CASHEW MARKET BULLETIN

AFRICAN CASHEW ALLIANCE
ACA

n'kalô
Service d'information et de conseil

January 26th, 2016 – N°173

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The Cashew Market Flash

RCN Price from West African Cashew Producing Countries

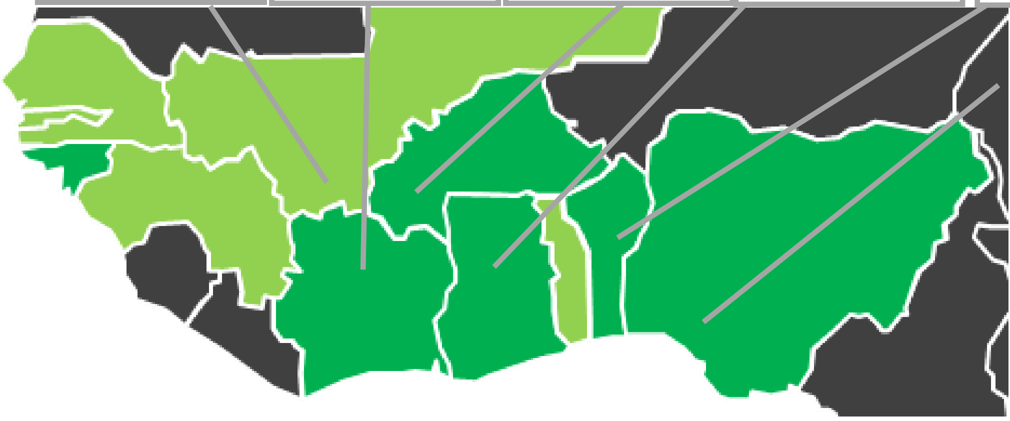
Mali:
Official launch of the campaign scheduled on 1 March 2016.

Côte d'Ivoire:
Harvest starting. Full season expected in February

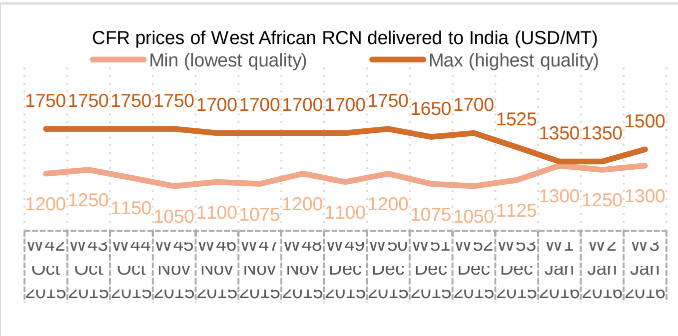
Burkina Faso:
Harvest starting. Full season expected in February

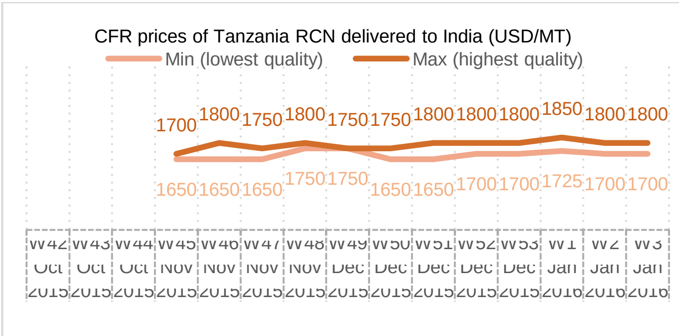
Ghana:
Ongoing harvests. Farm gate purchases around 4 GHS/kg (1.00 USD/kg)

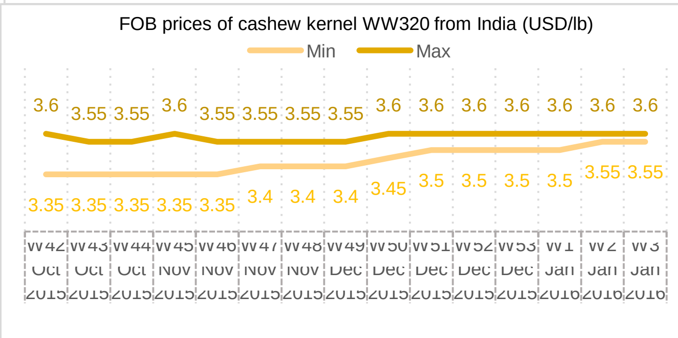
Benin:
Official launch: March 3rd, 2016. Min. Farm gate: 225 FCFA/kg

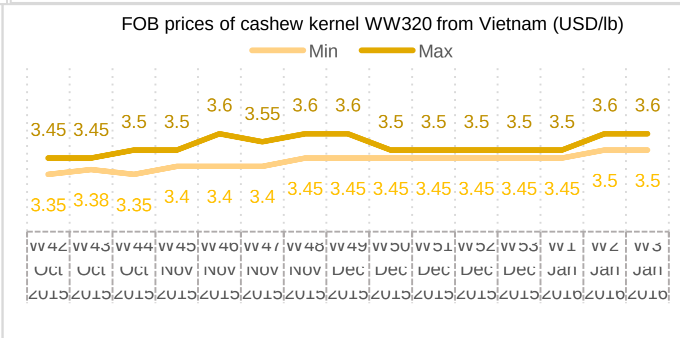


Nigeria
Campaign is starting now. Farm-gate prices: 190-200 NGN/kg (0.95-1.00 USD/kg)









The Cashew Market in East Africa

Kenya

In Kenya, raw cashew nut (RCN) prices remain stable but are at a low level compared to the international market. The farm-gate prices are mainly between 50 and 60 KES/kg ((0.54 and 0.59 USD/kg). Deliveries at the local processors' stores are between 67 and 70 KES/kg (0.66 and 0.69 USD/kg). It is important to note once again, that the export of RCN is prohibited in Kenya, and that this may explain why there are low prices charged in comparison to countries in West Africa.

Tanzania

In Tanzania, the cashew season is reaching an end. Most exporters have stopped their purchases at the auction and are focusing on the export of the last stocks they purchased. The volume of RCN from Tanzania arriving at the ports in India has reached 30,000 MT since the beginning of the campaign (November 2015 to present). The 2014/2015-cashew campaign started early but should also end earlier in Tanzania.

The Cashew Market in West Africa

Nigeria

As is the case every year, Nigeria is the first to open the marketing campaign for RCN in West Africa. The crops have barely started to become significant, but many buyers are already on the ground for purchases. In the past weeks, competition has been very limited and farm-gate prices were relatively low; around 135 NGN/kg (0.68 USD/kg). However, since last week, it is much more intense and prices have increased to between 190 and 200 NGN/kg (0.95 and 1.00 USD/kg). This significant increase corresponds to a rapid adjustment of prices currently occurring in the international market, but also the significant orders received by Nigerian exporters. In Lagos, nuts are supplied at the warehouses at around 240 NGN/kg (1.2 USD/kg).

Ghana

In Ghana, the season also began earlier than usual. Farmers have started selling small volumes with the village buyers in the Brong Ahafo region and the farm-gate prices have increased in recent days from 3 GHS/kg (0.75 USD/kg) to 4 GHS/kg (1.00 USD/kg).

As in Nigeria, prices in Ghana were quickly aligned with international market trends and therefore should tend to stabilize at the current level in the coming weeks.

Other countries in West Africa

In **Côte d'Ivoire**, CCA, the Cotton and Cashew Council finalized the list of approved exporters and buyers, which should be published very soon. It can be expected that the official opening of the campaign will take place during the month of February since the crops have already started to intensify.

In **Mali**, the official launch of the 2016 campaign has been set for March 1st. Malian production is expected to continue to grow significantly in 2016 as the country's cashew orchards are particularly young.

The International Cashew Market

The cashew kernel market is relatively calm now, while the RCN market will start soon in Nigeria, Côte d'Ivoire and Ghana and base on the quoted price at the farm gate as well as the presence of the local buyers in the famers communities we anticipate a very busy market in the coming February.
The level of bids and offers, for West African RCN are increasingly numerous, indicates and active market with high prices at the beginning of the 2016 campaign. The most remaining stocks from the 2015 campaign are available in Guinea-Bissau and Côte d'Ivoire and are exported between 1,200 and 1,500 USD/MT depending on the quality.

Actual quotation of C&F price in future contracts for delivering new crop in March are between 1,300 USD/MT (780 FCFA/kg) for the lowest qualities of the early season (47 lbs per bag) and 1,600 USD/MT (960 FCFA/kg) for the highest quality from Benin (50 lbs per bag and with 170 to 180 nuts/kg).
In East Africa, the campaign is almost over thus the offers of Tanzanian RCN exports are becoming increasingly rare. Offers for Mozambican raw nuts are also very rare; most of the production is exported and around 17 000 MT has been processed locally. So far, no batch of RCN from Mozambique was delivered in India this year.

International quotations in India/Vietnam

*Cashew kernels **FOB***			
Description	**Grade**	**Price USD/lb**	**Recent changes**
Whole White 240 kernels/lb	WW240	3.7 - 3.75	Stable
Whole White 320 kernels/lb	WW320	3.5 – 3.6	Stable
Splits	FS/WS	3.2 - 3.3	Stable
Broken	LWP/LP	3.10 – 3.2	Stable

*Raw Cashew Nut **C**FR India/Vietnam*			
Origin	**Outturn**	**Price USD/MT**	**Recent changes**
West Africa (coming harvest, deliveries from end of March)	47-50	1300-1600	New offers
Indonesia (limited availability)	48-50	1650-1700	Stable
Tanzania (limited availability)	48-49	1650-1750	Stable

Exchange Rate: 1 USD=			**This Week**	**Last Week**
West Africa	Franc CFA	XOF	605	605
	Nigerian Naira	NGN	200	200
	Ghanaian Cedi	GHS	4	4
	Gambian Dalasi	GMD	40	40
	Franc Guineén	GNF	7700	7700

Exchange Rate: 1 USD=			**This Week**	**Last Week**
East Africa	Tanzanian Shilling	TZS	2190	2175
	Kenyan Shilling	KES	102	102
	Mozambican Metical	MZN	45	45
Asia	Indian Rupee	INR	68	67
	Vietnam Dong	VND	22300	22400

The Analysts' Opinion

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Customs statistics of the US and the European Union in the first 11 months of 2015 confirm the volume dynamic development of the processing sector that was anticipated by N'Kalô Service at the beginning of 2015.

Despite the high prices of RCN experienced by the processing industry and the expansion of the processed kernels of Asia, reinforced the comparative advantage, where India and Vietnam have a processing industry that is growing strongly (+ 14%). Nevertheless processors in Asia margin were squeezed.

This is to the detriment of West African and East African; that had respectively a decrease of 14.5% and 22%; from which the processed volumes were very low in 2015 due to the close down of many factories.

The Brazilian industry is also facing the weakness of local production and turning more towards the domestic market, which continues to cause a fall in exports (-30%).

EU28 cashew imports during the first 11 month of the year				
Metric Tons	Jan to Nov 2013	Jan to Nov 2014	Jan to Nov 2015	2015/2014
VIET NAM	38 970	55 459	70 022	26%
INDE	24 270	25 487	23 432	-8%
BRESIL	5 592	6 177	3 638	-41%
COTE D'IVOIRE	1 305	1 779	1 793	1%
INDONESIE	433	1 137	1 847	62%
TANZANIE	1 239	1 584	194	-88%
MOZAMBIQUE	237	703	741	5%
BURKINA FASO	544	719	462	-36%
BENIN	116	227	412	82%
NIGERIA	231	447	190	-57%
TOGO	-	99	265	
GHANA	500	412	82	-80%
SINGAPOUR	31	96	95	0%
GUINEE BISSAU	-	-	85	
SRI LANKA	97	48	79	66%
CHINE	82	34	111	229%
MADAGASCAR	99	33	36	9%
THAÏLANDE	59	33	49	49%
GAMBIA	-	1	16	
GUINEE	15	16	-	
AUTRES	880	901	991	10%
TOTAL	74 698	95 389	104 541	9,6%

US cashew imports during the first 11 month of the year				
Metric Tons	Jan to Nov 2013	Jan to Nov 2014	Jan to Nov 2015	2015/2014
Vietnam	67 743	84 291	97 807	16%
India	32 324	25 705	25 967	1%
Brazil	8 402	6 095	4 936	-19%
Cote d'Ivoire	2 481	3 098	3 258	5%
Mozambique	1 979	1 690	2 013	19%
Indonesia	1 773	1 568	1 852	18%
Thailand	1 000	1 129	1 471	30%
Benin	447	582	518	-11%
Kenya	412	172	207	20%
Ghana	929	1 047	490	-53%
Tanzania	204	570	523	-8%
Nigeria	438	207	157	-24%
China	182	317	327	3%
Burkina Faso	361	469	9	-98%
Togo	227	146	257	75%
Guinea	141	89	-	-100%
Others	319	337	322	-4%
Total	**119 361**	**127 511**	**140 113**	**10%**

Export total over 11 months to the USA and EU28 by region of origin:

Cashew kernel exports to USA and UE (on 11 months ; in MT)				
	2013	2014	2015	2015/2014
Asia	166 963	195 302	223 058	14%
Brazil	13 994	12 272	8 574	-30%
West Africa	7 735	9 336	7 996	-14%
East Africa	4 169	4 752	3 713	-22%

Indicated by the beginning of the new cashew campaign, 2016 is promising to be very competitive. African processor are still facing many issues of productivity and access to raw material which is partly due to the lack of an adapted business environment or lack of fair regulations taken by governments to sustain local processors. The 2016 cashew season will be very difficult for local processing industries, despite the opening of many new plants in the sub-region.

Meanwhile, the processing sector in Asia; boosted by the devaluation of local currencies against the US dollar and the significant government policies, should continue to have strong growth in 2016.

Une publication du Service d'Information et de Conseil N'Kalô et de l'Alliance du Cajou Africain réalisée avec l'appui technique et financier de :