
The Cashew Market in West Africa

Nigeria

In Nigeria, RCN arrivals are increasing at the farm and supply to traders' warehouses has started. However, as the season has just begun, there seems to be more buyers in the market than available RCN. The weather conditions are favorable for cashew trees at the moment and the RCN quality is good with an outturn of 48-50lbs.

RCN prices from producers are currently between 555 and 585 NGN/kg (1.76- 1.85 USD/kg)

compared to 500-560 NGN/kg (1.5-1.7 USD/kg) last week. RCN prices at the trader level are between 600 and 620 NGN/kg (1.9-1.96 USD/kg) against 580 and 600 NGN/kg last week. Deliveries to Lagos are being made for between 650 and 700 NGN/kg (2.06-2.22 USD/kg) compared to 620-650 NGN/kg last week for RCN with an Outturn around 49lbs.

Source: Market Analyst Azeez Ayodele and Mr. Alfred Makhuga Friday

Benin

In Benin, RCN arrivals are increasing, but the official launch of the 2017 cashew campaign has been postponed. Unauthorized traders are invading the market and increasing in numbers from day to day. However, the weather conditions are currently favourable for good fruiting as well as drying of the nuts.

This week there was a slight increase in RCN prices in the different producing areas. In Kouandé the RCN price from producers increased from 480 last week to 500 FCFA/kg (0.8 USD/kg) this week, while in the localities of Tchaourou and Tchachou the farm gate price varies between 550 and 600 FCFA/kg (0.88-0.96 USD/kg).

Source: Federation of Cashew Growers of Benin (FENAPAB)

Burkina Faso

The 2017 cashew season was officially launched on 28th February in Banfora. RCN gathering is ongoing in the various production areas and the weather conditions remain favourable for good production. RCN quality remains good with an average outturn of 48-50 lbs.

increased again this week in all of the production areas. Thus, the farm gate price is currently at 785 FCFA/kg (1.26 USD/kg) for RCN with 48 lbs outturn and 850 FCFA/kg (1.36 USD/kg) for nuts with higher quality (50lbs).

The market remains very active with several foreign buyers purchasing at a higher level of price at the farm gate. The cashew price has

Overall, the cashew market is characterized by increasing demand for ready available nuts, but also a rise in prices, which could lower demand from local processors.

Source: Mr. NOMBRE ELOI,(UNPA/BF) and Mr. MANERE PAUL OUEDRAOGO

Côte d'Ivoire

In Cote d'Ivoire, cashew harvesting has started. RCN quantities are increasing at the producer level. The first rains are starting in some regions, but the weather is very hot in other regions, especially in the north where the sun could dry the flowers and affect the overall production if these conditions persist. RCN quality remains good with an average outturn of 47-49 lbs.

Purchases are intensifying in the markets and some traders have already shipped loads to the port while others are still holding large quantities in their warehouses. The first exporters who have already funded local buyers are beginning to receive their cargo in their stores. RCN shipment from villages to towns continues, but there is a lack of stores in the harbour area due to unsold cocoa stocks. At the moment no RCN loads have been exported according to the CCA and it was only on February 22nd, that the first loads began to leave the production zones for the port. The market trend is upward on demand. According to the CCA, 86 commercial companies

Source: Mr. SORO LACINA

Ghana

The quantity of RCN currently available at the farm level is very low. RCN gathering is yet to pick up and thus the supply of RCN to the market is limited. The rains are yet to set in despite a couple of heavy rains in the southern coastal part of the country. The weather has been dry up north with no rain.

The RCN farm gate price in Wenchi and Mim is currently between 5.5– 6 GHS/Kg (1.17-1.27 USD/kg) depending on available supply and quality. For traders who pre-financed farmers, they procure the RCN at a price of 6 GHS/Kg. Delivery to traders warehouses is made for

Source: Cyril Alormene from MoFA

and 27 cooperative societies have been approved for the export of cashew nuts in Côte d'Ivoire for the 2017 campaign.

This week, RCN farm gate prices are between 400 and 700 FCFA/kg (0.64-1.12 USD/kg) compared to 440 and 500 FCFA/kg last week. RCN prices from traders are currently between 465 and 725 FCFA/kg (0.74-1.16 USD/kg). High prices are observed towards Bondoukou and Ounagolo close to the border of Burkina Faso where the quality is good with an outturn around 49lbs.

The lack of space at the port level could contribute to a decrease in prices in the country if nothing is done to relieve the stocks of cocoa at the port. Traders expect that, prices will increase under the influence of prices in Ghana and Burkina Faso, while processors are worried about the current level of prices. Some producers expect prices well above the current prices and consequently hold their RCN stocks.

around 6.5 GHS/kg (1.38 USD/kg) compared to 4.7 GHS recorded at the same period of last year.

RCN prices remained steady and there hasn't been any drastic fluctuation as compared to the past week. The price of RCN is currently on the high level due to the early season tightness of supply. There is currently no new regulation on cashew marketing or exporting at the National level, but it is expected that the Ministry of Trade and Industry will come out with a regulation regarding the export of cashew in the coming weeks.

The International Cashew Market

The harvest season has got off to a slow start. The delay to the Vietnamese crop which will start mid March and slow arrivals in Cote D'Ivoire mean that offers are few and buyers of RCN are reluctant to follow the current price levels. There have been some trades at high levels for early shipment material with prices ranging from \$1600-\$1850 depending on quality and shipment position. Given the thin trade and the slow arrivals it is difficult to read the market. This is further complicated by the need of some parties for contracts to engage with banks which may not reflect the reality once the market settles and prices ease. Overall the expectations across the cashew world are for a good crop . Disruption

to this could come in the form of weather or logistical problems like the shortage of warehouse space due to unshipped cocoa in Cote D'Ivoire. However at the moment it seems likely that production will match consumption fairly comfortably. This means that the question is how long the current period of adjustment between the crops will last.

Cashew kernels prices have remained stable this week. There have been more offers from processors but buyers are reluctant given the high prices. It is most likely that buyers will continue to buy month to month until such time as prices ease or there is some change in the fundamentals such as a crop problem somewhere. In the meantime with better and better crop predictions emerging each day buyers will wait for the current record high prices to drop back to more workable levels.

With speculation on cashew kernels all but dead it is most likely that the volatility will be on RCN and we could be in for some sharp price movements in the coming weeks.

Source: Mr. JIM FITZPATRICK, INGREDIENT SOURCING SOLUTIONS

Quotations in India/Vietnam

Cashew kernels FOB			
Description	Grade	Price USD/lb	Recent changes
Whole White 240 kernels/lb	WW240	5.1 - 5.4	Slight increase
Whole White 320 kernels/lb	WW320	4.45 – 4.7	Stable
Splits	FS/WS	3 - 3.65	Slight decrease
Broken	LWP/LP	3.00–3.2	Slight decrease

Raw Cashew Nut CFR India/Vietnam			
Origin	Outturn	Price USD/MT	Recent changes
West Africa (April Shipment)	48-50	1,500-1,850	Firm
Tanzania (limited availability)	48-49	2,200	Stable

Currency

Exchange Rate : 1 USD=		This Week	Last Week	Exchange Rate : 1 USD=		This Week	Last Week		
West Africa	Franc CFA	XOF	622	622	East Africa	Tanzanian Shilling	TZS	2228	2228
	Nigerian Naira	NGN	315	315		Kenyan Shilling	KES	102	103
	Ghanaian Cedi	GHS	4.69	4.45		Mozambican Metical	MZN	70	70
	Gambian Dalasi	GMD	43.7	43.5	Asia	Indian Rupee	INR	66.8	67
	Franc Guineén	GNF	9120	9278		Vietnam Dong	VND	22789	22829

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

