

AfricashewSplits

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The Cashew Market in West Africa

Nigeria

The cashew season is not yet at the peak however RCN arrivals are increasing and the quality of the nuts is good with an average outturn of 47-50lbs.

This week there is a slight decrease in RCN prices at the producer's level. RCN farm gate price in Kogi is currently between 520 and 530 NGN/kg (1.65-1.68 USD/kg) for 47-49lbs. In Kwara State where the RCN outturn is 48-50lbs the farm gate price ranges between 550 and 580 NGN/kg (1.74-1.84 USD/kg).

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

Benin

The official launch of the 2017 cashew season took place on 3rd March 2017 in the department of Collines, Glazoué with a minimum farm gate price of 500 FCFA/Kg. So far, RCN quality is very good with an average outturn of 48-52 lbs compared to last year which was 47-49lbs.

RCN arrivals are increasing and the demand is still high at the farm gate level. The weather conditions are currently favourable for the harvesting and drying of nuts.

The cashew market is still on an upward trend since the official launch of the season. Farm gate prices range from 500 FCFA/Kg (0.8 USD/kg) in Atacora-Donga (47-49lbs) to 600 FCFA/Kg (0.96 USD/kg) in

Source: Federation of Cashew Growers of Benin (FENAPAB)

Burkina Faso

Cashew market remained very active in Burkina Faso. The campaign was launched last week with a minimum farm gate price of 500 FCFA/kg. However, the minimum price is not respected according to Mr. NOMBRE ELOI, the General Secretary of UNPA/BF (the national association of cashew producers in Burkina Faso).

The market for a couple of weeks has experienced price fluctuation following the naira appreciation. However, there is a resistance from local buyers to supply the RCN to the warehouses less than bargained price of the previous week. RCN warehouse price remains between 600 and 620 NGN/kg (1.9-1.96 USD/kg). Deliveries to Lagos are still being made between 650 and 700 NGN/kg (2.06-2.22 USD/kg) depending on the quality and the available quantity.

Borgou-Alibori and Zou-Collines (48-50lbs). The lowest farm gate price (200 FCFA/Kg) is observed in some localities of Atacora-Donga (some purchases recorded just before the announcement of the official minimum farm gate price) while the highest price (650 FCFA/Kg) is recorded in Tchaourou in Borgou-Alibori (50-52lbs).

The price change for this week in most producing areas when compared to the previous week is ranged between 100 to 200 FCFA/kg (0.15-0.3 USD/kg) with a peak of 325 FCFA/kg recorded in Copargo and Ouaké in Donga.

Finally, the industry players in Benin are still waiting for the formalization of the new announced regulations on cashew marketing.

The harmattan settles gradually with a very hot weather over the country. Consequently, some plantations located in South-West region (which is the second biggest cashew production area of Burkina Faso), cashew trees are losing their flowers. Nevertheless, the available RCN quality is good with an average outturn of 48-50lbs.

Currently, only exporters and local traders are the most active on the markets. Most of the local processors have withdrawn from the market because of the current price level. In fact, this week and in all production areas, we noticed a slight increase in RCN prices compared to last week

Source: Mr. NOMBRE ELOI, (UNPA/BF)

Côte d'Ivoire

RCN stocks are increasing at both producers and traders level. Cashew loads to the port are increasing among local buyers. Rains started in some producing areas located in the South but currently no rains have started in the Northern part of the country where the weather is very hot with winds in some places that may affect the cashew flowering.

The market trend is still upward on demand due to several foreign buyers that offer higher prices. Competition is very high on the ground, causing price fluctuation.

This week, there is an increase in RCN prices compared to last week. Farm gate prices range between 500 and 700 FCFA/kg (0.8-1.12 USD/kg) while deliveries to the traders warehouses are made between 525 and 775 FCFA/kg (0.83-1.23 USD/kg). The RCN warehouse price at the port is between 550

Source: Mr. SORO LACINA

Ghana

The second crop season is just starting with few rains accompanied with heavy winds in the Brong Ahafo Region of Ghana. The rains are helpful but the winds are blowing off most of the flowers. RCN arrivals on the market are currently limited and not meeting the current demand. The slow start of the supply is attributed to the current weather conditions. The weather is very hot across the country with intermittent rains recorded at the southern belts.

There are a lot of buyers currently at the farm level but the available RCN stocks are scarce. There is an increase in RCN prices and the demand from agents who buy for exporters continue to grow.

The RCN farm gate price ranges between 6 and 6.5 GHS/kg (1.3-1.4 USD/kg) depending on quantity and Farmers are happy with the current price and hope the price remains the same or better still increase as the second crop is just around the corner.

Source: Cyril Alormene from MoFA

In Banfora, RCN prices from producers range between 850 and 890 FCFA/kg (1.35-1.42 USD/kg) for the top quality (50lbs) against 680 and 850 FCFA/kg (1.08-1.35 USD/kg) for 48lbs in the localities of Batie, Gaoua and Bobo-Dioulasso.

and 650 FCFA/kg (0.87-1.03 USD/kg). Cashew exports to Asia or Brazil have not started yet but FOB prices are currently between 775 and 825 FCFA/kg (1,230-1,300 USD/MT) for an average Outturn of 49-50lbs.

The highest level of prices (700-750 FCFA/kg) were noticed in Bondoukou, Tanda close to Ghana border and in Ounagolo close to Burkina Faso border between 600 and 650 FCFA/kg (47-49lbs).

With the best prices offered in Ghana and Burkina Faso, yet there is a smuggling of the produce among these countries. However, some loads are seized at the border and preventive actions are being taken by the Conseil de Cotton et Anacarde (CCA) . Some producers are still withholding their RCN stocks and expecting an increase in farm gate prices to range between 800 and 1 000 FCFA/kg in the coming weeks.

the quality of produce. Traders who have already funded farmers continue to buy RCN at a price of 6 GHS/Kg in Wenchi and Techiman where the RCN quality is 47-49lbs. However local processors are unable to buy the RCN at the current price.

RCN warehouse price increased from 6-6.5 GHS/kg last week to 6.5-7.0 GHS (1.4-1.52 USD/kg) this week. Traders are concerned with the foreign buyers who are currently at the farm gates while processors are waiting for a sharp decrease in RCN prices before buying and getting back to processing. Local processing factories are struggling to source for RCN due to the high level of prices. They face strong competition from both foreign and large export companies who benefit from economies of scale.

The International Cashew Market

The harvests are gathering pace in India and West Africa with Vietnam just beginning its delayed harvest. Indications still remain positive for average to good crops in all regions. Raw cashew prices have not yet been impacted by the increasing arrivals although some easing of prices has been noted in India and the early cropping countries of West Africa. Prices at the farm gate generally reflect the international market including costs and profit margins. There is however resistance from processors at current prices as they wait to see developments in the crop.

There are more offers of cashew kernels in Vietnam although these are still at the high prices which have ruled over the past six months. Buyers are not prepared to follow these prices in general although it seems that one or two have been caught short and have no choice but to overpay for fast shipment. The prognosis based on the current position and the harvest reports would seem to be that cashew kernels prices could ease somewhat. This may not be immediately reflected in RCN prices which, with so many traders active can take on a life of their own, independent of kernels prices. The market should be watched closely given one or two unusual weather events and the fragmented nature of the RCN trade with processors at the farm gate in Africa competing with the same traders that have traditionally supplied them.

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 - 5.4	Slight increase
Whole White 320 kernels/lb	WW320	4.55 - 4.75	Slight increase
Splits	FS/WS	3 - 3.65	Stable
Broken	LWP/LP	3.00-3.2	Stable

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	626	622	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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