

**Peanuts & Flue-Cured Tobacco:
Situation & Outlook
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Peanuts

Peanut Acreage*

State	2015	2016	2017	2018	2019	2020
AL	200	175	195	165	160	182
AR	16.3	24	30	26	34	39
FL	190	155	195	155	165	165
GA	785	720	835	665	670	800
MS	44	39	44	25	20	22
SE	1,219	1,113	1,304	1,036	1,054	1,208
NM	5	8	7.6	5.5	4.7	6.2
OK	10	13	19	16	15	15
TX	170	305	275	155	165	180
SW	185	326	305	176.5	185	201.2
NC	90	101	119	102	104	105
SC	112	110	122	87	65	82
VA	19	21	27	24	25	27
VC	221	232	272	213	194	214
US	1,625	1,671	1,870.6	1425.5	1428	1,623.2

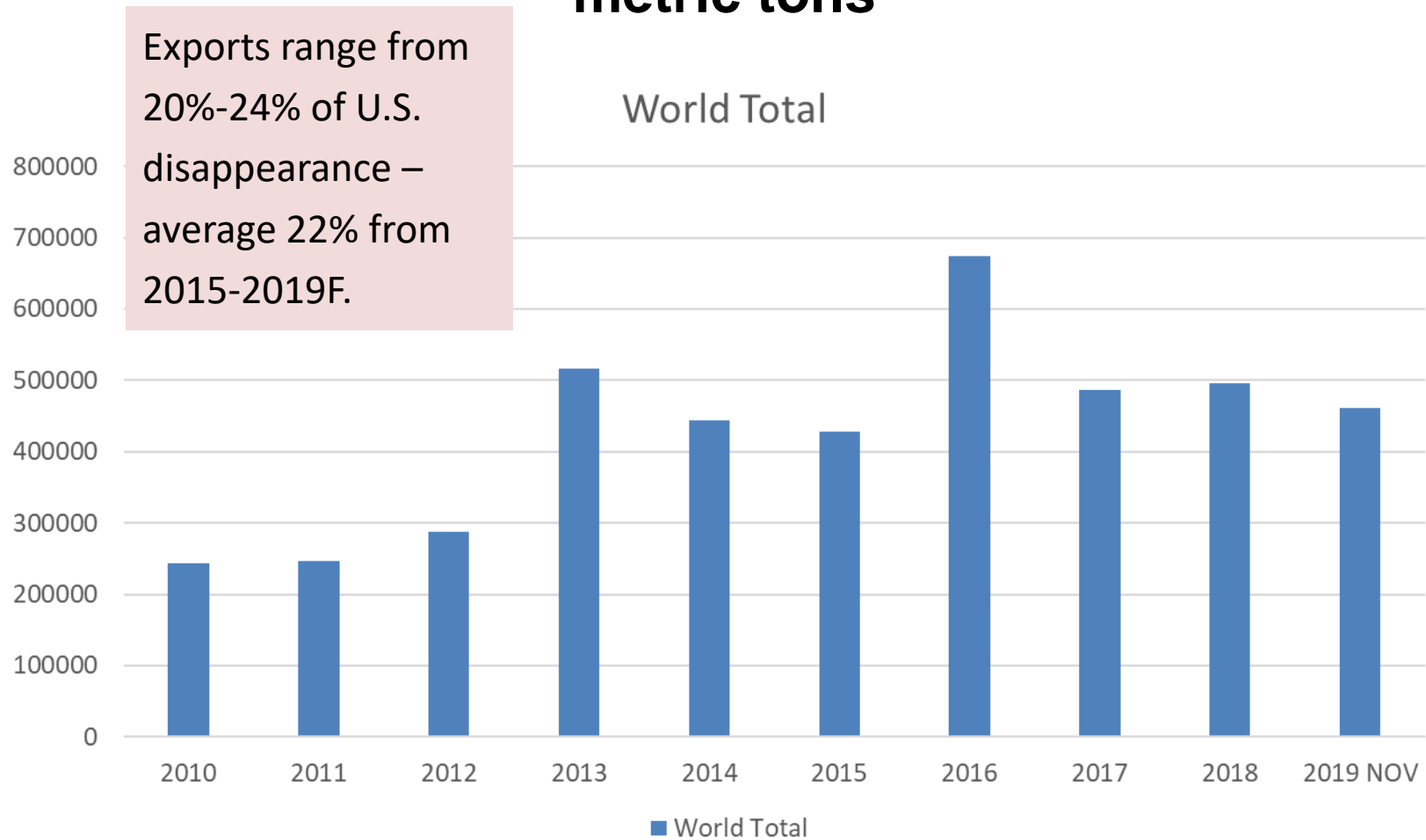
Source: *USDA NASS Crop Production Reports Courtesy Nathan Smith, Clemson University

U.S. Peanut Use

Million pounds	Candy	Snacks	Peaut Butter	Other Products	Total Shelled Edible Grades	Total Shelled All Grades	In Shell
Aug-July 2018/19	381	468	1,342	113	2,304	2,790	138
Aug-July 2019/20	396	481	1,410	92	2,379	2,959	141

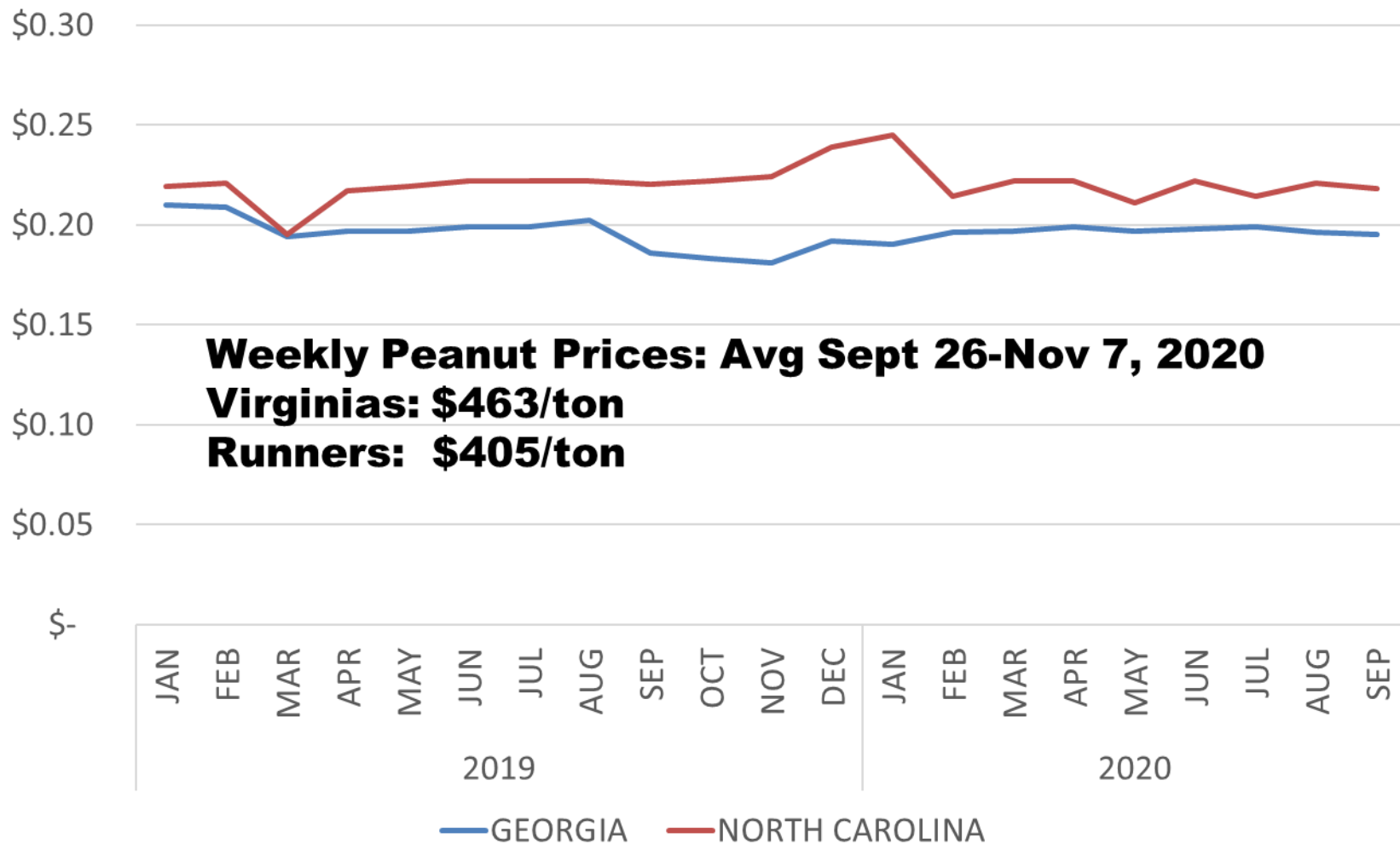
Source: USDA-AMS

US Peanut and Peanut Products Exports to the World metric tons



Source: USDA Foreign Ag Service (FAS) GATS Database Jan. 27, 2020
Courtesy Nathan Smith, Clemson University.

Peanuts: Price per Pound



Peanut Price Loss Coverage Payment Rates

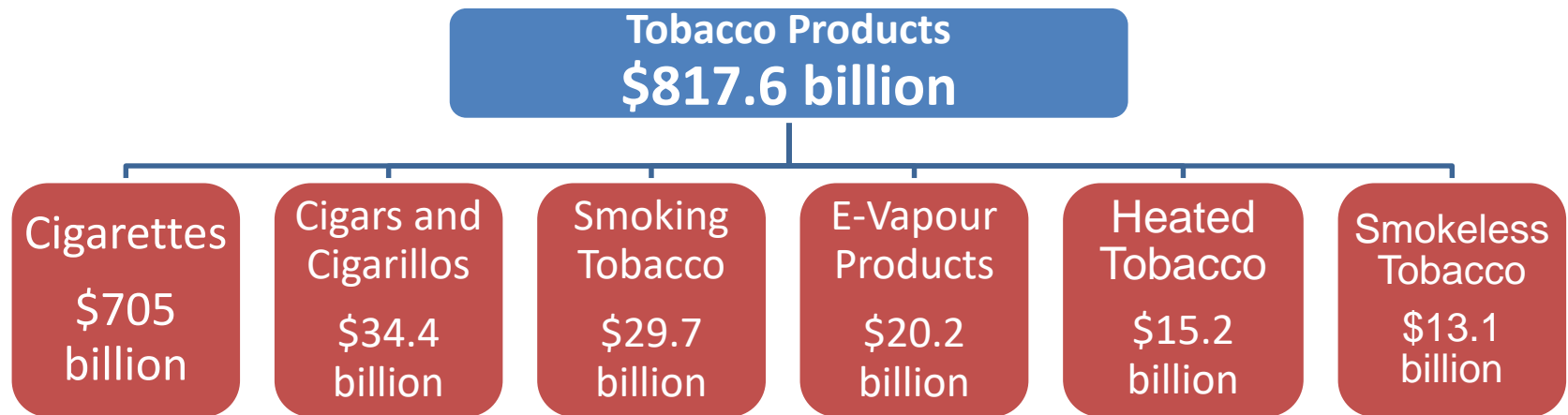
Marketing Year	MYA Price	PLC Payment Rate
2018/19	\$430/ton	\$105/ton
2019/20	\$412/ton	\$123/ton
2020/21	\$410/ton	\$125/ton

Take Aways

- Continued strong demand for peanuts
- Covid recovery has mixed effects on peanut use
- Prices remain reasonably good despite increased production
- Prices offered in spring 2021 will depend on expectations around Covid recovery
 - but \$400-\$425 for runners and \$450+ for Virginias are not unreasonable expectations

Flue-Cured Tobacco

The Global Market for Tobacco Products 2019 (USD)

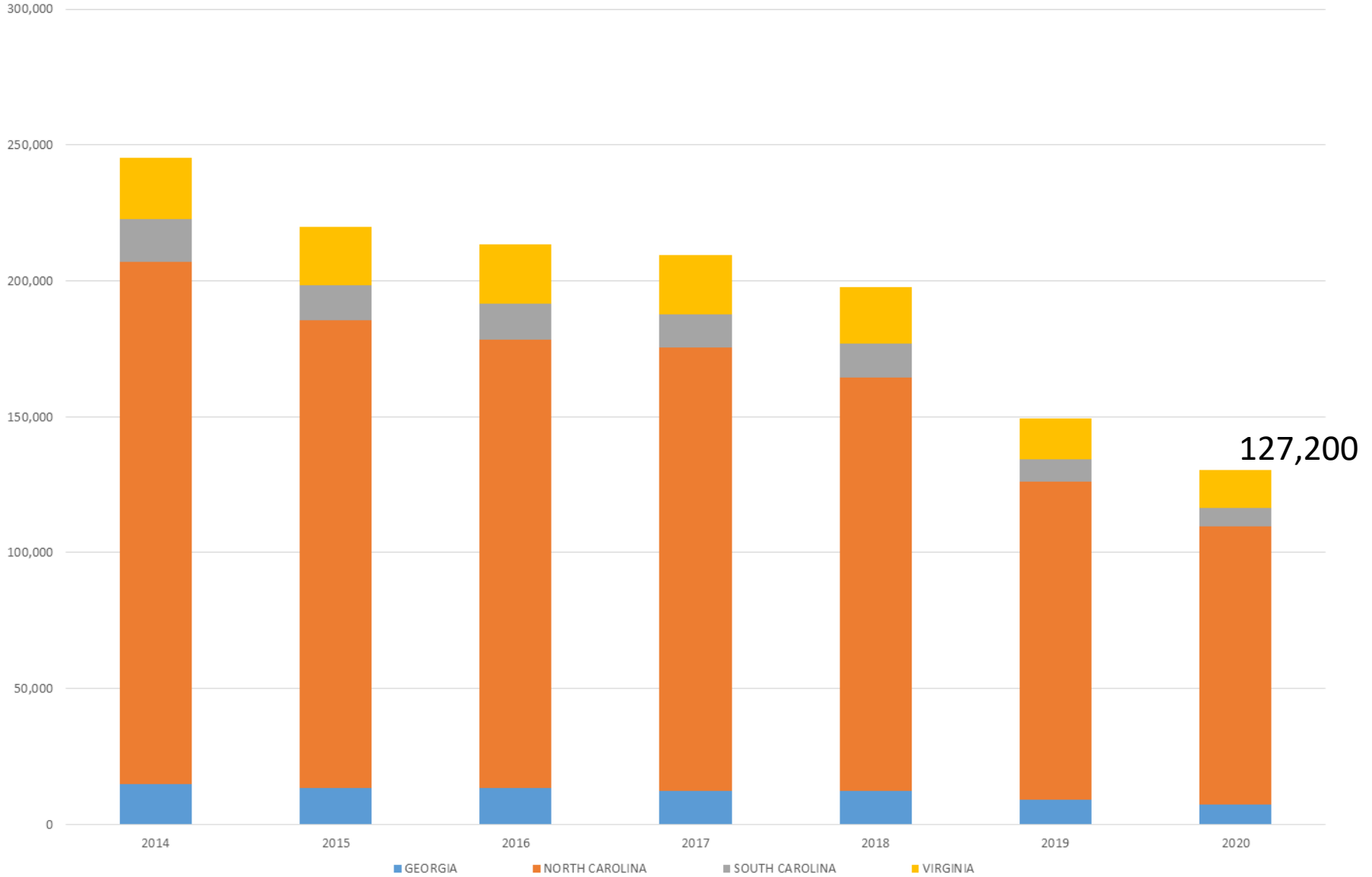


Source: Euromonitor. July 2020. Tobacco: World Market for Cigarettes

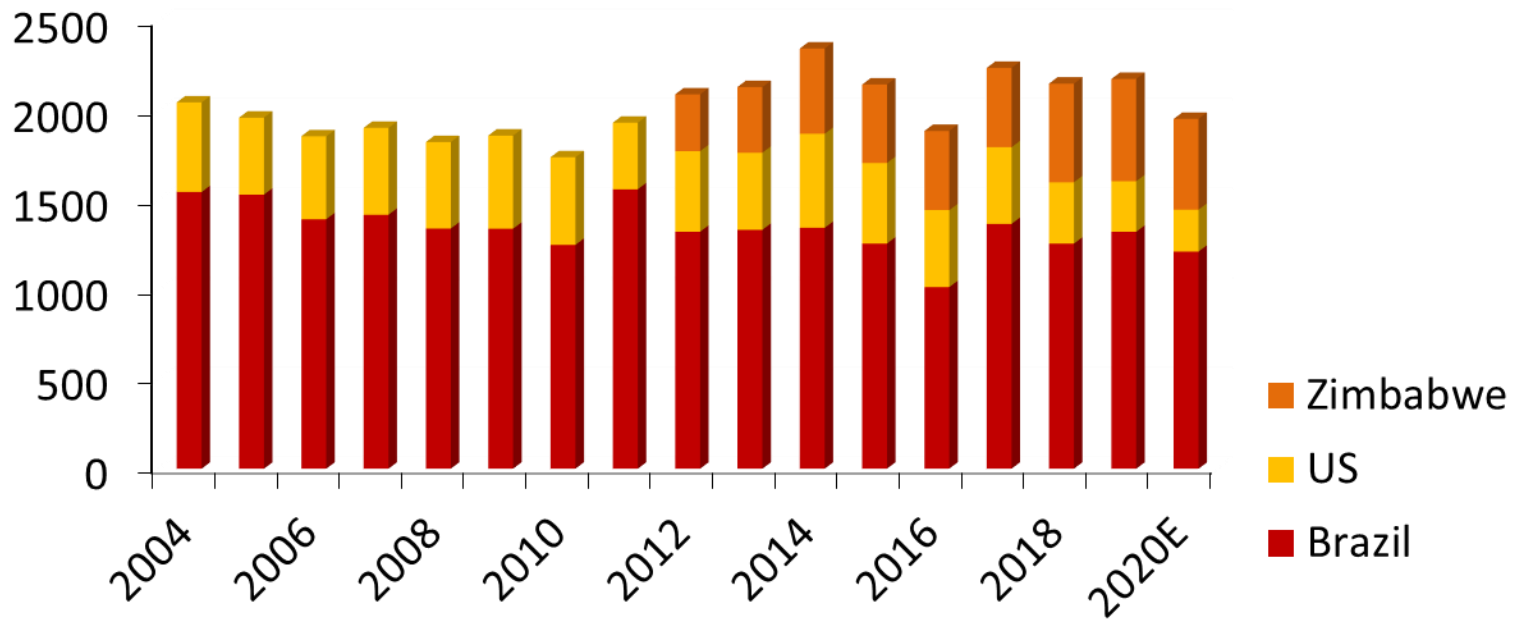
IQOS receives FDA Modified Risk Tobacco Product status

- Receives “Exposure modification” status
- Permits the marketing of a product as containing a reduced level of or presenting a reduced exposure to a substance or as being free of a substance when the issuance of the order is expected to benefit the health of the population.

U.S. Flue-Cured Tobacco Acreage



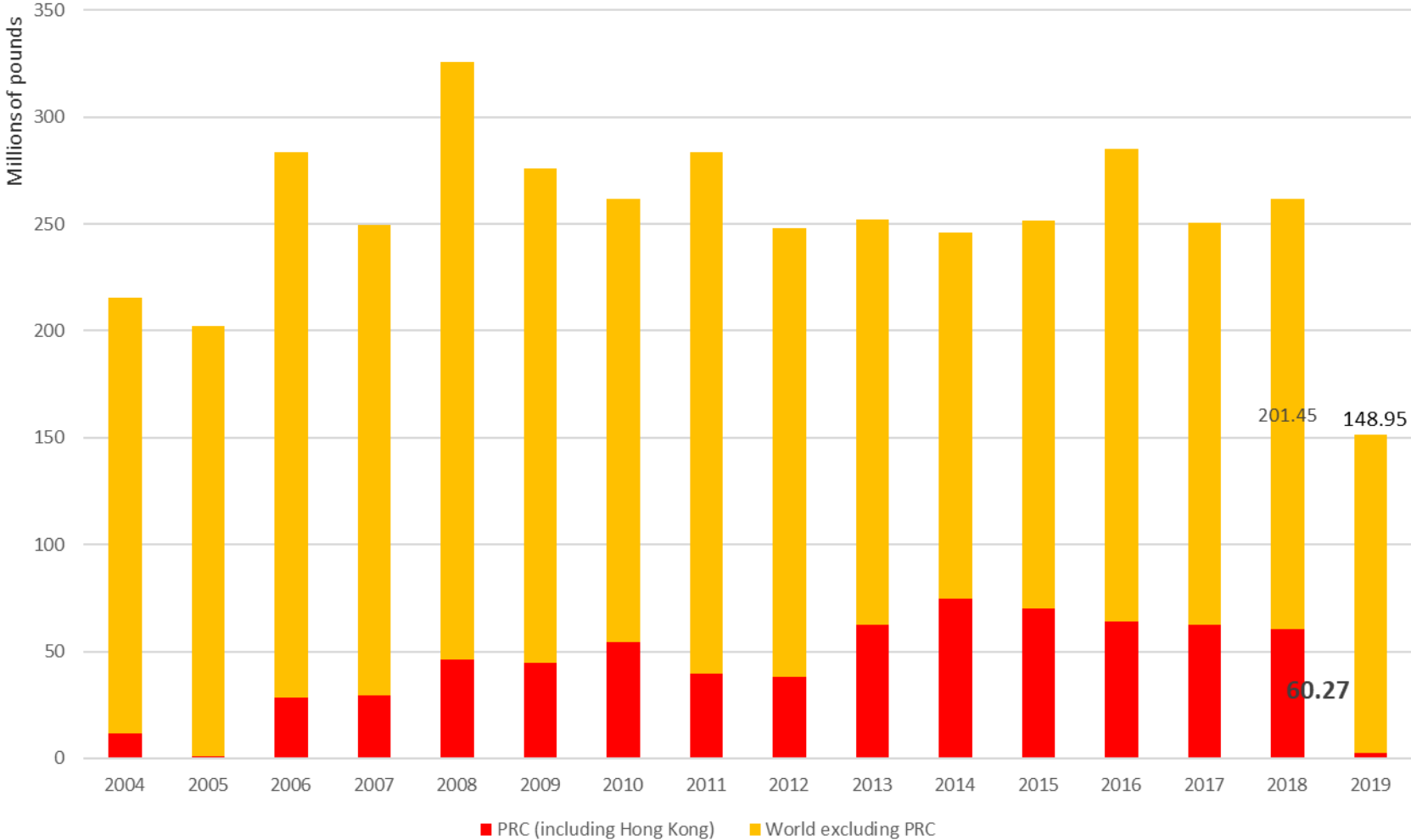
Global Supply: U.S., Brazil and Zimbabwe Flue-Cured Tobacco Production



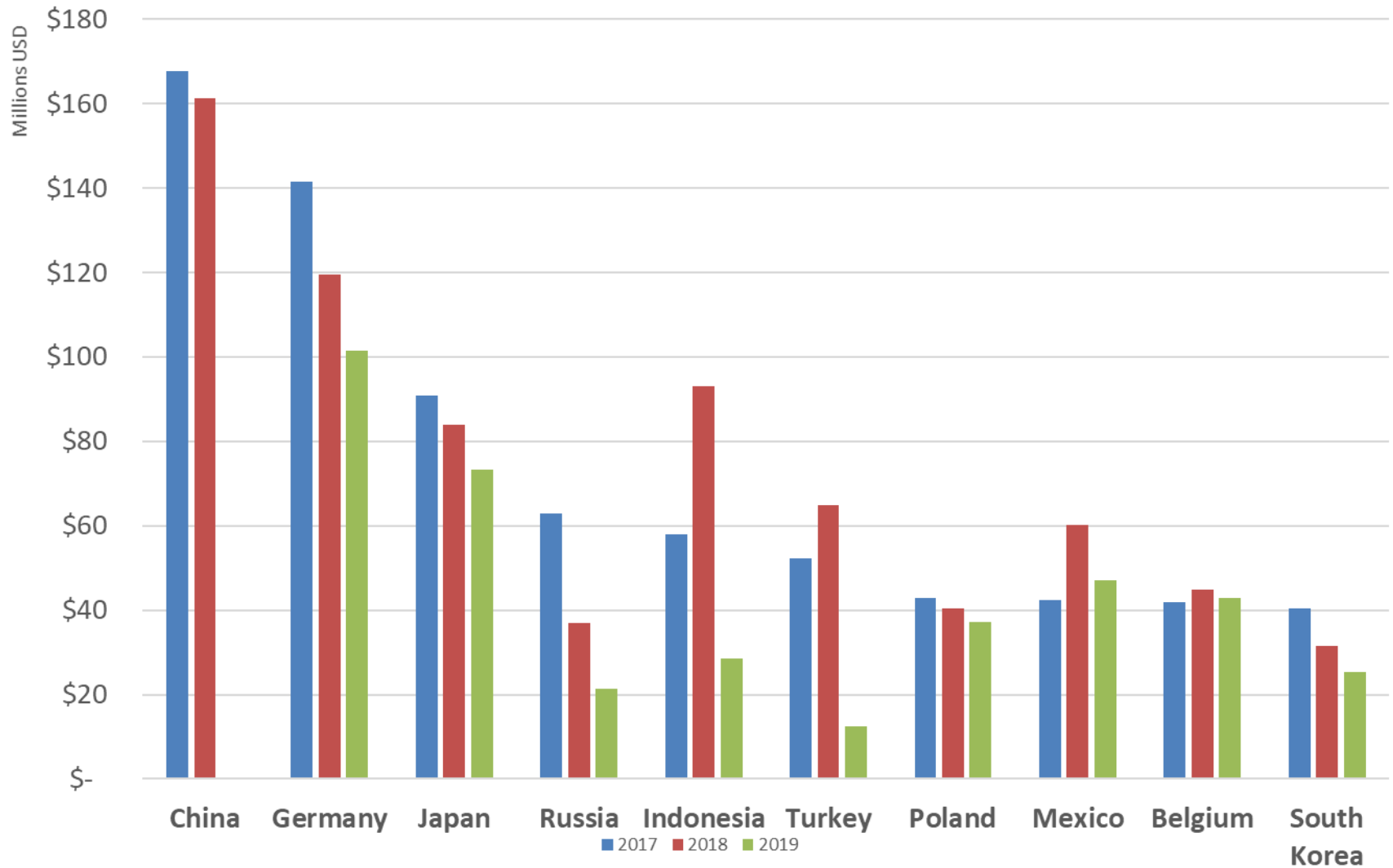
Source Brazil & U.S.: Universal Corporation. "World Leaf Production as of November 5, 2020."
 Source Zimbabwe: "Troubled Zimbabwe hopes for some relief in tobacco sales." *Federal News Network* May 8, 2020

Export Markets for U.S. Tobacco

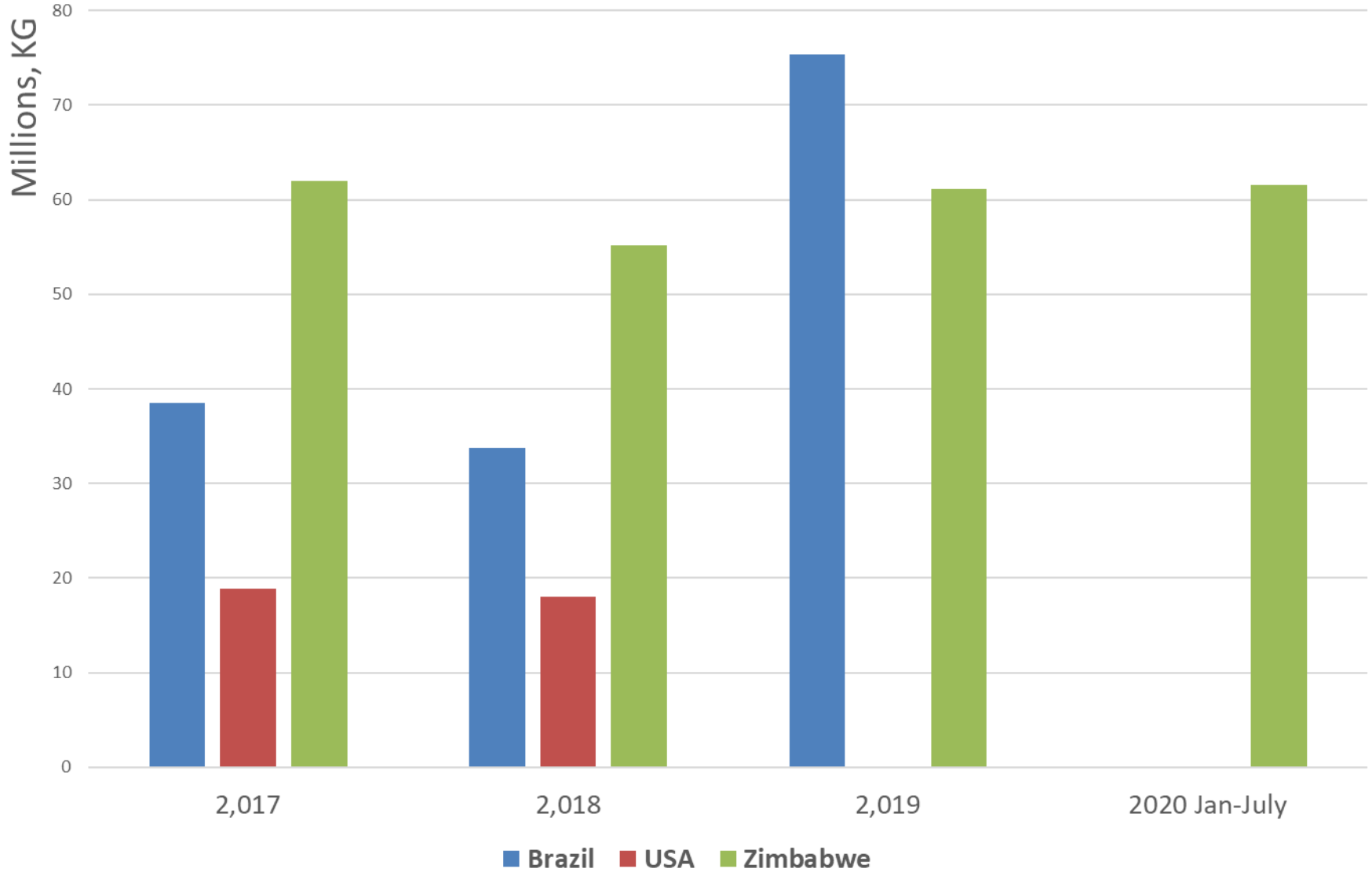
U.S. Exports of Flue-Cured Tobacco (Unmanufactured, Farm Sales Weight)



Value of U.S. Exports of Unmanufactured Tobacco



China Imports of Tobacco



China is no longer the only serious trade issue for U.S. tobacco...

EU levies a 25% retaliatory tariff on U.S. goods to include tobacco and sweet potatoes

U.S. Flue-Cured Exports to EU27



Take Aways

- Accelerated decline in demand for combustibles
- All new technologies contain less tobacco per unit
- When does China return?
- Exports to other Buyers down...
 - 25% tariff by EU will cause additional decline in exports to EU
- **Bottom Line: overall trend is declining demand**