material	Moisture
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Southwest Spanish									
1949			71.22	1.34	4.26	76.82	---	5.72	8.03
1950			69.70	1.25	5.76	76.71	---	7.47	8.08
1951			66.19	2.02	4.90	73.11	---	8.18	8.25
1952			68.77	.80	4.57	74.14	---	6.70	7.83
1953			70.70	1.19	3.73	75.62	---	6.37	7.44
1954			61.77	1.24	7.54	70.55	2.21	8.07	9.52
1955			70.10	.99	4.53	75.62	2.74	7.00	7.21
1956 6/			61.38	.66	10.81	72.85	1.65	9.20	7/
1957			62.68	2.64	8.71	74.03	3.39	7.29	9.89
1958			63.78	.96	10.65	75.39	2.94	6.25	8.66
1959			65.39	1.28	9.77	76.44	2.96	6.18	8.90
1960 5/			67.70	1.01	7.29	76.00	2.51	5.50	8.90
1961 5/	2.24	64.93	67.17	.89	7.62	75.68	2.11	5.87	9.29
1962 5/	3.14	62.86	66.00	.66	7.97	74.63	1.97	5.23	9.36
1963 5/	3.77	64.39	68.16	.47	5.50	74.13	1.69	4.82	9.04
1964 5/	5.03	62.31	67.34	.83	6.17	74.34	2.03	4.83	8.43
Valencia									
1949			70.09	0.94	2.78	73.81	---	6.66	6.58
1950			66.44	1.34	3.41	71.19	---	9.07	6.14
1951			64.64	1.77	2.89	69.30	---	7.06	8.37
1952			65.03	1.63	3.63	70.29	---	10.08	6.49
1953			67.24	.95	2.82	71.01	---	8.34	6.87
1954			68.26	1.30	2.29	71.85	3.38	9.51	7.48
1955			68.86	.71	2.60	72.17	5.42	10.98	5.98
1956			69.55	.70	2.65	72.90	4.84	11.47	7.35
1957			68.79	2.11	3.19	74.09	8.50	9.72	9.69
1958			68.43	2.20	2.39	73.02	8.28	10.36	8.33
1959			69.08	1.56	3.24	73.88	6.94	11.07	6.93
1960 5/			69.18	1.79	2.89	73.86	5.53	10.03	10.00
1961 5/	1.88	67.90	69.78	1.19	4.16	75.13	6.88	10.46	8.71
1962 5/	1.42	69.69	71.11	1.35	2.41	74.87	6.87	8.62	9.05
1963 5/	1.90	66.89	68.79	.45	3.42	72.66	4.53	8.80	8.77
1964 5/	2.65	63.97	66.62	.56	4.61	71.79	4.71	11.31	8.27

1/ Quality factors for 1949-57 derived from sample data; factors for years 1958-64 derived from total of all certificates received and tabulated. 1961 through 1964 data do not include inspections of oilstock peanuts. 2/ The mechanical sheller was used for the first time in 1961 in grading farmers stock peanuts. Sound split kernels were tabulated for the first time in 1961. 3/ In 1956 loose shelled kernels were included in "net weight" on inspection certificates but in order to make the data comparable to other years have been excluded here. 4/ In 1956 the screen size for Runners changed from 15/64 x 3/4 inch used in previous years to 16/64 x 3/4 inch. 5/ Data obtained from Peanut Inspection Summary prepared by the Kansas City Data Processing Center. 6/ In 1956 the screen size for Spanish changed from 14/64 x 3/4 inch used in previous years to 15/64 x 3/4 inch. 7/ Data from Southwest area not available.

Note: The peanut grading method is as follows:

1. "Foreign Material", "Loose Shelled Kernels" and "Excess Moisture" are expressed as a percentage of gross weight. 2. "Sound Mature Kernels", "Sound Splits", "Damaged Kernels", "Other Kernels" and "Hulls" are expressed as a percentage of their total which excludes "Loose Shelled Kernels" as well as "Foreign Material" and "Excess Moisture." 3. Screen sizes: Spanish and Valencia, 15/64 x 3/4 inch; Runner, 16/64 x 3/4 inch; Virginia, 15/64 x 1 inch; Extra Large Kernels 21.5/64 x 1 inch. 4. To qualify for Virginia type price support, Virginia peanuts must contain 30 percent or more "Fancy" size (peanuts riding a 34/64 x 3 inch slotted screen). Virginia type peanuts containing less than 30 percent "Fancy" size are considered to be Runner type for price support purposes.

The table summarizes all inspections made of each crop years peanuts as reported by the Federal-State Inspection Service.

kernel content excluding loose shelled kernels) is about 77 percent for Southeast Spanish, 75 percent for Southwest Spanish, 74 percent for Runner, and 72 percent for the Virginia types. This implies that hulls and milling loss vary between 23 and 28 percent.

The different grades of peanuts produced in the milling operation are (1) shelled edible, (2) roasting stock, and (3) shelled oil stock.

The yield of kernels in the shelling operation is an important economic factor, and obtaining maximum yield of the classes of peanuts for which the prices are greatest may well determine a sheller's profit or loss. Factors which greatly influence yield are the grade of peanuts being milled (cleaned or shelled), variety of peanuts, the technical know-how of the plant operator, and the efficiency of shelling equipment. Ratio of kernels to hulls is the determining factors with little difference in milling loss attributable to variety.

Quality Control Program Initiated for 1964-Crop Peanuts; Industry-Administered Federal Marketing Agreement Proposed for 1965

The USDA initiated an industry-wide program for 1964 crop peanuts in cooperation with producers, shellers, and processors to assure that only high quality peanuts are marketed for food, and that those not meeting these standards are channeled into nonfood uses. The program was designed to protect consumers by keeping damaged peanuts which may contain mold-produced aflatoxin from being sold for food. Studies by USDA, the Department of Health, Education and Welfare, and the peanut industry have shown a close relationship between damaged peanuts and the presence of aflatoxin. While there are no studies to indicate a danger to public health, both industry and Government wanted to insure that the damaged portion of any commodity would not be used for food or feed.

A 4-phase program for peanuts was developed as a result. It provided:

1. Changes in the price support program for 1964-crop peanuts that were carried out in cooperation with the industry which provided only high-quality peanuts for food products and diverted damaged peanuts to other uses for which they were suitable.

2. Educational assistance to the peanut industry to help improve the quality of peanuts through improved methods of growing, harvesting, drying, storing, shelling, and processing.

3. A broad research program seeking better ways to eliminate damage to peanuts and particularly damage due to molds.

4. Inspection by Federal-State inspectors of all lots of shelled peanuts before shipment for edible use.

A public hearing was held April 7, 1965, to consider a proposed marketing agreement for regulating further the quality of 1965 peanuts. The proposal was

recommended by representatives of producer and sheller organizations in each of the major production areas. There was no opposition presented to the proposal at the hearing.

The program would provide for limiting the quality of peanuts milled or shipped for edible purposes. Included are provisions for inspection and identification, as well as for indemnities to handlers for losses arising from rejected lots. The program would be administered by an 18-member committee composed of 3 producers and 3 handlers from each of the 3 production areas. The marketing agreement has been submitted for sign-up by handlers of peanuts and will supplement the acreage allotment and price support programs now administered by USDA.

Edible Uses of Peanuts Continue to Rise Slowly; Peanut Butter Accounts for One-half of Consumption

More than two-thirds of the total disappearance of peanuts is used for edible products, chiefly peanut butter, candy, salting, and roasting in shell. The remaining one-third is crushed for oil and meal, exported, used for seed, feed, or farm loss (see table 18, page 26).

In recent years, the consumption of peanuts (farmers' stock basis) has been rising slowly, from 955 million pounds in 1955 to an estimated 1,385 million in 1964. On a per capita basis, the increase has been from 5.8 pounds to 7.3 pounds (table 21). Of the 7 pounds per capita, about 6 are consumed in the form of peanut butter, salted peanuts, and in candy. The other pound is divided almost equally between cleaned roasting stock peanuts and those consumed as food on farms.

During the past 10 years, about half of the total edible peanuts have gone into the manufacture of peanut butter, almost one-fourth have been used for salting, and about one-sixth have been used in candy. Virginia-type used in cleaned unshelled form (ball park type) have accounted for less than 10 percent of the total (table 21). Most of the Runner and Spanish types of peanuts are used for peanut butter and most of the shelled Virginia types for salting. Spanish peanuts are the most widely used type for candy manufacture. However, some of each type is utilized in all 3 outlets.

The greatest increase in the utilization of peanuts has been in the manufacture of peanut butter. Utilization has increased from 460 million pounds (farmers' stock basis) in 1955 to an estimated 675 million in 1964. On a per capita basis, the rise was from 2.8 pounds to 3.5 pounds. Considerable research is being directed toward improving the quality of peanuts and peanut butter, and there are indications that consumption will continue to increase.

Data on the production and consumption of peanut butter are not available. The conversion factor for estimating peanut butter from farmers' stock peanuts is .62 and from shelled edible peanuts is .95 (including additives). The chief use of peanut butter is in the home but large quantities are used in the commercial manufacture of sandwiches, candy, and bakery products.

Table 21.--Peanuts (farmers' stock basis): Edible use in primary products, total and per capita, 1945-64

Year beginning August 1	Peanut butter	Salted peanuts	Peanut candy	Peanut butter sandwiches	Cleaned roasting stock	Farm household use and local sales	Other	Total domestic food use
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Total								
1945	499	246	192	---	86	84	175	1,282
1946	388	227	213	---	70	91	92	1,081
1947	356	166	174	---	68	82	89	935
1948	358	173	149	---	71	72	138	961
1949	355	165	175	---	67	63	38	863
1950	392	189	171	---	69	64	96	981
1951	396	202	173	---	81	53	110	1,015
1952	420	215	174	---	82	47	70	1,008
1953	432	216	173	---	79	46	71	1,017
1954	447	213	165	---	70	39	85	1,019
1955	460	206	168	---	66	49	6	955
1956	451	226	187	22	54	43	46	1,029
1957	506	242	194	23	74	40	5	1,084
1958	511	254	191	23	82	46	---	1,096
1959	508	264	196	25	84	44	33	1,154
1960	590	266	203	25	84	46	30	1,244
1961	610	264	208	25	86	44	28	1,265
1962	602	277	207	27	88	42	50	1,293
1963	654	282	212	30	88	57	26	1,349
1964 1/	675	285	225	29	88	55	28	1,385
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Percent of total								
1945	39	19	15	---	7	6	14	100
1946	36	21	20	---	6	8	9	100
1947	38	18	19	---	7	9	9	100
1948	37	18	16	---	7	7	15	100
1949	41	19	20	---	8	7	5	100
1950	40	19	17	---	7	7	10	100
1951	39	20	17	---	8	5	11	100
1952	42	21	17	---	8	5	7	100
1953	42	21	17	---	8	5	7	100
1954	44	21	16	---	7	4	8	100
1955	48	22	18	---	7	4	1	100
1956	44	22	18	2	5	4	5	100
1957	47	22	18	2	7	3	1	100
1958	47	23	17	2	7	4	---	100
1959	44	23	17	2	7	4	3	100
1960	47	21	16	2	7	4	3	100
1961	48	21	16	2	7	4	2	100
1962	47	21	16	2	7	3	4	100
1963	48	21	16	2	7	4	2	100
1964 1/	49	21	16	2	6	4	2	100
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Per capita								
1945	3.7	1.8	1.4	---	.6	.6	1.3	9.5
1946	2.8	1.6	1.5	---	.5	.6	.7	7.7
1947	2.5	1.2	1.2	---	.5	.6	.6	6.5
1948	2.4	1.2	1.0	---	.5	.5	.9	6.6
1949	2.4	1.1	1.2	---	.4	.4	.3	5.8
1950	2.6	1.3	1.1	---	.5	.4	.6	6.5
1951	2.6	1.3	1.1	---	.5	.4	.7	6.7
1952	2.7	1.4	1.1	---	.5	.3	.5	6.5
1953	2.7	1.4	1.1	---	.5	.3	.4	6.4
1954	2.8	1.3	1.0	---	.5	.2	.5	6.3
1955	2.8	1.3	1.0	---	.4	.3	2/	5.8
1956	2.7	1.4	1.1	.1	.3	.3	.3	6.2
1957	3.0	1.4	1.1	.1	.4	.2	.1	6.4
1958	2.9	1.5	1.1	.1	.5	.3	---	6.3
1959	2.9	1.5	1.1	.1	.5	.3	.2	6.6
1960	3.3	1.5	1.1	.1	.5	.3	.1	6.9
1961	3.3	1.4	1.1	.1	.5	.2	.3	6.9
1962	3.2	1.5	1.1	.1	.5	.2	.5	7.0
1963	3.5	1.5	1.1	.2	.5	.3	.1	7.2
1964 1/	3.5	1.5	1.2	.2	.5	.3	.1	7.3

1/ Preliminary.

2/ Less than .05 pounds.

Salting is the second largest outlet for shelled peanuts. Use of peanuts in salting increased from 206 million pounds (farmers' stock basis) in 1955 to 285 million estimated for 1964. Usage per person has risen from 1.3 pounds to 1.5 pounds (table 21). Salted nuts are packed in retail sizes of transparent film bags and hermetically sealed cans. Salters pack a small quantity of salted peanuts in bulk for repackaging or for selling through vending machines. In recent years, the industry has introduced dry-roast salted peanuts which apparently appeals to calorie-conscious consumers. Because these peanuts do not have the added oil which is picked up by the kernel during oil roasting, distributors have been promoting sales on grounds that their calorie content is lower.

Candy manufacturers have increased the use of peanuts from 168 million pounds (farmers' stock basis) in 1955 to 225 million estimated for 1964. The per capita rate increased from 1.0 pounds to 1.2 pounds. The largest use of shelled peanuts in candy is in the manufacture of nut rolls. Other confections in which peanuts are used include chocolate bars, chocolate-covered peanuts, peanut bars, and peanut brittle.

Use of cleaned, roasting-stock peanuts has remained relatively stable in recent years at about 75-88 million pounds annually and 0.5 pounds per person. Most roasted in-shell peanuts (ball park peanuts) are Virginia or Valencia types. For the most part they are marketed in small packages at sporting events, circuses, zoos, and country fairs.

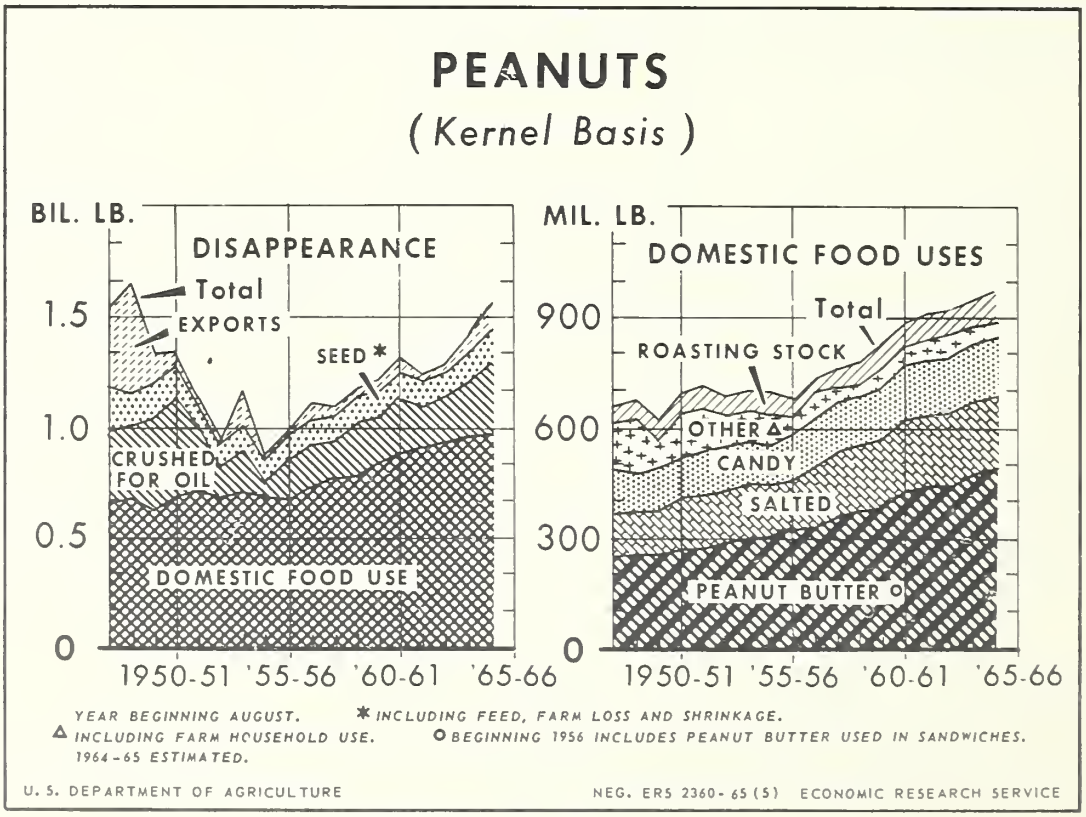

FIGURE 2

Table 22.--Peanut oil: Supply and disposition and oil equivalent of exports of peanuts for crushing, 1947-64

Year beginning August	Supply				Disposition			Price per pound (crude, S.E. Mills)
	Production	Imports	Stocks Aug. 1	Total	Exports	Domestic disappearance	Peanuts (oil equivalent of exports for crushing)	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
1947	139	1/	40	179	1	155	118	26.6
1948	141	1/	24	165	41	115	199	17.2
1949	184	---	7	191	61	107	48	14.3
1950	185	---	23	208	39	131	20	21.8
1951	130	---	38	168	42	108	1	19.0
1952	55	---	17	72	2	66	---	21.1
1953	83	2	5	90	9	62	68	18.2
1954	26	27	19	72	1	54	2	18.3
1955	75	11	16	102	2	68	---	16.8
1956	76	---	32	108	24	73	24	15.3
1957	67	3	12	82	4	68	5	16.3
1958	97	7	10	115	9	86	4	13.9
1959	86	---	21	107	12	81	11	14.2
1960	104	1/	14	118	2/12	3/84	12	14.7
1961	70	5	24	99	2/8	3/84	1	17.4
1962	86	1	18	105	3	3/70	1	13.5
1963	111	0	34	145	53	3/80	8	11.3
1964 4/	140	0	20	160	75	3/70	16	14.8

1/ Less than 500,000 pounds. 2/ Includes estimates of foreign donations, not reported by Census. 3/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance. 4/ Preliminary and partly estimated.

Table 23.--Peanut oil: Utilization, year beginning August, 1947-64

Year beginning August	Food uses					Non-food uses				Total domestic disappearance
	Shortening	Margarine	Cooking and salad oils	Other	Total	Soap	Foots and loss	Other	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	61	15	NA	64	140	1/	10	4	15	155
1948	31	4	NA	64	99	1/	8	8	16	115
1949	9	1/	*(50)	83	92	---	7	8	15	107
1950	18	1/	*(54)	99	117	---	7	7	14	131
1951	21	1/	*(46)	75	96	---	5	6	12	108
1952	5	2	*(30)	51	58	---	4	4	8	66
1953	4	2	*(15)	49	55	1/	4	4	8	62
1954	6	2	*(18)	40	48	1/	4	2	6	54
1955	6	2	*(15)	52	60	1/	3	5	8	68
1956	6	4	*(23)	56	66	---	4	3	7	73
1957	6	3	*(25)	51	60	---	5	2	7	68
1958	3	4	*(22)	73	80	---	4	2	6	86
1959	4	5	35	31	75	---	5	1	6	81
1960	3	3	58	12	76	---	5	4	9	2/84
1961	2	3	60	12	76	---	4	4	8	2/84
1962	2	5	48	8	64	---	4	3	6	2/70
1963	6	7	55	7	75	---	3	3	6	2/80
1964 3/	4	8	45	7	64	---	3	3	6	2/70

1/ Less than 500,000 pounds. 2/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance. 3/ Preliminary and partly estimated. *Bracketed figures represent peanut oil deodorized which is included in the "other" category.

Table 24.--Peanut cake and meal: Supply, disposition and price, 1947-64

Year beginning August	Supply				Disposition			Price per ton
	Production	Imports	Stocks, Aug. 1 1/	Total supply	Exports	Feed and other uses	Total disposition	45 percent protein, S.E. Mills
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Dollars
1947	121.6	3.0	2.7	127.3	3.7	118.8	122.5	81.80
1948	112.5	1.0	4.8	118.3	19.0	98.1	117.1	60.05
1949	139.1	3.1	1.2	143.4	46.8	94.0	140.8	64.65
1950	147.6	4.3	2.6	154.5	27.7	121.8	149.6	63.65
1951	100.2	2.9	4.9	108.0	2.7	103.9	106.6	80.10
1952	43.5	5.8	1.4	50.7	2/	48.7	48.7	76.25
1953	63.6	.2	2.0	65.8	1.4	61.2	62.6	73.25
1954	23.3	.5	3.3	27.1	1.3	24.2	25.5	73.25
1955	54.4	---	1.6	56.0	11.4	38.8	50.2	54.20
1956	56.8	---	5.8	62.6	20.4	39.0	59.4	48.30
1957	51.2	---	3.2	54.4	3.3	49.3	52.6	53.85
1958	71.2	---	1.7	72.9	3/	70.7	70.7	57.40
1959	63.3	---	2.2	65.5	---	60.7	60.7	56.30
1960	76.4	---	4.8	81.2	---	77.9	77.9	55.35
1961	55.7	---	3.3	59.0	---	54.3	54.3	62.00
1962	65.5	---	4.7	70.2	---	67.5	67.5	55.75
1963	77.4	---	2.7	80.1	---	74.4	74.4	58.70
1964 4/	95	---	5.7	101	---	*95	*95	63.00

1/ Stocks at processors' mills. 2/ Less than 50 tons. 3/ Data no longer reported separately. 4/ Preliminary and partly estimated.

* Includes exports.

The USDA has recently developed a process to make low-calorie peanuts. The process removes 80 percent of the oil--and three-fourths of the calories--leaving intact the original flavor and high protein content. Shelled nuts are brought to a proper moisture content and pressed in a hydraulic press to remove most of the oil, which constitutes about 50 percent of the peanut's weight. The pressed kernels are flat, but they return to their original shape and size when soaked in water. Salt, sugar, spices, or other flavorings can be added during this reconstitution period. After the low-calorie nuts are dried, they are ready for eating as is, for roasting, or for use in candies and other foods.

Domestic Use of Peanut Oil Steady; Exports Increase

Peanut supplies for crushing come from low-quality peanuts obtained in the shelling operation (shelled oil stock) and surplus peanuts largely diverted into crushing channels by CCC. Most oil mills are equipped for both shelling and crushing operations.

Peanuts crushed annually have varied from 239 million to 475 million pounds (farmers' stock basis) in the past 10 years (table 18). Peanuts crushed from CCC inventories accounted for about 60 percent of the U. S. total during the 1955-63 period. Crushings of 100 pounds of farmers' stock peanuts yield about 29 pounds of crude peanut oil and about 43 pounds of cake and meal. On a shelled basis, the oil yield is about 40 percent and the meal yield around 60 percent.

As may be seen in table 22, peanut oil supplies in the past 10 years have fluctuated considerably between 82 and 160 million pounds annually. During this period, domestic disappearance has held relatively steady at around 80 million pounds. Thus, the equivalent of about 275 million pounds of farmers' stock peanuts or 200 million pounds of shelled peanuts must be crushed annually to meet domestic oil requirements. Peanut oil exports have increased sharply in recent years--from 3 million in 1962 to an estimated 75 million pounds in 1964. Peanut oil exports go mainly to Western Europe whereas exports of shelled peanuts are chiefly to Canada.

Peanut oil is utilized primarily as a cooking and salad oil with this outlet accounting for approximately two-thirds of total U. S. consumption. Small quantities also are used in shortening, margarine, and other food and nonfood products (table 23).

Peanut cake and meal, a joint product with oil of the peanut-crushing industry, is used for stock feed. In recent years, around 70,000 tons of peanut meal has been produced and fed annually in the United States (table 24).

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