

At the NCC helm
see Page 4

Big on biodiesel
see Page 7

Are you ready for rust? see Page 10

Save the peanuts

By RICHARD DAVIS

SOUTHEAST Virginia was once the land of the peanut. Since the program buyout in the wake of the 2002 Farm Bill, however, acreage has dropped precipitously.

There were once as many as 100,000 acres of Virginia-Carolina (V-C) peanuts in Virginia. For a number of years, peanuts consistently held around 75,000 acres. But this year, Virginia producers will plant just 15,000 acres, according to a report released March 31 by USDA's National Agricultural Statistics Service.

"I'm hoping that maybe this thing can turn around, but I'm not overly optimistic because most growers were not impressed with the few contracts that were out there," says Billy Bain of Dinwiddie, Va., a peanut grower on the board of directors of the Virginia Peanut Growers Association and the Peanut Growers Cooperative Marketing Association.

"The contracts came late, too, and I think most growers had made other arrangements to grow cotton [instead of peanuts]. Some are also getting back into tobacco. I hope something good will come out of all of this before it is over with, but the V-C area is at a low point right now," Bain says.

North Carolina has also lost many peanut acres, but the change hasn't been as drastic. The Tarheel State went from 123,000 acres in 2001 to 96,000 acres in 2005, a 22% drop. Many growers are different from growers in past years, however, with production areas moving from northeastern counties in the state to eastern and southeastern counties.

South Carolina picked up a good number of the acres lost by Virginia and North Carolina growers. The Palmetto

Key Points

- The peanut industry is barely hanging on in Virginia.
- Growers hope 2006 will be the low point.
- New marketing approach could help improve the situation.

State went from 11,000 acres in 2001 to 40,000 acres in 2005 — a whopping 264% increase. However, analysts say the meteoric climb in South Carolina acreage has now faltered. According to the NASS reports, peanut acreage in the state is forecast to be 50,000 acres in 2006, down 21% from 2005. That is still up 43% from 2004, however.

Downhill spiral

Bain says the peanut industry may not survive in Virginia. "We are just on a terrible downhill spiral," he says. "We can't keep taking cuts in our acreage and continue to be viable. Peanuts won't continue to be grown here if we don't come up with some new innovation to create demand for our peanut."

Bain hopes education about the premium quality of Virginia-Carolina peanuts will help Virginia stop the hemorrhage. Individually, he tries to do his part. He carries bags of peanuts around with him and gives them away to friends to educate them on the large, meaty size and taste of V-C peanut varieties.

Still, though that may make him feel better, it won't save the industry in his state. On a larger scale, he's put his faith in a new promotional effort to put verification labels that differ-



BUCKLING THE BELT ON ENERGY USE: Faison, N.C., producer Kevin Hobbs says cotton farmers everywhere have been stung by skyrocketing fuel and fertilizer prices. In our Buckling the Belt feature this month, learn what growers across the Cotton Belt are doing to trim energy costs. See Page 6.

entiate V-C peanuts from other types. Dell Cotton, executive secretary of the Virginia Peanut Growers Association, says the "Virginia-Carolina Grown" logo has already received initial approval from the U.S. Patent and Trademark Office. The logo shows a golden peanut

drawn over the three V-C production states of Virginia, North Carolina and South Carolina. Bain hopes that, once educated, consumers will request V-C peanuts and increase demand for them. Then, industry contracts should reflect a premium for V-C peanuts, he says.

TOUGH ON WEEDS.

GENTLE ON CROPS.