

The Cashew Market in West Africa

Nigeria

The cashew market in Nigeria currently has an upward trend in terms of highly fluctuating RCN prices, but also in terms of increasing demand. RCN quality is between 48-50lbs.

Currently, the regulation in place is the prohibition of cashew dealers carrying RCN in polythene bags. Mr. Adefemost chairman-taskforce of the National Cashew Association of Nigeria (NCAN) enforces this regulation and anyone caught must pay a fine. This

has greatly helped to improve the quality of RCN in Kogi state and Nigeria overall.

RCN price from producers is currently between 500 and 560 NGN/kg (1.5-1.7 USD/kg), while the warehouse price is between 580 and 600 NGN/kg (1.8-1.9 USD/kg). Deliveries to Lagos are being made for between 620 and 650 NGN/kg (1.96-2.06 USD/kg).

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

Benin

The official launch of the 2017 cashew season in Benin is scheduled for 1st March 2017 with a minimum farm gate price of 300 FCFA/Kg. However, the market is already very active due to the early nuts collected by farmers and the high level of demand. Producers expect a better yield this year compared to last season.

In all production areas, there is an increase in RCN prices. During the second half of February, the average farm gate price was between 250 and 380 FCFA /kg, while for the third week the RCN farm gate price ranged between 270 and 420 FCFA/kg (0.43-0.67 USD/kg).

The lowest prices are recorded in the region of Atacora-Donga with price ranges between 200 and 250 FCFA /Kg (0.32-0.43 USD/kg), while the highest prices are observed in the Zou-Collines region around

400 to 450 FCFA /Kg (0.64-0.72 USD/kg)

In most producing areas, the RCN price change from the second to the third week is relatively high. This week for instance, we observed a high variation (+50 FCFA per kg) in the Zou-Collines region.

RCN demand is generally strong during this period, but the RCN arrivals remains quite small and sometimes follows the same trend as demand. Although the campaign is still officially not launched and the minimum farm gate price is set at 300 FCFA/kg, RCN quantities are being sold in some places at lower prices for around 200 FCFA/kg (0.32 USD/kg).

Some farmers are still holding their nuts despite the high price level and continue to expect higher prices.

Source: Federation of Cashew Growers of Benin (FENAPAB)

Burkina Faso

The official opening of the 2017 cashew campaign in Burkina Faso will be on February 28th, 2017. RCN arrivals are increasing at both the villages and the cities markets. The quality of the available RCN is 48-58lbs with 180-200 Nut -count.

There is a slight increase in RCN price over the past week. The farm gate price is currently between 650 and 715 FCFA/kg (1.04-1.14 USD/kg). The wholesale price ranges between 675 and 775 FCFA/kg (1.08-1.24 USD/kg) in Bobo-Dioulasso and Banfora

It has also been 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 is fixed at 600 FCFA/kg (0.96 USD/kg), while the minimum ex-works price is set at 650 FCFA/kg (1.04 USD/kg). The minimum price for the delivery to

Mali

Cashew trees continue flowering in all production areas. Farmers are taking care of their plantations and expect good yields. Some early fruits are beginning to fall in some plots, but in generally few quantities. However, the peak of the production is expected by mid March.

Côte d'Ivoire

The cashew market has been very active in Côte d'Ivoire since the launch of the campaign. The rains stopped in the different zones of production, but the sunshine is strong with the arrival of the heat. RCN quality is between 48-50lbs with a nut count below 180.

According to CCA, 86 trading companies and 27 cooperatives are authorized for the export of cashew nuts in Côte d'Ivoire during this campaign. It was agreed between CCA and the traders that it was necessary to wait at least 2 weeks before starting the transactions at the port level as a way to allow a good drying of the nuts. For the time being, the minimum RCN price at the farm level is respected in all production areas.

Ghana

At the end of the last Cashew season, large volumes of RCN were barely available at stakeholder levels. For instance, one of the processing factories operating, Usibras Ghana Limited, had to import 5,000 metric tons of RCN from Guinea Bissau to supplement its stock in July last year at the end of the cashew season. The total number of processing plants in the country is thirteen with a total installed capacity of 65,000 metric tons of RCN per year. For the previous two cashew seasons, eleven of the thirteen factories in Ghana have been closed. The total installed capacity of the eleven closed factories is estimated to be around 27, 000 of RCN per year.

Local processors warehouses is 690 FCFA/kg (1.1 USD/kg). It should be noted that these minimum prices will only be 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).

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

The cashew market is quiet for the moment. RCN arrivals are low as demand. However, a few transactions are being made currently at the producers level between 200 and 300 FCFA/kg (0.32-0.48 USD/kg) in the region of Sikasso.

Source: Mme KONGO BABA, CTARS MALI

Currently, RCN quantities at the producer level are increasing. In rural markets, RCN arrivals are increasing, while in the big cities, RCN stocks at the traders' level are small for the moment.

This week, RCN farm gate prices are between 440 and 500 FCFA/kg (0.7-0.8 USD/kg) compared to 300-500 FCFA/kg noticed last week. Middlemen are delivering to the traders' warehouses for between 465 and 525 FCFA/kg (0.74-0.84 USD/kg).

Traders and producers expect an increase in RCN prices due to the strong demand at this period of the campaign. However, local processors are concerned about the current level of prices and also high competition in the market.

Source: Mr. SORO LACINA

Two processing factories operated during the 2015-2016 cashew season. There is no readily available information as to the volume of RCN processed last year, but it is estimated to be around 10,000 MT of RCN.

Since the end of the 2015-2016 cashew season, there hasn't been any new policies regarding trading, processing, and exportation of RCN in the Ghana. However, there are plans to set up a Cashew Regulatory Board for Ghana and consultations are currently on going.

RCN arrivals are low with an average quality of 47-49lbs. The quantity is expected to increase as the season grows. However, a few transactions have been observed at the producer level since the first half of February. RCN farm gate price is currently between 4.5 and 6 GHS/kg (1.01-1.34 USD/kg). Deliveries to processors are being made in Sampa at 6.5 GHS/kg

(1.46 USD/kg). This high range of RCN price is due to the high demand compared to the low availability of RCN at this period of the campaign. The pick of the production is expected by mid March.

Source: Cyril Alormene from MoFA

The Cashew Market in East Africa

Kenya

The cashew market has slowed down in Kenya. RCN arrivals decreased sharply during the past weeks. This year we observed harsh weather conditions. Drought has affected the flowering and fruiting of the cashew trees.

The quality of the available RCN dropped sharply from 49lbs in early February to 44-46lbs. However, some

farm gate purchases are still being made between 60 and 65 KES/kg (0.58-0.63 USD/kg) in Magarini sub-county.

The rainy season is yet to start and some farmers are preparing their farms for the long rains. The cashew season is expected to come to an end on March 2017.

Source: Mr. NOEL KASOLOLO

The International Cashew Market

The international market is in the period between crops. There are expectations and forecasts but the real trend for the coming crop year is not yet clear. The market ended the last season at very high prices and early trade for the new season again starts at high levels. This is because many traders believe that the supply of raw cashew nuts for the next few weeks will be tight and want to buy the early available material for their customers. They may be right as the crop in Vietnam is reported to be delayed and will come in about a month late in the first half of March. This means that the processors in Vietnam must rely on imported supplies until the middle of March. They rely on imports from Cambodia (100,000 tons), stocks already in Vietnam and shipments from Tanzania and Mozambique. They would not be expecting raw cashews from West Africa until much later in any event so traders chasing prices upward in West Africa may be making a mistake. On the other hand, the demand for raw cashew nuts from Vietnam and India continues to be strong. It may be that many traders with a lot of money to use create a kind of inflation that is really related to the supply and demand.

Quotations in India/Vietnam

<i>Cashew kernels FOB</i>			
Description	Grade	Price USD/lb	Recent changes
Whole White 240 kernels/lb	WW240	4.95 - 5.4	Stable
Whole White 320 kernels/lb	WW320	4.4 - 4.7	Stable
Splits	FS/WS	3 - 3.8	Stable
Broken	LWP/LP	3.00-3.25	stable

<i>Raw Cashew Nut CFR India/Vietnam</i>			
Origin	Outturn	Price USD/MT	Recent changes
West Africa (April Shipment)	48-50	1,500-1,650	Stable
Tanzania (limited availability)	48-49	2,200	Stable

Overall the crop forecasts from all producing countries are good to very good. India, Vietnam, Cote D'Ivoire and others are optimistic on their crops at this point in time. The time taken for the conversion of the raw nuts from the farm gate to arrive at the processing plant is a crucial factor. It is often underestimated and actions like delaying the shipment to ensure better drying in Cote D'Ivoire will increase that time although

also ensuring better quality. For many people at the recent World Cashew Convention the question was not if the market will go down but when it will go down based on the expected good crops. This is only their opinion but it is widely held.

Buyers of cashew kernels are reluctant to buy at the current high prices. WW320 at USD\$4.50 per lb. FOB or higher are not attractive and will only be bought if absolutely necessary. Processors are not pushing for sales so the market remains quiet watching the new crop developments. This again makes life difficult for African processors. They are faced with decisions on raw material at a time when it is difficult to sell kernels. This will become clearer in the coming weeks but the conundrum for all stakeholders is when. When will we have sufficient good crop information to make decisions? When will cashew kernels buyers have to enter the market to buy the supply which they most definitely need?

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	622	617	East Africa	Tanzanian Shilling	TZS	2228	2228
	Nigerian Naira	NGN	315	315		Kenyan Shilling	KES	103	103
	Ghanaian Cedi	GHS	4.45	4.4		Mozambican Metical	MZN	70	70
	Gambian Dalasi	GMD	43.5	43.5	Asia	Indian Rupee	INR	67	67
	Franc Guineén	GNF	9278	9304		Vietnam Dong	VND	22829	22639

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