



# PREMIUM PEANUT

Newsletter

May 2018



## Premium Peanut Oil Grand Opening

### A letter from our CEO, Karl Zimmer

April was a busy month for visits! We had numerous customers visit both the shelling plant and the oil plant, in addition to over 300 guests join us for the Oil Mill Grand Opening on April 30<sup>th</sup>. We also had several multi-day audits, including from BRC (more details included in Julee Brooke's article in this newsletter) and the Georgia Department of Agriculture. While these audits can be very challenging, they are designed to verify that we are complying with all applicable regulations and standards, as well as to help us to continually improve. Overall, we did well, including maintaining the highest food safety rating of 'AA.'

In terms of the market for shelled peanuts, it is pretty quiet. Yes, we expect plantings in the U.S. to be down 10-20%, but we still have an 'extra' 800,000+ tons from the 2017 crop (over 3 months of extra supply). In the past,

## A letter from our CEO, Karl Zimmer Continued

China has provided a good market for extra farmerstock, but the current pricing in China would not even cover the cash cost that Premium Peanut (or any U.S. sheller) would incur. So, China is not currently an option. Argentina is having a very challenging crop, which may present some opportunities for increased sales of U.S. product to Europe (one of Argentina's main markets); however, inventories in Europe are currently high, and the maximum potential sales would be less than half of the 800,000 ton 2017 crop excess. The good news is that the overall quality of 2017 farmerstock remains high, which will likely extend the shelling timeframe into the fall of 2018. With a smaller U.S. crop, some additional sales to Europe, and potentially to China (if pricing improves), I hope that we will be in a much better position (balancing supply and demand) for the 2019 crop. Regardless of the market, though, as a grower/owner of Premium Peanut, you will receive 100% of the value from each peanut. We try to pay a competitive option up-front, but then have already started to distribute dividends. In short, we will work to capture all possible value from each peanut, and return that value to our grower/owners.

We are also currently spending a lot of time with several of our growers, and all of our buying points, exploring ways to improve the overall quality of our farmerstock, capturing maximum additional value from it, and then ensuring the value is preserved while in storage (prior to shelling).

In the coming months, we will also add a new section to the newsletter, of various definitions and explanations; there are a lot of them in the peanut industry! From the various industry associations (APSA, APC, PTNPA) to food safety (BRC, AIB, GFSI) to operating conditions (bail outs, bar ready, optical sorters), we will start to provide some additional information on these important topics that impact your company.

### Oil Mill Update— Lee Taylor, Vice President

The oil mill continues to operate well. We have had a great response from our peanut meal customers, including several customer visits during April. We continue to make strides in the oil production process, improving every day. We are shipping over 50,000 pounds of both oil and meal daily. Plant Superintendent Bill Thelen and his team have done an outstanding job managing the plant and keeping the oil flowing.

Our grand opening was a great success. Thank you to all who took time out during this busy time of year to attend, as over 300 attended. We had great representation from the peanut industry, and were honored to have Congressman Rick Allen, Georgia Commissioner of Agriculture Gary Black, and Georgia Commissioner of Economic Development Pat Wilson in attendance.



## Premium Peanut Receives AA Grade on Annual BRC Audit— Julee Brooke Lewis, Vice President and Counsel

Premium Peanut underwent its annual British Retail Consortium (BRC) audit in April. The BRC food safety standard is designed to provide the basis for certification for food manufacturers who implement good manufacturing processes and have supporting quality management systems. The BRC Audit is a grueling three day audit in which an outside inspector examines the processes at the plant as well as the supporting internal records. The inspector was very impressed with the overall appearance of our facility, including our site security (fencing, pavement, etc. - several of which are specifically reviewed and evaluate as part of the audit. She commented several times on how neat and well maintained the property and the plant were; it is in situations like this are when the investment that we have made into maintaining our grounds and shelling plant so diligently really pays off. Premium Peanut is pleased to announce that it maintained its AA rating, which is the highest score attainable for an announced audit. Premium Peanut would like to extend a huge thank you to all of its employees that worked together in achieving this incredible rating.

## Planting Reminders from Peanut Marketing News 49— Ronnie Myers, Regional Procurement Manager

Dr. Scott Monfort, peanut agronomist for UGA gave farmers some advice as they make plans to plant the 2018 crop. Here are few:

- Seed germ— keep a small sample of each lot of seed just in case you have stand issues. If you have stand problems, the sample can be checked for germ and vigor.
- Take care of seed— keep your peanut seed stored in a cool environment until ready to plant. Try not to leave seed exposed to sun and heat for prolonged periods of time.
- Make sure to calibrate in-furrow liquid and granular applicators. Clean the system before use and make sure you do not have any stopped-up tubes.
- Do not risk planting in poor conditions. For example: cool and wet, hot and dry, or marginal soil conditions. The seed costs too much to risk having to replant. Plant with soil temps at 68 degrees F for three consecutive days.
- Do not get in a hurry planting. Increased speed can cause skippy/non-uniform stands.
- Plant your non-irrigated first to make use of the moisture.
- In dry hot, conditions, remember to irrigate at least 1/3 to 1/5 inch before planting. Adding cold water from irrigation after planting in hot and dry conditions can shock peanut and lead to erratic germination and skippy stands.
- Remember to do everything you can to reduce the risk of TSWV in early planted peanuts. Use twin row, plant 6 seed per foot, use Thimet, etc. Please refer to peanut disease risk index.
- Weed control is extremely important. Try to plant in a clean field and stay ahead of any problems.

Premium Peanut

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## Sustainability-Shannon Parrish, Sustainability & Research

We would like to thank everyone for their assistance this year with the FSA Data Collection Project for the past two months. If you have not taken the chance to complete the FSA release forms that will allow for the collection of producer print and 578 information, please reach out to your Buying Point for the appropriate paperwork. We have received an overwhelmingly positive response to this project and we thank you for your efforts!

## Contact Us

Give us a call for more information about our services and products

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Visit us on the web at :  
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