

CASHEW MARKET BULLETIN



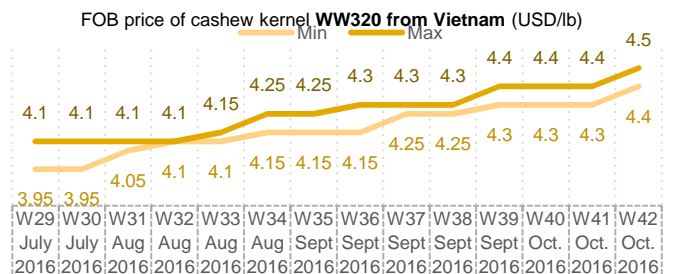
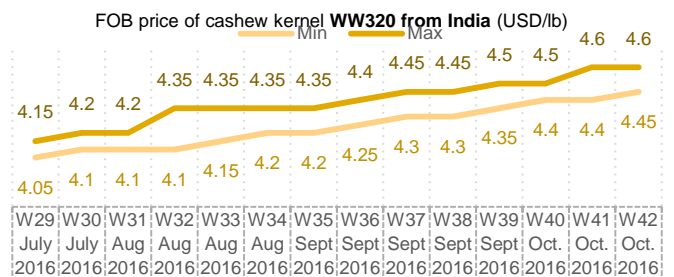
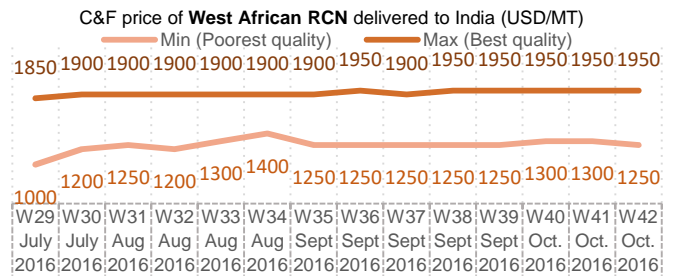
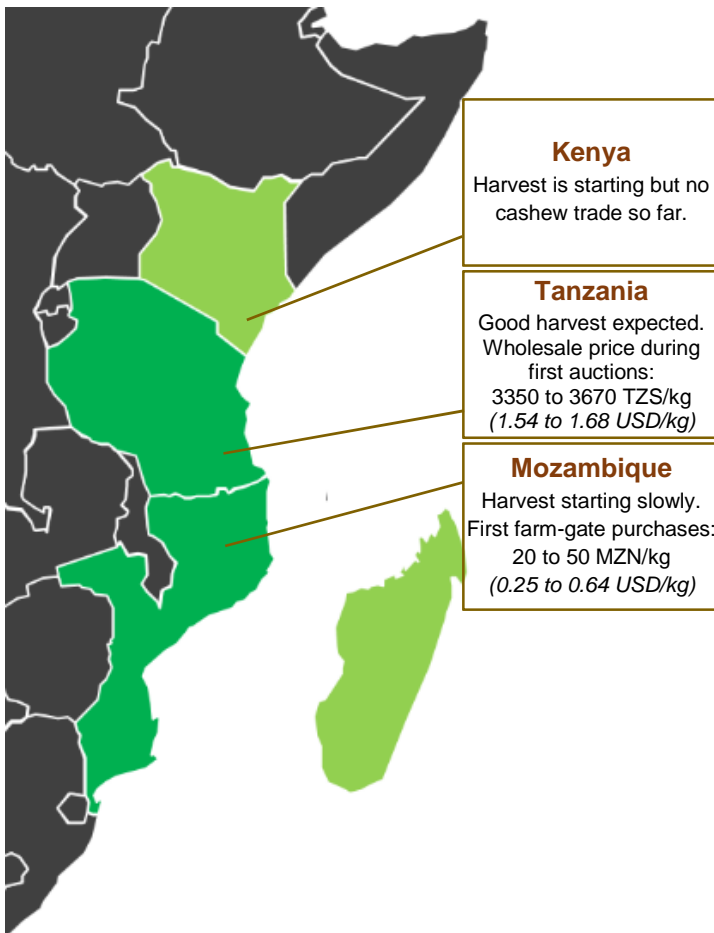
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Cashew market flash



Cashew market in East Africa

Cashew trade season is slowly starting in Mozambique and Tanzania. It should begin in the forthcoming weeks in Kenya.

Kenya

In Kenya, the majority of cashew trees are in fructification. Producers are beginning to gather small quantities of RCN, but sales have not begun occurring. Intensive marketing is expected to start by November. Unreliable rainfall has been the biggest challenge for most cashew farmers. However, small amounts of rainfall are expected to start soon.

Source: Noel Kasololo

Tanzania

Cashew harvesting has started in the southern zone of Tanzania, while in the northern zone farmers are picking only a few nuts. The crop is expected to be of a higher quantity than last year and the RCN quality is very good with an outturn of 48-52lbs.

The first "Warehouse Receipt System" auctions took place on October 14th. 4,000 MT of raw cashew nuts were traded during these auctions. Prices ranged between 3,595 and 3,670 TZN/kg

for RCN from Mtwara region, which are the best quality in Tanzania, and between 3,350 and 3,600 TZN/kg for RCN from Lindi region.

The Cashew Board of Tanzania (CBT) has announced that 66 buyers (local processors and export companies) have been registered to participate in these auctions. Two auctions per week are currently taking place, but the number of auctions may increase to four auctions per week at the beginning of November, as larger quantities of raw cashew nuts will be available at the warehouse level.

Source: Prof. PETER A.L. MASAWA Regional Coordinator, Cashew Improvement Network for Eastern and Southern Africa

Mozambique

In Mozambique, there are prospects for a very good cashew season given the increased production yields an enthusiasm shown by various actors (especially farmers and traders). The prospects are especially good for the northern region, where the climate conditions have been good and the pressure of pests and diseases has been low. In the southern region, the flowering process was delayed for approximately one month and more realistic figures should be provided within three weeks.

Although the climatic conditions are ideal for good fructification, stakeholders expect an average production in the Nampula region, which is the main cashew nuts producing region in Mozambique.

The opening of the 2016-2017 season in Nampula region is officially planned for the October 28th, but small sales have already been observed in villages, with farm-gate prices of 30 MZN/kg. Some minor sales were also noticed at the end of September in the Cabo Delgado region, with farm-gate prices ranging between 52 and 55 MZN/kg. Farmers who have already harvested and have limited stocks of RCN are selling these to meet their daily needs.

In the Zambézia region, small quantities of RCN are being harvested, but the bulk of the harvest is expected from the end of October (Pébane district) to the end of November (Gilé district). The official trade campaign will begin at the end of October. Small quantities have been sold at the farm level between 20 to 40 MZN/kg. In places where producers are more organized, such as Malema, they have begun harvesting; however they are not selling their products yet.

There are many local and foreign buyers on the ground and traders are placing their middlemen in most of the production areas. There are 15 local processing units in the county with a total processing capacity of 40.000 MT.

Source: ANA MACHALELA from INCAJU

Cashew market in West Africa

In West Africa, the rainy season is still ongoing. In most of the production areas, rains decreased a lot in October. The decrease in rainfalls and increase in sunshine has set off the fructification of the cashew trees.

Compared to the past season, we can thus expect a normal, or even an early production campaign. Yields should be good if no major climatic events happen between now and January.

Unsold stocks are dwindling at the producer level, but several loads of RCN are still in the process of exportation in West African ports.

On the local processing side, we observed during the last months a rise of cashew kernel exports in the sub-region. The quantity of cashew kernel processed in 2016 increased compared with the 2015 campaign. A slight increase in comparison with the 2014 record has also been observed.

The cashew and cotton council Cote d'Ivoire just announced that applications for approval for

cashew traders and exporters will be open from Monday October 24th 2016 to Wednesday November 30th 2016. The list of documents required for the application is available on the following link: http://www.conseilcotonanacarde.ci/?page_id=160 .

International cashew market

Cashew kernel prices increased significantly in the first half of October and it is now close to its historical peak, which was reached between August and October 2011.

The price of Raw Cashew Nut remains quite stable in Asian ports at a very high level. West African cashew stocks of poor quality (36 to 42 lbs/bag) are exported between 1,250 and 1,400 USD/Metric Ton CIF, medium quality (44-48 lbs/bag) is trading between 1,500 and 1,700 USD/MT CIF, while good quality stocks (48-50 lbs/bag) of Guinea-Bissau, Senegal, Gambia region are exported between 1,800 and 1,950 USD/MT CIF.

RCN from Indonesia and Tanzania, which are very good (54-56 lbs/bag) are contracted between 2,100 and 2,300 USD/MT.

International cotations

Cashew Kernel (<i>FOB Asia</i>)			
Description	Grade	Price USD/lb	Recent changes
White Whole 240	WW240	4,6 – 4,8	Increase
White Whole 320	WW320	4,4 - 4,6	Increase
Splits	FS/WS	3,3 - 3,5	Stable
Broken	LWP/LP	3,2 - 3,4	Stable

Raw Cashew Nut (RCN) (<i>CFR Asia</i>)			
Origin (<i>export period</i>)	KOR	Price USD/MT	Recent changes
Ivory Coast/Ghana (<i>Nov</i>)	36-42	1250-1400	Stable
Sen/Gam/GB (<i>Nov</i>)	46-50	1500-1950	Stable
Indonesia (<i>Nov</i>)	54-56	2100-2300	Stable
Tanzania (<i>Nov</i>)	54-56	2100-2300	Stable

Currency

Exchange rate: 1 USD=			This week	Last month	Exchange rate: 1 USD=			This week	Last month
West Africa	Franc CFA	XOF	595	585	Afrique de l'Est	Tanzanian Shilling	TZS	2190	2185
	Nigerian Naira (official)	NGN	317	310		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3,95	4		Mozambican Metical	MZN	77	77
	Gambian Dalasi	GMD	43	43	Asia	Indian Rupee	INR	66,5	67
	Franc Guinéen	GNF	9090	7350		Vietnam Dong	VND	22240	22300

Between January 1st, 2016 and October 15th, 2016, Vietnam imported over 850,000 Metric Tons of raw cashew nuts of which about 715,000 MT from West Africa, while India imported 660,000 Metric Tons of RCN of which about 535,000 MT from West Africa. In the end, it appears there was a slight decline in West African production with a marked reduction in the quantities harvested in the eastern area (Benin, Nigeria), a very slight decrease in the central production area (Côte d'Ivoire, Ghana, Burkina Faso, Mali, Guinea, Togo) and a net increase in production in the western area (Guinea-Bissau, Senegal and the Gambia).

Below are detailed import statistics for the period of January to September, 2016.

Raw Cashew Nut imports of India over 9 months (Metric Tons)				
	2014	2015	2016	
	Jan-Sept	Jan-Sept	Jan-Sept	Change
Côte D'Ivoire	320 221	315 908	189 984	▼ -40%
Tanzania	81 860	118 261	94 738	▼ -20%
Guinea Bissau	87 743	82 748	83 520	↔ 1%
Bénin	122 429	141 897	69 807	▼ -51%
Nigeria	25 010	44 582	31 796	▼ -29%
Ghana	64 052	64 172	31 768	▼ -50%
Sénégal	27 972	18 128	26 874	▲ 48%
Burkina Faso	5 324	10 994	22 427	▲ 104%
Mozambique	7 580	7 108	19 065	▲ 168%
Gambia	23 336	14 540	18 210	▲ 25%
Guinée	14 857	14 075	14 676	↔ 4%
Indonesia	12 540	10 641	9 957	▼ -6%
Togo	9 092	10 243	5 522	▼ -46%
Other	466	2 347	6 312	▲ 169%
Total	802 480	855 643	624 651	▼ -27%

Raw Cashew Nut imports of Viet Nam over 9 months (Metric Tons)				
	2014	2015	2016	
	Jan-Sept	Jan-Sept	Jan-Sept	Change
Côte d'Ivoire	162 682	294 420	345 095	▲ 17%
Cambodia	47 615	108 860	78 390	▼ -28%
Indonesia	8 848	24 572	26 769	▲ 9%
Other	242 855	309 423	349 378	▲ 13%
Total	462 000	737 275	799 632	▲ 8%

Imports India + Viet Nam over 9 months (Metric Tons)				
	2014	2015	2016	
	Jan-Sept	Jan-Sept	Jan-Sept	Change
Total	1 264 480	1 592 918	1 424 283	▼ -11%

The above chart shows that Indian industry continues to lose competitiveness and to focus on domestic demand and on the Middle East market, while Vietnam continues to take market share throughout the world, even on the Indian domestic market as shown below.

Cashew kernel export of India over 9 months (Metric Tons)				
	2014	2015	2016	
	Jan-Sept	Jan-Sept	Jan-Sept	Change
UAE	13 006	14 695	14 291	↔ -3%
USA	21 275	20 153	10 809	▼ -46%
Saoudi Arabia	5 418	6 219	5 953	↔ -4%
Japan	5 242	5 858	4 046	▼ -31%
Netherland	6 493	5 400	2 976	▼ -45%
Germany	2 628	2 717	2 108	▼ -22%
South Korea	2 503	1 612	1 771	▲ 10%
Belgium	2 141	2 180	1 626	▼ -25%
France	2 133	2 144	1 362	▼ -36%
Spain	1 853	2 112	1 324	▼ -37%
UK	1 895	1 757	1 052	▼ -40%
Italia	870	707	538	▼ -24%
Other	17 220	12 355	11 273	▼ -9%
Total	82 671	77 908	59 125	▼ -24%

Cashew kernel export of Viet Nam over 9 mois (Metric Tons)				
	2014	2015	2016	
	Jan-Sept	Jan-Sept	Jan-Sept	Change
USA	73 700	86 245	87 113	↔ -1%
China	37 058	33 202	36 012	▲ 11%
Netherlands	23 609	30 880	35 045	▲ 16%
UK	8 296	10 709	12 160	▲ 12%
Australia	12 538	12 653	11 830	▼ -8%
Germany	4 452	7 066	8 815	↔ 2%
Canada	7 541	8 332	8 152	▲ 19%
Thailand	5 553	7 228	6 384	▼ -7%
Italy	3 980	4 159	4 204	↔ 4%
Israel	2 750	2 608	3 535	▲ 32%
Russia	6 662	2 154	3 207	▲ 95%
India	478	1 707	2 896	▲ 39%
Other	38 383	39 631	40 265	↔ 2%
Total	225 000	246 574	259 618	▲ 5%

Exports India + Viet Nam over 9 mois (Metric Tons)				
	Jan-Sept 2014	Jan-Sept 2015	Jan-Sept 2016	Change
Total Kernel	307 671	324 482	318 743	↔ -2%
Total Eq RCN	1 476 821	1 557 514	1 529 966	↔ -2%

Trends are constant in the two world's leading importers of cashew kernel, the United States of America and the European Union (EU): imports were slightly down for the first and a slight increase in the second as shown below.

Cashew kernels imports of USA over				Cashew kernels imports of EU over				USA + UE kernel imports over			
8 months		(Metric Tons)		8 months		(Metric Tons)		8 months		(Metric Tons)	
	2015	2016			2015	2016			2015	2016	
	Jan-Aug	Jan-Aug	Change		Jan-Aug	Jan-Aug	Change		Jan-Aug	Jan-Aug	Change
Vietnam	69 742	68 185	▼ -2%	Vietnam	47 394	55 903	▲ 18%	Vietnam	117 136	124 088	▲ 6%
India	19 803	9 868	▼ -50%	India	17 237	11 461	▼ -34%	India	37 040	21 329	▼ -42%
Brazil	3 804	5 840	▲ 54%	Brazil	2 609	2 473	▼ -5%	Brazil	6 413	8 313	▲ 30%
Indonesia	1 201	2 011	▲ 67%	Côte d'Ivoire	1 310	1 916	▲ 46%	Indonesia	2 529	3 695	▲ 46%
Mozambique	1 380	1 795	▲ 30%	Indonesia	1 328	1 684	▲ 27%	Côte d'Ivoire	3 654	3 101	▼ -15%
Cote d'Ivoire	2 344	1 185	▼ -49%	Mozambique	369	942	▲ 156%	Mozambique	1 749	2 737	▲ 57%
Thailand	1 097	899	▼ -18%	Burkina Faso	309	438	▲ 42%	Thaïlandia	1 130	932	▼ -17%
Ghana	346	483	▲ 40%	Tanzania	173	188	▲ 9%	Ghana	379	594	▲ 57%
Tanzania	397	325	▼ -18%	Bénin	261	176	▼ -32%	Tanzania	570	513	▼ -10%
Nigeria	78	268	▲ 244%	China	96	149	▲ 56%	Burkina Faso	318	452	▲ 42%
Kenya	144	247	▲ 72%	Ghana	33	111	▲ 238%	Bénin	729	416	▼ -43%
Bénin	468	240	▼ -49%	Togo	199	107	▼ -46%	Nigeria	251	371	▲ 48%
China	232	104	▼ -55%	Nigeria	173	103	▼ -40%	China	328	253	▼ -23%
Togo	172	102	▼ -41%	Guinea		43		Kenya	144	247	▲ 72%
Burkina Faso	9	14	▲ 56%	Madagascar	24	38	▲ 58%	Togo	371	209	▼ -44%
Sénégal	8	6	▼ -25%	Thaïlandia	33	33	▶ 1%	Guinea		43	
The Gambia	16		▼ -100%	Sri Lanka	54	25	▼ -53%	Madagascar	24	38	▲ 58%
Guinée				Guinea-Bissau	85	13	▼ -85%	Sri Lanka	54	25	▼ -53%
Other	154	150		Other	813	1 066	▼ -8%	Other	1 077	1 235	▲ 41%
Total	101 395	91 722	▼ -10%	Total	72 499	76 869	▲ 6%	Total	173 894	168 591	▶ -3%

We can note the strong growth of processing sector in Indonesia and Mozambique (where the high level of protection of domestic industry finally seems to work) and the Brazilian industry, which is experiencing growth in its exports for the first time after five consecutive years of decline.

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