



UNIVERSITY OF GEORGIA
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2026 Peanut Outlook and Market Situation

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TAKEAWAYS

- High peanut acreage is expected to continue into 2026, keeping overall U.S. and Georgia production elevated.
- Oversupply will continue to pressure prices with high volatility, resulting in a wide price range. Peanut prices could reach \$500–\$550/ton under favorable trade outcomes, but may remain around \$350–\$475/ton without a major trade breakthrough.
- Exports and profitability remain challenged, underscoring the need for new markets and stronger demand to support grower returns.

The year 2025 has brought peanut producers into a challenging market environment shaped by rising production, slow demand growth, and increasing competition in global trade. As growers continue shifting land away from less profitable crops, U.S. peanut acreage and output have expanded substantially. However, this growth has outpaced demand, contributing to rising ending stocks and putting downward pressure on market prices.

Entering the 2025/26 marketing year, the U.S. average postharvest price fell sharply to \$418 per ton, reflecting concerns about oversupply and the pace of demand recovery. These conditions highlight the need for both stronger export performance and the development of alternative markets.

Global Market Competition and Export Challenges

The United States remains the fourth-largest peanut producer in the world, behind China, India, and Nigeria, and a key participant in global peanut trade. Although most U.S. peanuts are consumed domestically, exports remain essential for balancing the market. Historically, the United States has exported around 22% of its annual production, making it the fourth-largest exporter behind India, Argentina, and China. In 2025, U.S. peanuts are projected to hold 13% of the global export market share, shipping primarily to Canada, Mexico, the Netherlands, China, Japan, and the United Kingdom. Peanut butter exports remain strong to markets such as Canada, Mexico, South Korea, Saudi Arabia, the United Arab Emirates, Japan, the Philippines, the United Kingdom, and Australia.

Despite stable demand from core buyers, U.S. exporters face increasingly intense global competition. Record or expanded crops in major producing countries have contributed to a global surplus, pushing world peanut prices lower. This reduces purchasing incentives for importers and makes U.S. peanuts, typically at a higher cost, less competitive. Yet trade policy uncertainties, including shifting tariffs and geopolitical tensions, threaten to limit market access.

U.S. Peanut Supply and Demand

U.S. peanut acreage continued to expand heading into the 2025 season. For 2025/26, planted acreage is forecast at 1.95 million acres, the highest since 1991. Harvested acreage is expected to reach 1.9 million acres. U.S. production is projected to reach 7.5 billion lb. Total supply for the 2025/26 marketing year is estimated at 4.145 million metric tons, consisting of 709,000 metric tons of carryover from 2024, 3.388 million metric tons of new production, and 48,000 metric tons of imports.

Total peanut use (Figure 1) for the 2025 crop is forecast at 3,197 million metric tons, leaving ending stocks of 948,000 metric tons, one of the highest levels in recent years. Per capita consumption, which peaked at 7.6 lb during the pandemic, has eased to 6.9 lb in the 2024/25 marketing year, reflecting a leveling off in domestic demand.

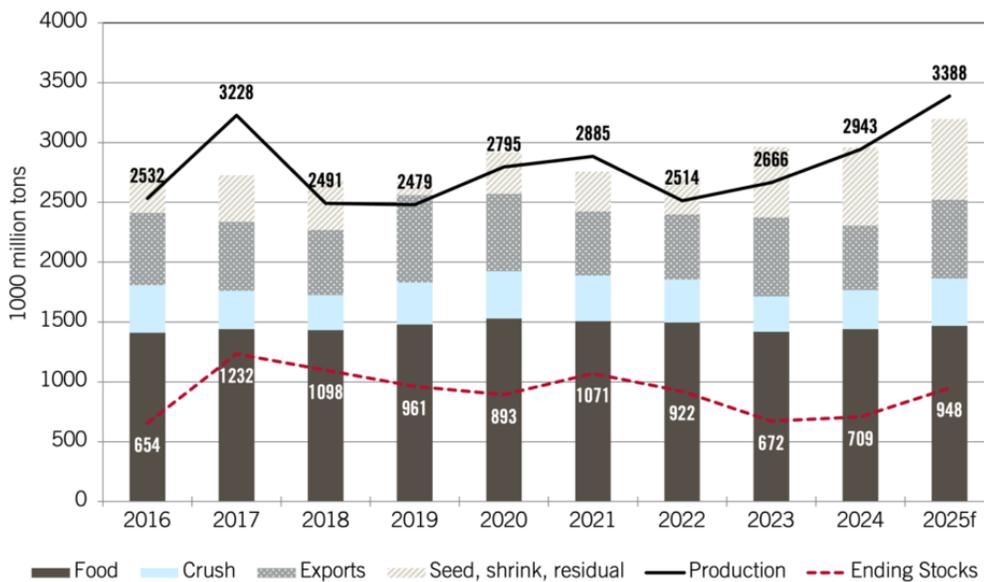


Figure 1. U.S. Peanut Production, Usage, and Stocks, 2016–2025f.

Note. f = forecast. Data source: USDA Foreign Agricultural Service.

U.S. Peanut Yield and Quality Expectations

The 2025 peanut crop is expected to maintain strong performance, with yields forecast at 3,930 lb per acre, slightly above the 10-year average. Crop quality remains high. As of December 11, inspection data from the Georgia Federal-State Inspection Service show: 99% Segregation 1 (highest edible grade), 0.5% Segregation 2 (damaged but marketable), and 0.5% Segregation 3 (aflatoxin, suitable only for oil crushing). This distribution underscores continued high product

quality despite acreage expansion and varying weather conditions.

Economic Pressures and Long-Term Profitability Concerns

Farm financial conditions remain tight heading into 2026. Although the Federal Reserve began easing interest rates in late 2024, operating loan rates remain elevated at 7%–8%, continuing to put pressure on cash flow and profitability. Long-term trends further highlight the structural challenges facing peanut producers. Between 1995 and 2024, peanut revenues exceeded total production costs in only 5 years, and growers experienced average annual losses of \$55 per acre (Figure 2). These persistent losses point to a structural imbalance between costs and prices that cannot be sustained without improvements in productivity, market expansion, or policy support.

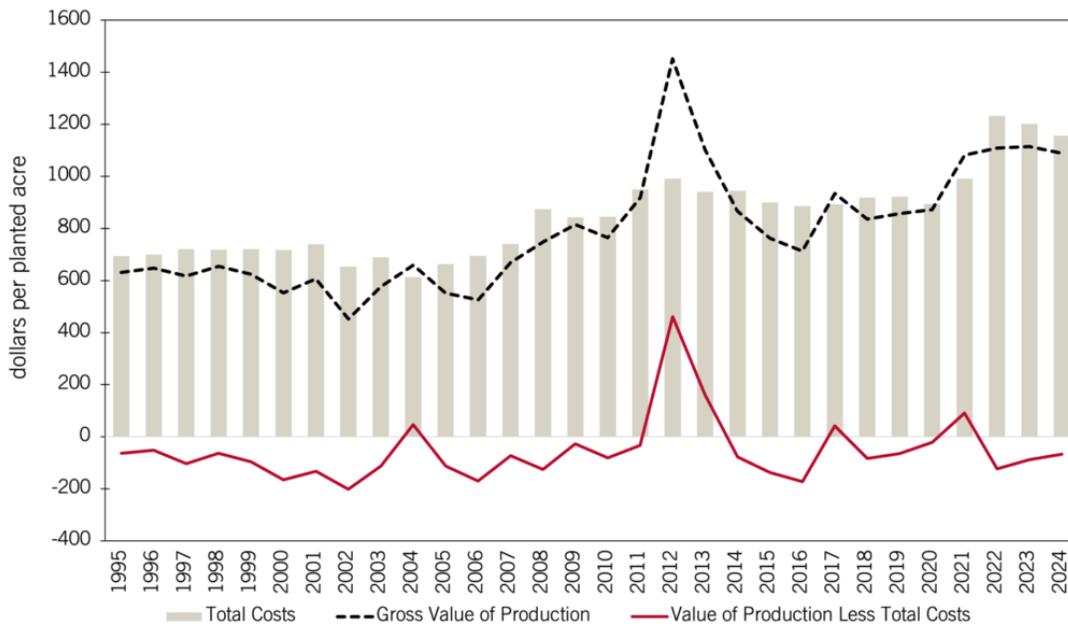


Figure 2. Peanut Production Total Costs, Revenue, and Returns for Producers in the United States, 1995–2024. Data source: USDA Economic Research Service Commodity Costs and Returns for Peanut.

Georgia Peanut Situation

Georgia, the nation’s top peanut producer, continues to expand acreage for this crop. Growers increased planted area from 775,000 acres in 2023 to 850,000 acres in 2024 and even further to 920,000 acres in 2025. This accounts for roughly 47% of total U.S. peanut acreage. Lower relative prices for cotton, corn, and soybeans have reinforced peanuts as a more attractive option for Georgia growers.

2026 Price Outlook

With supplies remaining at a historically high level, expanding market opportunities will be critical to stabilizing prices. While traditional export markets remain essential, diversification into new export markets and outlets (particularly nonfood uses such as sustainable aviation fuel) may help absorb growing surpluses. Meanwhile, the current low cotton prices and high fertilizer costs suggest that growers may continue planting high peanut acreage, keeping contract prices subdued.

The peanut market remains highly volatile, and a wide range of price outcomes remains possible. If more favorable trade conditions are reached between the United States and China, leading to stronger cotton prices around planting, peanut acreage could decline, and prices could move into the \$500–\$550 per ton range. However, if trade conditions remain weak, prices may remain closer to \$350–\$475 per ton. Regardless of which scenario unfolds, peanut profitability is still likely to be a significant challenge for producers in 2026.

Note: The last two paragraphs were edited on 2/13/26 to provide additional information.

The permalink for this UGA Extension publication is <https://fieldreport.caes.uga.edu/publications/AP130-4-05/2026-peanut-outlook/>