



AfricashewSplits

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The Cashew Market in West Africa

Nigeria

There has been a sharp decrease in RCN arrivals at the producer levels and RCN quality dropped as the rainy season is starting. The RCN Outturn is currently mostly below 47 lbs/bag as it was last year. However, this week there was a slight increase in RCN prices due to high demand and decreasing RCN availability. Some buyers from Benin are on the ground scouting for RCN stocks.

Small purchases are being made at the producer level in Kogi State for between 550 and 570 NGN/kg (1.74-1.8 USD/kg) against 540-550 NGN/kg recorded last week. The RCN price from the traders in Kogi State is between 585 and 620

NGN/kg (1.85-1.96 USD/kg) against 560-570 NGN/kg recorded last week.

The RCN warehouse price in Kwara State is around 600 NGN/kg (1.9 USD/kg) with an average RCN Outturn of 44-46lbs. The RCN FOB price at the port of Lagos is still around 1,600 USD/MT with an average outturn of 45-47lbs. According to Mr. Azeez Ayodele, most exporters signed early contracts to deliver at this range of price and due to the current depreciation of the US dollars against the Nigerian Naira, they are still maintaining the same price range.

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

Benin

Cashew harvesting has ended in most producing regions, but a few producers are still gathering very small quantities from late-producing cashew trees. During 2016 cashew season at the same period we witnessed the same decline in both RCN quality and availability. The RCN quality dropped drastically from an average Outturn of 47-49lbs recorded last two weeks to an average Outturn of 47lbs recorded this week. However, the demand for the available RCN is quite high for this period of the season.

According to Mr. Valentin Atchaoue from TechnoServe Benin, the country is expecting a total production of 120,000 MT this year. Up to 45,000 MT of RCN have already been exported through the port of Cotonou, while 40,000 MT of RCN transited through the border with Togo. The supply to local processing units is estimated to be 20,000 MT of RCN and it is now estimated that

there is about 15,000 MT of RCN remaining on the ground.

This week there was a slight increase in RCN prices at both producer and trader levels. The RCN farm gate price for the remaining RCN is between 800 and 950 FCFA/kg (1.33-1.58 USD/kg) compared to 700 -865 FCFA/kg as recorded last week. The RCN warehouse price is currently around 1,000 FCFA (1.67 USD/kg) for an average Outturn of 45-47lbs. The RCN FOB price is currently between 1,900 and 2,000 USD/MT for an average Outturn of 47lbs.

Some local processors (Afokantan, Tolaro, and Fludor) are currently buying at the farm level for around 920 FCFA/kg (1.53/kg), but for around 1,000 FCFA/kg (1.67 USD/kg) from the traders.

Source: FENAPAB

Burkina Faso

The cashew season is coming to an end in Burkina Faso. RCN availability is very limited at both producer and trader levels. RCN Prices generally remain in the same range as in the previous week and local processors are still facing difficulties in purchasing at the current price level.

Farm gate purchases for the remaining stocks are between 600 and 865 FCFA/kg (1-1.44 USD/kg) compared to 700 and 865 FCFA/kg recorded last week. Deliveries to local processors are being made between 985 and 990 FCFA/kg (1,647-1,655 USD/MT) for an average KOR of 46-48lbs.

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

Côte d'Ivoire

RCN arrivals are decreasing in Cote D'Ivoire and the market is slowing down. RCN Quality is dropping, while prices remain high. Buyers are concerned about the quality and limited availability of RCN during this period of the campaign. In general, RCN prices remained in the same range as last week.

RCN farm gate prices remain between 800 and 900 FCFA/kg (1.33-1.5 USD/kg) and the RCN

warehouse price is still between 825 and 950 FCFA/kg (1.37-1.58 USD/kg). Deliveries to the port are being made for between 890 and 950 FCFA/kg (1,488-1,588 USD/MT) against 900-975 FCFA/kg recorded last week. The RCN FOB price varies between 1,050 and 1,200 FCFA/kg (1,755-2,000 USD/MT) and the CIF price is between 1,200 and 1,300 FCFA/kg (2,000-2,173 USD/MT).

Source: Mr. kamate Issoufou from K.R Organisation

Ghana

There has been a continuous drop in both RCN arrivals and quality for the past two weeks. In the region of Sampa, Dorma, and the surrounding communities, there are still small quantities of RCN at the producer level. RCN quality dropped from an average Outturn of 48-50lbs at the early season to an average Outturn of 46-47lbs currently.

In the region of Bole, Sawla, and Wenchi, RCN arrivals at the producer level also decreased but the quality of the available stocks is still good

with an average Outturn of 47-49lbs according to Mr. DeClerq Mensah the MoFA District Director based in Bole.

The RCN farm gate price for the remaining stocks is still between 5 and 5.5 GHS/kg (1.19-1.3 USD/kg) in most production areas. Deliveries to local processing units in Sampa are being made between 6 and 6.5 GHS/kg (1,428-1,547 USD/MT) for an average Outturn of 46-47lbs .

Source: Cyril Alormene from MoFA

Togo

The cashew campaign is coming to an end in Togo. RCN quantities are very limited at the producer level. Only a few stocks are still available at the producer level for between 900 and 925 FCFA/kg (1.5-1.54 USD/kg) and for an average Outturn of 40-44lbs. The RCN price from traders is between 975 and 1025 FCFA/kg (1.63-1.71 USD/kg).

According to the general secretary of the Interprofession of the Cashew Nut Industry in Togo, Mr. Richard, RCN quality decreased from an average Outturn of 48-49lbs at the beginning of the campaign (March) to a current Outturn of 40-44lbs. This sharp decline in RCN quality is mostly due to certain post-harvest malpractices and the lack of regulation of the cashew market in Togo. Indeed, it has been reported that many of the

cashew producers do not wait till the nuts have fallen down before gathering and this has contributed to disrupting the production cycle of

Source: Mr. Richard from Cajou Espoir

Guinea Bissau

The cashew market in Guinea Bissau is very active with both local and foreign buyers on the ground. The weather condition is good at this period of the campaign and the RCN quality is very good with an average Outturn of 50-54lbs. The demand for RCN is very high at the moment due to the good quality and the good availability.

However, RCN price at the farm level increased this week and local traders are facing difficulties to purchase at the current range of price. In three weeks RCN price increased from 500 FCFA/kg (reference price announced by the regulatory authority ANCA-GB on March 31st, 2017) to 650

several cashew trees whose yield this year appears lower compared to the previous season.

and 900 FCFA/kg (1.08-1.5 USD/kg) at the farm gate this week.

Several loads of RCN (up to 50,000 MT) have already arrived at the Port of Bissau but exports have not yet started. According to Mr. Mario Mendonça from PRSPDA Guinea Bissau, Exports of RCN at the port level are expected to start in the coming two weeks.

Source: Mr. Mario Mendonça, PRSPDA and Mr. Tample Cardoso, ANCA

Senegal

In Senegal, the cashew market was very active this week with an increasing number of buyers on the ground compared to the previous weeks.

RCN arrivals are increasing from producers and traders level in Casamance (Ziguinchor, Sédiou and Kolda region), while in the Sokone, where the season started earlier, there is a decrease in RCN availability at the producer level. RCN quality is very good with an average Outturn of 50-52lbs.

This week there was a sharp increase in RCN prices due to the high demand and speculation from some of the traders. The RCN farm gate price is currently around 1,025 FCFA/kg (1.71 USD/kg) in the Ziguinchor. RCN wholesale price at the traders level is around 1,100 FCFA/kg (1.83 USD/kg) while the FOB price at the port of Ziguinchor is around 2,100 USD/MT for an average Outturn of 50-54lbs.

Source: Mr. Lamine Sene from FNDASP

The International Cashew Market

The cashew market remains firm although without the panic on kernels that was seen last week. The pattern of a spate of heavy buying followed by a return to hand to mouth strategies is familiar having been the norm over the past two seasons. RCN prices have remained steady on international markets despite lower outturn yields offered. Paying the same price for lower quality is effectively a price rise but it is difficult to work out the level of rise at this time of year due to variable qualities in the areas where the crops are coming to an end. From Senegal and Guinea Bissau prices on the international market have remained

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

Raw Cashew Nut FOB Africa and CFR India/Vietnam			
Origin	Outturn	Price USD/MT	Recent changes
West Africa CFR price (April Shipment)	44-53	1,500-2,350	Firm
Cote d'Ivoire CFR	45-47	1,830-2,079	Slight increase
Benin CFR	47	1,900 -1,950	Firm

around the same levels as last week – traders had anticipated that farm gate prices would rise and had built this into initial offers.

Trade figures just released indicate that whilst Vietnams exports of kernels to the end of April 2017 are down 7.5% in volume to 83,856 tonnes imports of RCN are up 87% to 270,227 tonnes. The overall impact is that the supply of RCN for the time of year is up 150,000 tonnes which bridges the gap of even a 40% drop in the Vietnamese crop. April imports would include RCN shipped by mid-March. This indicates that the Vietnamese processors knew of their crop problem in advance and purchased accordingly. It also explains the sharp and early rise in RCN prices. In terms of supply and demand the question now is how much is left in West Africa unsold between inventories and arriving crops?

Meantime fears of the impact of high prices on demand remain. Although import figures in the main destination markets remain steady to end March we have to remind ourselves that the buying decisions for these shipments were made months ago and the prices were lower then. With WW320 in the region of US\$5.00/lb FOB we would expect resistance from buyers over the coming weeks. However, for now, although the market is likely to retrace some of its steps on kernels prices as processors look to make some sales and traders offer forward positions to roasters the sentiment remains for steady prices.

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	598	601	East Africa	Tanzanian Shilling	TZS	2228	2228
	Nigerian Naira	NGN	315	314		Kenyan Shilling	KES	102.98	102.8
	Ghanaian Cedi	GHS	4.19	4.17		Mozambican Metical	MZN	70.44	70.44
	Gambian Dalasi	GMD	45	44.35	Asia	Indian Rupee	INR	64.64	64.17
	Franc Guineén	GNF	9208	9208		Vietnam Dong	VND	22729	22699

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