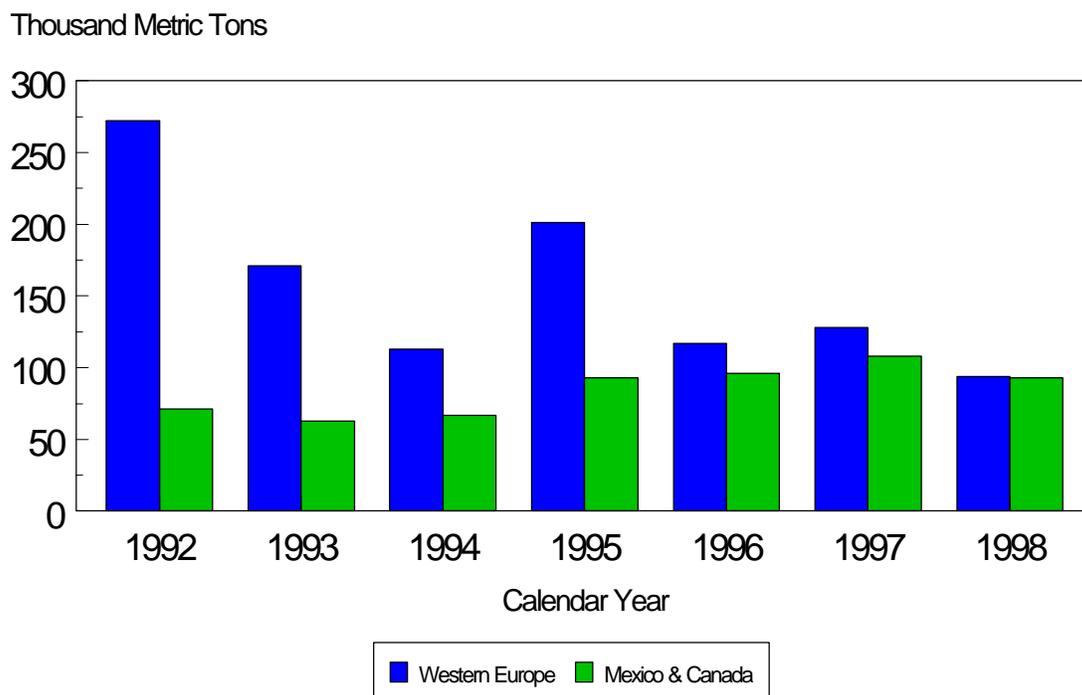




# Oilseeds: World Markets and Trade

## U.S. Peanut Exports to Western Europe Decline as Competition from Argentina Intensifies



Export figures on a shelled basis

Recently, the United States has faced increased competition from Argentine peanuts. Increased investment in the Argentine peanut industry has led to a dramatic increase in Argentina's peanut production. In addition, improved transportation and storage facilities have raised the quality of the Argentine product and provided openings in European markets that were traditionally dominated by U.S. peanuts. This has led to a significant increase in Argentine peanut exports to the detriment of U.S. exports to Western Europe. The current USDA forecast calls for U.S. peanut exports to decline to 295,000 tons in MY 1998/99, the lowest level since 1993/94. Meanwhile, Argentina's exports have grown nearly 4-fold, rising from 110,000 tons in 1995/96 to a projected 480,000 tons in 1998/99. Included in this are exports to the U.S. totaling nearly 53,000 tons annually. Consequently, U.S. peanut exports to western Europe, which reached 272,000 tons (shelled basis) in CY1992, have declined to less than 94,000 tons (shelled basis) in CY1998. This is a decline from 72 percent to 46 percent of total export volume. Increased exports to the Canadian, Mexican, and Central American/Caribbean markets have helped compensate for a portion of the decline in European sales.