

CASHEW MARKET BULLETIN



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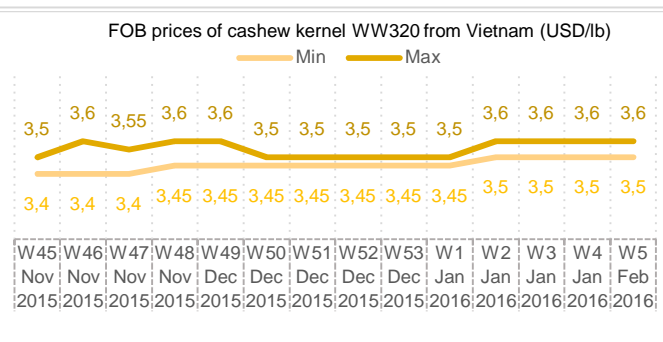
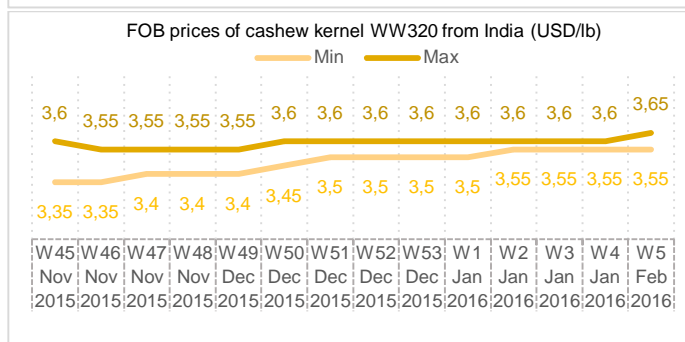
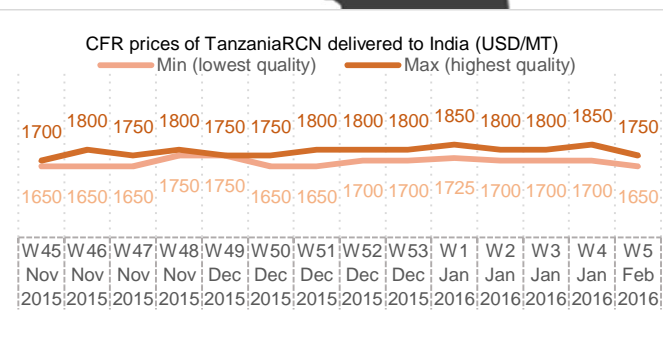
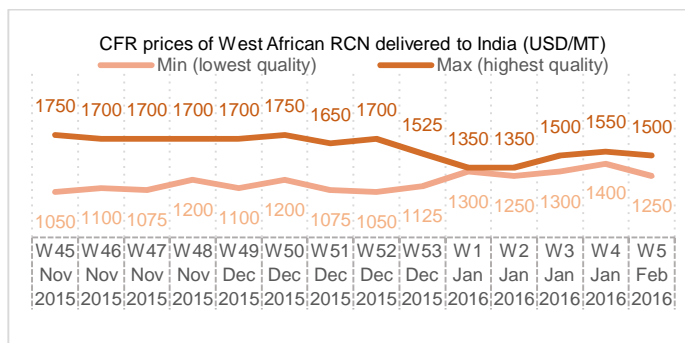
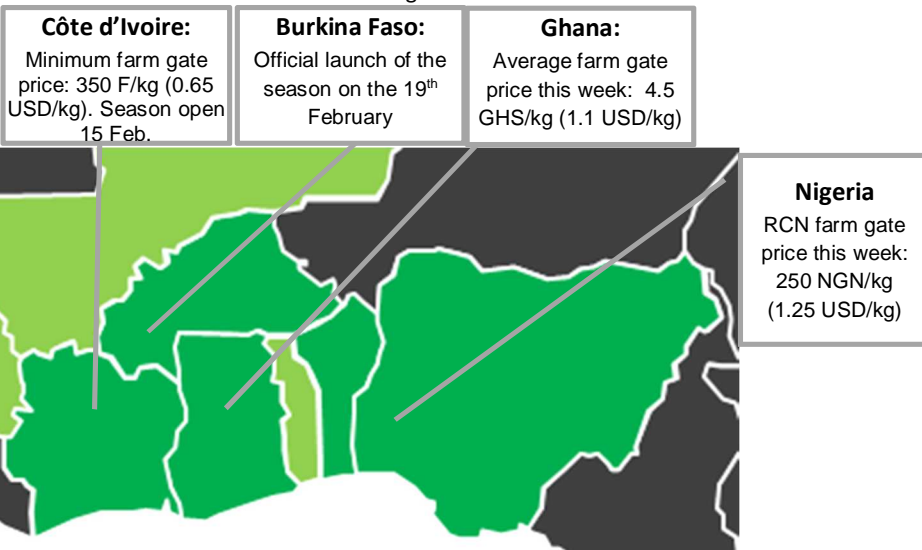
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The Cashew Market Flash

RCN Price from West African Cashew Producing Countries



The Cashew Market in East Africa

Kenya

No major changes in the cashew sector this week. RCN price from the producers is still around 50 to 60 KES / kg (0.49 and 0.58 USD/kg). There is still high demand of cashew. Processing companies expect the season to continue slowly up to May 2016.

Source Ustadi Foundation, Noel Kasololo

Mozambique

In Mozambique, the cashew season is still in progress. According to INCAJU, the amount of RCN traded since the beginning of the campaign is 87,450 tons representing 87% of the projection (100,000 MT). Currently, the average farmer gate price is 30 MZN/Kg (USD 0, 67/kg). In the North Region of the Country (Nampula, Zambézia and Cabo Delgado), the season has already ended. At the moment, however, there is a lot of activity in the South Region.

The Country has exported 9,000 MT of RCN to India at price ranging between 1,500 to 1,580 USD/MT with an average outturn of 48lbs. The local cashew processors of Mozambique have acquired 32, 000 MT of RCN in the present season (estimated at 36 % of the production). In the present season the national industry registered a growth of more than 6% compared to the same period during the last season (30,000 MT).

Source: INCAJU, Carmindo Chibucwane Novele

The Cashew Market in West Africa

Nigeria

RCN prices are still increasing in Nigeria. Cashew trees are still flowering with Harmattan weather occurring at the moment. There are more buyers in the market and RCN volume is still low, thus demand is higher than supply. Some local processors secured small stocks of RCN with producers. The RCN market in Kogi State is highly volatile owing to the exchange rate between the US Dollar and the Nigerian Naira, as well as the high demand and low availability of the product. However, we hope to experience a large harvest of RCN by the end of this month. This week, the farm gate price is between 250 and 260 NGN/kg (1.25 and 1.30 USD/kg) in Kogi.

Source market analyst Azeez Ayodele and Mr. Alfred Makhuga Friday

Ghana

Currently, RCN prices are very unstable in Ghana. This could be attributed to the small amount of nuts in the market, as the season is not in full swing yet. At the moment, the price of RCN at the producer level is at 4.5 GHS/kg (1.12 USD/kg) in the localities of Kintampo, Wenchi, Techima and surrounding areas. Both farmers and buyers hope this situation will improve soon when there will be more RCN in the market, alongside a decrease in price.

Source: market analyst Cyril Alormene from MoFA

Burkina Faso

In Burkina Faso, cashew sector stakeholders are preparing for the new season. There have been several meetings to assess the last cashew season and to prepare for the 2016 season.

We are already seeing good flowering and fructification of cashew trees in the production areas this year.

Finally, the Ministry of Trade is planning to officially launch the season on February 19, 2016 in Bobo-Dioulasso.

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

Cote d'Ivoire

The Ministers' Council has adopted a communication strategy on the review of the marketing season under the 2015 campaign and the opening of the 2016 campaign. The minimum farm gate price was fixed at 275 CFA last year compare to 350 FCFA/kg (Avg. 0.65 USD/kg) this year. The launching of the season has been set to February 15, 2016.

At the farm level, flowering and fruiting is spreading all over the production areas. Some early fruits are noticed and some producers have already collected small quantities and are waiting for the launch of the season. The distribution of Jute bags by CCA is still ongoing in the villages. The list of approved exporters is available and buyers are in full preparation for the campaign.

Source: N'Kalô Market Analyst; Sékongo Soungari

The International Cashew Market

International quotations in India/Vietnam

In India, some industry stakeholders say that the Government will impose a duty on imported cashew on February 29.

This situation is due to the depreciation of the Rupee against the US Dollar, which went from 63 to 68. This has the potential to increase the local cost of RCN. Despite the high quality of Indian's RCN, some believe that this new position will create a fair price of national producers.

Vietnamese cashew production volumes are not expected to change much this year. The season is rather expected to delay due to weather conditions in some limited areas, such as Da Nang. However the kernel exports from the last month has increased from more than 5% compared to last year at the same time. Nevertheless the few available new crops price this week is quoted farm gate at 40000 VND/kg (1.75 USD/Kg).

| Cashew kernels FOB | | | |
|----------------------------|--------|--------------|----------------|
| Description | Grade | Price USD/lb | Recent changes |
| Whole White 240 kernels/lb | WW240 | 3.7 - 3.75 | Stable |
| Whole White 320 kernels/lb | WW320 | 3.5 – 3.6 | Stable |
| Splits | FS/WS | 3.2 - 3.3 | Stable |
| Broken | LWP/LP | 3.10 – 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 | 1300-1600 | New offers |
| Indonesia (limited availability) | 48-50 | 1650-1700 | Stable |

Currency

| Exchange Rate: 1 USD= | | | This Week | Last Week | Exchange Rate: 1 USD= | | | This Week | Last Week |
|-----------------------|----------------|-----|-----------|-----------|-----------------------|--------------------|--------------------|-----------|-----------|
| West Africa | Franc CFA | XOF | 587 | 600 | East Africa | Tanzanian Shilling | TZS | 2170 | 2180 |
| | Nigerian Naira | NGN | 199 | 200 | | Kenyan Shilling | KES | 102 | 102 |
| | Ghanaian Cedi | GHS | 4 | 4 | | | Mozambican Metical | MZN | 48 |
| | Gambian Dalasi | GMD | 40 | 40 | Asia | Indian Rupee | INR | 68 | 68 |
| | Franc Guinéén | GNF | 7765 | 7700 | | Vietnam Dong | VND | 22300 | 22300 |

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