

CASHEW MARKET BULLETIN



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CASHew
ALLIANCE**

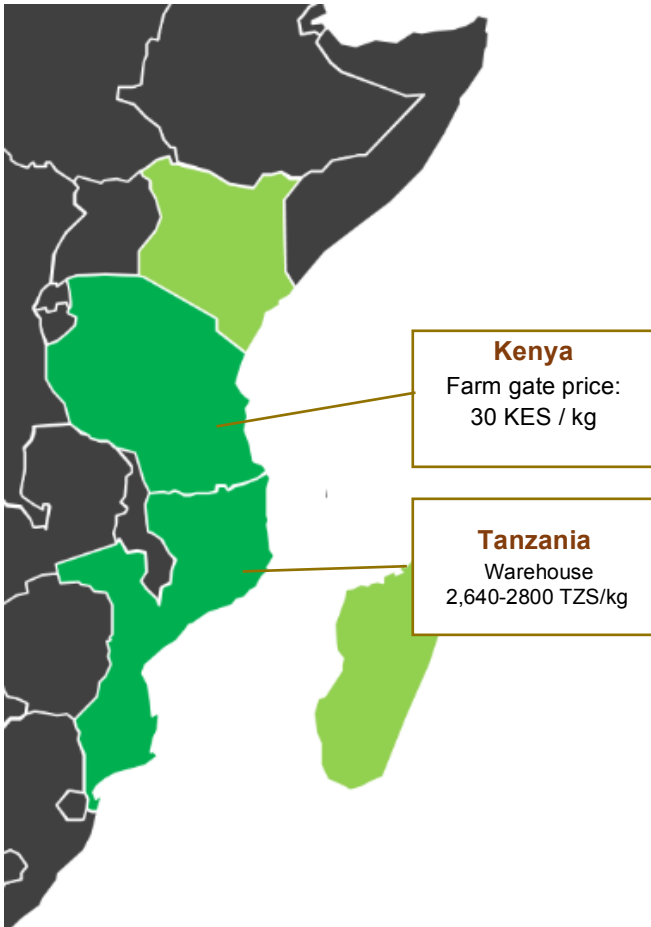
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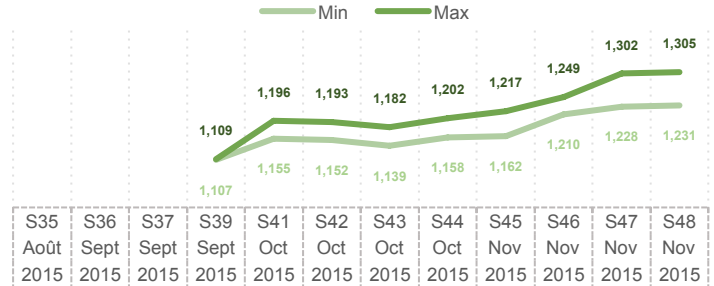
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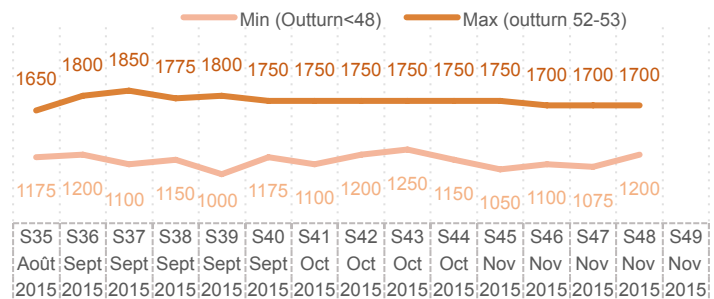
The market at a glance



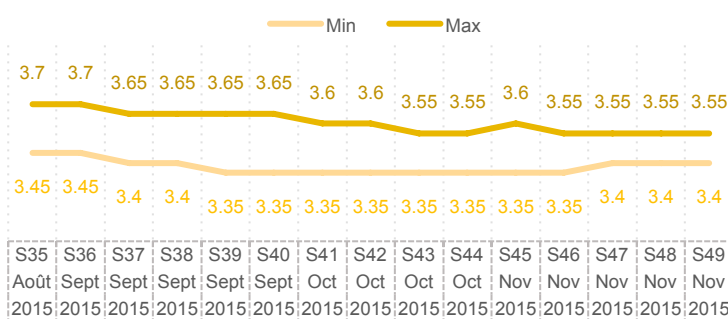
Price of RCN delivered in Warehouse in Tanzania(USD/t)



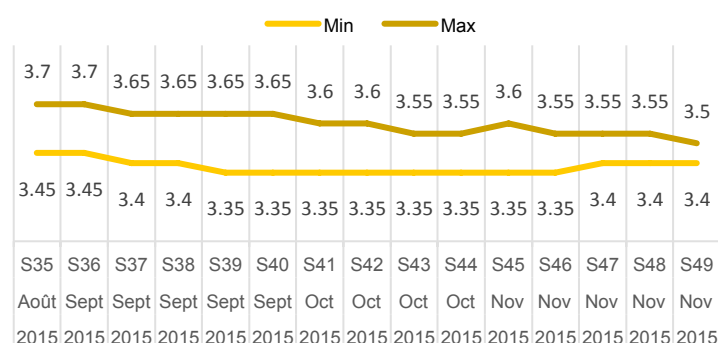
CFR prices of West African RCN delivered to India (USD/t)



FOB prices of cashew kernel WW320 FOB from Inde (USD/lb)



FOB prices of of cashew kernel WW320 from Vietnam (USD/lb)



This is a publication of *N'Kalô Information and Advisory Service* and the *African Cashew Alliance*. It is realized with the support of:

The Cashew Market in East Africa

Kenya

In Kenya, Farmers began harvesting three weeks ago. In some parts of Kilifi County, such as Kaliapapo and Garithe, some middlemen are buying raw cashew nuts (RCN) from farmers at the price of 30 KES/kg (\$0.29 USD/kg).

For farmers bringing their cashew to the buyer's depot, are getting up to 50 - 65 KES/kg (\$0.49 to \$0.63 USD/kg).

Mozambique

In Mozambique, the marketing season is ongoing as the export of RCN is on hold in order to give priority to local processors attempting to secure their raw material. Still, some exporters have started to extend export offers.

Tanzania

The price of RCN in official auctions in Tanzania has slightly increased over the past few weeks. As the quantities sold every week continue to decline, Tanzania is suspected to have a poor harvest this year.

It is also important to note that the number of buyers wishing to participate in the auction is continuously rising and therefore it is likely that prices will increase gradually in the coming weeks. Last week the raw cashew nuts auction price was around 2,640-2800 TZS/kg (1.2 – 1.3 USD/kg)

The Cashew Market in West Africa

Burkina Faso

In Burkina Faso cashew orchards are now at early flowering stages and weather conditions remain favorable. For maintenance activities, the actors are estimating now between 60 and 70% of orchards cleaned.

At the processing level there are only two units that currently work (though at a lower potential), while there are over 5 main export ready companies in the country.

Cote d'Ivoire

This week in Côte d'Ivoire the situation is the same as last week. At the plantation level, flowering continues to intensify gradually, while the late producers continue to care of their farms. The rainy season has effectively ended and gave way to the Harmattan weather patterns in full swing right now in the production areas.

Nigeria

Nigerian cashew farmers are still working on cashew trees nurseries, through activities such as clearing and setting the fire belt. Many big processors are preparing to close down their factories for the year, while small scale processors continue to process. New warehouses are also in construction in Kogi state and foreign buyers are securing contracts for the upcoming season.

The International Cashew Market

The price of RCN, as well as that of cashew kernels, increased slightly in the international market this week as compared to previous weeks.

The scarcity of fresh RCN on the global market contributes to strong competition for Indonesian and Tanzanian RCN. The level of the competition among buyers in these two countries has an effect on increasing RCN prices.

Many processors have increased the price of their cashew kernels. This is an indicator of more buying from the consuming countries.

International quotations in India/Vietnam

Cashew kernels FOB			
Description	Grade	Price USD/lb	Recent changes
Whole White	WW320	3.45 - 3.55	Slight increase
Whole White	WW240	3.65 – 3.75	Slight decrease
Splits	FS/WS	3.15 - 3.20	Steady
Broken	LWP/LP	3.00	Steady

Raw Cashew Nut CFR India/Vietnam			
Origin	Outturn	Price USD/MT	Recent changes
West Africa (almost no more stocks)	40-44	1200-1400	Increase
Indonesia	51-53	1675-1750	Slight decrease
Tanzania	52-53	1650-1720	Slight decrease

Exchange rate: 1 USD=		This week	Last Week
WEST AFRICA	Franc CFA XOF	618.19	615.78
	Nigerian Naira NGN	199.00	199.25
	Ghanaian Cedi GHS	3.80	3.84
	Gambian Dalasi GMD	39.60	40
	Franc Guineén GNF	7757	7708

Exchange rate: 1 USD=		This week	Last week
EAST AFRICA	Tanzanian Shilling TZS	2164	2162
	Kenyan Shilling KES	102.12	102.22
	Mozambican Metical MZN	54.25	52
ASIE	Indian Rupee INR	66.55	66.34
	Vietnam Dong VND	22490	22493

The Analysts' Opinion

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The quality of RCN from East Africa may decrease due to continuous rains although Tanzanian nut quality remains quite good. Storage in Tanzania is not a problem as warehouses still have enough space to store more nuts. In most cashew producing countries in West Africa, farmers continue to maintain their plantations while local processors are closing for the current year. The main concern for stakeholders in Africa is to find a better strategy for securing stocks of raw cashews for local processors.

On the international market, the demand for snacks is still very good and cashew remains the cheapest tree nut on the market. This continues to encourage consumption. Cashew is able to compete with almond and hazelnuts now that there is a market for broken kernel usage in food processing.

Prices of kernels should remain stable and increase slightly by the end of the year. During 2016, the prices of RCN could experience a small decrease if the West African crop is as huge as expected. Côte d'Ivoire is expecting an increase of 20% in 2016 due to new cashew orchards in progress and the expansion of farm management at the country level. The rest of West African cashew producing countries also predict an increase of cashew crop production in 2016 compared to the 2015 campaign. In Benin, Ghana and Burkina Faso cashew producers and extension officers state that the plantations canopies are blooming perfectly.

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