

Advice For New Peanut Growers: Contract Your Crop

Predicted Prices Not As High As 2011's \$1,000 Per Ton

POCAHONTAS, ARK.

Arkanas farmers planning to add peanuts to their crop portfolio in 2012 should contract at least three-quarters of their crop, said Scott Monfort, extension peanut specialist for Clemson University.

Monfort, formerly of the University of Arkansas System Division of Agriculture, was one of three key speakers at the 2012 peanut production meeting held at Black River Technical College. Also on the agenda for the Jan. 19 meeting were Mike Howell, extension peanut specialist, Mississippi State University and Travis Faske, extension plant pathologist for the U of A System Division of Agriculture.

"Cotton prices spiked this past year – over a dollar a pound and that caused peanut acres to drop in the traditional growing areas, and that's why the prices went up for peanuts," Monfort said.

"But that was only one part of it," he said. "The reason the prices went up so high at the end of the season was that the drought hit Texas and took out over half of their acres. We also had a drought in the southeast and took out a bunch more."

Georgia's peanut acres harvested dropped from 555,000 in 2010 to 470,000 in 2011. Alabama dropped from 185,000 to 167,000 last year. Texas plummeted from 163,000 acres to 105,000 acres. North Carolina, Mississippi, Virginia and New Mexico also saw acreage drops. South Carolina, Oklahoma and Florida all saw increases in acres harvested.

With yields down and acres down, ending stocks were down, too.

"The peanut companies were really striving to find peanuts to fill all their quotas that they needed to sell," Monfort said.

That's when the peanut renaissance in Arkansas began.

Arkansas' harvested acreage grew from about 2,000 in 2010 to 3,000 acres in 2011 – an increase that Monfort helped fuel in his last months in Arkansas.

"The potential that Arkansas has to fill this void is tremendous right now," Monfort said. "If you handle it right and the companies develop this right, you will have something sustainable here."

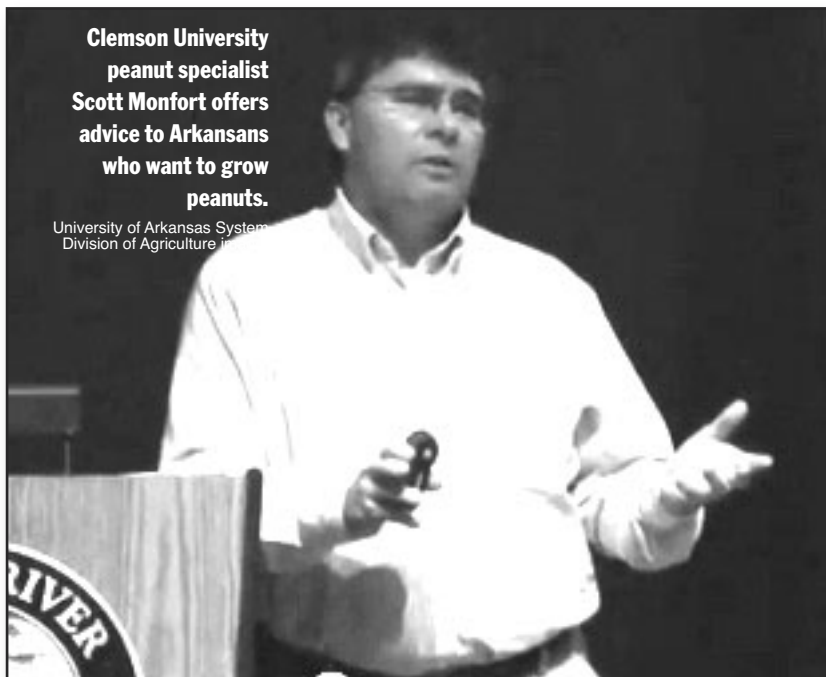
Monfort cautioned that growers shouldn't expect the big four-digit, dollar-a-ton results some received last year.

"With the increase in acres, overall, you might have an average of as much as \$750 a ton," he said. "Contracts now are at \$700 a ton and some people predict that it won't get to \$1,000 again."

He also warned against not obtaining a contract for the crop. "Some people say, 'I'll just grow peanuts ... and I'll try to get that huge price at the end of the season,'" he said. "You can take that risk but if you're a new grower,

**Clemson University
peanut specialist
Scott Monfort offers
advice to Arkansans
who want to grow
peanuts.**

University of Arkansas System
Division of Agriculture



that's a big risk. Growing peanuts is expensive."

"If you can contract, then contract, especially if you're a new grower," Monfort said. "Contract at least three-quarters of what you can grow."

Other advice for Arkansas growers from Monfort:

"Plant what you can effectively harvest with the equipment you have or have purchased. Over-extension of acres could be a problem at harvest if we have an early frost or winter rains.

"Know the history of your farm and pick the correct variety. Pick a variety that yields well and has good resistance to tomato spotted wilt virus, leaf spot and white mold.

"Take soil samples and correct fertility and pH problems." Monfort said he visited several fields this year with potassium deficiencies and zinc toxicity.

Peanut acres used to be more plentiful in Arkansas. In 1909, the earliest year that NASS has figures for peanuts in Arkansas, showed 10,000 acres planted and 6,000 acres harvested. Records continue in consecutive years until 1959, when 4,000 acres were planted, 3,000 harvested, including 2,000 acres used as hay. The next years for which NASS records numbers for peanuts in Arkansas is 1997; followed by 2002 and 2007, all part of the Census of Agriculture. △