

# Peanut Blog

An ounce of information



## Analysis: Peanut farmers annually losing revenue

**Since 1995, peanut farmers have faced annual losses of \$57 per acre. Cotton farmers have faced average annual losses of \$94 per acre.**

The average peanut farmer lost money on the crop 24 out of the last 29 years, according to a recent analysis by the University of Georgia.

Amanda Smith and Yangxuan Liu are economists with the University of Georgia College of Agricultural and Environmental Sciences. [Writing for Southern Ag Today](#), they highlighted the ongoing profitability challenges Southern peanut farmers face, along with cotton farmers.

They analyzed data from the USDA Economic Research Service, which shows the financial challenge of the rising costs of peanut farming. Since 1995, they said, the average peanut farmer faced annual losses of \$57 per acre. Cotton farmers faced average annual losses of \$94 per acre during the same 29-year period.

"These data account for actual production costs incurred during the production process by farm operators, landlords, and contractors and include expenses for labor, equipment, and other inputs. Revenues generated from peanut sales are also analyzed.

"The revenues do not include government payments and crop insurance indemnities received by producers. Potential government payments during this time period may include traditional farm bill programs for farmers with base acres, as well as ad-hoc disaster relief programs," they said. Peanuts are capital intensive, they said, particularly the specific harvest equipment needed to dig up the vines. Another machine picks the peanuts from the vines.

Often grown in rotation with each other, peanuts and cotton are suitable crops to grow in the Southern soil and climate.

"As with cotton, long-term economic losses to peanut production put the sustainability of Southern agriculture at risk. A continuation of these trends could result in a prolonged decline in agricultural production, eroding the economic foundation of rural farming communities across the Southern region. It is evident that there continues to be a need for effective agricultural policies and support programs," they said.

In 2024, the U.S. is projected to produce 3.2 million farmer stock tons of peanuts. Market year average prices are expected to be around \$530 per ton, according to USDA. The projected total value of peanut production is expected to be \$1.7 billion. "Not only are peanuts an important rotational crop, but they also contribute significantly to the rural farm economies of the Southern region," they said.

**Source:** <https://www.farmprogress.com/peanut/analysis-peanut-farmers-annually-losing-revenue>