

AfricashewSplits

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The Cashew Market in West Africa

Nigeria

In Nigeria, cashew trees are now in full bloom and the weather conditions are good for cashew fruiting. RCN arrivals are increasing at the producer level with a significant number of active foreign buyers on the ground. Rains are intensifying in all the cashew belt zones; however, the RCN quality remains good with an outturn of 47-49lbs.

Nevertheless, the market remains stable with RCN farm gate prices in the same range as last week 540 NGN/kg (1.71 USD/kg) in Kogi state and 550 NGN/kg (1.74 USD/kg) in Kwara State.

This week, deliveries to Lagos from Kwara State are being made for between 640 and 650 NGN/kg (2.03-2.06 USD/kg) for well dried and sorted RCN (average quality 48-50lbs), while deliveries from Kogi to Lagos are being made for between 600 and 610 NGN/kg (1.9-1.93 USD/kg) for an average outturn of 46-48lbs.

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

Benin

The cashew season in Benin remains very active this week with competition among the buyers. Demand for RCN has increased while the availability remains quite limited. Stocks of RCN are available at the producer level, but are held back in stores. Most producers prefer to wait in view of the gradual increase in RCN prices observed hoping for better prices.

Harvesting continues throughout the country, especially in the northern regions (Borgou-Alibori and Atacora-Donga), while in the central region, it is gradually coming toward the end. Prices are still rising in most localities but RCN farm gate price remained stable this week in Natitingou, Djougou and Ouaké.

This week, the average farm gate price ranges from 675 FCFA/kg (1.1 USD/kg) in the region of Plateau to 790 FCFA/kg (1.29 USD/kg) in Zou-Collines region (outturn 48-50lbs). RCN farm gate price of 600 FCFA/kg (0.98 USD/kg) as a minimum price was recorded in Boukoumbé, while the maximum price of 800 FCFA/kg (1.3 USD/kg) was recorded in several localities such as Savalou, Kouandéé, Parakou and Tchaourou where RCN quality (48-50 lbs) and availability is good.

The price variation from the second to third week is 50 to 200 FCFA/Kg, and depending on the quality, quantity, and origin of the produce.

The National Council of Cashew Exporters of Benin (CONEC) set the minimum FOB price at 850 FCFA/kg (1,388 USD/MT), but an upward trend of 900 to 950 FCFA/Kg is already observed.

Source: Federation of Cashew Growers of Benin (FENAPAB)

Burkina Faso

In Burkina Faso, cashew gathering is continuing at the farm level with large movements of RCN stocks to the towns. Demand is very high and some producers do not have time to dry the nuts well. Nevertheless, the quality of the nuts remains good with an average KOR of 47-50lbs.

This week, an increase in RCN prices has been observed. The RCN farm gate price is between 700 and 850 FCFA/kg (1.14-1.38 USD/kg). Deliveries to traders' warehouses in Banfora are around 900 FCFA/kg (1.47 USD/kg) for an average outturn of 48-50lbs.

The agreement signed by the various stakeholders at the beginning of the campaign came to an end. It was agreed among the different families of actors within the cashew value chain in Burkina that two weeks will be devoted to

the supply of the local processing units starting on March 1st, 2017. The minimum farm gate price from March 1st to March 15th, 2017 was set at 600 FCFA/kg (0.96 USD/kg), while the minimum ex-works price was at 650 FCFA/kg (1.04 USD/kg). The minimum price for the delivery to Local processors warehouses is 690 FCFA/kg (1.1 USD/kg). These minimum prices have been valid for the two week period with the aim of supplying the local processors, according to the General Secretary of the cashew producers in Burkina Faso (UNPA/BF). However, it is noted that local processors are struggling to secure RCN stocks for their units not only due to the high level of prices since the beginning of the season, but also due to non-compliance with the established rules

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

Côte d'Ivoire

Currently, the quantities available are limited compared to the needs of buyers, but there are still some stocks among producers and traders. The second flowering is in progress on some trees in the northern part of the country. Stormy rains have settled in all the production areas and could cause the flowers to fall. The sun and heat are always present after the downpour from the last rains, which could help the second flowering and strengthen the flowers already present.

Prices have not changed much this week as traders are running out of money to launch large orders. Consequently, they have stopped the pre-financing of agents. Many shipments continue to arrive at the port and exports are continuing at a good pace.

The RCN farm gate prices and the wholesale prices remained stable this week. However, port prices slightly increased compared to the previous week. RCN price from producers are between 700 and 800 FCFA/kg (1.14-1.3 USD/kg) and the wholesale prices are between 725 and 825 FCFA/kg (1.18-1.34 USD/kg) depending on the origin and quality of the produce. Deliveries to the port of Abidjan are being made for between 775 and 875 FCFA/kg (1,266-1,429 USD/MT) for an average Outturn of 48-50 lbs. FOB prices vary between 875 and 975 FCFA/kg (1,429-1,593 USD/MT) while CIF prices are between 975 and 1,050 FCFA/kg (1,593-1,715 USD/MT).

Local processors are still concerned with the high range of raw material prices.

According to producers, the crop is not very good compared to the same period of last year due to the drought recorded at the beginning of the campaign, which caused the flowers to dry.

In general, there is a slowdown in the cashew market and there is little funding for RCN purchases this week. Some stakeholders believe that if this situation lasts, it is quite possible that there will be a decline in or stability of cashew prices in the coming days.

Source: Mr. kamate Issoufou from K.R Organisation

Ghana

The first crop has ended and harvests for the second crop are yet to start. The majority of the produce is now at the trader level. Local processors are still being affected by the high range of RCN prices and are not buying to process.

The farm gate price of RCN is between 6.5 and 7.00 GHS/Kg (1.44-1.55 USD/kg), though there is limited RCN available at the farm gate. The warehouse price is between 7.4 -7.8 GHS/kg (1.64-1.73 USD/kg) around Techiman, Kintampo, and Amoma zones.

This week an increase in RCN prices was observed mainly due to high demand and the current drop in RCN arrivals in all the production areas. One of the major concerns of local processors is the presence of foreigners going from farm gate to farm gate to buy RCN from farmers. There are currently no measures in place to check that activity and stakeholders are calling on the government to issue a regulation to control the activities of these foreign buyers. Farmers are rejoicing, while processors are suffering. Some people who work at the processing factories are now without jobs because the factories are operating at very low capacities.

Source: Cyril Alormene from MoFA

Senegal

This year in Senegal there has not yet been an official launch of the cashew campaign. Nevertheless, the various stakeholders of cashew sector are working for the establishment of an umbrella association regrouping all the cashew value chain actors with a view to better organizing and develop the sector.

The season started since mid February with the first crops already completed in the region of Sokone. Crops are

starting slowly in the region of Kolda with a good quality of nuts (Outturn 48-50lbs). However, it should be noted that crops have not yet started in the region of Ziguinchor where the quality used to be very good (average RCN Outturn of 50-52lbs recorded during last season).

Weekly markets have been organized in Sokone since the beginning of the season where the RCN price is currently between 700 and 750 FCFA/kg (1.14-1.22 USD/kg).

Source: FNDASP

The International Cashew Market

Demand for cashew kernels has been weak over the past week as buyers are not under pressure and are not prepared to accept the current asking prices. Offered prices from the main exporter, Vietnam dropped back toward \$3.50/lb FOB for WW320. In India, the domestic market dropped slightly especially on broken cashews. Kernels shipments are up with the US imports up 13% so far, this year.

The Indian cashew crop started at high price levels but as arrivals have improved prices have begun to ease a little. The crop continues and is reported to be a good crop. In Vietnam, the crop has now started albeit late. RCN prices in Vietnam fell this week following a very high price start.

Official reports continue to suggest that the crop in Vietnam will be good but there are reports surfacing that seem to suggest that there may be a problem – only time will tell and we should not pre judge the situation.

The RCN trade in the first quarter so far has been good. Vietnam’s imports are up by 28% on last year so far at 138,000 tonnes which should fill the gap until new crop arrives.

It is a difficult market to read. In my opinion, in West Africa farmers and some traders seem to think that prices will rise further like last year. However, they may have to recognise that prices this year started at all-time highs. If arrivals improve then we may see a situation as in 2015 when exporters decided not to buy further and prices corrected very quickly. Reports continue to suggest that crops will be good in West Africa with positive reports from Nigeria, Cote D’Ivoire and Guinea Bissau over the past week. The initial high prices may be due to the empty pipeline and the delayed Vietnamese crop rather than an underlying sustainable price rise. Speculating on cashews is always a risky business. Speculating or encouraging speculation on higher prices when the market is already at all-time highs might be seen by some as irresponsible.

Source: Mr. JIM FITZPATRICK, INGREDIENT SOURCING SOLUTIONS

Currency

Exchange Rate : 1 USD=			This Week	Last Week	Exchange Rate : 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	612	618	East Africa	Tanzanian Shilling	TZS	2228	2228
	Nigerian Naira	NGN	315	315		Kenyan Shilling	KES	102.8	102
	Ghanaian Cedi	GHS	4.5	4.6		Mozambican Metical	MZN	70	70
	Gambian Dalasi	GMD	43.7	43.7	Asia	Indian Rupee	INR	65	66.6
	Franc Guineén	GNF	9200	9300		Vietnam Dong	VND	22789	22799

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