

# CASHEW MARKET BULLETIN



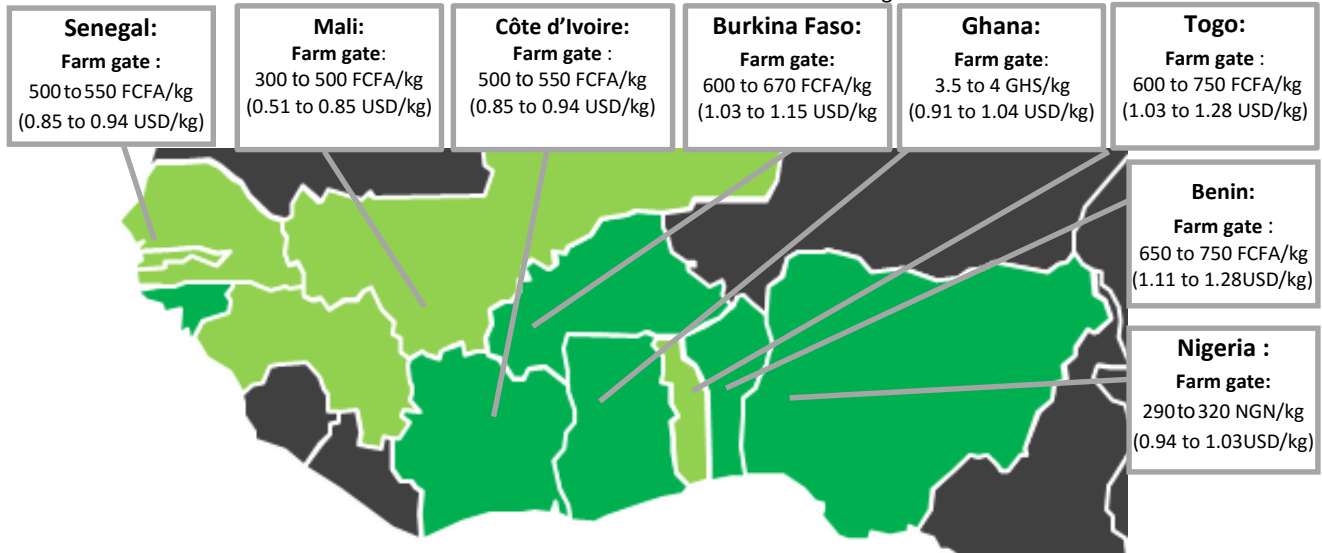
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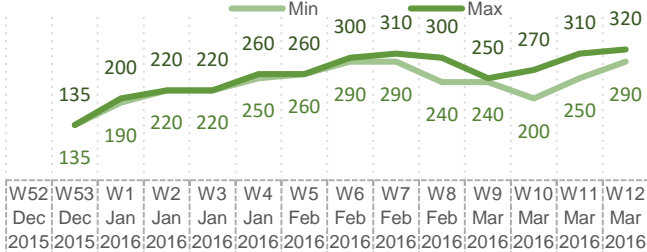
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## The Cashew Market Flash

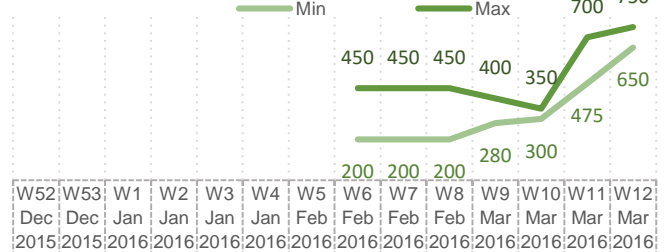
Current RCN Price from West African Cashew Producing Countries



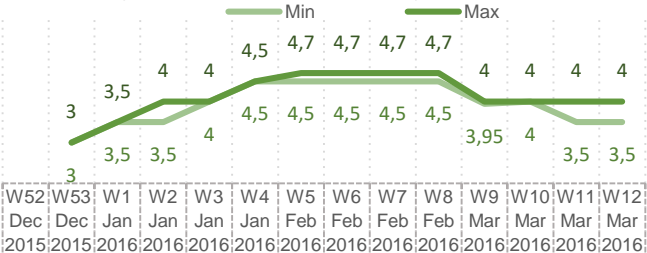
Farm gate price of RCN in Nigeria (NGN/kg)



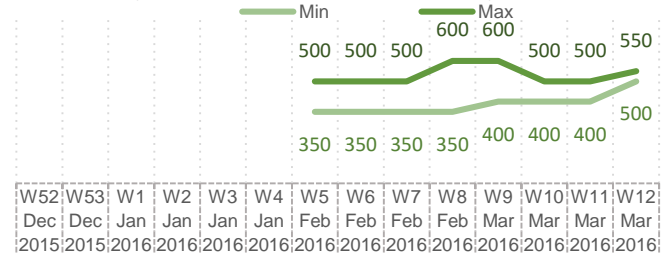
Farm gate price of RCN in Benin (FCFA/kg)



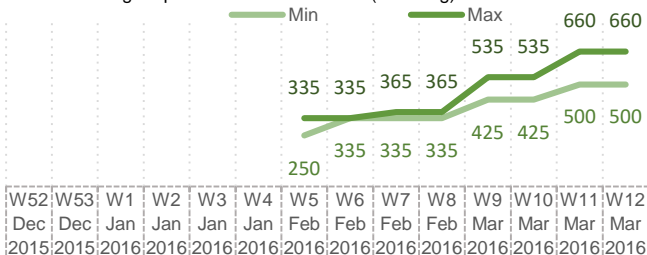
Farm gate price of RCN in Ghana (GHS/kg)



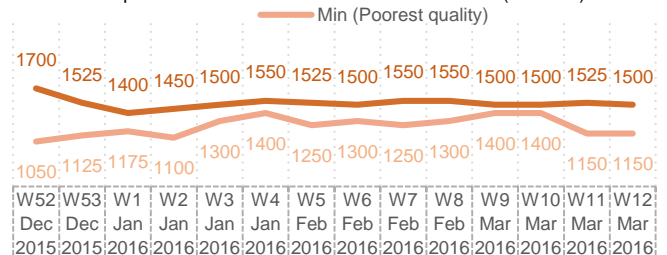
Farm gate price of RCN in Côte d'Ivoire (FCFA/kg)

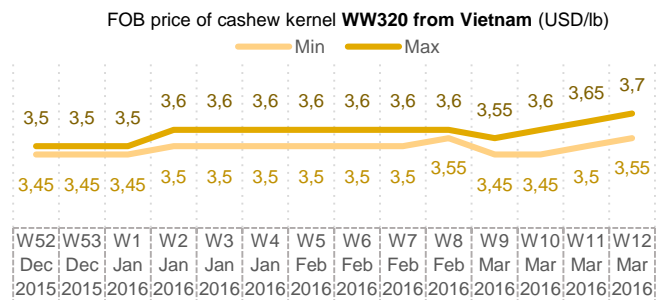
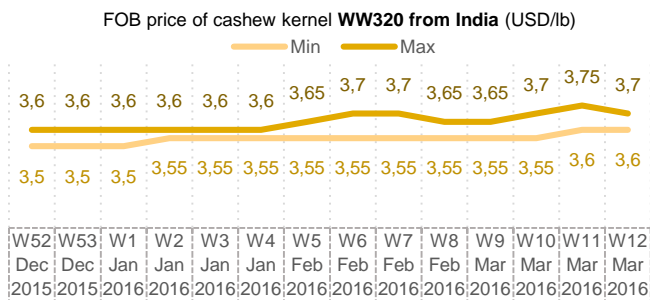


Farm gate price of RCN in Burkina (FCFA/kg)



C&F price of West African RCN delivered to India (USD/MT)





## 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 200 NGN on the official market. The cashew crop continues to intensify in Nigeria and the campaign is in full bloom.

Despite the increasing supply, RCN prices are rising because of numerous active buyers competing on the ground. The farm gate prices are ranged between 290 and 320 NGN/kg this week (between 0.94 and 1.03 USD/kg). The RCN price from the traders varies between 310 and 330 NGN/kg (between 1 and 1.06 USD/kg). Deliveries in Lagos are being made between 340 and 360 NGN/kg (between 1,100 and 1,160 USD/MT) depending on the state.

The average quantity of sold stocks remains between 47 and 49 lbs per bag, but this tends to decline as the rains become more regular.

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

### Benin

In Benin, following generally smooth presidential elections the cashew market is currently intensifying. The representatives of producers and processors met last week to protect local processors and a consensual farm gate price was set at 400 FCFA/kg (around 0.68 USD/kg).

However, competition amongst exporters, as well as the delay in production, have pushed the prices far above this level and the farm gate prices are now between 650 and 750 FCFA/kg (1.11 to 1.28 USD/kg). Although the crops have started to become more important, the fierce competition and high prices may continue during the month of April.

*Source: Mr. Antoine DJOSSOU*

### Ghana

The cashew market in Ghana has been stable for some time now with regards to the price of RCN. Farm gate prices for RCN are still between 3.5 and 4 GHS/kg (0.91 to 1.04 USD/kg).

However, competition is beginning to increase since the government set up a temporary export ban. Players in the market are anticipating a rise in RCN prices in the coming weeks as a result of the first crops (harvests) finishing. This has created a slight shortage of RCN that will effectually cause prices to rise as demand surpasses supply. The second crop is expected to reach the market by the third week of April.

*Source: Market Analyst Cyril Alormene from MOFA*

### Burkina Faso

In Burkina Faso, the marketing of cashew remains very intense. While crops are increasing, demand remains very strong and competition maintains extremely high prices.

In the Hauts-Bassins region the farm-gate sales are between 925 and 1000 FCFA/box of 1.5 kg which means between 615 and 660 FCFA/kg. In the Cascades (Banfora) and South West (Gaoua), prices for purchasing from producers operate between 550 and 575 CFA/kg. Finally, in the Central West (Leo), prices are a little lower because the quantities available and the number of active buyers are less, the farm-gate prices are between 500 and 525 CFA/kg.

Competition among buyers should still maintain high prices several weeks in the country at least until the first wave of orders has been satisfied.

*Source: Manéré Ouédraogo analyste de Marché N'kalô et M. Nombéré Eloi Secrétaire Général de l'UNPA*

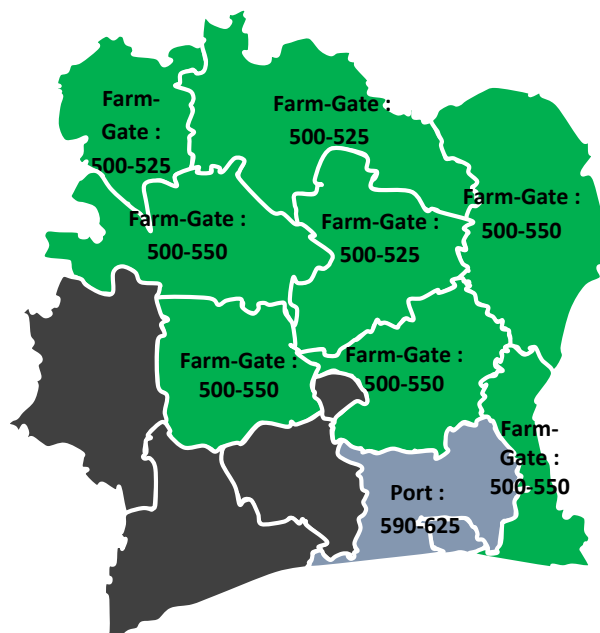
## Cote d'Ivoire

In Côte d'Ivoire the cashew market is ongoing in the various production areas. However, the available stocks of RCN are still below the quantities needed by buyers.

Some local and foreign buyers are concerned about not fulfilling their commitments this year with regards to the low stocks available and price volatility at this stage of the campaign. However, it should be noted that the level of loading arriving at the port this week is high compared to the previous week.

Despite some rainfall in the production areas, the weather remains favorable for good drying of RCN. The quality of the nuts is still good and is around 48 lbs per bag.

The farm gate prices have increased slightly compared to last week and are now between 500 and 525 FCFA/kg (0.85 to 0.9 USD/kg). However, producers who organize grouped sales are able to negotiate up to 550 FCFA/kg (around 0.94 USD/kg).



The wholesale prices range between 525 and 575 FCFA/kg (between 900 and 980 USD/MT) according to zones and buyers. Port prices vary between 590 and 610 FCFA/kg (between 1,010 and 1,040 USD/MT) for pre-financed purchases and are between 615 and 625 FCFA/kg (between 1,050 and 1,070 USD/MT) for self-financed purchases

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

## Mali

In Mali, there is a slight increase in RCN prices this week compared to the previous week. However, the activities on the market remain slow and the volumes of RCN being traded is still low. Farm gate prices vary between 300 and 500 FCFA/kg (0.51 to 0.85 USD/kg), representing an increase of 75 to 100 FCFA/kg compared to last week's prices. There has also been an increase in wholesale prices, which are now between 550 and 625 FCFA/kg (0.94 to 1,070 USD/kg) depending on the area.

The cashew harvest continues and stocks are gradually delivered to warehouses. However, the level of RCN stocks is low compared to the same period of previous years. Foreign buyers, mostly Burkinabe, are present on the various markets and traders do not hesitate to make self pre-financed purchases. The funding of actors seems to also be good.

The cashew market may experience a slight increase in prices and quantities traded in the coming weeks, due to the current demand from local and foreign buyers.

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

## Senegal

In Senegal, the major event that marked the cashew sector this week was the organization of the annual marketing forum for the development of the cashew sector by the American NGO, IRD (International Relief and Development). This forum has been a great opportunity for the stakeholders to discuss the main issues in the cashew sector.

The cashew season is just beginning in the locality of Sokone. The available stocks of RCN offered are low as the majority of producers are now collecting and drying their nuts. The majority of intermediates are on the ground trying to expand their network of producers in order to secure stocks. In the villages and weekly markets, purchases remain in small quantities. Due to the weakness of the current supply and the high demand, the farm gate price has increased compared to last week. This week, the farm gate price ranges between 500 and 550 FCFA/kg (0.85 to 0.94 USD/kg). In the weekly markets places, the RCN price from the producers is higher and is between 600 and 650 FCFA/kg (between 1.03 and 1.11 USD/kg).

In the Southern production areas (regions of Ziguinchor, Sédhiou and Kolda), buyers are recruiting collectors and renting warehouses and vehicles to prepare for RCN collection. In this important zone of production, the majority of cashew trees continue their fruiting but the crop has not yet started. Nevertheless, some marginal farm gate sales have been noted around 250 FCFA/kg (around 0.43 USD/kg) in the department of Kolda.

This year, the competition in the market is expected to be fierce regarding the high demand currently manifested by buyers which may exceed the level of cashew supply of that was expected.

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

## The Cashew Market in East Africa

### Kenya

The 2015-2016 cashew campaign is reaching its end in Kenya. Small quantities are still being sold to local processors between 60 and 65 KES/kg (between 0.59 and 0.64 USD/kg). The RCN quality is also still good with an average outturn of 42lbs. Nevertheless, the rainy season is expected to intensify in the coming weeks and therefore mark the end of the season.

*Source: Ustadi Foundation, Noel Kasololo*

## The International Cashew Market

This week cashew kernel prices are fairly stable, however many importers from Western countries are deciding to cover their needs for the coming months and started buying good quantities at the highest price in the current range.

The price of RCN is still stable in Asia, where the local crop with high-quality (50-54 lbs per bag) is being sold between 1,600 and 1,800 USD/MT and being delivered to the processors' stores.

The delay in harvest is confirmed for all the Northern hemisphere cashew producing countries and is of concern to many processors. Hence, some processors are rushing to make orders for West African RCN at the current high prices, even if these prices are too high compared to the kernel prices.

### International quotations in India/Vietnam

<b>Cashew Kernel FOB Asia</b>			
Description	Grade	Prix USD/lb	Recent Changes
Whole white 240 Kernels/lb	WW240	3.8 – 3.95	Slight Increase
Whole white 320 Kernels/lb	WW320	3.6 – 3.75	Slight Increase
Splits	FS/WS	3.2-3.3	Stable
Broken	LWP/LP	3 - 3.1	Stable

<b>Raw Cashew Nut (RCN) CFR Asia</b>			
Origin (Availability)	Outturn	Price USD/MT	Recent Changes
Nigeria (April)	47-48	1,200-1,300	Stable
Benin (April)	49-50	1,400-1,500	Stable
Ghana (N/O)	48-50	1,350-1,450	Stable
Côte d'Ivoire (April)	48-49	1,350-1,450	Stable
Senegal/Gambia (May)	50-52	1,550-1,650	New Offer

## Currency

Exchange Rate: 1 USD=			This Week	Last Week	Exchange Rate: 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	585	585	East Africa	Tanzanian Shilling	TZS	2185	2195
	Nigerian Naira	NGN	200	199		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3.85	3.8		Mozambican Metical	MZN	52	51
	Gambian Dalasi	GMD	43	41	Asia	Indian Rupee	INR	66	66
	Franc Guinéen	GNF	7600	7600		Vietnam Dong	VND	22300	22300

## The Analysts' Opinion

Your analyst: Pierre RICAU – [international@nkalo.com](mailto:international@nkalo.com)

(Please note that all views expressed in the "The Analysts' Opinion" section do not necessarily reflect the view of the African Cashew Alliance)

The delay in cashew production occurring in the Northern Hemisphere this year has concerned many cashew processors and Western importers. Even though delay was announced long ago, many industry players fear that the year will turn into a bad harvest and rumors increasingly announce a drop in yields between 10 and 30% compared to last year.

From our field visits, we can confirm that the first flowering/fruiting currently coming to an end has indeed been disappointing, however the weather conditions are at the moment fairly good for a continuation of fruiting in April and May. It is also important to remember that the young West African orchards will continue to produce more and more, although yields for the same age group are down. We continue to believe that the West African production is going to experience an increase in 2016.

It is also important to note that following the upward campaign last year, many producers and traders are trying to store their production. Thus, the quantities currently being sold are less than the actual harvested volume.

Nevertheless, it is now clear that in April, competition for RCN among buyers will remain strong and prices will still be high for several weeks, though a decline is likely to happen by the end of April/early May when availability will peak.

Under these conditions, our recommendations are:

- **To producers:** sell the entire quantity harvested when prices are at or above 500 FCFA/kg (0.85 USD/kg).
- **To traders:** do not sign big contracts and avoid working on self pre-financing as a change is still possible when the quantities arriving in the ports become very important towards the end of April. The main risk is rushing to buy when prices are at their peak, causing the offer to become important and suffer losses on large quantities of RCN.
- **To Processors:** Secure RCN stocks by targeting 40 to 50% of needs at the end of April but they can still expect a better availability of RCN and a possible slight decrease in prices in May.

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