

CASHEW MARKET BULLETIN



AFRICAN
CASHEW
ALLIANCE

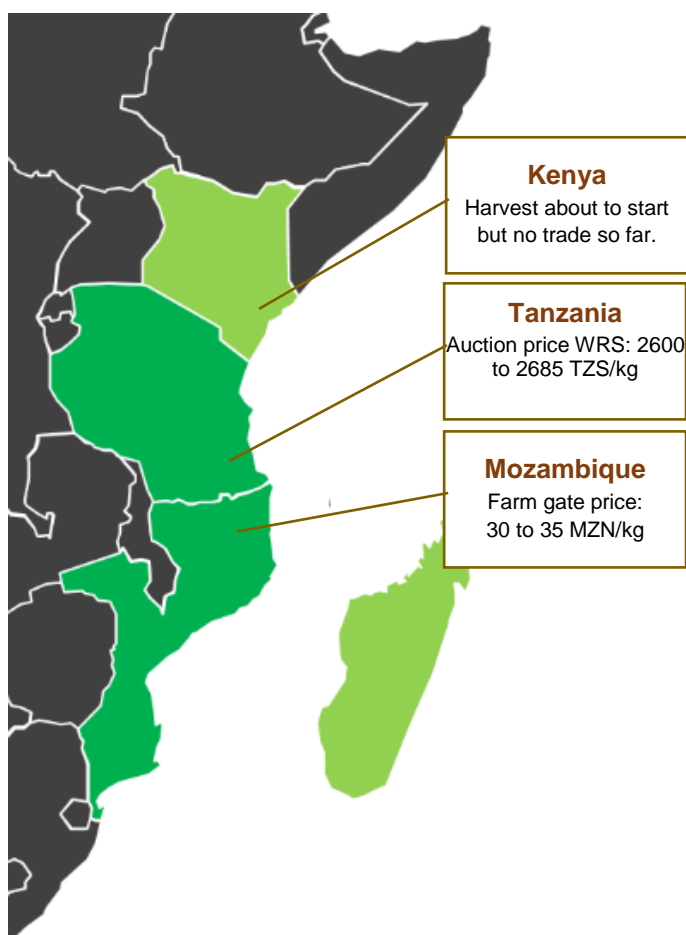
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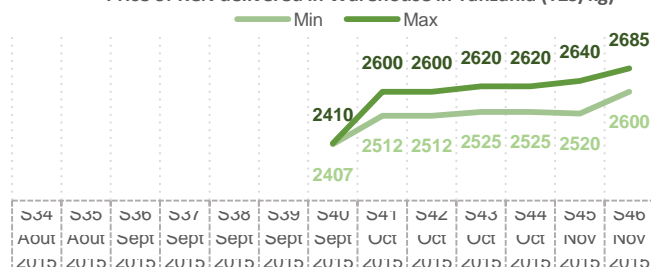
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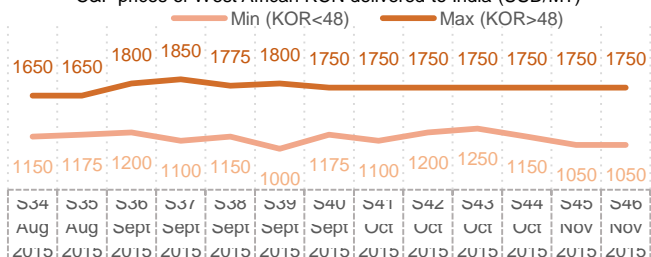
The market at a glance



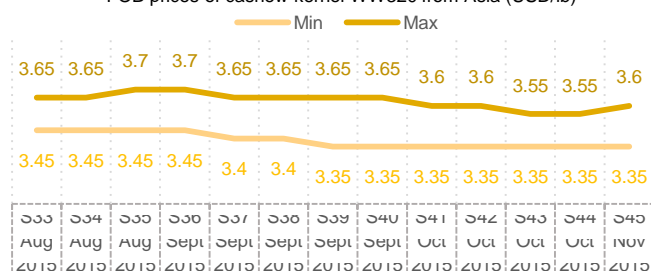
Price of RCN delivered in Warehouse in Tanzania (TZS/kg)



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



FOB prices of cashew kernel WW320 from Asia (USD/lb)



| Exchange rate: 1 USD= | | This week | Last Week |
|-----------------------|--------------------|-----------|-----------|
| WEST AFRICA | Franc CFA XOF | 615 | 610 |
| | Nigerian Naira NGN | 199 | 200 |
| | Ghanaian Cedi GHS | 3.81 | 3.8 |
| | Gambian Dalasi GMD | 39 | 40 |
| | Franc Guineén GNF | 7793 | 7950 |

| Exchange rate: 1 USD= | | This week | Last week |
|-------------------------|------------------------|-----------|-----------|
| AFRIQUE DE L'EST | Tanzanian Shilling TZS | 2165 | 2140 |
| | Kenyan Shilling KES | 102 | 102 |
| | Mozambican Metical MZN | 45 | 44 |
| ASIE | Indian Rupee INR | 66 | 66.5 |
| | Vietnam Dong VND | 22478 | 22405 |

The Cashew Market in East Africa

In Kenya, the main harvesting of raw cashew nuts (RCN) is yet to start. Most cashew trees are still at their flowering stage, but some trees have started developing fruits. Farmers expect to start harvesting at the end of November or by early December. It is still raining a lot throughout Kenya and it is highly probable that the cashew harvest must be poor this year. Most stakeholders are aware of this likelihood.

In Tanzania, auctions continue through the Warehouse Receipt System (WRS); however quantities delivered in the official warehouses are already decreasing. Most local stakeholders expect a poor harvest due to the late rains brought by El Niño phenomenon (ENSO). Prices increased slightly during last week with auctions leading to sales between 2600 and 2685 TZS/kg (1.2 and 1.25 USD/kg). Official sources say that farmers are getting final farm gate prices of around 2000 TZS/kg (0.9 USD/kg).

In Mozambique, the marketing of early RCN in the northern part of the country, including the province of Nampula and Cabo Delgado, has begun. The remaining provinces (central and southern) may start collecting by late November, but will not produce large quantities. The farm gate price, which started between 20 and 25 MZN/kg, is now around 30 and 35 MZN/kg (USD 0.66 to 0.77/kg).

The Cashew Market in West Africa

In West Africa, cashew trees are now in a full bloom. This potential means that the harvest will not be late and that the season can begin by early February.

Almost no trade is registered and remaining stocks are scarce.

Many new processing factories are being built in the sub-region, despite the fact that most of the existing factories are closed due to the lack of RCN. If cashew prices do not increase next season, local processing in Africa should increase strongly in 2016.

The International Cashew Market

The cashew market is steady even though the market in East Africa is beginning. The demand for RCN also remains steady. Buyers are covering 2 to 3 months ahead and are vigilantly watching further market developments. They are not in a rush to cover their market share as the market is stable now.

The decreasing Euro could lead some European importers to increase their orders during the coming weeks if the trend continues (which seems likely). Indeed, a prolonged decline in the Euro means an increase in cashew import costs and thus it may be interesting for them to begin to securing stocks as soon as possible.

International quotations

| <i>Cashew kernels FOB Asia</i> | | | |
|--------------------------------|-------|--------------|-----------------|
| Description | Grade | Price USD/lb | Recent changes |
| Whole White | WW320 | 3.35 - 3.55 | Slight increase |
| Scorched White | SW320 | 3.1 - 3.35 | Steady |
| Splits | S | 3.1 - 3.25 | Steady |
| Broken | LP | 2.95 - 3.1 | Steady |

| <i>Raw Cashew Nut C&F Asia</i> | | | |
|------------------------------------|-------|--------------|----------------|
| Origin | KOR | Price USD/MT | Recent changes |
| West Africa (residual stocks) | 40-44 | 1050-1400 | Steady |
| Indonesia | 52-54 | 1600-1800 | Steady |
| Tanzania | 54-56 | 1600-1700 | Steady |

The Analysts' Point of View

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The market remains quiet with rumors of good sales in India during the current Diwali Festival.

With the high prices of RCN noticed, cashew kernel prices could go up slightly during the coming weeks. However it is probable that the market will shift again by the beginning of the next harvest in the Northern Hemisphere.

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