

CASHEW MARKET BULLETIN



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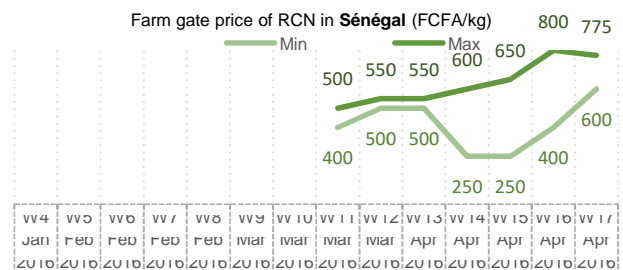
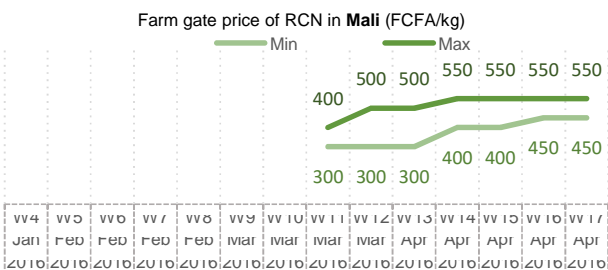
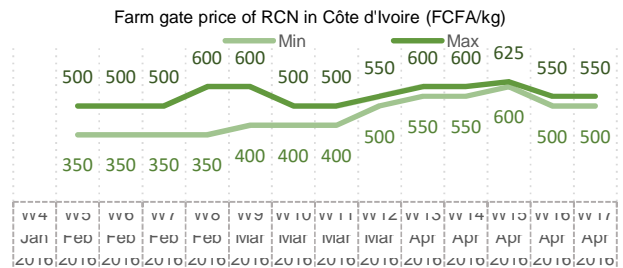
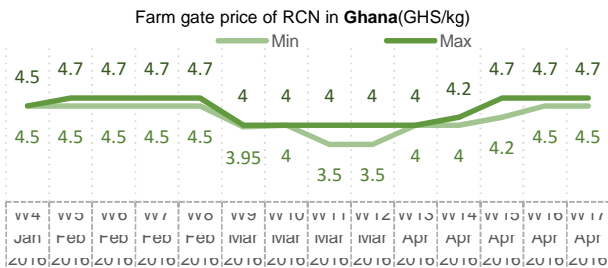
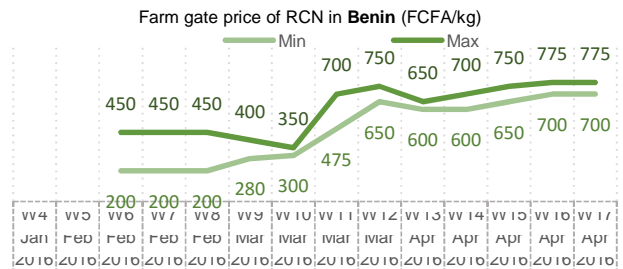
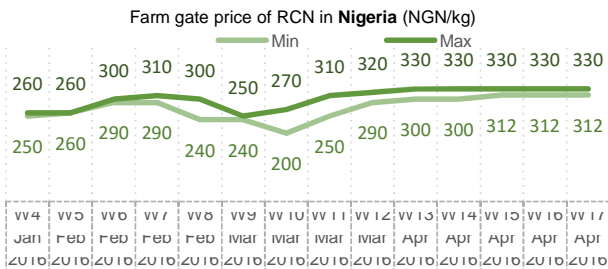
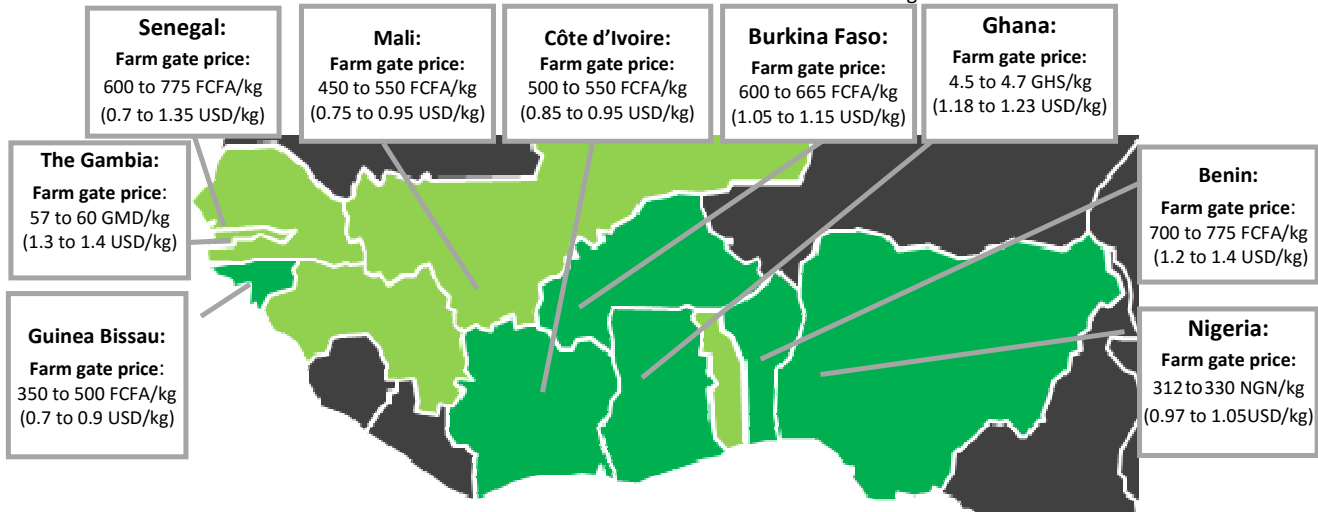
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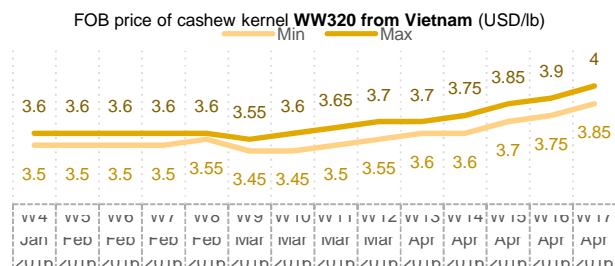
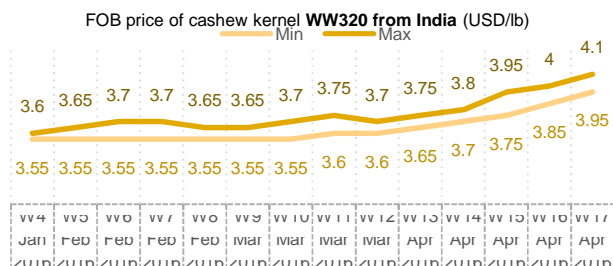
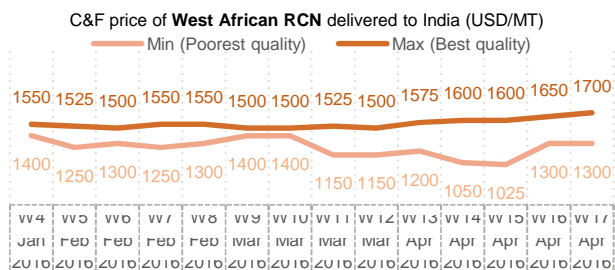
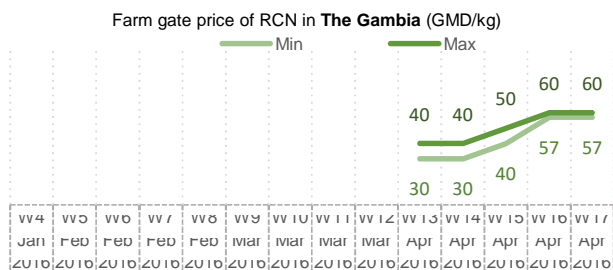
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The Cashew Market Flash

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 320 NGN against 1 USD for 199 NGN on the official market.

In Nigeria, buyers from Benin are currently active in the villages in search for RCN. There's not much RCN to gather from the farm and RCN quality has started dropping. The current RCN Outturn is less than 46lbs.

The market in Kogi is stable this week, however price varies from different suppliers. The crop arrivals are decreasing while RCN prices continue to fluctuate.

The RCN farm gate price in Kogi is 312 NGN per kg (0.97 USD/kg), while the warehouse price varies between 335 and 340 NGN/kg (between 1.07 and 1.09 USD/kg). Deliveries from Kogi to Lagos are currently at 360 NGN/kg or above (1.15 USD/kg).

In Kwara and Oyo State the RCN farm gate price ranges between 320 and 330 NGN/kg (between 1.02 and 1.05). The RCN warehouse price is approximately 350 NGN/kg, while deliveries to Lagos are being made around 365 NGN/kg.

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

Benin

In Benin, the cashew season has slowed down mainly due to the scarcity of RCN. However, the production period does not seem finished as new flowering has begun. As in many West African countries this year, the stop between the second and third flowering in Benin is longer than usual.

However, the average RCN quality tends to decrease rapidly, specifically since the increase of the RCN arrivals from Nigeria into Benin. At the port of Cotonou, the number of trucks revoked due to poor RCN quality is becoming more numerous.

The farm gate prices range between 700 and 775 FCFA/kg (between 1.2 and 1.35 USD/kg) depending on the area, but with more purchases in the lower range. Deliveries to the port of Cotonou are being made between 800 and 850 FCFA/kg (1.4 to 1.5 USD/kg) depending on the RCN quality.

Source: Mr. Antoine DJOSSOU and FENAPAB

Ghana

The RCN price for producers has currently harmonized across the various zones and communities over the past week. The crop arrivals are small and the demand is still high. RCN is being sold between 4.5 and 4.7 GHS/Kg (1.18 and 1.23 USD/kg) in all zones. RCN quality is declining and the current Outturn is less than 46 lbs/bag.

Some big export companies in the districts of Sawla, Tuna and Kalba have all stopped advancing funds to their staffs on the ground to purchase RCN. These companies are currently trying to retrieve their outstanding contracts from agents, sub-agents and other farmers who are yet to fulfill their commitments. Farmers are waiting to harvest the fruits left on their trees so that they can start maintenance on their farms for other crops.

Source: Market Analyst Cyril Alormene from MOFA

Burkina Faso

This week in Burkina Faso, the cashew market decelerated in some areas. Farm gate prices remained stable in the majority of localities. Nevertheless, we observed a slight increase in RCN warehouse prices in the city of Bobo Dioulasso.

In the Hauts Bassins, the farm gate prices remained in the same ranges over the past week between 630 and 665 FCFA/kg (between 1.1 and 1.16 USD/kg). It should be noted that some nut certified Fair Trade Purchases are being sold at prices of approximately 715 FCFA/kg (1.25 USD/kg).

In the regions of Cascades and Southwest, the RCN price from producers still ranges between 600 and 650 FCFA/kg (between 1.05 and 1.14 USD/kg) for conventional RCN.

In the Midwest, the farm gate purchases still range between 600 and 650 FCFA/kg (between 1.05 and 1.14 USD/kg). The purchase price from middlemen is now between 625 and 675 FCFA/kg (between 1.09 and 1.18 USD/kg). The available quantities in this region are gradually decreasing.

In the city of Bobo Dioulasso, the wholesale prices to exporters increased slightly and are currently between 725 and 735 FCFA/kg (between 1.27 and 1.28 USD/kg).

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

Cote d'Ivoire

In Côte d'Ivoire, the cashew market is still very active. Currently trading is marked by an increase in crop arrivals and lower demand. Significantly, many producers and traders are releasing RCN stocks they had stored until now, as they are concerned about a decrease in prices. Every week, new crops arrive and are sold. Meanwhile, some major exporters continue to limit their orders and focus on recovering RCN stocks covering money already committed.

Contrarily, this general fall in prices is favorable to some foreign buyers who had trouble in collecting large stocks of RCN. As a result, these foreign buyers are seizing the opportunity to complete their orders. Some buyers are making limited purchases only at the lower prices.

For two weeks, the pace of truck arrival to Abidjan and San Pedro ports has been very intense. Despite the number of arrivals, the ports of San Pedro and Abidjan are not reporting delays.

With the rainy season, the RCN quality is currently dropping and is averaging 44 to 45 lbs per bag. RCN farm gate prices remained steady this week, ranging between 500 and 550 FCFA/kg (between 0.87 and 0.96 USD/kg), with most of the purchases at 500 FCFA/kg depending on quality. RCN warehouse prices range between 525 and 575 FCFA/kg (between 0.92 and 1 USD/kg) according to zones and buyers. Port prices range between 650 and 675 FCFA/kg (between 1,140 and 1,184 USD/MT) depending on the RCN quality and the majority of sales are being made at 675 FCFA/kg.

This is the time for domestic processors to secure large stocks of RCN. Price trends at the end of the campaign is uncertain but the quality trend is not so. Producers should not store their product even if it is possible that prices rise again; it is wise to continue spreading your sales.

Source: N'Kalô Market Analyst; Sékongo Soungari

Mali

In Mali, we noticed less activity and price stability in the cashew market compared to last week. The number and volume of RCN transactions remained low with regards to the available quantities.

RCN farm gate prices ranged between 450 and 550 FCFA/kg (between 0.78 and 0.96 USD/kg) with a majority of purchases between 500 and 550 FCFA/kg (between 0.87 and 0.96 USD/kg).

Foreign buyers are less active while the crop arrivals are increasing. Traders are still constrained by the lack of available funds and the available quantities offered. Some producers are still holding back their RCN while several buyers prefer to extend their buying season in the hope of a possible decrease in prices.

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

Senegal

In Senegal, the cashew market is still active in the district of Sokone. In Casamance, transactions increase every week and there has been a slight increase in RCN prices over the week.

In Sokone (region of Fatick) there is good buying interest, especially with the end of the second harvest. Buyers are very active and the competition is still fierce.

This week, we observed the first decrease in RCN prices since the beginning of the campaign. The farm gate prices slightly decreased by 25 and 50 FCFA/kg less compared to the price from last week. This week, the farm gate price ranged between 750 and 775 FCFA/kg (between 1.31 and 1.36 USD/kg). Wholesale prices are between 775 and 800 FCFA/kg (between 1.36 and 1.4 USD/kg). It is important to note that despite this decline, activities in the villages and the weekly markets remained strong. Some buyers are going to the South region where competition is less intense in this early season.

In the producing regions of Casamance (Ziguinchor, Kolda and Sédhiou), the demand is very high with the presence of new buyers. The RCN offer and the level of sales increase each week. This week, RCN price ranges between 600 and 700 FCFA/kg in the region of Ziguinchor and Kolda. In the region of Sédhiou, the price of RCN from producers is approximately 700 FCFA/kg. The RCN wholesale price in Ziguinchor varies between 750 and 780 FCFA/kg depending on exporters.

Source: N'Kalô Market Analyst; Cheikh Ousmane Loum

The Gambia

The first harvest is virtually completed in all of the three production regions of The Gambia (North Bank, West Coast & Lower River Regions) and the majority of farmers have sold most of their stocks. The second harvest has begun, and farmers are currently busy drying the first produce from this second harvest.

In the North Bank Region, RCN prices have remained somewhat stable this week at 60 GMD/kg (1.39 USD/kg) at most of the major buying points (Barra, Fass Njagga Choi & Ndundu Kebbeh etc.) and between 58 and 59 GMD/kg (between 1.34 and 1.37 USD/kg) in surrounding villages. The 70g measuring container is still traded at 90 GMD approximately 2.09 USD.

Demand remains high with traders and buyers competing for the last RCN stocks of the first harvest. By and large, farmers have practically sold most of their first harvest stocks and are currently drying and trading stocks from the second harvest.

In the West Coast region, RCN prices in the Brikama area are presently at 60 GMD/kg, with the 70g measuring container at 80 GMD (1.86 USD). Deliveries to the Kanifing and Banjul warehouses are being made between 61.50 and 62 GMD/kg (between 1.43 and 1.44 USD/kg).

In the Fonis, prices are still within the range of 58 and 59 GMD/kg (between 1.34 and 1.37 USD/kg) with the 70g measuring container traded at 80 GMD (1.86 USD).

In this major cashew nut production belt, competition has been very intense among traders as they vie for the same local production, ever since the closure of the border. The closure has significantly constrained inflows that usually came from neighboring villages across the border...

In the Lower River region, farmers have sold most of their stocks from the first harvest through collective sales at the buying points established by the major buyers from Banjul & Kanifing, in all the three districts of the region (West, Central & East).

RCN prices are now at 58 GMD/kg (1.34 USD/kg) at these buying points and 57 GMD/kg (1.32 USD/kg) in remote villages.

Although demand is still strong in the Gambia, prices are nearing their highest range.

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

The Cashew Market in East Africa

Kenya

Long rains have started in Kenya and farmers are planting other crops such as maize, green grams, cowpeas and Beans. Cashew nut production is expected to decline due to the rain. However, some trees are still flowering and fruiting. Few quantities are being sold at the producers' level at 60 KES/kg (0.59 USD/kg), while deliveries to processors are being made at 65 KES/kg (0.64 USD/kg).

Source: Ustadi Foundation, Noel Kasololo

The International Cashew Market

International quotations in India/Vietnam

Cashew Kernel FOB Asia			
Description	Grade	Prix USD/lb	Recent Changes
Whole white 240 Kernels/lb	WW240	4 - 4.3	Increase
Whole white 320 Kernels/lb	WW320	3.85 - 4.1	Increase
Splits	FS/WS	3.3 - 3.4	Slight increase
Broken	LWP/LP	3.2 - 3.3	Slight increase

The cashew market is still very volatile. On the international market, the price of the cashew kernel continues to increase and delayed or defaulted contracts are becoming more numerous. This is noted both for the exports of RCN from Africa to Asia, as well as the exports of cashew kernels from Asia to consuming countries (according to some rumors).

Signing long-term (forwards) contracts is presently very rare. Most contracts are for short-term delivery (spot). This lack of coverage and stability in commercial relationships only encourages market volatility and risks changes in market trend.

Raw Cashew Nut (RCN) CFR Asia			
Origin (Exportation period)	Outturn	Price USD/MT	Recent Changes
Nigeria (May)	45-46	1,350 -1,450	Stable
Benin (May)	46-47	1,550 -1,650	Stable
Ghana (May)	46-47	1,500 -1,600	Stable
Côte d'Ivoire (May)	45-46	1,500 -1,600	Stable
Senegal/Gambia/GB (June)	50-52	1,750 -1,850	Slight Increase

Most demand nearby is covered apart from the second half of the year, so buyers have open positions to be covered. Buyers in Europe and US are covering their shorts from the spot markets, however stocks are still limited.

Currency

Exchange Rate: 1 USD=			This Week	Last Week	Exchange Rate: 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	570	580	East Africa	Tanzanian Shilling	TZS	2183	2200
	Nigerian Naira	NGN	199	200		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3.8	3.8		Mozambican Metical	MZN	55	49
	Gambian Dalasi	GMD	43	42	Asia	Indian Rupee	INR	66	66.6
	Franc Guineén	GNF	7460	7470		Vietnam Dong	VND	22290	22300

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