

AfricashewSplits

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The Cashew Market in West Africa

Nigeria

In Nigeria, the RCN arrivals at the farm gate increase over the past weeks in the main cashew producing States (Kogi and Kwara). However, RCN prices remained firm in Kwara State compared to last week. The rainy season is starting in some parts of the country, however the RCN quality is still good with an average outturn of 47-49lbs.

In Kogi State, RCN farm gate price is currently around 540 NGN/kg (1.71 USD/Kg) compared to 520 and 530

NGN/kg recorded last week. In Kwara State the RCN price from producers decrease from 550-580NGN/kg last week to 550 NGN/kg (1.74 USD/kg) this week due to a drop in RCN quality mainly influenced by the first rains. Deliveries to Lagos port are being made around 650 NGN/kg (2.06 USD/kg).

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

Benin

There has been an increase in RCN price over the week in some parts of the country however in other parts the prices remained at the same range as compared to last week. Demand for RCN is increasing, while supply remains limited at this period of the campaign. Indeed, many producers continue to hold their stocks hoping to sell later at higher prices.

Cashew gathering is still ongoing in the various production zones. FENAPAB, the national association of cashew farmers in Benin has been conducting group sales for a couple of weeks. This initiative is to encourage the group of farmers to sell their produce

Source: Federation of Cashew Growers of Benin (FENAPAB)

in group in order to get good prices but also get good supply for the buyers on the ground.

This week RCN farm gate price ranges from 600 FCFA/kg in the plateau to 655 FCFA/kg in Atacora-Donga (0.97 USD/Kg - 1.05 USD/Kg).

The lowest price (400 FCFA/Kg) is registered in Boukoumbé while the highest price is registered in Kouandé in Atacora-Donga where the RCN Outturn is 46-48lbs. The price variation during the month (from 1st to the 2nd week of March) is by 50 to 325 FCFA/Kg. This is due to the increasing RCN arrivals and the improvement in RCN quality.

Burkina Faso

This week in Burkina Faso, the cashew market remained quite active compared to last week. There is high demand and an increase in RCN arrivals. No major change has been noticed this week concerning the weather. The quality of RCN remained good with an average outturn of 48-50lbs.

Nevertheless, farm gate prices remained between 850 and 890 FCFA/kg (1.37-1.44 USD/kg) for the top quality (50lbs) against 680 and 850 FCFA/kg (1.10-1.37

USD/kg) for 48lbs in the localities of Batie, Gaoua and Bobo-Dioulasso.

RCN stocks are still available at the producer level however traders and exporters who have already collected significant stocks of RCN are preparing for shipment.

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

Côte d'Ivoire

Cashew market in Cote d'Ivoire is still active with more transactions noticed over the week. RCN arrivals are increasing at both the producer and the traders' level. The first shipments at the port level started, with between 10,000 and 20,000 tons of RCN exported according to the CCA.

Few rains have been observed in the southern part of the country and a heat wave is present in the north with a very sunny weather. The strong heat and the lack of rains is causing a drying of the flowers on many cashew trees.

Compared to last week, there is a slight increase in RCN prices this week RCN farm gate price increase from 500-700 FCFA/kg last week to between 600 and 800 FCFA/kg (0.97-1.29 USD/kg) this week. Delivery to Traders are being made between 625 and 825 FCFA/kg (1.01-1.33 USD/kg) and the wholesale price at the port is between 650 and 770 FCFA/kg (1.05-1.24 USD/kg). RCN FOB prices are between 850 and

Ghana

The second crop is just starting; Stocks of RCN are limited for the moment. The major rains have not started yet and RCN arrivals remained limited. The weather is sunny and hot across the country with just a few downpours in some parts. The quality of the product remains good with an average outturn of 48-50lbs. Processors are unable to compete with exporters. There are a lot of buyers currently at the farm level and traders are concerned about foreign buyers who are buying directly at the farm gate.

The farm gate price of RCN is currently between 6.00 and 6.5 GHS/Kg (1.30 - 1.41 USD/Kg). In the region of Sampa and Japekrom RCN warehouse price increased

Guinea Conakry

The cashew sector is growing in Guinea with nearly 200,000 hectares of cashew plantations established by the Government in 2016. The main production zones are Boké, Kindia, Gaoual, Kankan, and Koundara. The local processing has not seen much change in recent years, and it has been reported that SOPELGUI has not operated since the last two years. However, several small scale processors are processing but just for the local market. Officially no processing company is registered as a processing structure.

Several meetings have been held so far in order to better organize the sector through an umbrella association involving all the stakeholders within the cashew value chain in Guinea.

900 FCFA/kg (1,375-1,456 USD/MT) while CIF prices range between 900 and 985 FCFA/kg (1,456-1,593 USD/MT).

In general prices showed an increase this week with the highest prices in Bondoukou, and Tanda at Ghana border between 750 and 800 FCFA/kg (1.21-1.29 USD/kg) and between 600 and 750 FCFA/kg (0.97-1.21) in the other zones where the RCN quality is very good with an outturn of 48-50lbs.

At the moment, there are no new rules except those put in place by the government at the beginning of the campaign. However, we have been told that the Managing Director of the CCA is on a tour of awareness in the various regions of production to enforce the control at the borders in order to prevent cashew smuggling.

Source: Mr. SORO LACINA

from 7.0 last week to 7.5 GHS/kg (1.63 USD/kg) this week.

The price of cashew is currently determined by the volume of RCN an agent is having. For example, it is easy to demand 7.4 GHS/kg on 10 Metric Tons of produce than 2 MT. Agents with over 20MT and above are currently demanding between of 7.4 - 7.7 GHS/kg (1,600-1,670 USD/MT) and are likely to get it due to high level of competition.

Regulations on the export of RCN are yet to be published thus there is currently no national regulation in enforcement.

Source: Cyril Alormene from MoFA

The average farm gate price during 2016 cashew season was between 8,000 and 10,000 GNF for an average outturn of 46-48 lbs.

The 2017 campaign has not yet been officially launched however, some purchases have been observed during the early season. The RCN farm gate price in Kankan is currently at 7,500 GNF (0.8 USD/Kg) for RCN with 48lbs as quality. In Boké the farm gate price is between 5,000 and 6,500 GNF/kg (0.53-0.69 USD/kg).

The cashew season is calm in Guinea Conakry with small quantities of RCN available at the moment.

Source: Dr Clarisse BANGOURA SIM Cajou Guinée ; Agence Guinéenne pour la Promotion des Exportations (AGUIPEX)

The International Cashew Market

The availability of raw cashews Worldwide has increased over the past week and the balance of supply and demand is gradually returning.

However the empty pipeline, the late crop in Vietnam and the low level of cover due to high prices will mean that this process will take a longer period than normally expected. During that period the risk to the crop due to weather remains meaning that buyers of RCN and kernels face difficult decisions. Last week rumors of some problems with the Vietnamese crop surfaced.

These were quickly and in some cases strongly denied by some but if nothing else have placed a question mark over the Vietnamese crop. Indeed

it seems that processors were not impressed by these rumors as there were more offers seen in the market In context of the overall crop a fall of up to 20% in Vietnam would not be a major problem but it would change the thinking in Vietnam and it would make the period for a return to a more balanced situation longer. Meantime buyers will start to feel the need to move in the coming weeks. RCN buyers may be tempted to speculate, Kernels buyers on the others hand will only move when they have to as current prices are not good news either for the margins of roasters or demand in destination markets. It looks as if the standoff on kernels is set to continue for another week or two. The holding back of product by growers in the hope of higher prices in this context as reported by correspondents above is understandable but remains in our view a high risk strategy given the available prices and the overall projections for supply and demand in 2017.

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	5.25 - 5.45	Slight increase
Whole White 320 kernels/lb	WW320	4.6 - 4.8	Slight increase
Splits	FS/WS	3.1 - 3.2	Slight decrease
Broken	LWP/LP	3.05-4.2	Slight increase

Raw Cashew Nut CFR India/Vietnam			
Origin	Outturn	Price USD/MT	Recent changes
West Africa (April Shipment)	48-50	1,500-1,850	Firm
Cote d'Ivoire FOB	49-50	1,375-1,456	New Offer

Currency

Exchange Rate : 1 USD=			This Week	Last Week	Exchange Rate : 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	618	626	East Africa	Tanzanian Shilling	TZS	2228	2228
	Nigerian Naira	NGN	315	315		Kenyan Shilling	KES	102	102
	Ghanaian Cedi	GHS	4.6	4.69		Mozambican Metical	MZN	70	70
	Gambian Dalasi	GMD	43.7	43.7	Asia	Indian Rupee	INR	66.6	66.8
	Franc Guineén	GNF	9300	9120		Vietnam Dong	VND	22799	22789

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