

# CASHEW MARKET BULLETIN



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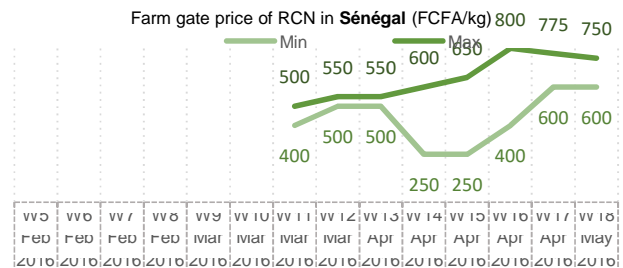
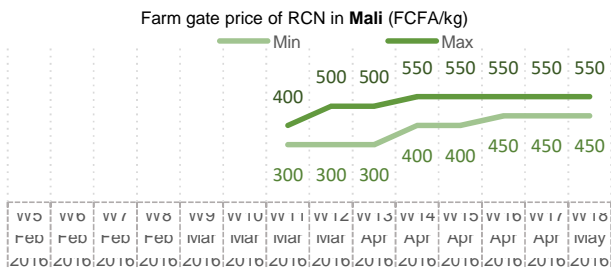
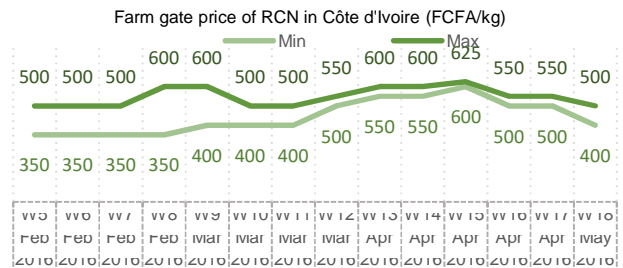
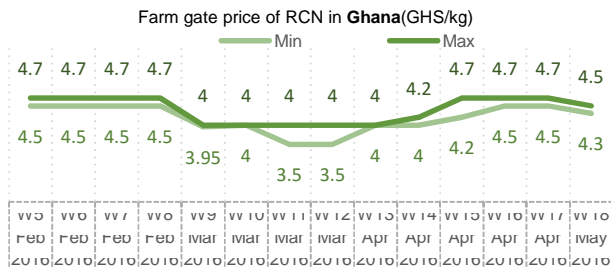
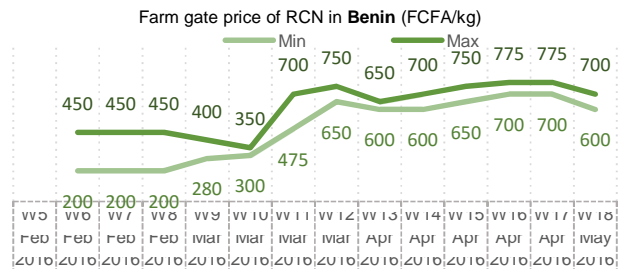
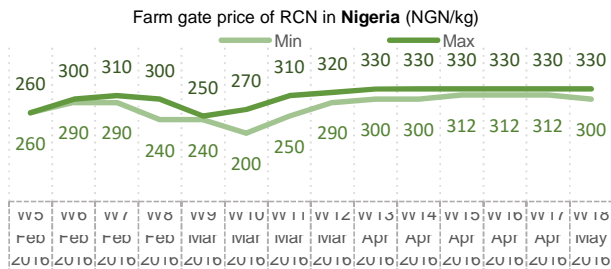
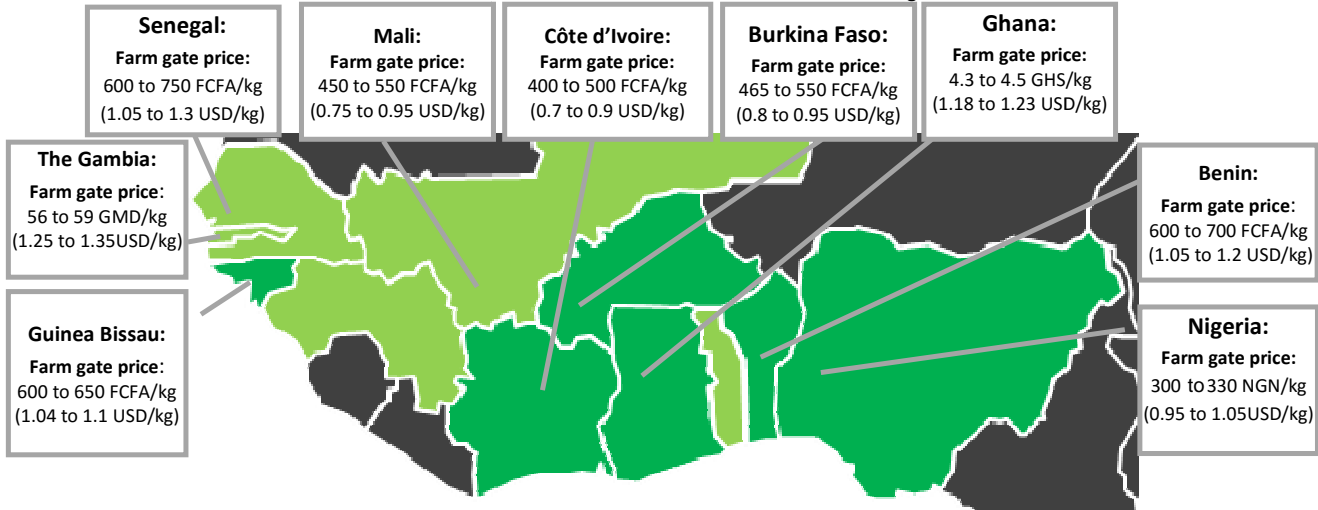
May 10<sup>th</sup>, 2016 – N°188

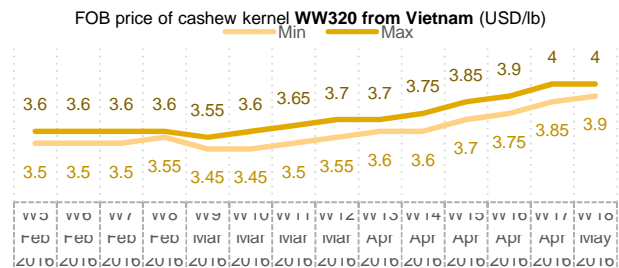
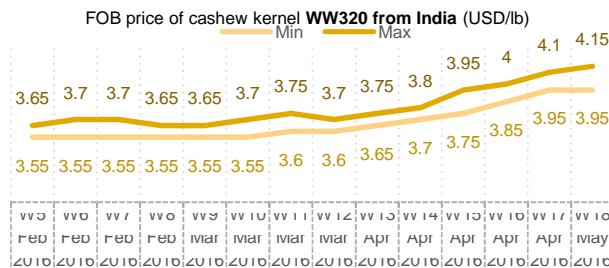
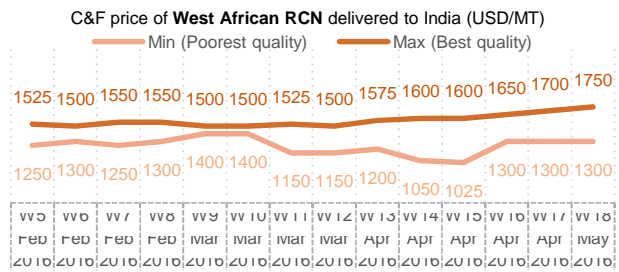
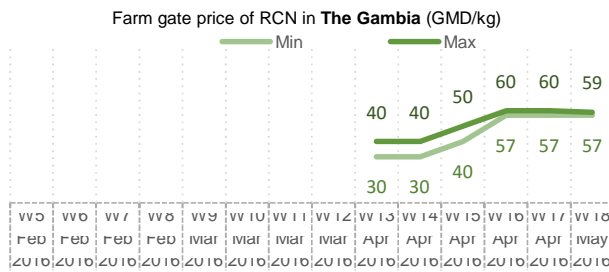
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## The Cashew Market Flash

Current RCN Price from West African Cashew Producing Countries





## The Cashew Market in West Africa

### Nigeria

This week, the Naira exchange rate on the informal market is: 1 USD for 315 NGN against 1 USD for 199 NGN on the official market.

The cashew market is still active in Nigeria. RCN prices vary among the suppliers. Most foreign buyers are rounding up and Benin buyers are present in most of the villages.

In Kogi State farm gate price ranges between 305 and 312 NGN per kg (0.95 to 1 USD/kg), warehouse price varies between 330 and 335 NGN/kg (105 and 106 USD/kg) and delivery to Lagos is at 360,000 NGN/MT (1,140 USD/MT) and above.

In Kwara and Oyo State farm gate price ranges between 300 and 330 NGN/kg (0.95USD/kg), warehouse price is approximately at 350 NGN/kg (110 USD/kg) and delivery to Lagos is 365,000 NGN/MT (1150 USD/MT) and above.

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

### Benin

In Benin, the cashew season continues to draw to a close. As in other countries in West Africa, both RCN prices and quality are declining. The majority of farm gate sales range between 600 and 700 FCFA/kg (1.05 to 1.2 USD/kg), which is a sharp decline compared to the previous weeks. The quantities available are increasing and the current RCN quality is 45-47lbs.

Source: Mr. Antoine DJOSSOU and FENAPAB

### Ghana

There has been a fall in RCN price at the farm gate over the past week. RCN is currently selling between 4.3 and 4.5 GHS/kg (1.1 to 1.15 USD/kg). The decline in RCN price is attributed to companies, agents and buyers who are winding up as a result of decrease in RCN quality.

In Sawla district, small sells are even reported to be done between 3 and 3.5/kg (0.75 to 0.9 USD/kg). In this area, some farmers still have large stocks of RCN and they still hope for higher prices selling their produce.

Consequently, farmers are currently searching for interested buyers. It is likely that there will be a

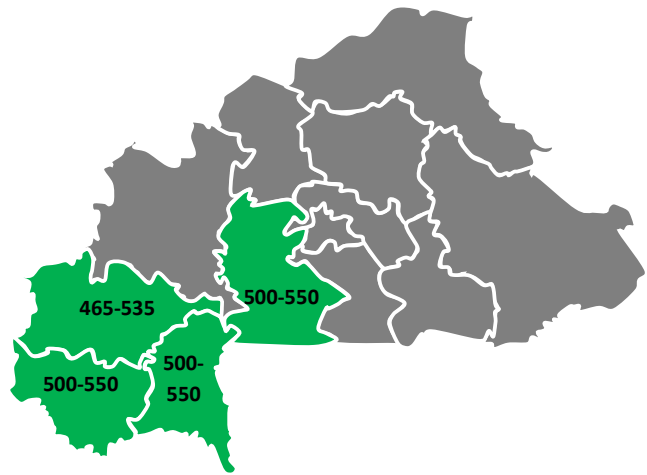
further decrease in RCN price if more of the agents and buyers withdraw from the market.

*Source: Market Analyst Cyril Alormene from MOFA*

## Burkina Faso

This week in Burkina Faso, there is a decrease in both RCN prices and stocks at farm level.

An agreement was signed on May 6 for the delivery of 10,000 tons by traders to processors within 30 days at a price of CFA 600/kg. Producers leaders committed to deliver at 600 FCFA/kg. The agreement was signed in the presence of officials from the Ministry of Commerce. Traders have to deliver to local processors in the city of Bobo-Dioulasso at 650 FCFA/kg. The contract is valid for thirty (30) days from the date of signature and for 10,000 tons of RCN to be delivered to processors by traders.



However, in the Hauts-Bassins the farm gate price currently ranges between 465 and 535 FCFA/kg (0.8 to 0.95 USD/kg).

In the Cascades and the South-West level RCN arrivals are decreasing. The farm gate prices range between 500 and 550 FCFA/kg (0.85 to 0.95 USD/kg) depending on the quantity and quality.

In the city of Bobo-Dioulasso, deliveries in warehouses varies between 625 and 675 FCFA/kg.

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

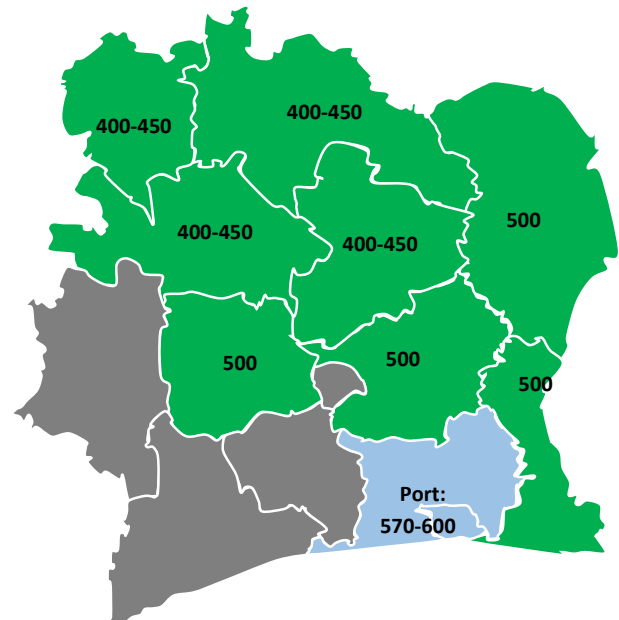
## Cote d'Ivoire

In Côte d'Ivoire, the cashew market is still active however the buying interest has declined compared to the previous weeks.

RCN stocks with producers and traders are decreasing. Lower prices have encouraged many traders to sell their stocks; nevertheless, some are still reluctant and hope for a further increase in prices.

The crop is expected to continue until early June in some areas. Nut quality dropped sharply and is currently averaging 44 lbs with a high moisture content compared to the beginning of the campaign.

RCN quantities are still available although demand is decreasing. There has been a delay in the arrival of RCN loads at the port.



RCN farm gate prices range between 400 and 500 FCFA/kg (0.7 and 0.85 USD/kg) depending on the production areas. The wholesale prices range between 500 and 525 FCFA/kg according to the production areas and buyers. Port prices range between 570 and 600 FCFA/kg (1 and 1.05 USD/kg) compared 625 to 650 FCFA/kg recorded last week.

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

## Mali

In Mali, cashew market is stable. The transactions are decreasing while there are still RCN quantities available.

Farm gate prices are in the range of 450 and 550 FCFA/kg (0.8 to 0.95 USD/kg) with a majority of purchases between 500 and 550 FCFA/kg. RCN Sales at prices below 500 FCFA/kg are rare and only available for small quantities.

RCN arrivals are still available. At the plantation level, cashew trees are still flowering. Large stocks of RCN have already been sold and the supply will remain important in the coming weeks.

In addition to local purchases, some buyers are sourcing in Guinea Conakry, where large quantities are available at attractive prices thanks to the parity between the FCFA and the Guinean Franc (1 XOF = 12.62 GNF).

Buyers from Burkina Faso are on the market to secure orders. However, purchases of those traders are not very consistent and do not absorb all of the current RCN supply.

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

## Senegal

The cashew market in Senegal remains active. However, this week there is a slight decrease in RCN prices in most production areas.

In Sokone (Fatick region), purchases are occurring in the villages and weekly markets. Local and foreign buyers are still very active. Competition is always tough in the market, however, RCN prices decreased. Farm gate prices vary between 700 and 750 FCFA/kg (1.2 and 1.3 USD/kg). Wholesale prices range between 775 and 800 FCFA/kg depending on the quantity delivered.

In the Southern region of the country (Ziguinchor, Kolda and Sédhiou), there is a slight slowdown of RCN purchases due to the retention of some producers who hope for higher prices.

In addition, most traders find it difficult to evacuate their loads at the port of Gambia due to the border closure. Hence they prefer to transit through the port of Dakar. RCN farm gate prices vary between 600 and 650 FCFA/kg (1.05 and 1.1 USD/kg) representing a decrease of 50 FCFA/kg compared to last week. Lower prices (500 FCFA/kg) are sometimes observed in the Sédhiou area for small quantities. The wholesale price for RCN delivered in Ziguinchor is approximately 700 FCFA/kg.

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

## Gambia

The second harvest is currently in full swing amidst a general decrease in prices as expected across all the three main production regions of the Gambia: North Bank, West Coast and Lower River Regions.

In the **North Bank Region**, prices have declined from 60 GMD/kg to GMD 57- 58 GMD/kg (USD 1.3 to 1.35 /kg) in all the major buying points. Similarly, the price for the 1.5 measuring container has dropped from 90 GMD/kg to 85 GMD/kg in the major buying points and to 80 GMD/kg in smaller surrounding villages.



In spite of this decrease, demand is still strong and farmers are bringing-in their dried cashew-nut stocks from the second harvest. On the export side, trucks have intensified deliveries of stocks to export-warehouses across the river in Banjul.

In the West Coast Region, prices have dropped from 60 GMD/kg to 59 GMD/kg although some buyers would still pay 60 GMD/kg for larger quantities with good quality.

In the Fomis, prices have also dropped from GMD 58/kg/GMD 59/kg to GMD 57/kg; and the 70g measuring tin from 80 to 70 GMD .

In the Lower River Region, prices have dropped from 58 GMD/kg to 57 GMD/kg in major buying points (Kwinella & Keneba etc.) and from GMD 57/kg to GMD 56/kg in remote villages. The 70g measuring container is currently traded between 70 and 80 GMD depending on the quality.

Wholesale deliveries to Kanifing and Denton Bridge warehouses range between 60 and 62 GMD/kg (1.4 to 1.45 USD/kg).

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

## Guinea Bissau

The cashew market in Guinea Bissau is very active this week at the producer level while activities at the port "the Bascula" and at some warehouses in town are low.

In three weeks RCN price increased from 350 FCFA/kg (reference price announced by the regulatory authority ANCA-GB on April 16, 2016) to 600 and 650 FCFA/kg (1.04-1.1 USD/kg) at the farm gate this week. In the city of Bissau RCN warehouse price is 735 FCFA/kg.

Several loads of RCN have already arrived at the Port but exports have not yet started. The Ministry of Commerce is also working to finalize the facilities of the new checking point at the port of Bissau.

At the production level forecasts are revised downwards for some areas; Indeed producers in those areas notified that they harvest less compared to the same period of last year. Moreover, some registered agents complain about the presence of foreign buyers who source RCN directly at the farm level.

*Source: ANCA-GB, Mr. Cardoso Tamblé*

## The Cashew Market in East Africa

### Kenya

In Kenya, few quantities are sold at the producers level at 55 KES/kg (0.55 USD/kg) while deliveries to processors are being made at 65 KES/kg (0.65 USD/kg).

*Source: Ustadi Foundation, Noel Kasololo*

## The International Cashew Market

Cashew kernels prices increased slightly this week while the price of RCN stabilized.

RCN prices throughout West Africa are gradually adjusting downward.

Arrivals of West African raw nuts currently have great significance in terms of quantities in Indian and Vietnamese ports, but more precisely large deliveries at West African ports during the last two weeks, make Asian processors more confident in raw material availability and encourage them not to increase prices for new orders.

### International quotations in India/Vietnam

| <i>Cashew Kernel FOB Asia</i> |        |             |                |
|-------------------------------|--------|-------------|----------------|
| Description                   | Grade  | Prix USD/lb | Recent Changes |
| Whole white 240 Kernels/lb    | WW240  | 4 - 4.4     | Sligh increase |
| Whole white 320 Kernels/lb    | WW320  | 3.9 – 4.15  | Sligh increase |
| Splits                        | FS/WS  | 3.3 - 3.4   | Stable         |
| Broken                        | LWP/LP | 3.2 - 3.3   | Stable         |

| <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 -1,450 | Stable         |
| Benin ( <i>May</i> )                 | 46-47   | 1,550 -1,650 | Stable         |
| Ghana ( <i>May</i> )                 | 46-47   | 1,500 -1,600 | Stable         |
| Côte d'Ivoire ( <i>May</i> )         | 45-46   | 1,500 -1,600 | Stable         |
| Senegal/Gambia/GB ( <i>June</i> )    | 50-52   | 1,750 -1,850 | Stable         |

## Currency

| Exchange Rate: 1 USD= |                |     | This Week | Last Week | Exchange Rate: 1 USD= |                    |     | This Week | Last Week |
|-----------------------|----------------|-----|-----------|-----------|-----------------------|--------------------|-----|-----------|-----------|
| West Africa           | Franc CFA      | XOF | 575       | 570       | East Africa           | Tanzanian Shilling | TZS | 2190      | 2190      |
|                       | Nigerian Naira | NGN | 199       | 199       |                       | Kenyan Shilling    | KES | 100       | 101       |
|                       | Ghanaian Cedi  | GHS | 3.8       | 3.8       |                       | Mozambican Metical | MZN | 54        | 55        |
|                       | Gambian Dalasi | GMD | 43        | 43        | Asia                  | Indian Rupee       | INR | 66.7      | 66        |
|                       | Franc Guineén  | GNF | 7490      | 7460      |                       | Vietnam Dong       | VND | 22390     | 22290     |

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