

# CASHEW MARKET BULLETIN



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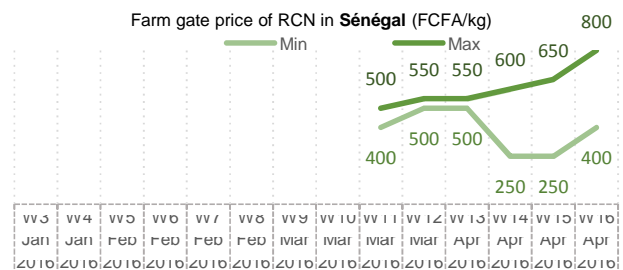
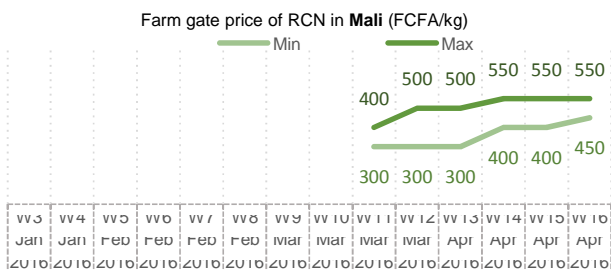
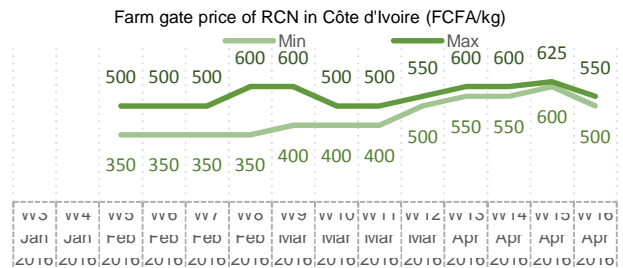
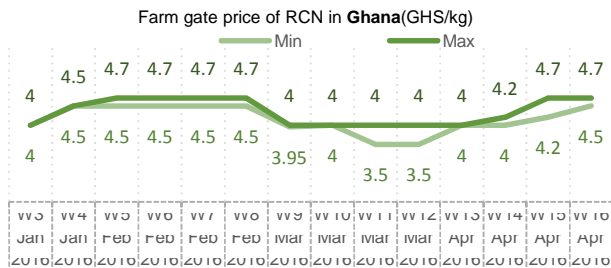
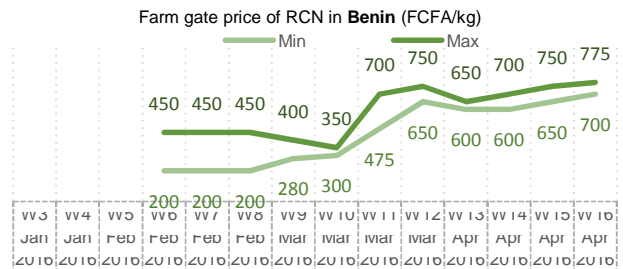
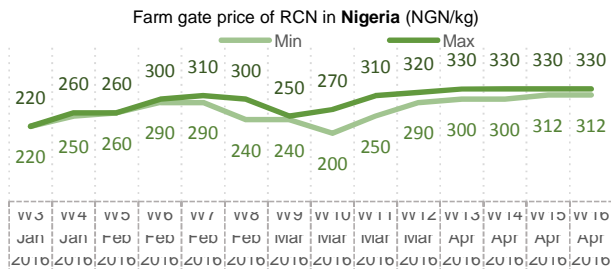
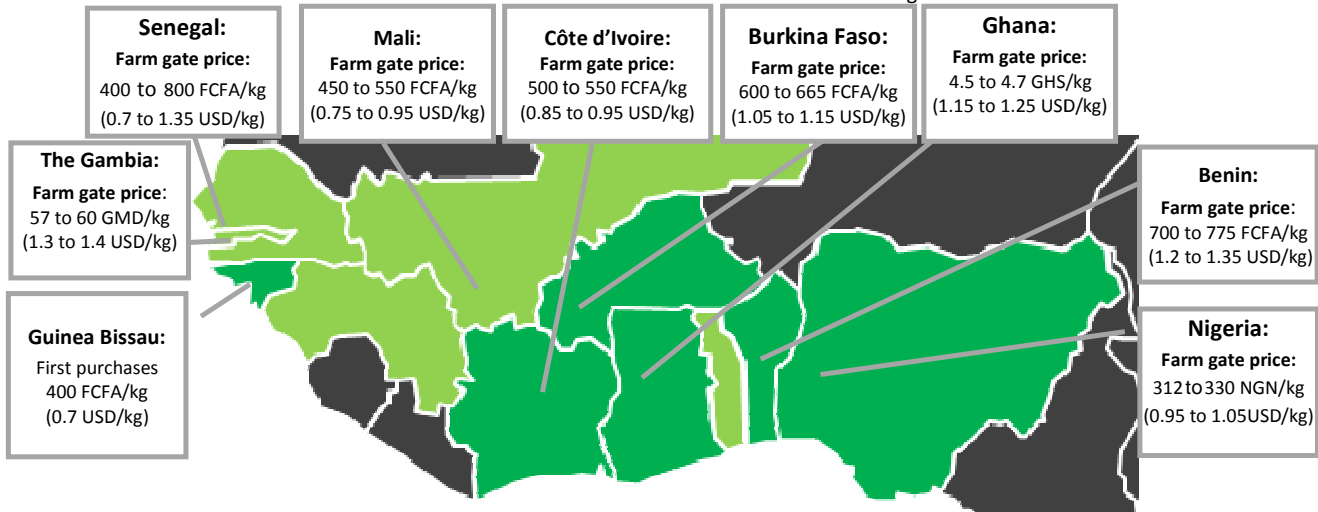
April 26<sup>th</sup>, 2016 – N°186

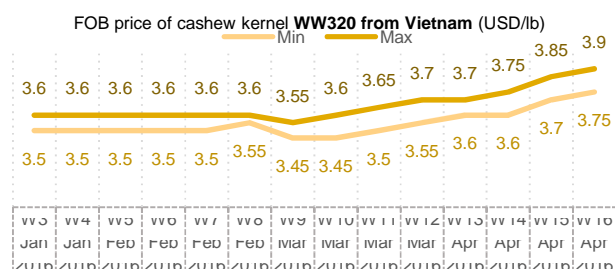
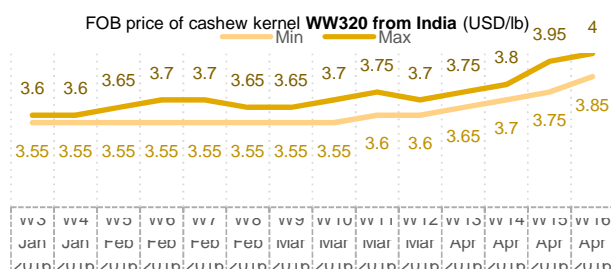
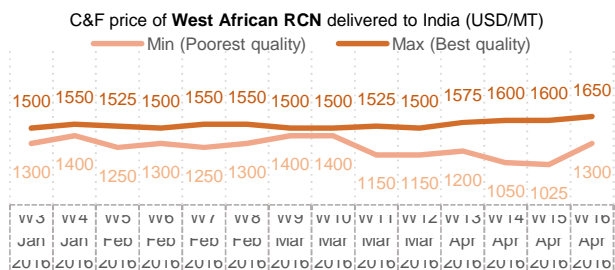
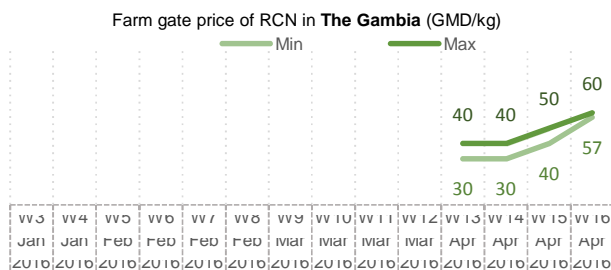
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## The Cashew Market Flash

Current RCN Price from West African Cashew Producing Countries





## The Cashew Market in West Africa

### Nigeria

This week, the Naira exchange rate in the informal market is: 1 USD for 310 NGN against 1 USD for 199 NGN on the official market.

Market remains the same as last week. There's not much RCN to pick from the farm and the quality has started dropping. RCN Outturn is mostly below 46 lbs/bag now.

In Kogi State farm gate price is 312 NGN per kg, warehouse price varies as some are 335,000 NGN per metric ton and deliveries to Lagos is 360,000 NGN/MT and above.

In Kwara and Oyo State Farm gate price ranges between 320 and 330 NGN per kg, warehouse price varies as some are 350,000 NGN per metric ton and deliver to Lagos is 365,000 NGN per metric ton and above.

The third flowering is expected to allow another crop in May however not all the trees will produce and the quality is expected to be low.

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

### Benin

In Benin, competition remained very fierce as RCN quantities sold by farmers are still lower than the current demand, which leaves many people are speculating.

This week, farm gate prices are range 700 and 750 FCFA/kg (1.2 and 1.35 USD/kg). Deliveries in Cotonou ports are approximately 850 FCFA/kg (1.45 USD/kg)

Source: Mr. Antoine DJOSSOU and FENAPAB

### Ghana

In Ghana, RCN prices increased again this week while quantities sold by farmers are limited.

In Wenchi and Techiman areas, farm gate prices are at 4.5 GHS/kg (1.15 USD/kg). In the North, around Sawla, farm gate price is at 4.6 GHS/kg (1.2 USD/kg), also in this area some large stocks of RCN are still with farmers. In Sampa's area, near the Ivoirian border, farm gate price is at 4.7 GHS/kg (1.25 USD/kg).

RCN quality is decreasing with most of the available product below 47lbs/kg.

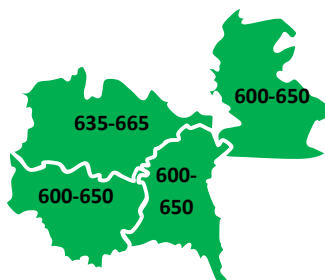
Source: Market Analyst Cyril Alormene from MOFA

## Burkina Faso

In Burkina Faso, cashew trade remains very active and prices are stable.

In the region of Hauts Bassins, RCN farm gate price remained stable ranging between 635 and 665 FCFA/kg (between 1.1 and 1.15 USD/kg).

In the regions of Cascades, the Southwest and the Midwest, the farm gate price ranges between 600 and 650 FCFA/kg (between 1.05 and 1.13 USD/kg).



In the city of Bobo-Dioulasso, prices for deliveries to exporter's warehouses remained between 700 and 715 FCFA/kg (between 1.2 and 1.25 USD/kg).

*Source: Manéré OUEDRAOGO, Market Analyst, N'Kalô Service*

## Côte d'Ivoire

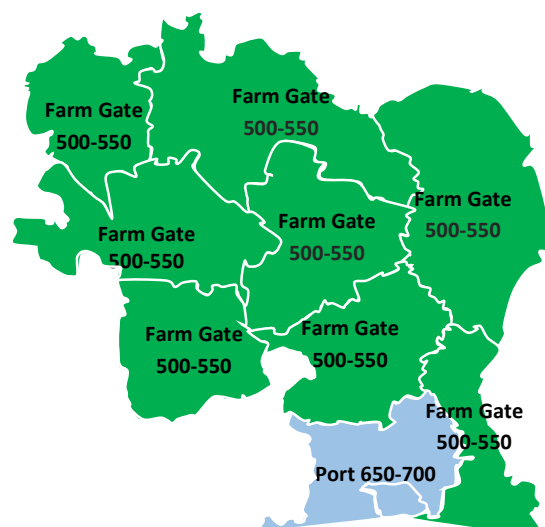
This week, Cashew market fell in Côte d'Ivoire as a number of exporters withdrew from the market due to lower quality availability with volumes of 44lbs arriving at the port.

This drop in RCN price has consequently caused producers and traders to also withdraw just as the second crop is arriving.

A large number of trucks are arriving at the port; many are turned away because the RCN qualities are less than 44 lbs/bag. In these circumstances, many traders who are self funded also stopped their purchases to focus on selling their stocks.

The farm-gate prices decreased, ranging between 500 and 550 FCFA/kg (0.85 and 0.95 USD/kg) with a majority of purchases to 550 FCFA/kg. Wholesale prices are between 525 and 575 FCFA/kg (0.9 to 1 USD/kg) according to zones and buyers. Port prices range between 650-675 FCFA/kg (1.1 and 1.15 USD/kg) depending on the RCN quality with the majority of sales approximately 675 FCFA/kg. There is a scarcity of product of 46lbs yield or better. Well dried, good quality product is still in demand.

*Source: N'Kalô Market Analyst; Sékongo Soungari*



## Mali

In Mali, the cashew market experienced a rise in prices over the previous week. Cashew market is moderate despite the arrival of part of the second crop to market.

Farm gate Prices range between 450 and 550 FCFA/kg (0.75 to 0.95 USD/kg) with a majority of transactions in high range of price. The wholesale prices range between 600 and 650 FCFA/kg (1.05 to 1.1 USD/kg). Prices tend to be harmonized in almost all the production areas.

The cashew stocks from the first crop are still available while the second crop gradually arrives on the market. Generally, cashew trade is quiet as buyers and sellers are not active.

Foreign buyers are not very active currently; nevertheless local buyers absorb some of the RCN stocks and this tends to inspire other actors.

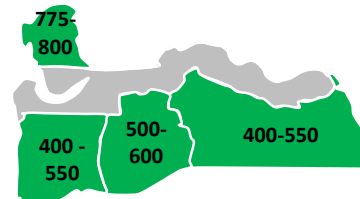
*Source: N'Kalô Market Analyst; Ousmane N'DIAYE*

## Senegal

In Senegal, the cashew season is active in the locality of Sokone (Fatick region) with high price range. In the South region (Ziguinchor, Kolda and Sédhiou), sales increased progressively but the campaign is not yet in full swing.

In the area of Sokone, the second crop has just begun. This explains why the available supply in the villages and weekly markets looks promising. RCN demand seems to be increasing every week; making the competition even tougher among numerous buyers. With good demand in the international market and good quality of nuts in Sokone, prices continue

to rise. An increase ranging between 150 and 200 FCFA/kg was recorded as the farm gate price of cashew. The prices this week range between 775 and 800 FCFA/kg at farmgate. At the weekly markets, the wholesale price will be approximately 800 FCFA/kg.



In Casamance, producers are still harvesting and drying cashew. The first phase of crop is well advanced in this area. It is important to note that while most producers started harvesting, quantities traded are still very low and they are holding back their stocks. Mauritanian buyers and middlemen are increasingly present to consolidate their collection networks. A kilo of cashew at farm gate is traded this week between 400 and 550 FCFA/kg in the areas of Kolda and Ziguinchor. In Sédhiou, prices are slightly higher and vary between 500 and 600 FCFA/kg at farmgate.

*Source: N'Kalô Market Analyst; Cheikh Ousmane Loum*

## Gambia

The Cashew season is now in full swing with the first harvest almost ending in the main cashew production zones (West Coast & North Bank Regions).



Competition is intense due to high demand and the intervention of several new players this season.

In the **North Bank Region**: Prices have soared as the first harvest comes to a close. Farm-gate prices are between 58 and 60 GMD/kg (between 1.38 and 1.42 USD/kg). Agents and traders are delivering their stocks to warehouses in Barra and Banjul. Interestingly, farmers have this year, organized themselves into small groups to make collective sales and bargain for better prices based on quantity and quality. Farmers are reportedly heeding to the SMS text messages and are selling their stocks as soon as they dry it.

In the **West Coast Region**: The first harvest is almost complete in this major cashew-nut production belt and competition is intense, especially between the Mauritanians and Fulani traders.

Farm gate prices in the main buying centers range between 58 and 59 GMD/kg (between 1.38 and 1.4 USD/kg) and deliveries to warehouses in Kanifing are at 60 GMD/kg (1.42 USD/kg). In the Fonis, agents are buying at 58 GMD/kg approximately 1.38 USD/kg. Trucks have hence started regular deliveries to the Kanifing and Banjul export warehouses.

In the **Lower River Region**: Most of the first harvest is ongoing and farmers are drying and selling their stocks progressively. Some of the major buyers in Kanifing and Banjul have their traders operating in all the three districts of the Kiang production belt (i.e. West, Central and East). RCN farm gate price is 57 GMD/kg around 1.37 USD/kg.

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

## The Cashew Market in East Africa

### Kenya

Long rains have started in Kenya; farmers are planting other crops such as maize, green grams, cow peas and Beans. Cashew nut production is expected to decline due to the rain. However some trees are still flowering and fruiting. Farm gate price ranges between KES 50 and 60 /kg (0.5 and 0.6 USD/kg) whiles warehouse price ranges between KES 65 and 70 /kg (0.65 and 0.7 USD/kg).

Source: *Ustadi Foundation, Noel Kasololo*

## The International Cashew Market

In the sub-region of Guinea Bissau, Senegal and Gambia, the season just started, hence the presence of many foreign buyers (especially Indians and Vietnamese). RCN exports are expected to start within 2 to 3 weeks with the increase in arrivals at the ports of the entire sub-region. Many processors from Asia are now securing RCN stocks in this Sub-region in order to cover their needs.

This week, the price of cashew kernel is rising on the international market and some export contracts have passed 4 USD/lb for WW320.

RCN prices have also increased for imported nuts from Africa on both the Indian and Vietnamese local market.

In India, local raw nuts are sold between 1,850 and 2,000 USD/MT. In Vietnam, it is purchased between 1,750 and 1,850 USD/MT.

The different origins in West Africa have all increased by 100 USD/MT or more since the beginning of this month, while the RCN quality has decreased.

### International quotations in India/Vietnam

<i>Cashew Kernel FOB Asia</i>			
Description	Grade	Prix USD/lb	Recent Changes
Whole white 240 Kernels/lb	WW240	3.95 - 4.2	Increase
Whole white 320 Kernels/lb	WW320	3.75 - 4	Increase
Splits	FS/WS	3.25 - 3.4	Sligh increase
Broken	LWP/LP	3.15 - 3.3	Sligh increase

<i>Raw Cashew Nut (RCN) CFR Asia</i>			
Origin ( <i>Exportation period</i> )	Outturn	Price USD/MT	Recent Changes
Nigeria ( <i>May</i> )	45-46	1,350 -1,400	Increase
Benin ( <i>May</i> )	46-47	1,550 -1,650	Increase
Ghana ( <i>May</i> )	46-47	1,500 -1,600	Increase
Côte d'Ivoire ( <i>May</i> )	45-46	1,500 -1,600	Increase
Senegal/Gambia/GB ( <i>June</i> )	50-52	1,700 -1,800	Increase

Knowing that local demand remains robust in most consuming countries, the statistics in the table below confirm that the level of kernel stocks in consumer countries is significantly lower compared to previous years. However, the average prices of raw cashew nuts and kernels are much higher.

		Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2016
India	<b>Imports of RCN (Metric Tons)</b>	<b>95600</b>	<b>125000</b>	<b>109000</b>
	Imports of RCN (CIF Price in USD/MT)	1312	1450	1630
	<b>Exports of cashew kernels (Metric Tons)</b>	<b>26700</b>	<b>29000</b>	<b>21300</b>
	Exports of cashew kernels (FOB price in USD/MT)	7298	7658	8130
Viet Nam	<b>Imports of RCN (Metric Tons)</b>	<b>52000</b>	<b>149000</b>	<b>107000</b>
	Imports of RCN (CIF Price in USD/MT)	1236	1391	1586
	<b>Exports of cashew kernels (Metric Tons)</b>	<b>53000</b>	<b>57000</b>	<b>49000</b>
	Exports of cashew kernels (FOB price in USD/MT)	6137	7147	7614

The cashew processing sector whether in Asia or Africa has therefore subjected this year to a high pressure with regards to:

- An increasing number of new processing units that seek RCN stocks to run their activities
- A delay in production which reduced the stocks of RCN at the processing level
- A strong global demand and low cashew kernel stocks
- Concern about the total size of the global harvest this year.

In this context, contractual defaults have tended to increase. These contracts defaults increase uncertainty and pressure on all buyers and the upward spiral seems permanently engaged.

## 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	2200	2180
	Nigerian Naira	NGN	199	200		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3.8	3.8		Mozambican Metical	MZN	49	52
	Gambian Dalasi	GMD	42	42	Asia	Indian Rupee	INR	66.6	66
	Franc Guinéen	GNF	7460	7575		Vietnam Dong	VND	22300	22300

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