



AfricashewSplits

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The Cashew Market in West Africa

Nigeria

The Cashew market remains very active in Nigeria this week. However, there has been a sharp decrease of RCN arrivals at the producer level in Ogbomosho and Kwara over the past two weeks. Rains are intensifying in Kogi State where there is still good availability of RCN at the producer level. However, the RCN quality dropped significantly to 45-47 lbs due to heavy rains recorded last week representing a challenge in drying and storing of the nuts.

In Kwara and Ogbomosho, the RCN warehouse price is between 600 and 620 NGN/kg (1.91-1.97

USD/kg) with an average RCN Outturn of 46-48lbs. However, in Kogi State the RCN farm gate price decreased from 540-580 recorded last week to between 540 and 550 NGN/kg (1.71-1.75 USD/kg) this week with an average RCN outturn of 44-46lbs. RCN price from the traders in Kogi State is between 560 and 570 NGN/kg (1.78-1.81 USD/kg). RCN FOB price at the port of Lagos is still around 1,600 USD/MT with an average outturn of 45-47lbs.

Source: Market Analysts Mr. Azeez Ayodele and Mr. Alfred Makuoga Friday

Benin

In Benin, the cashew market is still active with an increasing demand of RCN from both local and foreign buyers. However, there has been a sharp decrease in RCN availability at both the producer and trader levels. The RCN quality remains nevertheless good with an average Outturn of 48-50lbs.

RCN farm gate prices are between 500 and 900 FCFA/kg (0.83-1.49 USD/kg) compared to 700-800 FCFA/kg recorded last week. The RCN warehouse price varies between 850 and 900 FCFA/kg (1,414-1,497 USD/MT) depending on the quality and the quantity against 700 and 850 FCFA/Kg recorded last week.

Source: FENAPAB

Burkina Faso

The cashew market is still active in Burkina Faso. The rainy season is yet to start and the weather is still very hot. However a few rains are starting in the production areas. RCN arrivals decreased at the producer levels with an average outturn of 47-49lbs.

This week there has been a slight increase in RCN

prices due to the high demand and low availability of the produce. The RCN farm gate price for the remaining RCN is between 700 and 865 FCFA/kg (1.16-1.43 USD/kg) compared to 700-785 FCFA/kg as recorded last week.

Source: Mr. NOMBRE ELOI,(UNPA/BF)

Côte d'Ivoire

In Côte d'Ivoire, demand for RCN remains high, but there is low availability of RCN. Stormy rains are more likely to settle in the production areas during the coming weeks as in most of the West African cashew producing countries.

This week, RCN farm gate increased from 750-850 FCFA/kg last week to 800-900 FCFA/kg (1.33-1.49 USD/kg) this week. The RCN warehouse

price is currently ranging between 825 and 950 FCFA/kg (1.37-1.58 USD/kg) depending on the origin and the quality of the nuts, while deliveries at the port are being made for between 900 and 975 FCFA/kg (1.49-1.62 USD/kg). The RCN FOB prices range between 1,050 and 1,150 FCFA/kg (1,747-1,913 USD/MT) and CFR prices between 1,100 and 1,250 FCFA/kg (1,830-2,079 USD/MT).

Source: Mr. kamate Issoufou from K.R Organisation

Ghana

RCN availability at the farm gate level is very limited. RCN may be bought at the trader level but their stocks are expected to run out soon as there is no longer a supply coming from the farm gate level.

It has been raining in the production zones amidst the prevailing hot weather across the country. More rains are expected in the month of May. RCN quality decreased from 47-49lbs to an average outturn of 45-48lbs .

The RCN farm gate price for the remaining stocks is currently between 5 and 5.5 GHS/kg (1.19-1.31 USD/kg) in most production areas. RCN

warehouse price is between 6.2 – 6.35 GHS/kg (1.48-1.52 USD/kg).

Industry players have called on the government to establish nurseries in all cashew producing areas to produce about 3.6 million grafted seedlings, which are early bearing, high yielding, and disease-tolerant, for all cashew farmers for subsequent plantation. This initiative aims to facilitate the expansion of raw cashew nut processing from 5,596 metric tons (about 11% of local production) to 200,000 MT by 2027.

Source: Cyril Alormene from MoFA

The Gambia

In The Gambia, cashew market is very active, especially at weekly markets, due to local traders moving into communities eagerly scouting for the stock of the season before the rains.

In the West Coast River and North Bank regions, RCN Farm gate price is between 70 and 75 GMD/kg (1.57-1.69 USD/kg) while the warehouse prices vary between 75 and 80 GMD/kg (1.69-1.8 USD/kg). Wholesale purchases across the border of Senegal are being made for around 75 GMD/kg.

In the Lower River Region where RCN stocks are limited, RCN farm gate price is between 65 and 70 GMD/kg (1.46-1.57 USD/kg).

Deliveries to Banjul and Denton Bridge Warehouses are being made for around 70 GMD/kg (1,578 USD/MT).

The cashew season is now entering the last stages of the first harvest and local processors are finding it difficult to purchase nuts at the current price and break even. The cashew nuts are being traded across the border trade from Senegal and some exporters around the Denton bridge depots are currently drying and exporting RCN to other destinations.

Source: Mr. Alpha O. Jallow from Cashew Alliance of the Gambia

The International Cashew Market

The cashew kernels market has been volatile in the past two weeks. Prices have quickly moved up from US\$4.60 per lb FOB WW320 to levels in a range from US\$4.95 - \$5.20 per lb. The increase seems to have been led by buyers from the USA who decided to cover shipments out to August. This type of buying has been a feature of the market over the past year. In February, a similar pattern moved prices from US\$4.20 to US\$4.60 per lb. Vietnamese processors, who dominate the World export trade, marked prices up quickly and were surprised when buyers followed so quickly. The market is taking a little time for consideration and possibly to recover from the shock of this latest rise toward record prices.

Quotations in India/Vietnam

<i>Cashew kernels FOB</i>			
Description	Grade	Price USD/lb	Recent changes
Whole White 240 kernels/lb	WW240	5.50 - 5.60	Increase
Whole White 320 kernels/lb	WW320	4.95-5.20	Strong increase
Splits	FS/WS	3.95	Increase
Broken	LWP/LP	3.45	Increase

<i>Raw Cashew Nut FOB Africa and CFR India/Vietnam</i>			
Origin	Outturn	Price USD/MT	Recent changes
West Africa CFR price (April Shipment)	44-53	1,500-2,350	Firm
Cote d'Ivoire CFR	48-50	1,830-2,079	Strong increase
Benin CFR	48-50	1,900 -1,950	Firm

It is difficult to justify the current levels of kernels prices based on the fundamentals of supply and demand. The crop in 2017 seems overall to be a good one. Vietnam is the only country which has a serious problem so far. Reports estimate that the Vietnamese crop is down by anywhere from 25% to 35% but we should remember that Vietnam produces less than 10% of the Worlds cashews in a normal year. Some traders are questioning the crop position in Cote D'Ivoire but so far the shipments are good and there is no major problem reported as can be seen from the commentary above. If there was to be a problem in Cote D'Ivoire then the market would react again. Other major producers in West Africa remain optimistic with Nigeria, Benin and Guinea Bissau all reporting good to very good crops.

The recent move in kernels prices has surprised many but we have often seen in the past that the sentiment of the cashew market far outweighs the facts and figures so further price rises are possible. These may damage demand and as seen in the past the fall after a two-season bull run may be dramatic but we cannot say when that will come.

RCN prices have not reacted to the latest price rise in kernels. They may not do so as current price levels for RCN mean tight margins even for efficient processors in Vietnam or India. It will also be difficult to judge the market for shipments in countries where the crop is coming to an end. As our correspondents above indicate the quality is declining in some countries as it normally does at this time of year. New crops are coming online in Guinea Bissau, Senegal and Gambia. International traders are quoting prices from US\$2100-US\$2300 Cfr depending on quality and payment.

It is another tough season for African processors. It is not easy for processors to get their costs and efficiency to the levels of the large Vietnamese processors. This is not just a problem in Africa. Indian processors who were kernel export oriented are also suffering. Many factories in Southern India are already closed and some are reselling their RCN and closing down. On the other hand, an efficient, well managed factory on the right scale in an African country should have the competitive advantages of location and supply chain.

Source: Mr. JIM FITZPATRICK, INGREDIENT SOURCING SOLUTIONS

Currency

Exchange Rate : 1 USD= ?			This Week	Last Week	Exchange Rate : 1 USD= ?			This Week	Last Week
West Africa	Franc CFA	XOF	601	618	East Africa	Tanzanian Shilling	TZS	2228	2227
	Nigerian Naira	NGN	314	315		Kenyan Shilling	KES	102.8	103
	Ghanaian Cedi	GHS	4.17	4.1		Mozambican Metical	MZN	70.44	70
	Gambian Dalasi	GMD	44.35	44	Asia	Indian Rupee	INR	64.17	64.5
	Franc Guinéén	GNF	9208	9218		Vietnam Dong	VND	22699	22733



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