CASHEW MARKET BULLETIN

AFRICAN CASHEW ALLIANCE
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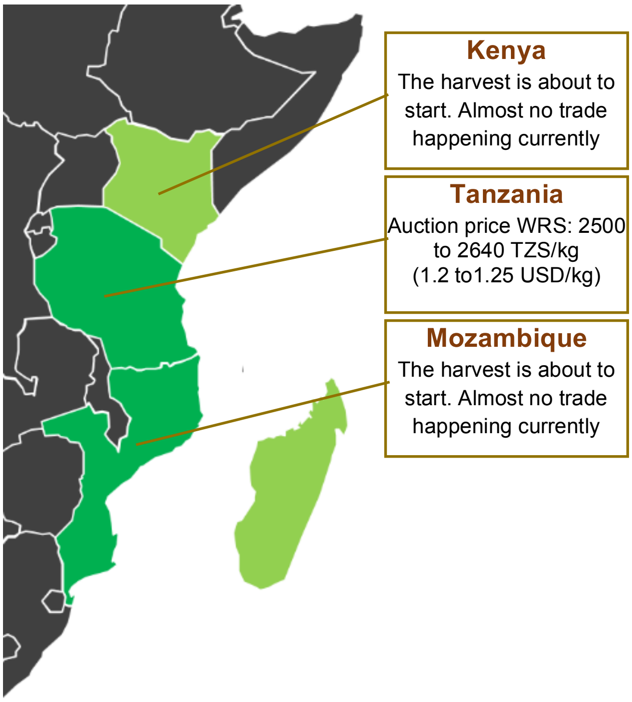
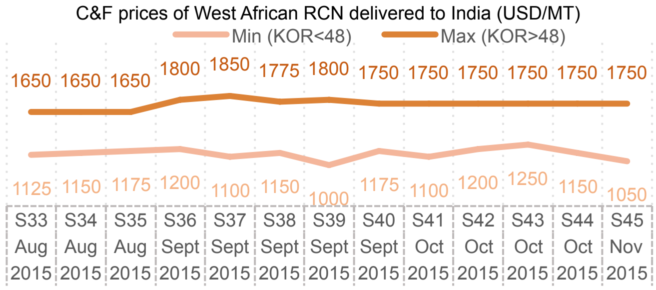
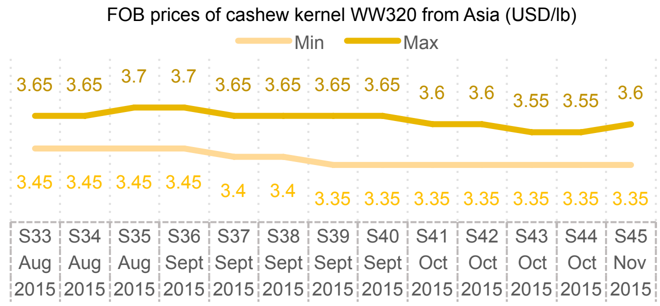
The market at a glance







Exchange rate: 1 USD=			This week	Last Week
WEST AFRICA	Franc CFA	XOF	610	580
	Nigerian Naira	NGN	200	200
	Ghanaian Cedi	GHS	3.8	3.8
	Gambian Dalasi	GMD	40	45
	Franc Guineén	GNF	7950	7250

Exchange rate: 1 USD=			This week	Last week
AFRIQUE DE L'EST	Tanzanian Shilling	TZS	2140	2200
	Kenyan Shilling	KES	102	102
	Mozambican Metical	MZN	44	42
ASIE	Indian Rupee	INR	66.5	65
	Vietnam Dong	VND	22405	22300

The Cashew Market in East Africa

In East Africa, the early season is marked by concerns about production this year due to late heavy rains caused by the El Niño (ENSO) weather phenomenon.

Just this week, the market remains virtually non-existent in Kenya and Mozambique, while it is increasing in Tanzania. In this country, auction prices have increased slightly over the past week with sales between 2500 and 2640 TZS / kg (1.17 to 1.23 USD / kg) compared to 2400 to 2635 TZS / kg (1.12 to 1.22 USD / kg) the week before. Already, more than 40,000 MT were sold through the auction system.

The Cashew Market in West Africa

Benin

In Benin, most stakeholders are currently in the off-season, as the main activities are occurring at the producer and processor level. Farmers are now taking care of their cashew plantations by applying good agricultural practices such as setting fire belts and pruning.

On the processors' side, some activities are occurring between local processors and traders from their neighboring country, Nigeria, where there is still some volumes of RCN available.

During the last season Benin registered approximately 130,000 to 140,000 MT of RCN produced. Unfortunately local processors were not able to purchase adequate amounts of RCN due to various issues, among them the high prices and the lack of capital to compete with foreign buyers.

However, some activities have now been undertaken by actors in the sector to prepare for the upcoming season in order to better organize the market and allow local processors to secure RCN for their factories.

Due to these challenges, cashew sector stakeholders held a meeting last week in order to establish a national strategy for developing the cashew sector, setting strategy for fixing good prices for the benefit of producers and implementing procurement networks for local processors.

Côte d'Ivoire

Cashew plantations continue to evolve in the production areas without major difficulties. Flowering has already started and approximately 40% of cashew trees are in bloom. Full blooming of cashew trees could occur in mid-December if the rains were to stop or to decrease. For now, the forecast of good production is still possible according to the rainfall recorded this year in almost all areas of production. Producers are still maintaining their plots. There is a real enthusiasm within producers who benefited from good sale prices during the 2015 cashew campaign.

At the processing level, the situation is largely identical to that of last week. Presently, there is no activity in the market in Cote d'Ivoire as commercialization is planned for February. It is possible, however, that a few sales could be recorded in January.

Finally, stakeholders are undertaking new policies regarding the cashew sector. Registration for the upcoming campaign is ongoing until late November. Many buyers and traders have already registered and are now waiting for their approvals.

The Gambia

Cashew sector actors in The Gambia are now preparing for the coming 2016 cashew campaign. The main activities on the ground concern the training of cashew sector stakeholders to be able to access accurate market information, thus ensuring fair play, profitability and sustainability of the sector. We are also observing the improvement of planting materials, and the establishment of new cashew plantations and farm nurseries by using Good Agricultural Practices (GAPs).

During the last 2015 cashew campaign, the average farm gate price was around 60 GMD/kg (1.5 USD/kg) while the average warehouse price was 65 GMD/kg (1.6 USD/kg). The average FOB price at the port of Banjul has been around $1,400 USD/MT. The produce quality was also good with an average outturn ranging between 50 and 54 lbs for 185 to 200 nuts counted.

In general, the 2015 cashew season in The Gambia has been good compared to the previous season in terms of the overall production of RCN. In fact, this year we registered approximately 15,000 to 20,000 MT of RCN produced against 11,000 MT of RCN in the 2014 cashew campaign.

Nevertheless, some difficulties were noticed during the 2015 season related to the delayed rains, high prices, and the harsh weather conditions in the Western and Upper Regions of the country. The high prices have increased the income of cashew farmers and served as encouragement for more production in the 2016 cashew campaign.

Ghana

In 2015, West Africa produced approximately 1.5 million MT of raw cashew nuts. In comparison Ghana's total cashew production for 2015 is estimated at 80,000 to 90,000 MT. In terms of production for 2016, cashew farmers in Ghana are optimistic of improved yield and produce quality. Farmers want to be empowered to process nuts locally, as most of them must now resort to selling their RCN to foreigners.

The total installed processing capacity in Ghana is 70,000 MT while around 65,000 MT of RCN is produced annually. The cashew processing industry is currently facing challenges due to unavailability of raw cashew nuts. Due to the Ivorian authority's ban on the export of RCN to Ghana via the border, processors are now forced to buy from Burkina Faso. The situation has pushed RCN price up to 4 GHS and 5 GHS/kg during the previous campaign.

The Ministry of Food and Agriculture of Ghana (MoFA) is in the process of establishing an advocacy document on strategies for improving the cashew industry in Ghana. The erratic power supply, which has burdened most processing companies, will soon be improved since the country is expecting the arrival of expanded power supplies on November 12th to supplement the current power generation level.

Nigeria

This week, the demand for RCN is normal and prices are also stable. Buyers from the Republic of Benin and local small-scale cashew processors are in the field. The big processors in Nigeria are not buying RCN at the moment, though they are preparing for next year's season. Over 500 Metric Tons (MT) of RCN are in Lagos, Kogi and Enugu state warehouses. Buyers in the market are thus presented with various choices. Benin buyers are searching for white RCN that can easily blend with their RCN, while small processors are searching for RCN with a good outturn. These various choices have impacted the market.

The farm gate price is now between 180 and 190 NGN/kg (0.9 and 0.95 USD/kg) with a slight decrease in prices compared to last week. Deliveries in town are generally made between 182 and 192 NGN/kg (0.91 and 0.96 USD/kg), while deliveries in factories range between 192 and 202 NGN/kg (0.96 and 1.01 USD/kg).

On the plantation side, cashew farmers are constructing fire belts and some cashew trees are already at the flowering stage. The average outturn of the available RCN at the moment ranges between 35 and 40 lbs.

Senegal

In Senegal, the cashew market is very calm. The depletion of stocks has been noticed in all areas of production as no sales were reported this week. Plantations are in the process of normal flowering. As part of the implementation of good agricultural practices, producers are trying to prune and clean their plantations. With the seedlings distributed by the IRD project, the producers expect to increase their planted areas. The majority of them are planning to sow in the second half of November.

The processing sector has regained some momentum this month as a new processing plant with a capacity of 4,000 MT is being implemented in the locality of Sokone. Other units located in the region of Ziguinchor and Sédhiou are currently functional despite the high price levels during the last campaign.

The International Cashew Market

The international market remains calm with rather stable prices.

The start of the Diwali celebrations should lead to an increase in local demand in India over the coming weeks.

Most Western cashew kernel importers are covered for their needs until the celebrations at the end of year which maintain moderate demand.

International quotations

*Cashew kernels **FOB** Asia*

Description	Grade	Price USD/lb	Recent changes
Whole White	WW320	3.35 - 3.60	Slight increase
Scorched White	SW320	3.1 - 3.35	Steady
Splits	S	3.1 - 3.25	Steady
Broken	LP	2.95 - 3.1	Steady

*Raw Cashew Nut **C&F** Asia*

Origin	KOR	Price USD/MT	Recent changes
West Africa (residual stocks)	40-44	1050-1400	Steady
Indonesia	52-54	1600-1800	Steady
Tanzania	54-56	1600-1700	Steady

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