

# CASHEW MARKET BULLETIN



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CASHEW  
ALLIANCE

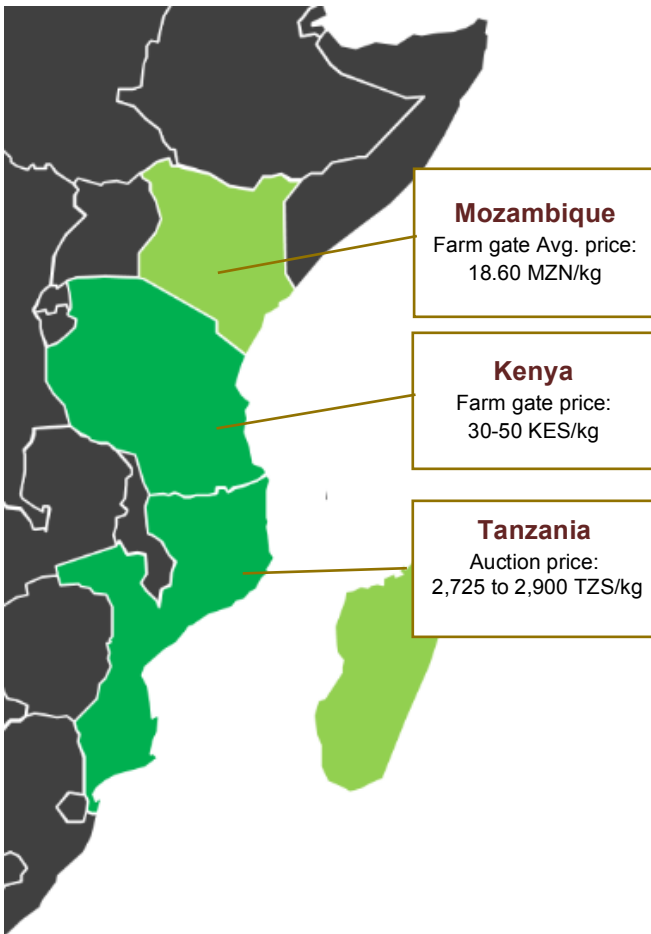
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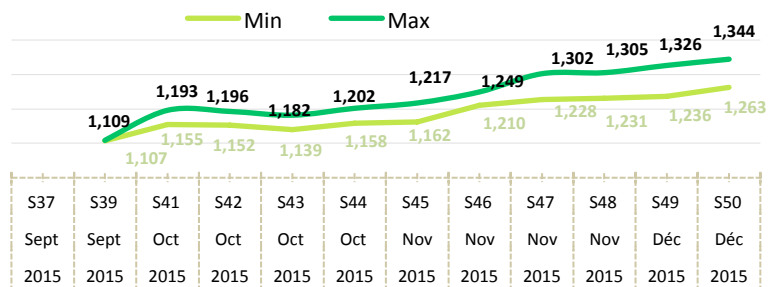
African Cashew Alliance: Achille OUEDRAOGO  
[information@afriancashewalliance.com](mailto:information@afriancashewalliance.com)

N'Kalô Service: Pierre RICAU  
[international@nkalo.com](mailto:international@nkalo.com)

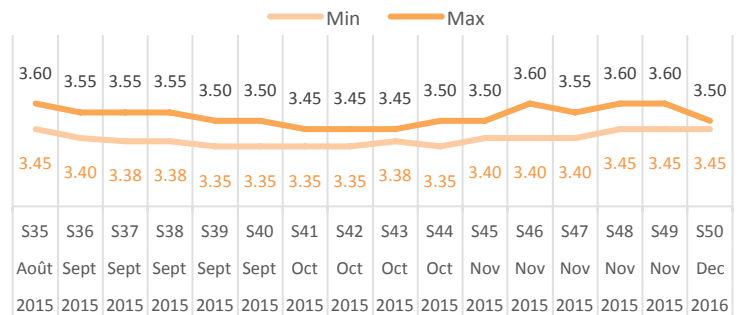
## The Cashew Market Flash



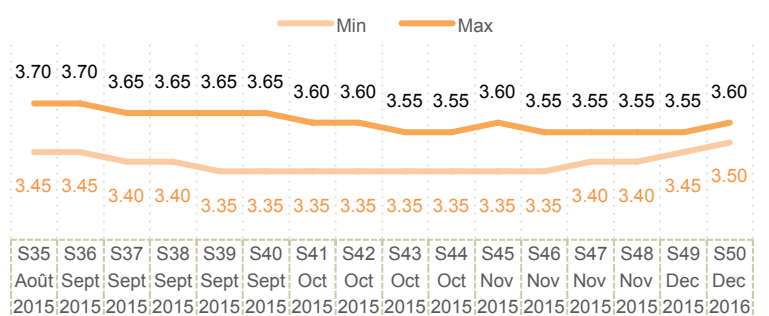
RCN delivered in Warehouse, Tanzania (USD/t)



WW320 Cashew Kernel FOB, Vietnam (USD/lb)



WW320 Cashew Kernel FOB, India (USD/lb)



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## The Cashew Market in East Africa

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### Kenya

In Kenya, the farm gate price for raw cashew nuts (RCN) currently ranges from 30-50 KES/kg (0.29 to 0.49 USD/kg). Most middlemen are buying from farmers within this price range. The price of RCN at the farm gate has increased in average by 30%.

Cashew processing companies have started receiving RCN from middlemen at 60KES/kg (0.58 USD/kg) on average. Some processors have already started processing operations. However, the biggest challenge affecting the processors at the moment is the poor quality of RCN. As most of the cashews are affected by anthracnose, it is therefore possible that many companies might not be able to meet their processing targets.

### Mozambique

The raw cashew season is still in progress. During the past week, some trading was registered throughout the country. The amount of RCN traded between the 3<sup>rd</sup> and the 30<sup>th</sup> of November 2015 was 30,621.7 tons, representing 31% of the original projection. The RCN price is also high this season compared to last season.

In the past week, the average farm gate price was 31.00 MT/kg (USD 0.57/kg) while the average farm gate price obtained last season was 18.60 MT/kg (equivalent to USD 0.35/kg)..

In the provinces of the Central and Southern regions the season has just begun. A good crop is expected if there are no adverse rains in December and January.

*INCAJU, Carmindo Chibucwane Novele, Maputo, December 03, 2015*

### Tanzania

The raw cashew season is still ongoing in Tanzania, however the crop quality is dropping while the prices are still very high. Last week, the top grade crop (48lbs) was traded between 2,725 to 2,900 TZS/Kg (1.26-1.34 USDS/kg) and the lower grades (44 to 47lbs) were traded at 2,510 TZS/Kg (1.16 USD/kg). Buyers' interest has dropped due to the high prices. The next auction will proceed this week from the 10<sup>th</sup> of December to the 13<sup>th</sup> of December 2015. Exports to India are being sold around 1,725 and 1,750 USD/MT.

*Extract from Mr. Juma, Cashew nut Board of Tanzania in Cashew Info Volume-16, Issue-49, 29 Nov-4 Dec., 2015*

## The Cashew Market in West Africa

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### Benin

The supply of raw material for processing plants in Benin has experienced enormous difficulties throughout 2015. As a result, factories are idle or are currently closed. Out of seven companies registered in the country, most of the processing units are closed. Only three main processing companies operate at this time, which represents an installed capacity of 8,000 tons.

Next week, the members of the cashew stakeholders' platform task force are meeting to profile the 2015-2016 cashew-marketing season. The purpose is to discuss farm gate reference prices at the beginning of the season, the strategy to supply local processors, and the date of the official launch.

### Burkina Faso

In Burkina Faso, cashew trees are now in full bloom and no weather problems currently exist that could affect the yield. Farmers have already been trained on the protection of orchards, harvest and post-harvest (HPH) management in order to prepare for the upcoming campaign.

## Cote d'Ivoire

At the farm level, flowering continues and it is possible to see the fruiting of some trees. Buyers are preparing for the new campaign by positioning their middlemen in the production areas.

The due date of registration for cashew trading licenses approval has been postponed until December 12<sup>th</sup> 2015 to allow latecomers to register.

## Nigeria

Cashew production in Kogi State is attracting more interest due to the high prices registered in the 2014-2015 cashew season. Currently, cashew trees are flowering and new large plantations might have a large effect in this year's crop. Unfortunately, farmers are still facing some issues due to their inability to easily access to agro-inputs, such as approved insecticides, jute bags and proper storage facilities.

The results of cashew processing in Kogi is not encouraging, despite the fact that a few new factories have emerged. Processing volumes remain low due to difficulties accessing working capital. Finally, new regulations and policies concerning cashew marketing remain elusive, though the new government of Nigeria aims to invest a great deal in the exportable agriculture products.

## The International Cashew Market

All reports clearly show that the kernel market is steady this week and there is a likelihood that this will remain until the end of the year. Processors should expect new demand from mid-January to February 2016. Packers retain large stocks and are expecting better prices, while buyers are holding their orders. Most buyers have secured enough kernel stocks for the Christmas and end of year holidays. As usual at this time of the year, processing plants have few stocks remaining and some are closing. Most processors are targeting the upcoming season in West Africa in order to fulfill their new orders. The RCN price remains high while product is still scarce.

### International quotations in India/Vietnam

<i>Cashew kernels FOB</i>			
Description	Grade	Price USD/lb	Recent changes
Whole White	WW240	3.65 - 3.85	Slight increase
Whole White	WW320	3.45 - 3.60	Slight decrease
Splits	FS/WS	3.10 - 3.15	Slight increase
Broken	LWP/LP	3.00 - 3.02	Slight increase
<i>Raw Cashew Nut CFR India/Vietnam</i>			
Origin	Outturn	Price USD/MT	Recent changes
West Africa (almost no more stocks)	-	-	N/A
Indonesia	50-52	1725-1800	Slight increase
Tanzania	48-52	1725-1750	Slight increase

Exchange rate: 1 USD=		This week	Last Week	
<b>WEST AFRICA</b>	Franco CFA	XOF	603.46	618.19
	Nigerian Naira	NGN	199.25	199.00
	Ghanaian Cedi	GHS	3.77	3.80
	Gambian Dalasi	GMD	39.48	39.60
	Franco Guineén	GNF	7723	7757

Exchange rate: 1 USD=		This week	Last week	
<b>EAST AFRICA</b>	Tanzanian Shilling	TZS	2157	2164
	Kenyan Shilling	KES	102.07	102.12
	Mozambican Metical	MZN	51.31	54.25
<b>ASIA</b>	Indian Rupee	INR	66.76	66.55
	Vietnam Dong	VND	22470	22490

## The Analysts' Opinion

Your analysts: Pierre RICAU – [international@nkalo.com](mailto:international@nkalo.com) and Achille OUEDRAOGO [information@afriancashewalliance.com](mailto:information@afriancashewalliance.com)

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The international market for cashew nuts remained steady this week as compared to last week. Since October, many buyers have received their purchases for the Christmas and the New Year holidays. The kernel market shows that demand may increase by mid-February as most of buyers have filled their stocks through January.

In Tanzania and Indonesia, the quality and quantity of RCN is decreasing while the demand remains at the same level. In West Africa, the Nigerian crop is expected by mid-January.

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