CASHEW MARKET BULLETIN

AFRICAN CASHEW ALLIANCE
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The Cashew Market Flash

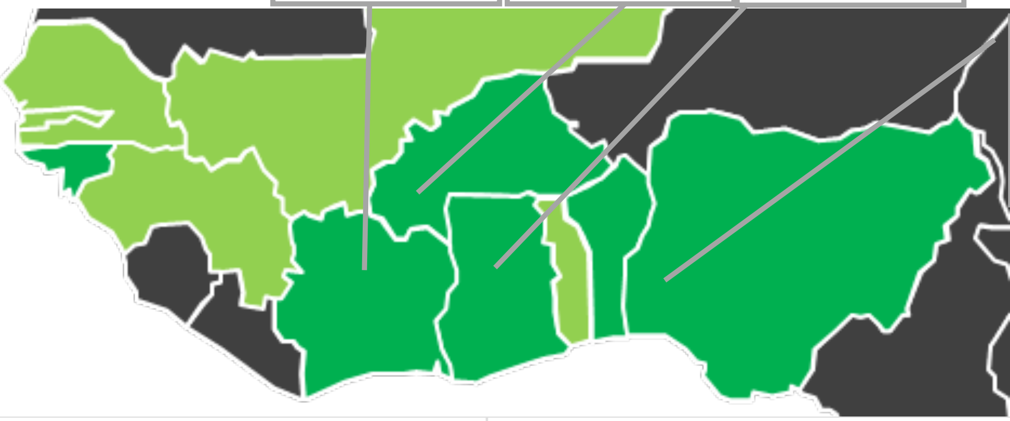
Current RCN Price from West African Cashew Producing Countries

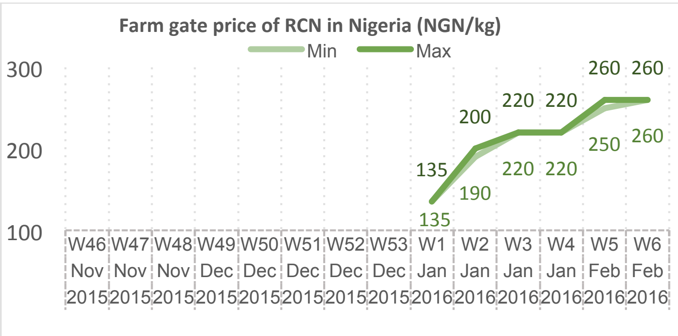
Côte d'Ivoire: Farm gate price: 350 to 500 FCFA/kg (590 to 850 USD/MT)

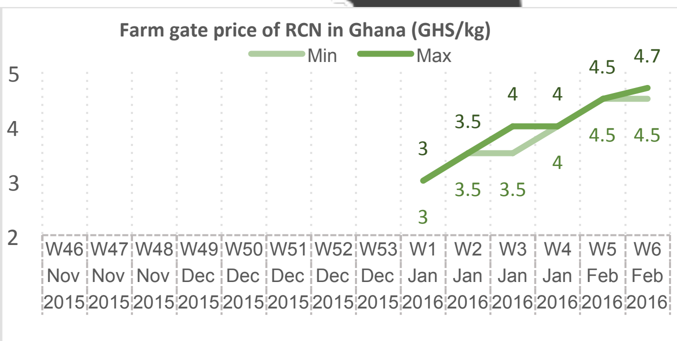
Burkina Faso: First small purchases: 250 to 300 F/kg (420 to 570 USD/MT)

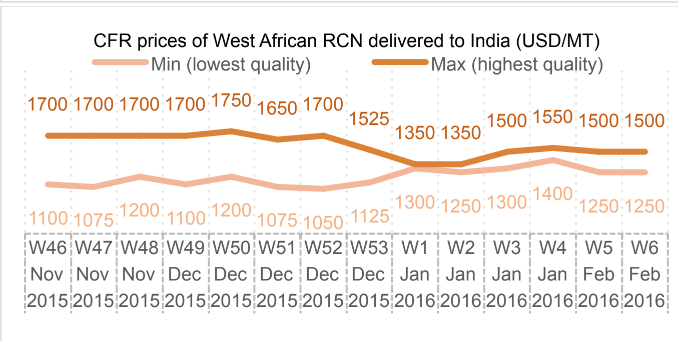
Ghana: Farm gate price: 4.5 to 4.7 GHS/kg (1,130 to 1,180 USD/MT)

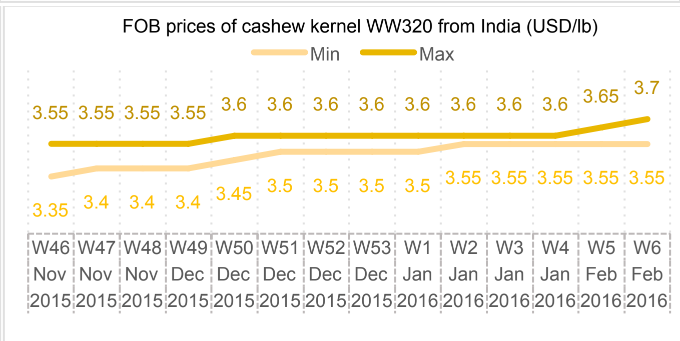
Nigeria RCN farm gate price this week: 260 NGN/kg (1,300 USD/MT)











The Cashew Market in West Africa

Nigeria

The cashew price in Kogi state this week is relatively stable. Stakeholders are currently buying at a rate of 260 NGN/kg (1,300 USD/MT) at the farm gate, while the wholesale market price remains at 270 NGN/kg (1360 USD/MT).

In Enugu state, which is also one of the cashew producing areas, cashew is being bought at NGN 270,000 per ton in Orba market.

The quality of the cashew presently is between 48 and 50 KOR and the nut count is 170 to 200.

Presently there's no Lagos delivery and FOB price until after the National Cashew Association of Nigeria (NCAN) flag official launch which is schedule to take place on 29th of February 2016.

Cashew is still fruiting in Oyo and Kwara States, as the cashew crop is a bit delayed this year all over Nigeria.

Some of the processing factories have started production, while others are still waiting for market to officially start.

Source market analyst Azeez Ayodele and Mr. Alfred Makhuoga Friday

Ghana

The price of RCN at the farm gate has not changed over the past week as nuts are still being sold at 4.5 GHS/Kg (1,130 USD/MT) in Techiman, Wenchi and surrounding areas. However, at the border towns between Ghana and Cote d'Ivoire, the nuts are selling between 4.4 and 4.7 GHS/Kg (Avg. 1,130 USD / MT).

At the warehouses nuts are sold between 4.8 to 5 GHS /kg (Avg. 1,225 USD/MT) with an average outturn of 50 lbs.

Prices are high as a result of demand far exceeding supply. Farmers are not able to meet the current demand of buyers. Most buyers and processors expect the pic of the season by mid of March. Someone said a drizzling could help improve the condition of the production as some flowers are drying on the trees; however the rainy season may follow in the two coming months.

Source: market analyst Cyril Alormene from MoFA

Burkina Faso

For the moment in Burkina Faso the cashew market remains sporadic and with small scale sales. The majority of trees have not yet finished their first fruiting and those that have fruits are producing generally small quantities.

Sales of some kilograms are around 250 FCFA/kg (420 USD/MT) with village buyers in Leo area. In the region of Orodara, a box of 1.5 kg is being bought by local processors for 500 FCFA or about 335 FCFA /kg (570 USD/MT). The season should intensify during March with more volumes available on the market.

Source: N'kalô market analyst; Manéré Ouedraogo and Mr. Nombre

Cote d'Ivoire

In Côte d'Ivoire, the market for cashew is slowly beginning with the official opening of the campaign and the announcement of the official farm-gate minimum price at 350 FCFA/kg (590 USD/MT). However, the quantities available are low due to the late arrival of this year's production.

Contrary to last year, the first truckloads of cashew headed towards the port of Abidjan will not be complete before the end of this month or even the beginning of March as only 10% of the trees will bear fruit at maturity.

Small sales are being noted in Zanzan and Woroba where harvests have arrived earlier than other regions, but remain low compared to the same period last year. The first sales after the official announcement of minimum farm gate prices are between 350 and 500 FCFA/kg (590 and 850 USD/MT) in Zanzan where competition is already intense. In Woroba, where purchases are still low, the price of 350 FCFA/kg is being maintained. In other regions, the purchasing of the crop should begin in the coming weeks.

Source: N'Kalô Market Analyst; Sékongo Soungari

The Cashew Market in East Africa

Kenya

Demand for cashew is still very high in Kenya. Farm gate price for RCN is 60 KES/kg (590 USD/MT), while warehouse price is 68 KES/kg (670 USD/MT). Flowering and fruiting is still ongoing for some of the cashew trees. The biggest challenge is that some of the cashew trees are experiencing flower abortion, hence affecting the fruiting process.

Source Ustadi Foundation, Noel Kasololo

The International Cashew Market

Offers for cashew kernel are still limited due to the temporary closure of factories in Vietnam during the Tet holidays and the shutdowns of some Indian factories due to lack of raw material.

Under these conditions, the prices for the delivery of cashew kernels in the short-term has increased slightly, especially for white whole kernels (WW240, WW320 and WW450).

Regarding RCN export offers for West African cashews, they have tended to decrease slightly due to the number of exporters based in the sub-region now looking for contracts, while many importers seem to be acting cautiously and fulfilling only small orders for now.

International quotations in India/Vietnam

*Cashew kernels **FOB***			
Description	**Grade**	**Price USD/lb**	**Recent changes**
Whole White 240 kernels/lb	WW240	3.8 - 3.95	Slight increase
Whole White 320 kernels/lb	WW320	3.55 – 3.7	Slight increase
Splits	FS/WS	3.2 - 3.35	Stable
Broken	LWP/LP	3.1 – 3.2	Stable

*Raw Cashew Nut **CFR** India/Vietnam*			
Origin	**Outturn**	**Price USD/MT**	**Recent changes**
West Africa (coming harvest, deliveries from end of March)	47-50	1250-1500	Slight decrease
Indonesia (limited availability)	48-50	1650-1700	Stable

This rebalancing between prices of kernels and prices of RCN seems normal, as the current processor margins were not sustainable and it is probable that the supply of RCN will increase sharply in the coming months.

Currency

Exchange Rate: 1 USD=			**This Week**	**Last Week**
West Africa	Franc CFA	XOF	590	587
	Nigerian Naira	NGN	199	200
	Ghanaian Cedi	GHS	4	4
	Gambian Dalasi	GMD	40	40
	Franc Guineén	GNF	7689	7765

Exchange Rate: 1 USD=			**This Week**	**Last Week**
East Africa	Tanzanian Shilling	TZS	2189	2170
	Kenyan Shilling	KES	102	102
	Mozambican Metical	MZN	48	48
Asia	Indian Rupee	INR	68.5	68
	Vietnam Dong	VND	22365	22300

The Analysts' Opinion

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Cashew kernel imports of the United States and the European Union for the month of December have experienced growth relative to 10% compared to 2014. However, this growth rate is increasing in the USA (14,472 MT between 2014 and 2015 against 6,453 MT between 2013 and 2014) and decreasing in the EU (10,620 MT between 2015 and 2014 against + 22,572 MT between 2014 and 2013).

US cashew imports					European union (EU28) cashew imports				
Metric Tons	2013	2014	2015	2015/2014	Metric Tons	2013	2014	2015	2015/2014
VIETNAM	75 676	90 817	106 251	17%	VIET NAM	42 602	60 079	76 407	27%
INDIA	34 880	28 471	27 928	-2%	INDE	25 891	27 726	25 243	-9%
BRAZIL	9 164	6 603	5 750	-13%	BRESIL	5 831	6 590	3 887	-41%
COTE D'IVOIRE	2 768	3 322	3 433	3%	TANZANIE	451	1 193	2 017	69%
MOZAMBIQUE	2 188	1 770	2 369	34%	COTE D'IVOIRE	1 403	1 931	1 981	3%
INDONESIA	1 963	1 652	2 056	24%	BURKINA FASO	253	737	764	4%
THAILANDIA	1 099	1 230	1 589	29%	MOZAMBIQUE	634	720	514	-29%
GHANA	976	1 145	653	-43%	NIGERIA	117	244	435	78%
BENIN	447	614	552	-10%	BENIN	-	116	306	165%
TANZANIA	220	618	523	-15%	GHANA	263	485	222	-54%
CHINA	192	341	344	1%	INDONESIE	1 287	1 621	195	-88%
TOGO	244	164	321	96%	CHINE	99	34	127	276%
KENYA	442	172	238	39%	MADAGASCAR	97	48	98	107%
NIGERIA	502	207	220	7%	SINGAPOUR	516	412	98	-76%
BURKINA FASO	393	533	9	-98%	TOGO	47	96	95	0%
GUINEA	141	89	-	-100%	GUINEA	75	33	65	97%
OTHERS	370	370	349	-5%	OTHERS	1 033	1 105	1 335	21%
TOTAL	**131 662**	**138 115**	**152 587**	**10,5%**	**TOTAL**	**80 598**	**103 170**	**113 790**	**10,3%**

Vietnam has confirmed its leading position in both markets with a strong growth of its exports, while India's exports declined slightly and those of Brazil continue to collapse.

In Africa, East Africa finally experienced a strong growth of its cashew kernel exports due to these two major areas of consumption. Tanzania exported 730 MT of cashew kernels more than in 2014, while Mozambique exported 393 MT more and Kenya exported 67 MT more. In contrast, West Africa has experienced a net decrease of total exports with a sharp drop in the sector in Ghana of 755 MT, Burkina Faso 497 MT less. Meanwhile, Nigeria kernel export increases slightly with 204 MT, Ivory Coast 161 MT and Togo 158 MT. However, compare to 5 years ago a country like Nigeria, exports were estimated at more than 10,000 MT. The processing sector in West Africa is experiencing much slower growth since the past 3 years.

Overall, in these two markets the economic outlook remains, for the moment, in favor of continued growth in cashew consumption in 2016. However, given the recent decline in the price of almonds (Prunus Dulcis) and walnuts (Juglan S.) and that the prospects for economic growth are rather bleak, it is not impossible that this consumption growth will slow down slightly, particularly in the EU where the decline of the Euro has reduced the purchasing power to buy imported products.

We continue to believe that the RCN market in West Africa has a high risk of trend reversal in the mid-campaign. Indeed, prices have already begun a sharp rise in the sub-region, following the first wave of Asian control processors looking to secure a portion of their supply. If the strong growth in production is confirmed and if prices for cashew kernels do not see a sharp rise, RCN prices could start to decline in the second half of the campaign (around the end of April).

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