

# Export Update

APSA Spring Conference

March 20, 2024

Peter Vlazakis



# What is the American Peanut Council?

- Located in metropolitan Washington, D.C.
- Four sectors represented in the membership: growers, shellers, manufacturers, allied
- Mission: To support the long-term growth of the peanut industry across all sectors of the supply chain
- Key pillars/focus areas:
  - **Grow and defend export markets for U.S. peanuts**
  - Provide leadership in reputation management/crisis
  - Support the industry on research priorities
  - Build a framework for sustainability



# Sustainable U.S. Peanuts Initiative

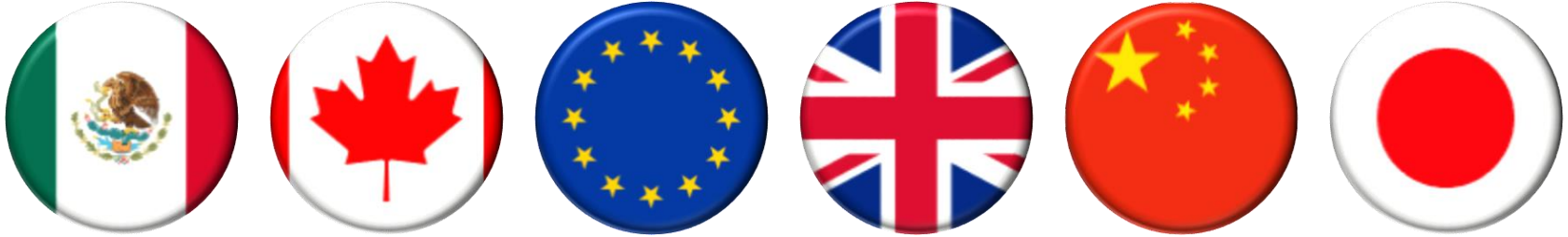
- Help the peanut industry reach 300 grower enrollees for the '23 crop year! Enroll now through April 2024.
- A platform to track the environmental footprint of peanuts
- Data is kept **confidential**; aggregated nationally and compared with industry standards
- Scan the code below or visit [www.SustainableUSPeanuts.org](http://www.SustainableUSPeanuts.org)



Contact:  
Allie Randell  
Director of Sustainability  
American Peanut Council  
(386) 209-2951  
[arandell@peanutsusa.com](mailto:arandell@peanutsusa.com)

# Export Promotions

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- Trade program and consumer promotions in Mexico; Canada
- Trade program and regulatory activities in Europe; the UK
- Strengthen/maintain relationships with the trade in China
- Trade program and consumer nutrition promotions in Japan
- Global regulatory activities including pesticide MRL and aflatoxin limits, Codex, tariffs & trade policies affecting peanuts
- New markets – analyzing new opportunities and food aid

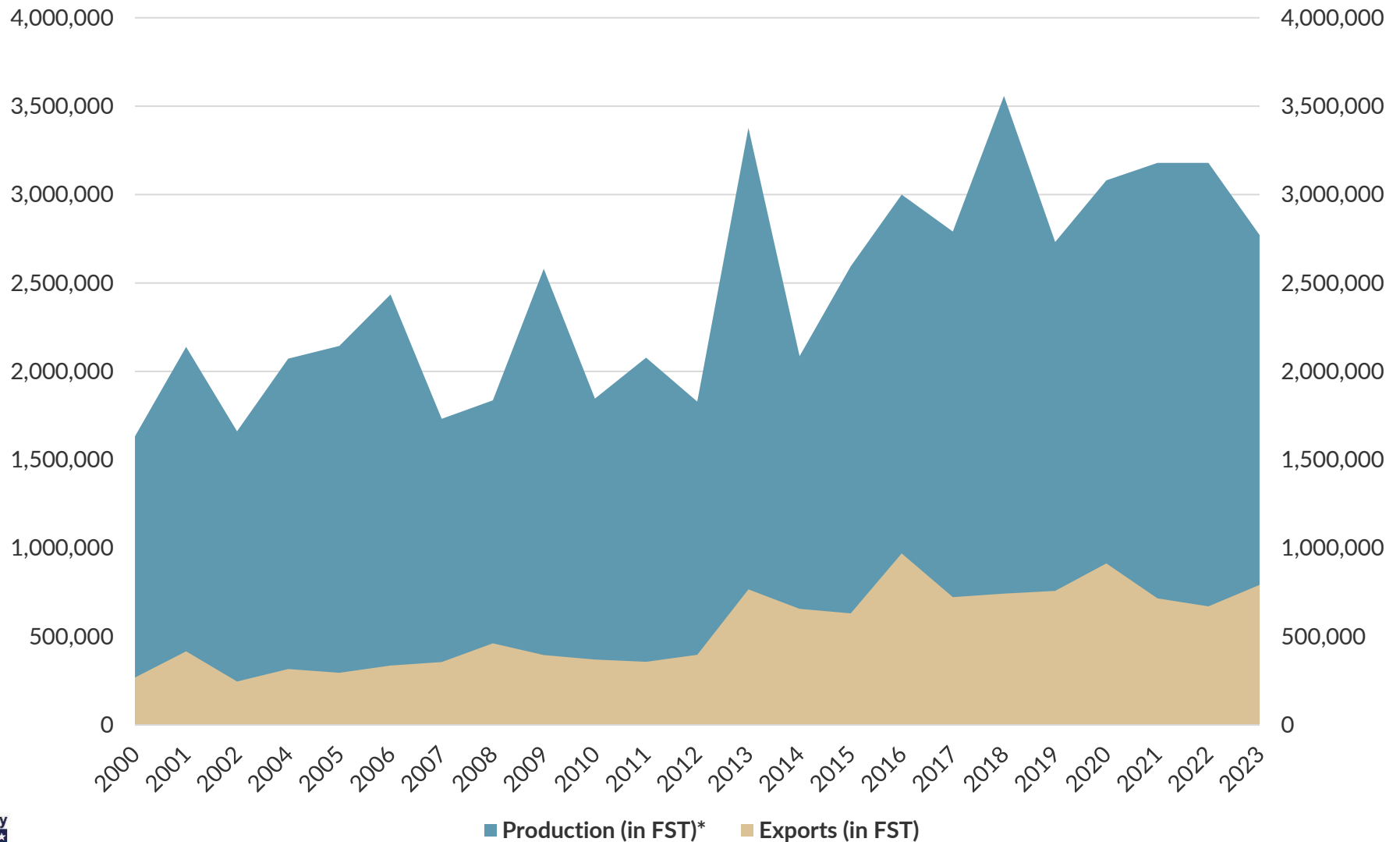
# Spotlight – European Technical Work

- **Managing regulatory issues**, including aflatoxin, is vital to maintain market access
- EU has the most stringent aflatoxin maximum levels of all our major export markets:
  - Food
    - Ready to Eat: 2ppb B1 and 4ppb total
    - For Further Processing (to eliminate aflatoxin): 8ppb B1 & 15 ppb total
- Persistent high % of failures (5-6%) to meet EU aflatoxin limits over past years has led to 20% testing of U.S. peanuts upon entry into the EU
- USDA/Industry/APC working diligently to overcome regulatory challenges in Europe
  - Strengthen relationship with EU regulators
  - Strengthened APC/Sheller Memorandum of Understanding (MOU)
  - Pilot paste sample program (funded by EU Commission and U.S. shellers)

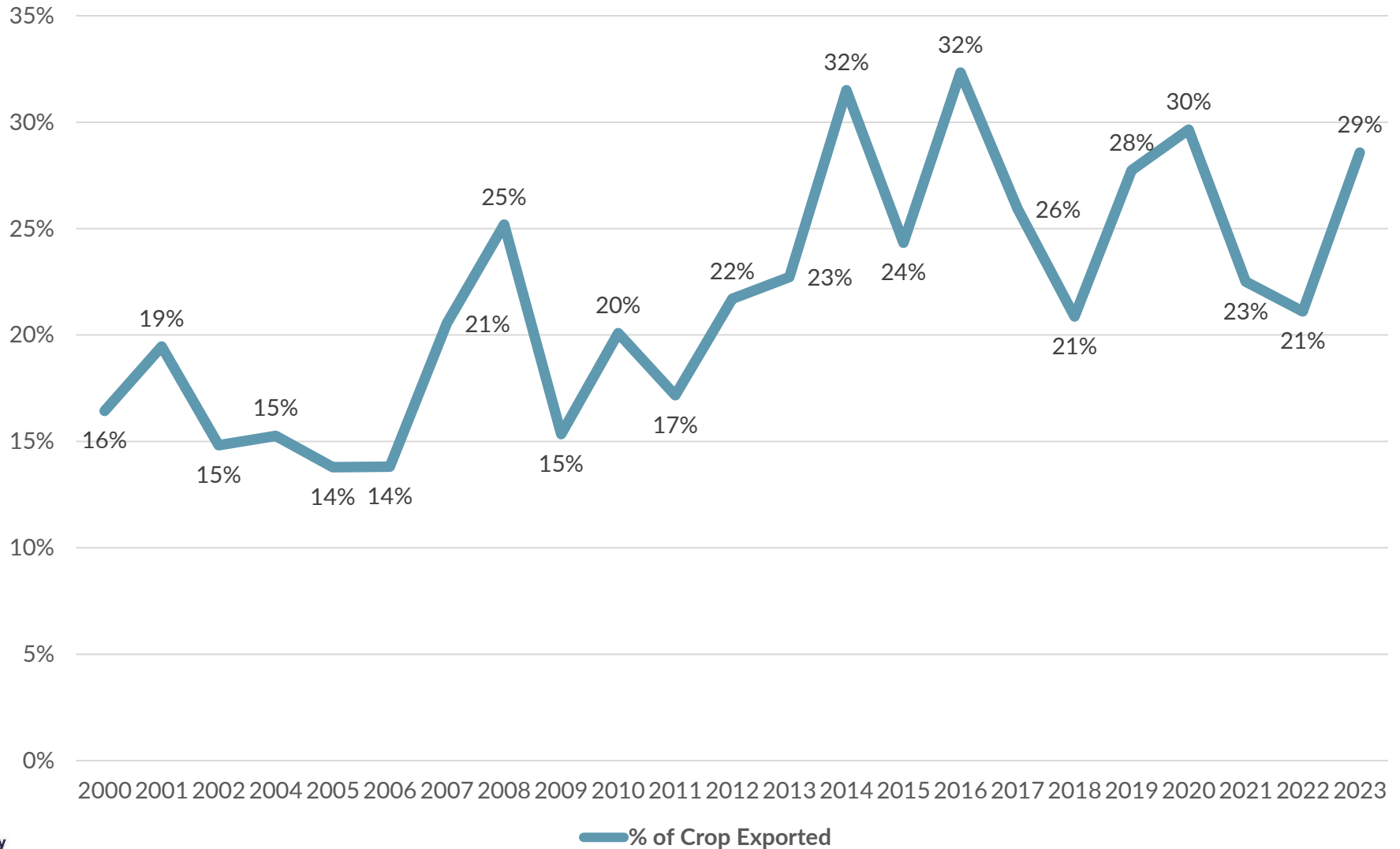
# U.S. Export Summary



# U.S. Annual Production – Exports

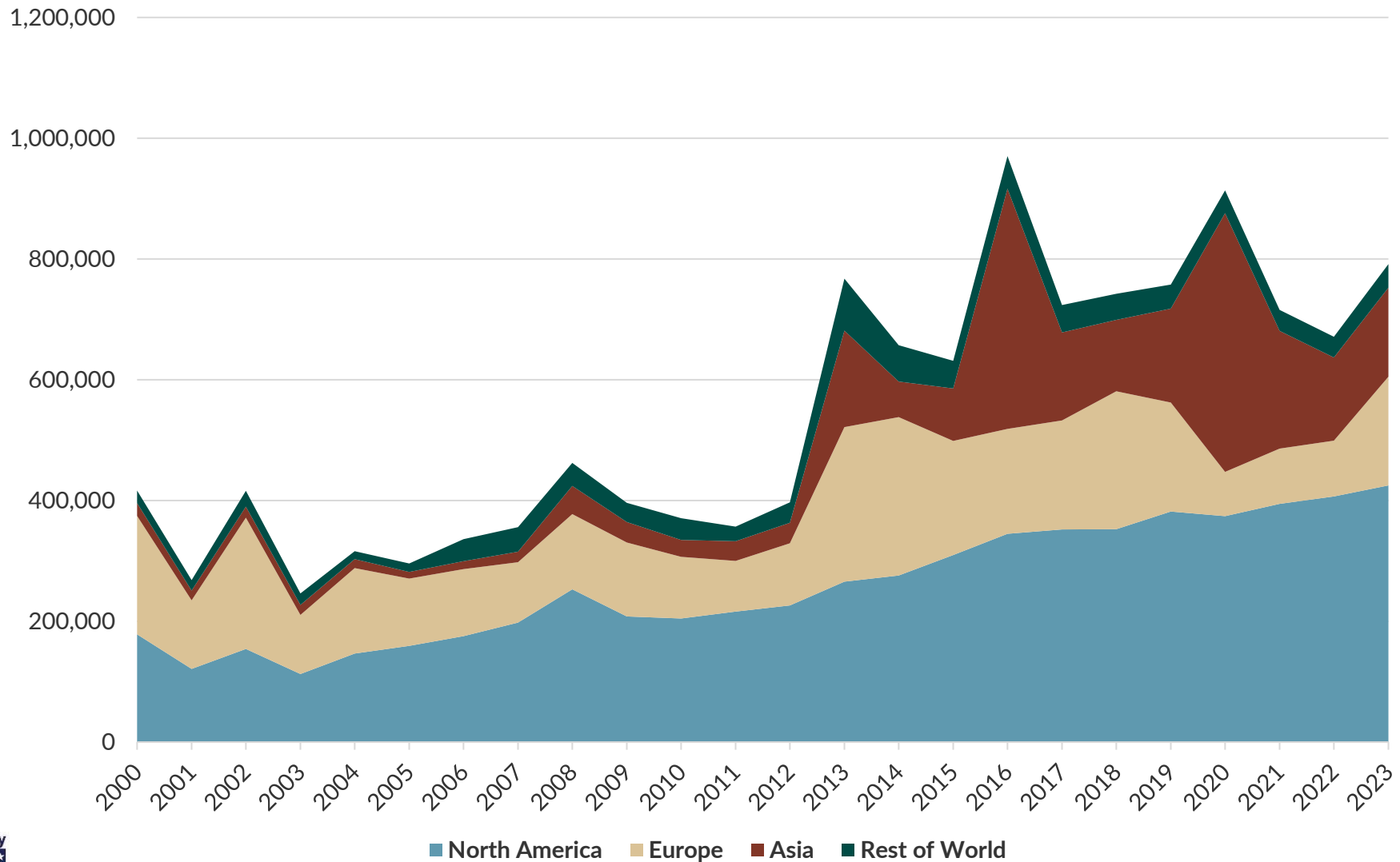


# Percentage of Crop Exported

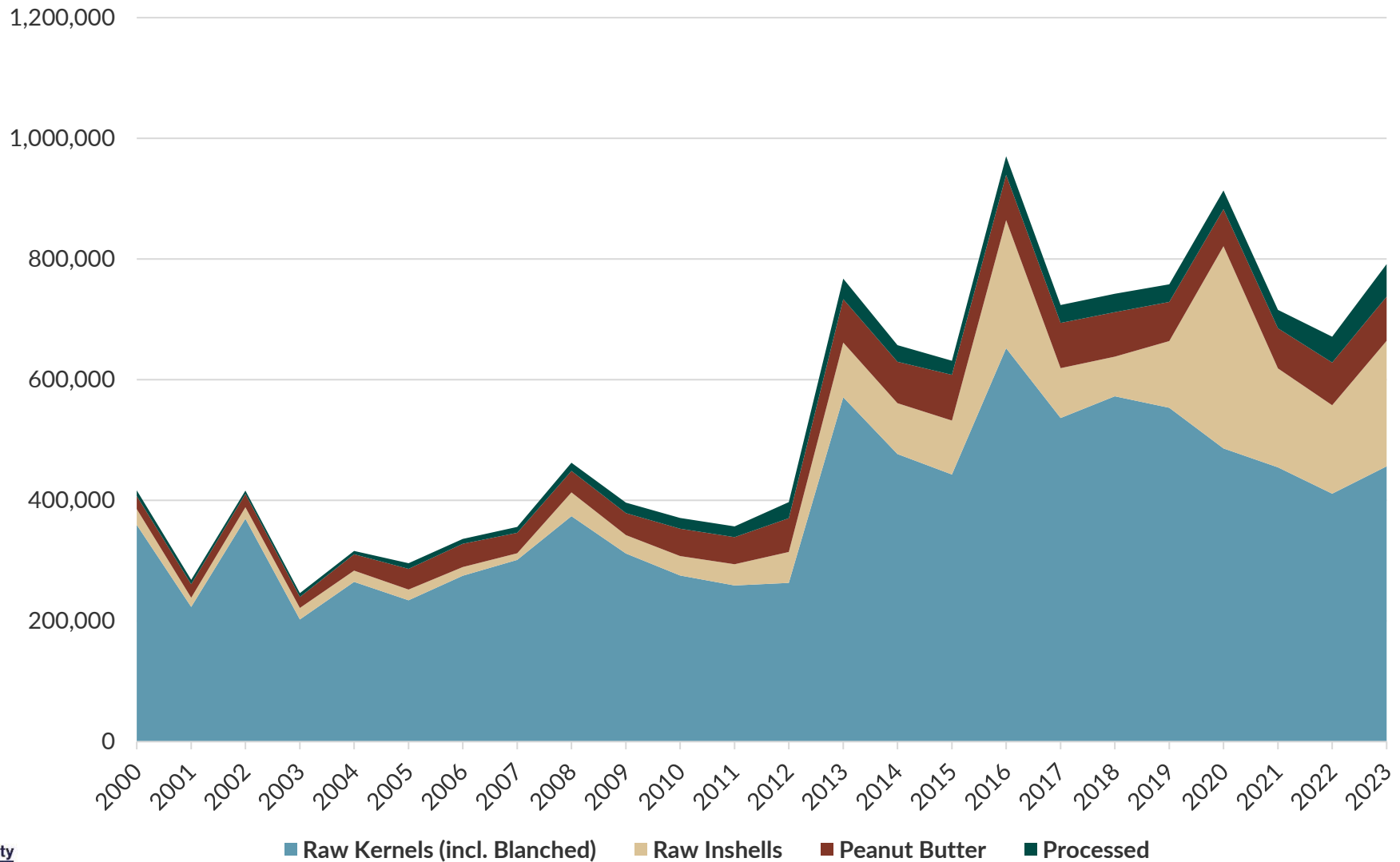




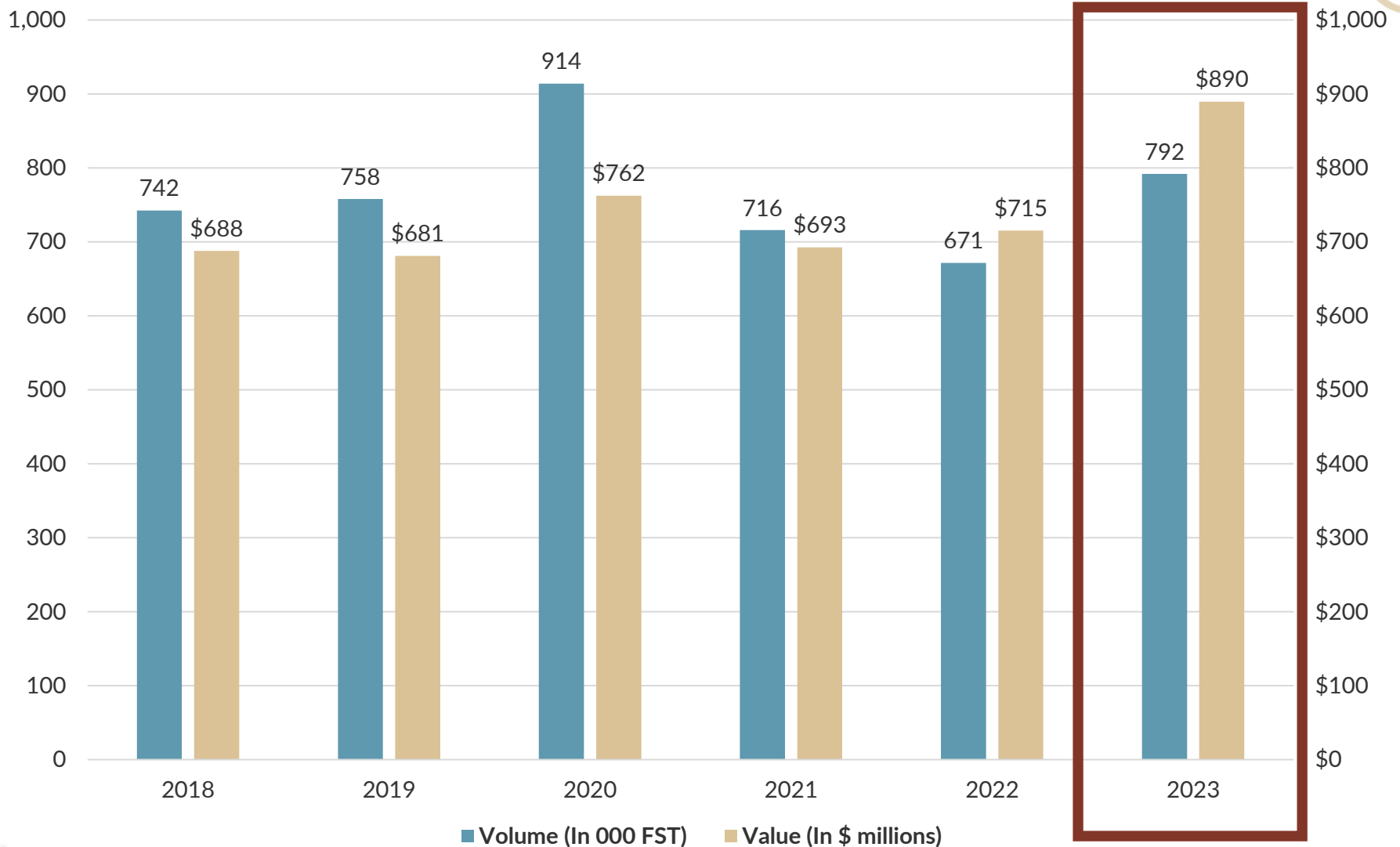
# U.S. Exports by Region (in FST)



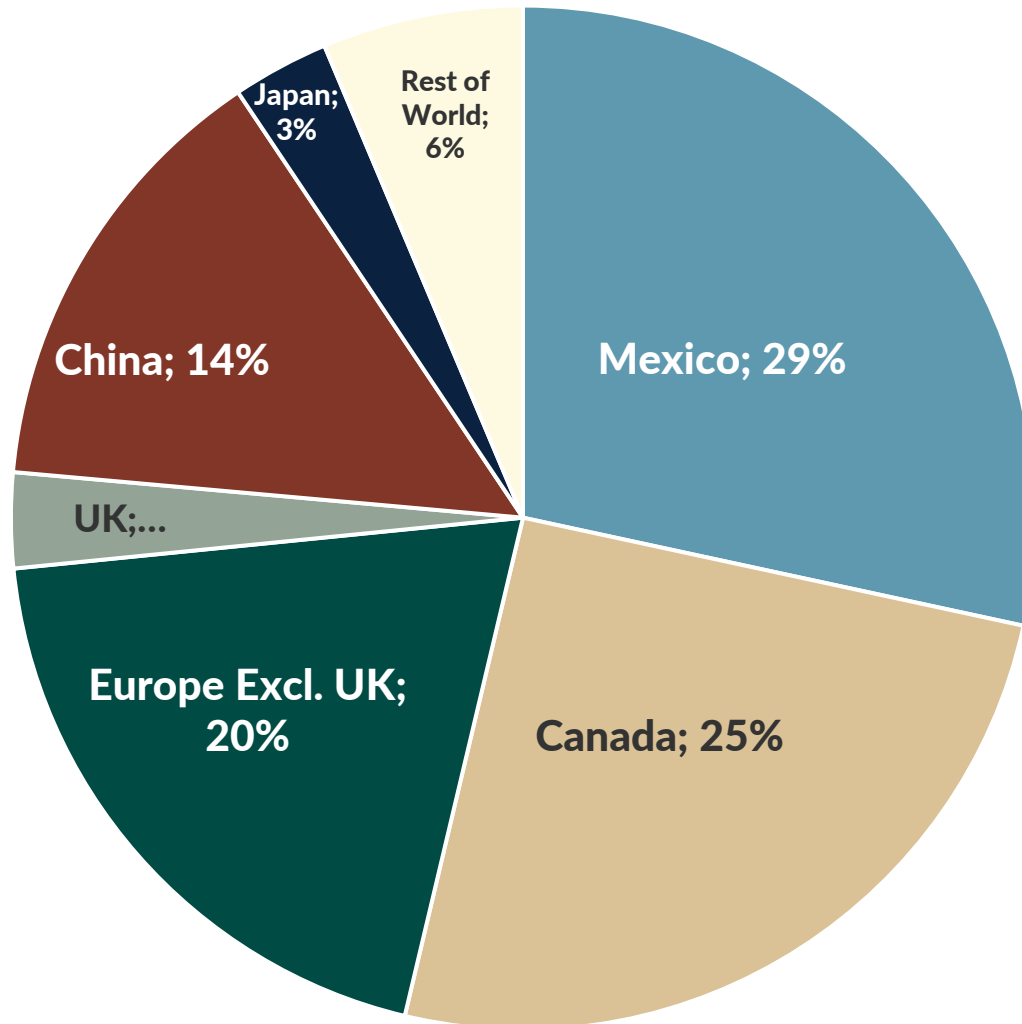
# U.S. Exports by Product (in FST)



# Total Exports – Annual – All Products

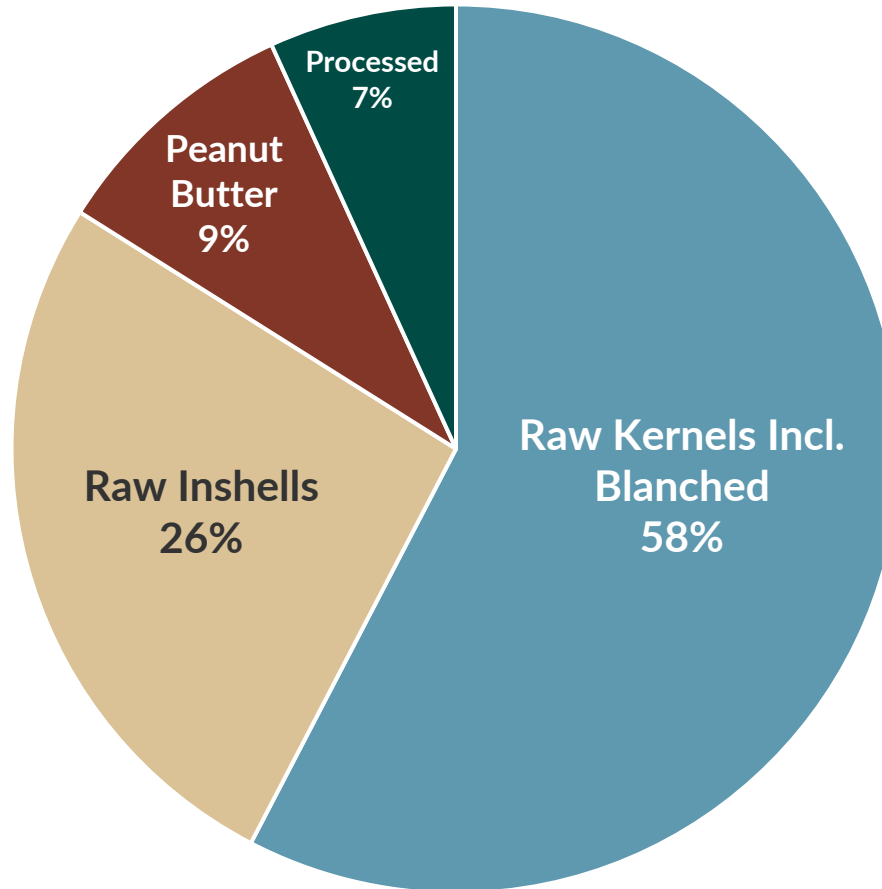


# 2023 Exports – By Market – All Products



# 2023 Exports – By Product

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# Export Strategy Update

# Why Boost Our Export Strategy?



1. Production Capability; Complements Domestic Use



2. Traditional Shelled Peanut Markets are Mature



3. Evolving Consumer Preferences & Behavior



4. Increasingly Burdensome Import Regulations

# Export Strategy Working Groups

Working Group	#1 Marketing Messages	#2 Trade/Technical	#3 Mkt Development	#4 Emerging Mkt Development
Grower Export Committee	Ashley Collins (NCPB)	JR Cudd (TPPB)	Casey Cox Kerr (NPB/GAPC) Bob Parker (NPB)	Jeff Roper (NPB)
Manuf Export Committee			Victor Galindo (Galdisa)	
Sheller Export Committee			Alex Izmirlian (Premium) John Powell (APSA)	Lupe DeLira (Golden)
Industry Volunteers	Miriam Crosby (TPI) Robert Crumpler (Birdsong) Ryan Lepicier (NPB) Rachel Santos (Premium)	Darlene Cowart (Birdsong) Courtney Dorsett (Premium) Peggie Tsatsos (Mars)	Tim Burch (GAPC)	Greg Baltz (NPB) Patricia Moody (Olam) Shelly Nutt (TPPB) Samara Sterling (TPI) Jay Strother
APC Staff Liaisons	Richard Owen	Sharon Bomer Jim Elder	Peter Vlazakis	Louise McKerchar



# Key Themes from Strategy Work

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- 85% of U.S. peanut exports currently go to mature markets. The next step change in U.S. exports will need to come from new categories in existing geographies or new geographic markets.
- Growth in total peanut kernel imports by Mexico has slowed, but peanut butter consumption is still nascent. Peanut butter also appears to be driving Europe/UK peanut consumption growth.
- The U.S. is not seen as a consistent supplier to Europe, which is conditioned for Argentina flavor/texture. Future U.S. import share to Europe is limited.
- Competitiveness outweighs most marketing factors in the majority of the export destinations. We need to determine what REALLY differentiates USA peanuts beyond quality.
- In an increasingly complex global regulatory environment, the U.S. peanut industry needs to be fully engaged in dealing with trade and technical threats, including Europe aflatoxin, CODEX, and much more.
- APC's current new market development process is at most one new market per year. If the industry wishes to expand, additional resources and/or tradeoffs necessary.

# Export Strategy Objective

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- Accelerate U.S. exports of peanuts and peanut products to drive value across all segments of the U.S. Peanut Industry by prioritizing investments in peanut butter, new markets, and Mexico.

# Export Strategy Goals (2024 – 2028) **DRAFT**



+25% Mexico exports (+60K FST) & hold 84% import share.



+20K FST exports to new markets by 2028; +100K FST in 10 years.



Hold import share: Canada, EU-27, UK, Japan, and China.



U.S. is the respected global voice on peanut regulatory issues.

# Five Strategic Choices

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## #1 Grow Peanut Butter



## #2 Develop New Markets



## #3 Accelerate Mexico Peanut Consumption



## #4 Defend Other Key Markets



## #5 Science-Based Regulatory Voice



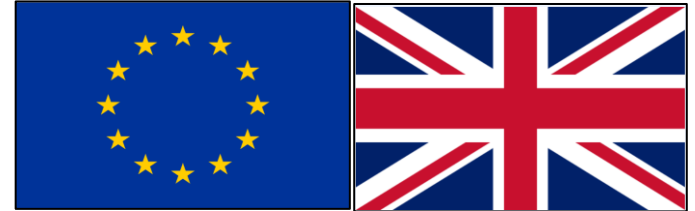
# Summary of Market Roles



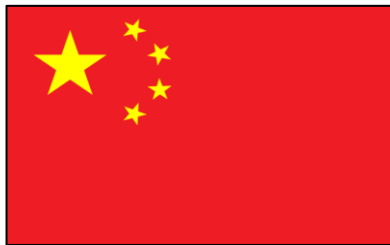
Grow Consumption  
(including PB!)



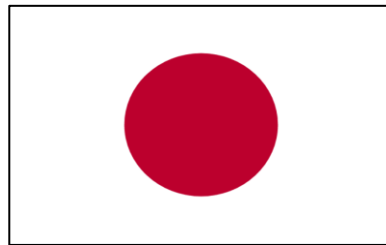
Maintain Import  
Share



Maintain Import Share  
Grow PB Consumption



Maintain Import Share  
Grow Edible Trade  
Explore Oil Trade for  
Long Term



Maintain Import Share  
Grow PB/Paste  
Consumption



Develop New  
Markets!!!

# Regional Agricultural Promotion Program (RAPP)



# What is RAPP?

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- On October 24, Secretary Vilsack announced that USDA will use \$1.3 billion from the Commodity Credit Corporation funds to establish the Regional Agricultural Promotion Program (RAPP).
- Cost-share program to reimburse approved foreign market promotion activities
- Aims to diversify U.S. agricultural export markets and opportunities and strengthen support for specialty crop industries
- The Notice of Funding Opportunity for FY2024 makes up to \$300 million available, of which \$25 million will be dedicated to the emphasis region of Africa

# RAPP Market Eligibility

## Special Emphasis for FY24

- Africa (\$25 million)
- Latin America/Caribbean
- South/Southeast Asia

## Ineligible for FY24

- Canada
  - Mexico
  - European Union
  - China (including Hong Kong and Macau)
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- Activities proposed in regions/markets not listed as ineligible but not emphasized are eligible. These fall under “All Other Regions/Markets.”

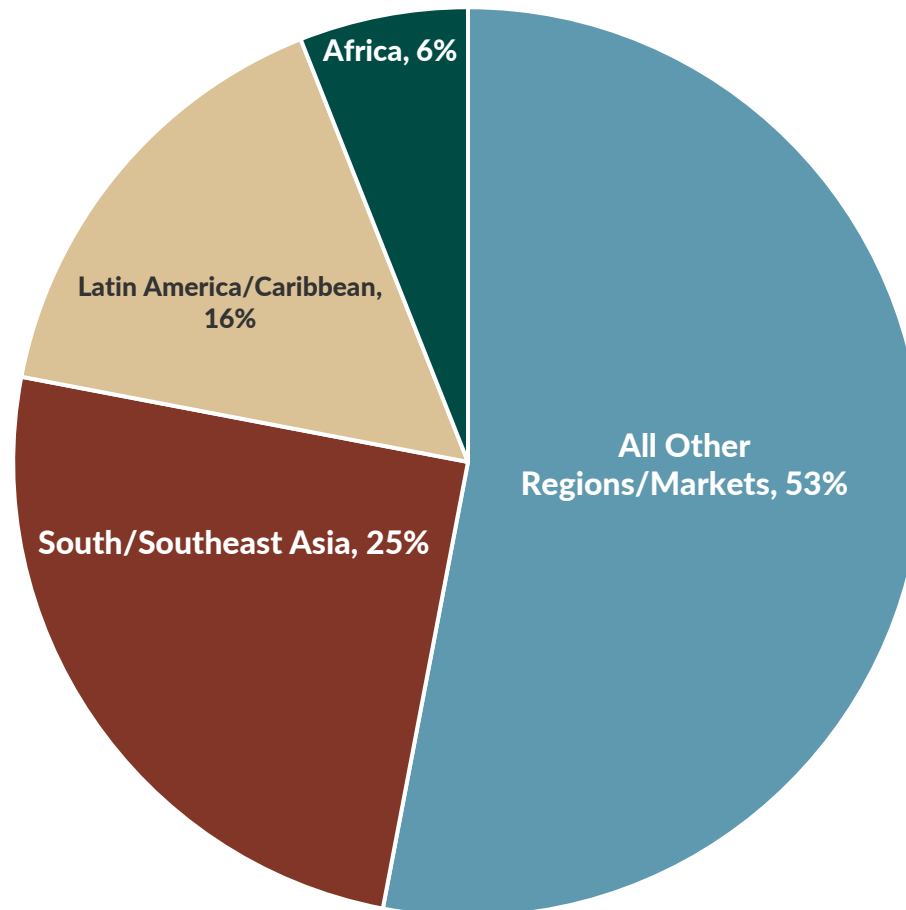


# 2024 Application Summary

Region/Country	Budget Request 2024 – 2029
Southeast Asia	\$1,380,000
Latin America/Caribbean	\$910,000
Africa	\$800,000
Japan	\$850,000
South Korea	\$745,000
United Kingdom	\$500,000
Norway	\$250,000
Global Issues	\$610,000
Administration	\$483,600
<b>TOTAL</b>	<b>\$6,528,600</b>

# Tranche 1 – 2024 RAPP Funding Requests

- FAS received 74 eligible applications requesting **\$1.025 billion**.
- Funding decision expected in late May



# Thank You! Questions?

[pvlazakis@peanutsusa.com](mailto:pvlazakis@peanutsusa.com)

