

# CASHEW MARKET BULLETIN



AFRICAN  
CASHEW  
ALLIANCE

**n'kalô**  
Service  
d'information  
et de conseil

March 08<sup>th</sup>, 2016 – N°179

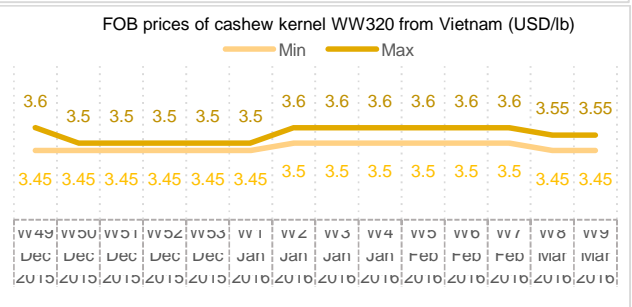
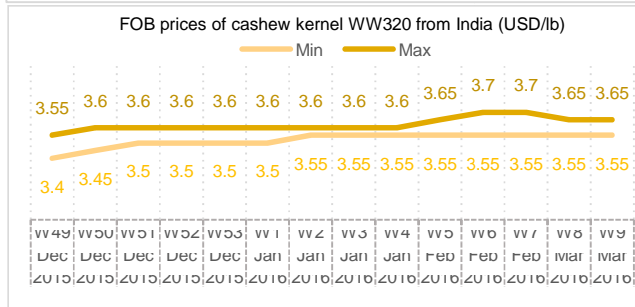
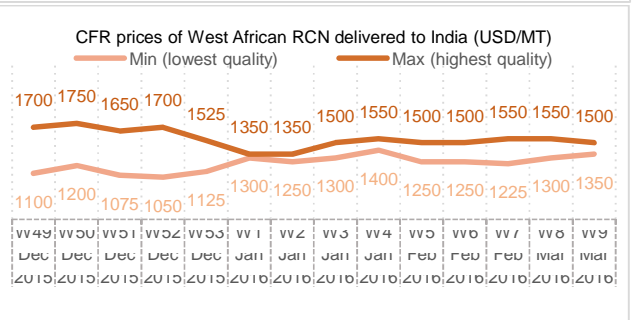
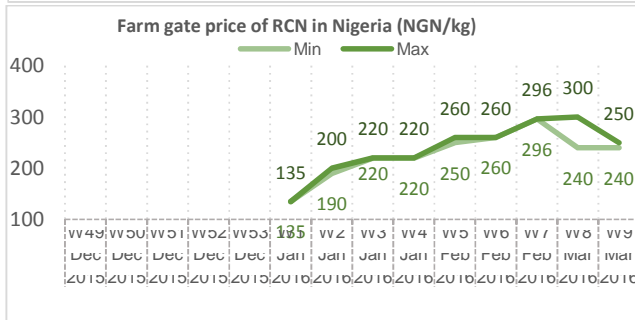
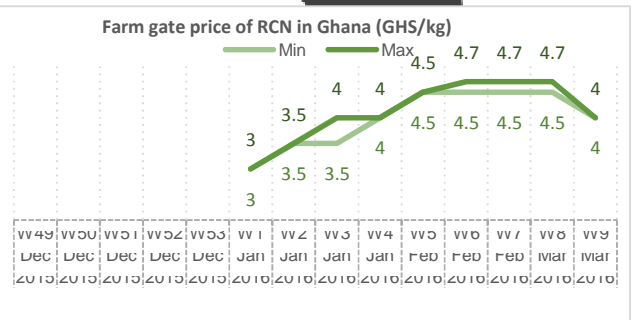
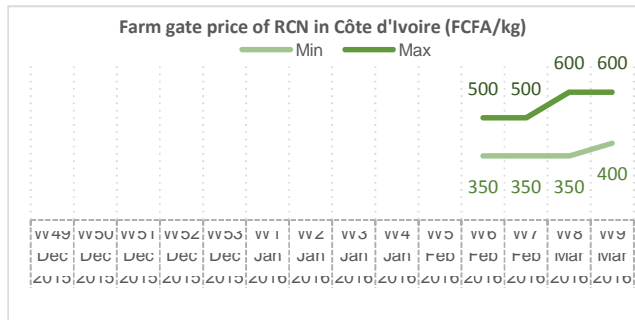
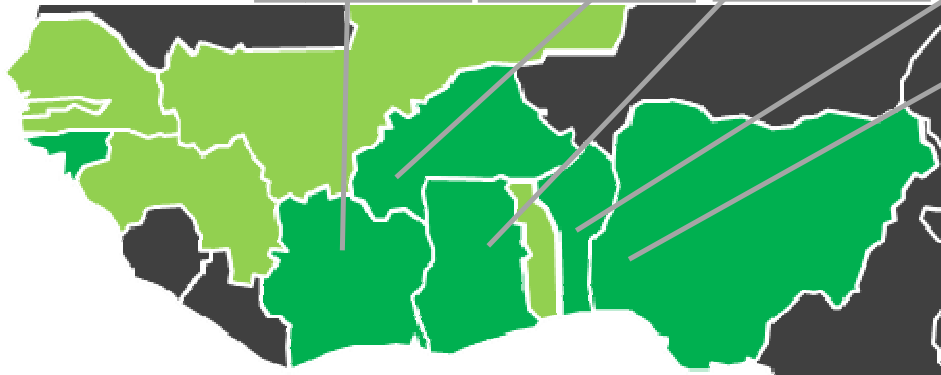
African Cashew Alliance: Achille OUEDRAOGO  
information@africancashewalliance.com

N'Kalô Service: Pierre RICAU  
international@nkalo.com

## The Cashew Market Flash

Current RCN Price from West African Cashew Producing Countries

<p><b>Côte d'Ivoire:</b> Farm gate price: 400 and 500 FCFA/kg (670 to 840 USD/MT)</p>	<p><b>Burkina Faso:</b> Farm gate price: 425 to 535 FCFA / kg (710 to 890 USD/MT)</p>	<p><b>Ghana:</b> Farm gate price: 4 GHS/kg (1,025 USD/MT)</p>	<p><b>Benin:</b> Farm gate price: 280 to 400 FCFA/kg (470 to 590 USD/MT)</p>
			<p><b>Nigeria:</b> Farm gate price: 240 to 250 NGN/kg (800 to 830 USD/MT)</p>



# The Cashew Market in West Africa

---

## Nigeria

In Nigeria, the cashew season remains very active while local prices vary depending on the Naira exchange rate on the informal market, which is currently 1 USD = 300 NGN. In Kogi State, the RCN farm gate price is 250 NGN/kg (about 830 USD/MT) while in the localities of Kwara and Oyo, the RCN price from producers is 240 NGN/kg (about 800 USD/MT).

At the traders' level, the RCN price differs according to exporters. Thus the warehouse price is between 300 and 320 NGN/kg (between 1,000 and 1,070 USD/MT).

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

## Benin

In Benin, the first round of the presidential election just ended last Sunday. The second round is scheduled for Sunday 13<sup>th</sup> 2016. Hence, the cashew season is very quiet and exporters have stopped pre-financing local buyers.

The cashew campaign is delayed in most of the producing areas in Benin. At the moment, the quantities harvested in the various production areas remain low compared to the same period last season. The RCN farm gate price is between 350 and 400 FCFA/kg (between 590 and 670 USD/MT) in the Central part of the country which includes Savalou, Bantè, Ouèssè and Djidja.

In the Northern part of Benin RCN prices have increased this week compared to previous weeks. The RCN price at the producer level varies between 280 and 350 FCFA/kg (between 470 and 590 USD/MT) against an average price between 200 and 300 FCFA/kg two weeks ago.

*Source: Mr. Benjamin Kouazounde*

## Ghana

The cashew season in Ghana has experienced a decline in RCN prices during the last week. The farm gate price has declined from 4.5 to 4.7 GHS/kg last week to 4 GHS/kg (around 1,025 USD/MT) currently. This decline seems to correspond with a dual situation: the increment in value of the Ghanaian Cedi over the past two weeks which favors lower prices in Cedi on the local market; and crops have intensified and supply has tended to increase.

The Cashew Industry Association of Ghana (CIAG) has called on the Government to establish a cashew development levy to finance the industry and enable it to function effectively.

The Association is of the view that the Government should allocate 2.5 to 5 per cent of this new revenue to the cashew industry to be used to subsidize the production of seedlings in order to plant more and buy equipment for the processors. This appeal was made on Ghana television's programme 'Business Advocate'.

*Source: Market Analyst Cyril Alormene from MoFA*

## Burkina Faso

This week there was an increase in RCN prices in Burkina Faso, especially in the areas where RCN are currently available. The RCN farm gate price in the Hauts Bassins is between 670 and 750 FCFA per box of 1.5 kg which represents 480 and 535 FCFA/kg (between 810 and 900 USD/MT). This represents an increase of 150 FCFA/kg compared to last week's price.

In the Central West region, this increment was also observed; the farm gate price is now between 425 and 475 FCFA/kg (between 710 and 800 USD/MT).

The RCN price from the middlemen in the city of Bobo Dioulasso reached 550 FCFA/kg (around 920 USD/MT) against 385 and 400 FCFA/kg during last week.

Cashew sector stakeholders with the support of the Ministry of Commerce are meeting to find ways of protecting local processors from RCN high prices which may threaten the local processing this year again. It was decided that the actors should find a strategy to handle the issue of high prices not later than March 14 and after consultation, define a consensual price by March 21.

*Source: N'kalô Market Analyst; Manéré Ouedraogo and Mr. Nombre Eloi*

## Cote d'Ivoire

In Côte d'Ivoire, the cashew market is very active and volatile at the moment. Last weekend, the Ivorian army seized several thousand tons of RCN in illegal transit to Ghana. This event is expected to reduce the cashew smuggling that began very early in this season's campaign. In the areas where crops have started earlier (Zanzan and Woroba), the volume of RCN harvested is still low.

Competition among buyers is very intense for the available stocks and that made the farm gate prices changing very quickly compared to the prices offered to the port. Some loads of RCN have arrived at the port of Abidjan and the first shipment for Asia is scheduled for mid-March. Some exporters are actively preparing to ship their stocks in that boat and are not hesitant to offer high prices to complement their orders.

The farm gate prices are between 400 and 500 FCFA/kg (between 670 and 840 USD/MT), while the warehouse prices are between 425 and 525 FCFA/kg (between 710 and 880 USD/MT) according to the production areas and buyers. In Abidjan, the price of RCN delivered in port's warehouses is between 500 and 550 FCFA/kg (between 840 and 920 USD/MT).

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

## The Cashew Market in East Africa

### Kenya

This week there is no major change in the cashew industry compared to last week. The farm gate price is still around 60 KES/kg (around 590 USD/MT), while the price of raw cashew nuts at the store level is 68 KES / kg (around 670 USD/MT).

The quantities available at the producers' level are exhausted while some cashew trees are still flowering. Furthermore, we should note the good quality of the available RCN currently in the market.

*Source: Ustadi Foundation, Noel Kasololo*

## The International Cashew Market

The international cashew market remains very quiet. With the announcement of the import tax on raw nuts to India, Indian importers and processors are very cautious. They have launched very few orders for West African RCN and cashew kernel exports. On the local market, the Indian RCN is being sold between 1500 and 1700 USD/MT depending on the quality.

Vietnamese processors are more active and are the main players in the market at the moment, with major orders from Nigeria, Ghana and Côte d'Ivoire. In Vietnam, local RCN is being sold between 1,475 and 1,500 USD/MT, a price sharply lower compared to two weeks ago. This reflects an increase in the local supply with entry into the peak phase of production.

### International quotations in India/Vietnam

<i>Cashew Kernel FOB Asia</i>			
Description	Grade	Prix USD/lb	Recent Changes
Whole white 240 Kernels/lb	WW240	3.65 - 3.75	Stable
Whole white 320 Kernels/lb	WW320	3.45 - 3.65	Stable
Splits	FS/WS	3.1-3.2	Stable
Broken	LWP/LP	3 - 3.1	Slight Decrease
<i>Raw Cashew Nut (RCN) CFR Asia</i>			
Origin (Availability)	Outturn	Price USD/MT	Recent Changes
Nigeria (March)	47-48	1,250-1,400	Stable
Benin (March)	49-50	1,450-1,550	Stable
Ghana (March)	48-50	1,400-1,500	Stable
Côte d'Ivoire (April)	48-49	1,400-1,450	Stable
Mozambique (immediate)	47-48	1,500-1,550	Stable

Initially, the delay in RCN production during this season concerned all industry stakeholders; however so far there seems adequate quantity and quality in Asia and West Africa that is encouraging all processors not to hurry.

## Currency

Exchange Rate: 1 USD=			This Week	Last Week	Exchange Rate: 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	595	600	East Africa	Tanzanian Shilling	TZS	2175	2188
	Nigerian Naira	NGN	199	200		Kenyan Shilling	KES	101	102
	Ghanaian Cedi	GHS	3.8	3.9		Mozambican Metical	MZN	49	49
	Gambian Dalasi	GMD	40	40	Asia	Indian Rupee	INR	67.4	68
	Franc Guinéén	GNF	7593	7640		Vietnam Dong	VND	22300	22225

## The Analysts' Opinion

Your analysts: *Pierre RICAU* – [international@nkalo.com](mailto:international@nkalo.com) and *Achille OUEDRAOGO* [information@africancashewalliance.com](mailto:information@africancashewalliance.com)

Gradually, as the crops are increasing, prices are also slightly going down in Asia as well as in African countries which were the first to harvest (Nigeria and Ghana). Even if they must not expect a sharp drop in prices because competition for access to first stocks of RCN will remain strong, all the stakeholders should be careful.

Production prospects have remained good, while the first rains have started in some West African producing countries. This should be favorable for a good second flowering in April.

The import levy on RCN in India has been confirmed. The purchasing power of the Indian processors will be reduced by approximately 75 USD/MT (around 45 FCFA/kg) this year.

In this context, where the RCN price is already very high, we believe that prices should remain high during March but could decline slightly starting in mid-April when more products will be loaded to the ports.

This is a publication of *N'Kalô Information and Advisory Service* and the *African Cashew Alliance*. It is realized with the support of:

