Peanut Quality Committee Report

Date: May 29, 2020 Via Microsoft Teams

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Topics of Discussion:

Aflatoxin in the 2019 Crop-

The 2019 southeastern U.S. peanut crop is one of worst quality crops that the industry has ever seen. Late season heat and drought stressed the crop and resulted in reduced yield, increased damage, and high amounts of aflatoxin. These quality challenges have been tough for peanut growers, shellers, and manufacturing companies. Growers lost revenue due to yield loss and quality degradation penalties. Shellers are challenged to clean up a poorer quality crop and meet aflatoxin restrictions for edibles. Manufacturers are working with shellers where they can to be amendable on their normal raw peanut quality size and spec limits. Fortunately, most are managing well and getting the peanuts they need to run plants and meet the customer demands.

The cost/benefit of irrigation investment was discussed. New irrigation is going in where it can and makes economic sense. Some areas are not issuing any new irrigation well permits, so this is restricting the ability to add irrigation that is not surface water.

The industry needs a good 2020 crop for all segments to increase profitability and return the supply and quality to a healthier place.

Seed Quality/2020 Planting Increase-

Peanut acres intended for seed production in 2019 endured the same environmental stressors that caused quality problems with our edibles. Therefore, the industry has encountered seed quality challenges as we plant the 2020 crop. Aflatoxin has been tested for and discovered in some seed lots. A great deal of seed came in field-dried with very low moisture last fall. This lead to an increase in split kernels during shelling and less viable seed. The industry has seen some low seed germination rates that negatively impact plant stands.

Seed shelling and kernel sizing was brought up for discussion. Research tells us that peanut maturity level has an impact on the progeny that may come from that seed. Thus, less mature seed can equal less mature quality coming with the next crop. Some shelling companies size their seed uniformly and screen off the largest jumbo kernels and the smaller, less mature kernels that fall through a +18/64 slotted screen. Others choose to include everything riding a +16/64 slotted screen with no upper limit either. This is an individual company decision with no laws governing the sizes eligible for sale. The question was posed if the industry should seek a standard on seed sizing? Would this help with seed quality and consistency?

The industry anticipates a 15-20% increase in peanut planted acres for this year. Most planting has occurred on time. Valencias are behind in the Southwest, but catching up.

Demand Increase/Any Concerns with Quality of the Supply-

Peanut consumption is up and that is great for the industry. Peanut butter and snacks are doing particularly well. What happens if we have a bad 2020 crop to short supply and quality? With the 2019 challenges, companies are using different sizes, and maybe some peanut types, that they normally would not. Aflatoxin problems and shortages of a particular origin, size, or spec are causing this. A bad 2020 crop could cause us problems meeting demand should that scenario play out. However, the large increase in plantings and at least a normal weather year should yield a good supply of quality peanuts and meet our needs.

Freeze Damage in SW Peanuts-

Kraft-Heinz noted some consumer complaints attributable to freeze damage in Southwest Virginia type peanuts. The complaints referenced kernel texture hardness and a burnt appearance in roasted snack nuts. Hardness can be a trait of higher sugar content. “Freeze” is a type of damage that FSIS graders inspect for when grading farmerstock peanuts. If any is detected, a sheller would segregate those peanuts separately. The inspection is all visual and there is no test for freeze damage. Growers and shellers can work together to proactively manage the risk of freeze damage when digging peanuts and having them cure in the field. Watching the weather and being mindful of freeze risk and potential impact on peanut grade and quality is very important.

UPPT-

UPPT samples were sent in to USDA-ARS Raleigh just as businesses began to close for the pandemic. The chemistry work will have to be completed and reported at a later time.

Quality on Properties beyond Maturity and Fatty Acid Composition-

Plant based protein is a big topic in food these days and we need to be mindful of protein percentages in current varieties and potential new releases. We certainly do not want to lose any protein. Fiber and Folate get brought up in conversation of what else to test for in peanut and what benefits they bring. Both can be costly or difficult to test for and funding is always an issue. Collaborating with the Peanut Institute on their work with any micronutrients and compounds would be a good idea.

Peanut Research Foundation Update-

Mission is to support and fund research that keeps the U.S. peanut industry competitive and resilient. We are currently in year one of Phase II of the Peanut Genomic Initiative. Our goal is to build on the successes and tools developed in Phase I, while focusing our research on four primary areas. These areas are Disease Resistance (Leafspot Initially), Drought Tolerance, Aflatoxin Mitigation, and Flavor Conservation/Enhancement. We had some great research proposals submitted during this last cycle and have funded several good projects. It's anticipated that we may have some delays due to the pandemic, yet we expect to move forward with all projects. Any and all of them could have a significant impact on maintaining and improving peanut quality.