

CASHEW MARKET BULLETIN



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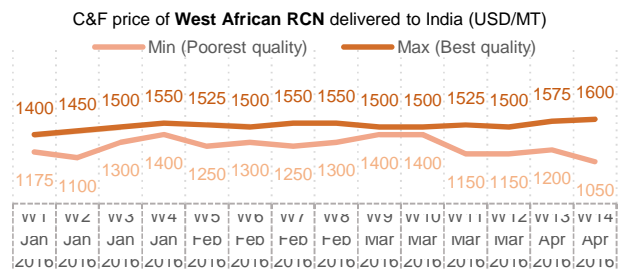
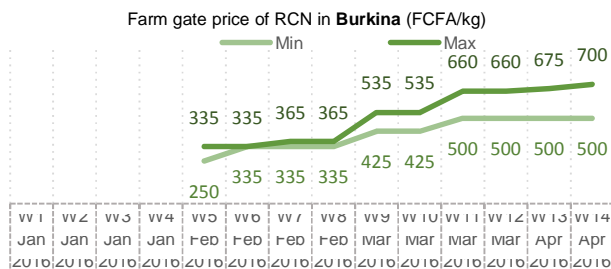
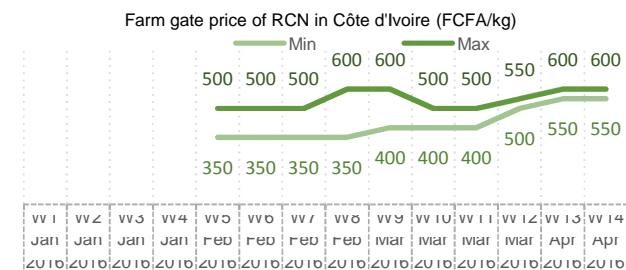
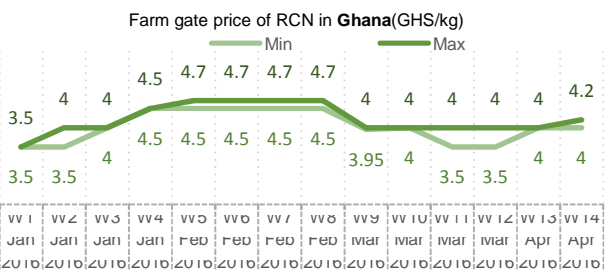
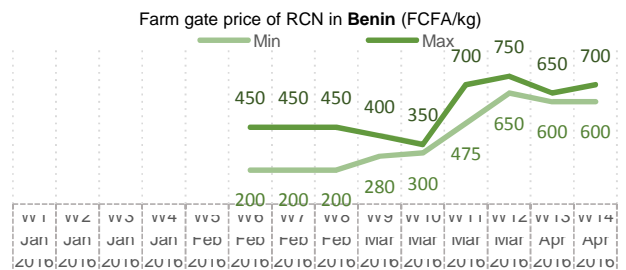
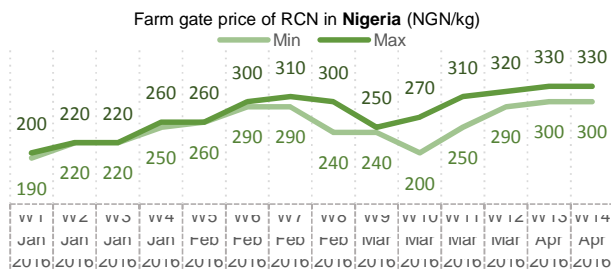
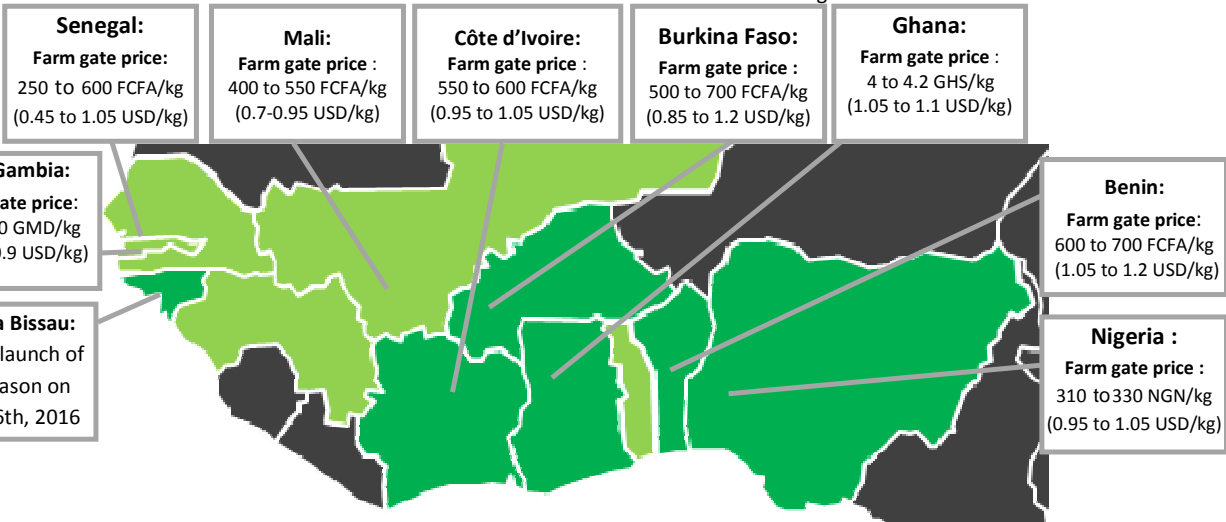
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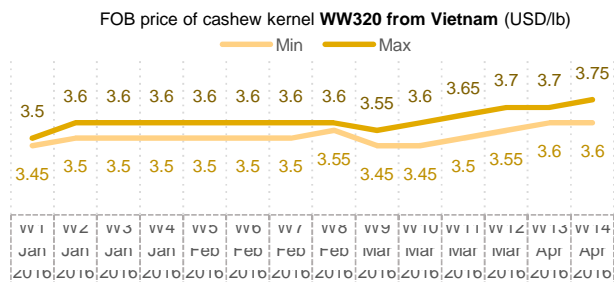
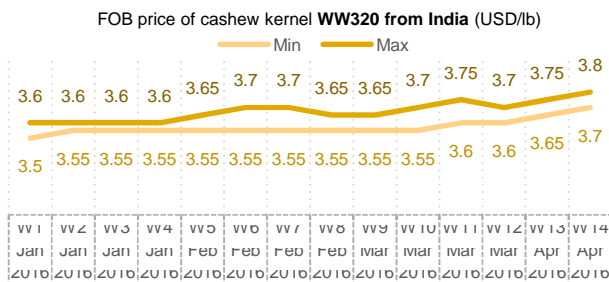
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The Cashew Market Flash

Current RCN Price from West African Cashew Producing Countries





The Cashew Market in West Africa

Nigeria

In Kogi State, the farm gate price is 300 and 310 NGN/kg. Warehouse prices vary from each other, with some being 330,000 NGN per metric ton with delivery to Lagos being 350,000 NGN/MT or more.

Kwara and Oyo State farm gate prices are 320 and 330 NGN/kg respectively. Warehouse prices also vary from one another, as some are 350,000 NGN per metric ton with delivery to Lagos being 365,000 NGN per metric ton or more.

Cashew farmers are still harvesting the raw cashew nut (RCN). We have started experiencing slight rain in the region as well, but not too much to be detrimental. Most trees remain full of flower, but with not much cashew apples on them at this point. The KOR is still good at 48-47.

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

Benin

In Benin, prices are stable or up slightly depending on the region. Available stocks are still low, as only a few towns in Borgou and Alibori (Pèrèrè, Kalalé Bembereke and Segbana) still have significant stocks. Tchaourou and Gogounou currently do not have any more nuts. This is also the common case in Ouaké and Toukountouna in Atacora and Donga Ouémé department plateau where the nuts are rare.

In Atacora and Donga in the northwest of the country, the farm gate prices are approximately 700 CFA/kg (1.2 USD/kg). In the Zou and Collines areas, in the Center Region, and in the Borgou and Alibori, Northeastern Region, prices vary more from one location to the other, ranging between 600 and 700 CFA/kg (1.05 to 1.2 USD/kg). In the department of Zou and Collines, the rains in recent weeks are helping a bit. In Djidja and Abomey, the flowering and fruiting of the cashew trees is still in progress. We are waiting to see what occurs in the coming weeks, however the current situation is one of low supply and strong demand.

In summary, cashew marketing remains intense in Benin. Producers who have large stocks are still all waiting for the prices reach the bar of 700 CFA/kg (1.2 USD/kg) required to sell their nuts.

Source: Federation of Cashew Growers of Benin (FENAPAB)

Ghana

The cashew market has seen some slight changes in price over the past week. The Wenchi and Kintampo zones are selling RCN at GHC 4.2 per kilo at the farm gate. The Sampa zone has also seen some agitation over price increments. Other areas and zones are still selling at GHC 4/Kg.

The main cashew processing company located in Pampram has complained about the lack of adequate RCN supply to the factory. This Brazilian company with an installed capacity of 35,000 metric tons is currently producing only 20 percent of its capacity, due mainly to inadequate supply of RCN.

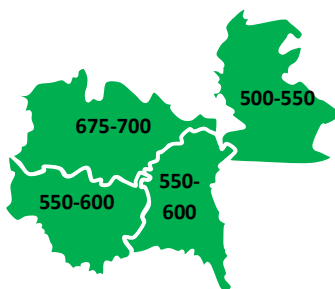
Source: Market Analyst Cyril Alormene from MOFA

Burkina Faso

In Burkina Faso, the cashew market remained steady this week as compared to the previous week. However, some wholesalers seem to stop their activities gradually as they found the prices extremely high. This could affect the cashew market in the country in the coming weeks.

In the Hauts-Bassins region, the farm gate prices are between 975 and 1000 FCFA/tin, which is equivalent to 675 to 700 FCFA/kg.

In the Cascades and Southwest, the farm gate prices are between 550 and 600 FCFA/kg. In the Central West, the farm-gate purchases are the same as the previous week's, ranging from 500 to 550 FCFA/kg. The purchase price for trackers is always 575 FCFA/ kg.



In the city of Bobo Dioulasso, the wholesale purchase price has also increased slightly during the week. Deliveries at the warehouses are being done between 700 and 715 FCFA/kg (1.2 to 1.25 FCFA/kg).

Source: Manéré OUEDRAOGO, analyste de marché N'Kalô

Cote d'Ivoire

In Côte d'Ivoire, the market for cashews is still very active in the production areas. Available stocks are still below the demand of buyers.

The rains are more regular in the areas of production and the second harvest is ongoing. However, most producers are skeptical about the size of the cashew harvest this year.

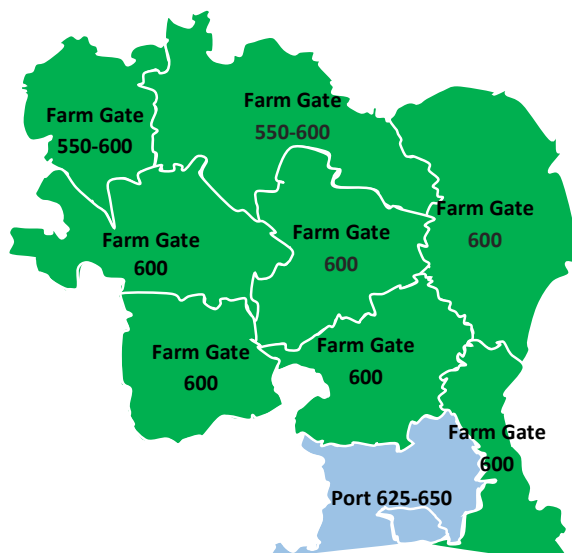
There is a share of foreign and local buyers engaged in tough competition around the visible stocks, while many farmers are making retentions and engage in heavy speculation.

However, the high level of farm gate prices compared to port and international prices has begun to reduce the purchasing power and profit of foreign buyers. This change is forcing a growing number of them to stop activities or withdraw their funds on the ground.

The farm gate prices are still up slightly this week, between 550 and 600 FCFA/kg but with a majority of sales to 600 FCFA/kg. As for wholesale prices, they oscillate between 575 and 615 FCFA/kg according to zones and buyers. Port prices are between 625-630 FCFA/kg for pre-financed purchases and 640-650 FCFA/kg for purchases self-financed.

Overall, uncertainty hangs over the RCN market this year. Indeed, some stakeholders doubt the total size of the harvest, while others foresee a volatile farm gate price that will force some buyers out of the market. If demand could slow down, prices could decrease slightly but if active buyers continue to be so numerous, prices could remain stable at current high levels.

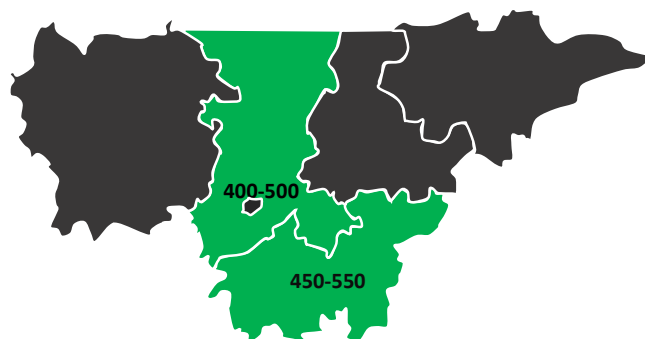
Source: N'Kalô Market Analyst; Sékongo Soungari



Mali

In Mali, the cashew market remains turbulent. Prices, which were already very high, are experiencing a new rise this week. However, demand appears to have slowed slightly as inventories available at the farm gate are increasingly large.

Farm gate prices are between 400 and 550 FCFA/kg, with a majority of trade occurring in the higher level of the range. These prices were from 300 to 500 FCFA/kg last week. The wholesale and semi-wholesale are between 600 and 625 FCFA/kg in Sikasso and Bougouni.



With the price increase depleting the financing of buyers faster than expected, the will of the wholesalers to avoid purchases via self-financing and current harvest has caused stocks to become larger at the farm level.

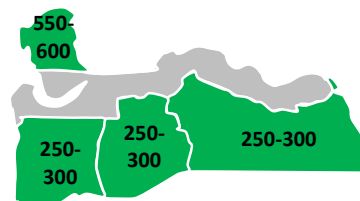
In view of the slowdown in demand from buyers and quality stocks available, a further increase seems unlikely and a slight decline in prices is possible. We recommend to producers in Mali to sell their cashews as soon as prices reach or exceed 500 FCFA/kg.

Source: Ousmane NDIAYE, analyst at N'Kalô Service

Senegal

In Senegal, the cashew market is very dynamic. In the area of Sokone (Fatick region), competition is high, while in the southern production area (Ziguinchor regions Sédhiou, Kolda), most farmers have just begun to harvest and dry. The collecting of sales has not yet actually started.

In Sokone, trade in the market places is very intense. The demand always follows an upward trend, especially with the installation of new buyers in the area. The cashew offers



available on the market has increased again this week, as the first harvests are nearly complete. It is important to note that despite this increase in supply, cashew demand remains significantly higher. In this perspective, we have seen an increase of 50 to 100 FCFA/kg at farm gate. The range in prices this week varies between 550 and 600 FCFA/kg farm gate (in villages). The wholesale prices in the weekly market places are around 650 FCFA/kg.

In the Southern production area (Ziguinchor, Sédhiou and Kolda), many producers are active in the harvesting and drying of nuts. A minority of producers has even begun to collect and sell small quantities, while others are in the process of stockpiling in the hope that prices will increase to the same level as Sokone. Currently, the prices in this area mostly range between 250 and 325 FCFA/kg at the farm gate.

The marketing year is likely to intensify further in the coming weeks, especially with the effective start of the campaign in the southern zone. In the short and medium term, competition could be

maintained both in the South and in Sokone, as the expected supply could not meet large orders from buyers during the month of April.

Source: N'Kalô Market Analyst; Cheikh Ousmane Loum

The Gambia

The cashew-marketing season is becoming more intense in The Gambia.



Unlike the rest of West Africa, the areas around Senegal, including The Gambia and Guinea-Bissau, does not seem to know of the production lags in comparison with last year. This year, exports through the port of Banjul are expected to decline due to the closure of the Senegal-Gambia border to road transport. At this time last year, the cashew flows passing through Banjul had dropped to around 37,000 MT against more than 50,000 MT during the past years.

In the North Bank region, the cultivation of cashew has tended to expand and producers are expecting a good harvest. The tomato tin full of cashew nuts is being sold at 50 GMD and RCN kilo is being sold at 40 GMD. New exporters are present in the area this year.

In the West Coast region, which is the largest production area, production is just beginning to intensify and marketing is less competitive. The tin of 1.5kg is being traded at between 45 and 50 GMD, equivalent to 30 to 33 GMD/kg. In the area of Fonis, sales are even a little bit lower, between 26 and 30 GMD/kg. Finally in the area of Lower River, the harvest is just beginning, but already RCN sales are between 35 and 40 GMD/kg.

The Cashew Alliance of The Gambia (CAG) will soon announce the official launch of the marketing season.

Source: N'Kalô Service : Gabriel GOMEZ and Cashew Alliance of Gambia, Alpha JALLOW

The Cashew Market in East Africa

Kenya

In Kenya, the demand for the latest cashew stocks available remains strong despite the very poor quality of these (outturn 42 lbs/bag). The farm-gate sales are between 50 and 65 KES/kg. Wholesale deliveries to processors warehouses are at 70 KES/kg.

Source: Ustadi Foundation, Noel Kasololo

The International Cashew Market

The international cashew market remains firm to upward pressure with RCN arrivals coming very slowly in the processing factories, which is limiting the cashew kernel supply and pushing prices upward.

According to several traders, cashew kernel stocks in Europe and the US are beginning to be particularly low, despite

International quotations in India/Vietnam

Cashew Kernel FOB Asia			
Description	Grade	Prix USD/lb	Recent Changes
Whole white 240 Kernels/lb	WW240	3.8 – 4	Slight Increase
Whole white 320 Kernels/lb	WW320	3.6 – 3.8	Slight Increase
Splits	FS/WS	3.25-3.4	Stable
Broken	LWP/LP	3.05 - 3.3	Stable

Raw Cashew Nut (RCN) CFR Asia			
Origin (Availability)	Outturn	Price USD/MT	Recent Changes
Nigeria (April)	46-47	1,250-1,350	Slight Increase
Benin (April)	48-49	1,350-1,450	Stable
Ghana (April)	47-48	1,400-1,500	Slight Increase
Côte d'Ivoire (April)	47-48	1,400-1,500	Slight Increase
Senegal/Gambia (May)	50-52	1,550-1,650	Stable

the import of US during the first quarter; imports in EU were especially low during February and March. Demand remains very good at the consumer level.

Gradually, roasters are beginning to resign themselves to importing cashew kernels at high prices. The majority of the contracts currently signed are on the upper side of the price range, between 3.7 and 3.8 USD/lbs. for the WW320 grade. For most Asian processors, the high price of raw nuts is still too expensive. Currently, sales of local raw nuts are between 1650 and 1850 USD/MT in India for qualities ranging from 49 to 52 lbs/bag and 1550 to 1850 USD/MT in Vietnam for qualities ranging from 50 to 54lbs/bag.

Currency

Exchange Rate: 1 USD=			This Week	Last Week	Exchange Rate: 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	580	575	East Africa	Tanzanian Shilling	TZS	2180	2185
	Nigerian Naira	NGN	200	200		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3.8	3.85		Mozambican Metical	MZN	51	52
	Gambian Dalasi	GMD	43	43	Asia	Indian Rupee	INR	67	66
	Franc Guineén	GNF	7600	7600		Vietnam Dong	VND	22400	22300

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