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**Report Name:** Oilseeds and Products Annual

**Country:** Nicaragua

**Post:** Managua

**Report Category:** Oilseeds and Products

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**Report Highlights:**

For Marketing Year (MY) 2020/2021, Nicaragua's peanut production reached over 194,000 metric tons (mt), which is a 21 percent increase compared to the previous cycle. Peanut farmers reported an increase of 16 percent in planted area, equivalent to 6,200 hectares, after local banks resumed financing for peanut farming. The MY 2020/2021 peanut harvest did not suffer significant damage from Hurricanes ETA and IOTA, which battered Nicaragua in late 2020. For MY 2021/2022, Nicaraguan peanut farmers anticipate a five percent increase in planted area leading to production approaching 200,000 mt if favorable market conditions continue and local banks are willing to finance new production areas.

## **Executive Summary:**

For Marketing Year (MY) 2020/2021, Nicaragua's peanut production reached 194,000 metric tons, a 21 percent increase compared to the previous cycle. Peanut farmers reported an increase of 16 percent in planted area, equivalent to 6,200 hectares, after local banks resumed providing finance to peanut historic areas.

The MY 2020/2021 peanut harvest did not suffer significant damage from Hurricanes ETA and IOTA, which hit Nicaragua and Honduras in late 2020. The location of the peanut plantations near the cities of Chinandega and Leon on the west coast did not face the same level of rainfall as the Caribbean Coast and the North Central Region of Nicaragua. Although some peanut farmers reported losses and delays in the harvest season the hurricanes did not significantly impact overall production numbers.

For MY 2021/2022, peanut farmers anticipate a five percent increase in planted areas and production to reach over 200,000 metric tons, if local banks are willing to finance new production area.

## **Production**

About 90 percent of peanut production is concentrated near the cities of Leon and Chinandega on the west coast of the country where there are fertile soils of volcanic origin suitable for peanut production. Ten percent of the areas are located on the South-Central Pacific Coast. Total peanut production reached over 194,000 metric tons in MY 2020/2021; a 21 percent increase compared to the previous cycle. The hurricanes in late 2020 led to some delays in harvesting, which resulted in minor losses. The harvest season which starts in mid-November was delayed up to three weeks. In MY 2019/2020, banks had reduced the level of finance to the peanut sector due to the ongoing political crisis. That financing, however, was resumed in MY 2020/2021.

For MY 2021/2022, peanut farmers anticipate a five percent increase in planted area with production exceeding 200,000 metric tons.

Peanut farmers face challenges such as limited access to credit, uncertainty due to the political situation, as well as increased input supply costs. According to producers, the 2019 tax reform led agricultural input supply prices to increase between 10-20 percent, reducing the sector's competitiveness.

Peanuts continue to be an important crop for the Nicaraguan economy. They support over 10,000 jobs and generate exports valued at over \$100 million.

## **Planted Area**

In MY 2020/2021 planted area reached 43,200 hectares, a 16 percent increase compared to the previous year. The peanut industry anticipates a five percent increase for MY 2021/2022. Peanut competes with sugar cane planted areas so there is limited potential for significant expansion. Some farmers rotate peanut planted areas with sugarcane.

## **Yields**

The Nicaraguan peanut industry is very competitive with average yields in MY 2020/2021 reaching 4.5 metric tons per hectare, a 12 percent increase from the previous cycle. For MY 2021/2022, the peanut industry expects a favorable rainy season with average yields above 4.0 metric tons per hectare.

## Consumption

Peanuts are a major Nicaraguan agricultural export. Less than two percent of the total peanut production remains in the domestic market. Peanut shellers keep about 9,000 metric tons a year to use as seed.

## Trade

According to the Nicaraguan Center for Exports Procedures (CETREX), Nicaraguan peanut exports in 2020 reached 75,000 metric tons, a 10 percent decrease compared to the previous year. The decline in exports is attributed to the 16 percent decrease of planted area in MY 2019/2020. The main export destinations in 2020 were the United Kingdom, El Salvador, the Netherlands, and Mexico. Over the past several years, Nicaraguan exporters have diversified their export markets. In recent years, its top destination has shifted from Mexico to the European Union.

## Production, Supply and Demand Data Statistics:

<b>Oilseed, Peanut</b>	<b>2019/2020</b>		<b>2020/2021</b>		<b>2021/2022</b>	
<b>Market Year Begins</b>	<b>Aug 2019</b>		<b>Aug 2020</b>		<b>Aug 2021</b>	
<b>Nicaragua</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted</b> (1000 HA)	40	37	40	43	0	45
<b>Area Harvested</b> (1000 HA)	35	37	40	43	0	45
<b>Beginning Stocks</b> (1000 MT)	4	4	0	0	0	9
<b>Production</b> (1000 MT)	157	158	180	194	0	204
<b>MY Imports</b> (1000 MT)	1	0	1	0	0	0
<b>MY Imp. from U.S.</b> (1000 MT)	0	0	0	0	0	0
<b>MY Imp. from EU</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	162	162	181	194	0	213
<b>MY Exports</b> (1000 MT)	100	127	100	147	0	166

<b>MY Exp. to EU (1000 MT)</b>	53	50	50	60	0	65
<b>Crush (1000 MT)</b>	54	35	70	38	0	38
<b>Food Use Dom. Cons. (1000 MT)</b>	6	0	6	0	0	0
<b>Feed Waste Dom. Cons. (1000 MT)</b>	2	0	2	0	0	0
<b>Total Dom. Cons. (1000 MT)</b>	62	35	78	38	0	38
<b>Ending Stocks (1000 MT)</b>	0	0	3	9	0	9
<b>Total Distribution (1000 MT)</b>	162	162	181	194	0	213
<b>CY Imports (1000 MT)</b>	1	0	1	0	0	0
<b>CY Imp. from U.S. (1000 MT)</b>	0	0	0	0	0	0
<b>CY Exports (1000 MT)</b>	98	0	100	0	0	0
<b>CY Exp. to U.S. (1000 MT)</b>	0	0	0	0	0	0
<b>Yield (MT/HA)</b>	4.4857	4.2703	4.5	4.5116	0	4.5333
(1000 HA) ,(1000 MT) ,(MT/HA)						

<b>Oil, Peanut</b>	<b>2019/2020</b>		<b>2020/2021</b>		<b>2021/2022</b>	
<b>Market Year Begins</b>	<b>May 2020</b>		<b>May 2020</b>		<b>May 2021</b>	
<b>Nicaragua</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Crush (1000 MT)</b>	54	35	70	38	0	38
<b>Extr. Rate, 999.9999 (PERCENT)</b>	0.3519	0.3429	0.3429	0.3421	0	0.3421

<b>Beginning Stocks</b> (1000 MT)	3	3	0	0	0	0
<b>Production</b> (1000 MT)	19	12	24	13	0	13
<b>MY Imports</b> (1000 MT)	0	0	0	0	0	0
<b>MY Imp. from U.S.</b> (1000 MT)	0	0	0	0	0	0
<b>MY Imp. from EU</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	22	15	24	13	0	13
<b>MY Exports</b> (1000 MT)	18	15	18	13	0	13
<b>MY Exp. to EU</b> (1000 MT)	9	0	9	0	0	0
<b>Industrial Dom. Cons.</b> (1000 MT)	0	0	0	0	0	0
<b>Food Use Dom. Cons.</b> (1000 MT)	4	0	5	0	0	0
<b>Feed Waste Dom. Cons.</b> (1000 MT)	0	0	0	0	0	0
<b>Total Dom. Cons.</b> (1000 MT)	4	0	5	0	0	0
<b>Ending Stocks</b> (1000 MT)	0	0	1	0	0	0
<b>Total Distribution</b> (1000 MT)	22	15	24	13	0	13
(1000 MT) (PERCENT)						

**Attachments:**

No Attachments