



# AfriCashewSplits

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**“Split is back! We have listened to your comments, and we are still listening to you”**

## The International Cashew Market

The cashew market has had a relatively quiet week. Kernels buyers have shown some limited buying interest but mainly to fill gaps for near shipment. WW320 prices are in a range from US\$4.35 -4.60 per lb based on the shipment position and the reputation/certification of the processor. Buyers still appear to have time on their side before they might be forced to make any purchases. Processors have 3-4 months raw material in hand from domestic crops before they need delivery of RCN. This does not mean that they can or will wait 3 months as we have to consider the assembly and transit period.

RCN buyers have been relatively quiet too in the hope that prices will fall further. Optimistic buyers hoping for prices to fall to a range US\$1550-1650 per tonne. The Vietnamese trade association still maintains that their members will not enter the market until prices come into parity with cashew kernels. This is helped by the absence of the speculative trade that was present last year. On the other hand, the lack of trade is restricting the flow of cash into the market which is holding farm gate prices, and, in some cases, they are falling. There is some concern that if the West African RCN does not move that it will deteriorate in quality due to the lack of suitable long-term storage facilities.

Looking forward, processors in Vietnam will be hoping to revert to 100% production from the current 60-70% capacity and to do that they will need RCN. However, after last year they will continue their cautious policy and try to ensure that their raw material cost reflects the kernels prices in the market. On the kernels side there has been some damage to demand and offtake has slowed as a result of high prices last year even in the World’s largest market, India. Current kernels prices are probably fairly workable for most markets and become attractive the closer they get to US\$4.00 per lb FOB WW320 at which level there is likely to be good support.

As we look at the market today we ask will RCN prices come down or will kernels prices move up to bring the market into parity? The answer probably lies in looking at the relative strength of the holders. Can farmers or local traders wait? Can kernels buyers defer buying decisions until they see more attractive prices? The market should be closely watched as we enter May which may prove to be the crucial time.

RCN FOB price in AFRICA (USD/MT)								13/4/2018	
COUNTRY	Last year (2017)	Last Month (March)	This week				This week vs last month		Tab 2: RCN FOB price chart USD/MT
	Average	Average	Min	Max	Average	Outturn	Variation	Trend	
NG	1,750	1,800	1,630	1,825	1,728	47-49lbs	-0.04	↘	
BN	1,700	1,680	1,865	2,000	1,933	48-50lbs	0.13	↗	
TG	1,600	1,400	1,600	1,723	1,662	46-48lbs	0.16	↗	
GH	1,700	1,900	1,750	1,800	1,775	47-49lbs	-0.07	↘	
BF	1,750	1,700	1,488	1,724	1,606	47-49lbs	-0.06	↘	
RCI	1,600	1,600	1,450	1,733	1,592	46-49lbs	-0.01	↘	
ML	1,480	1,400	1,300	1,535	1,418	47-49lbs	0.01	↗	
G.Con	1,300	1,500	1,460	1,500	1,480	47-49lbs	-0.01	↘	

Cashew Kernel FOB prices in Vietnam								13/4/2018
Product	Last year	Last Month	This week			This week vs last month		Tab 3: Kernel FOB price chart per grade in USD/lb
	Average	Average	Min	Max	Av	Variation	Trend	
WW240	\$4.95	\$5.10	\$4.70	\$4.80	\$4.75	-7.37%	↘	
WW320	\$4.55	\$4.80	\$4.40	\$4.60	\$4.50	-6.67%	↘	
WS	\$4.20	\$3.65	\$4.20	\$4.35	\$4.28	14.62%	↗	
LP	\$3.70	\$3.70	\$3.50	\$3.65	\$3.58	-3.50%	↘	

## The Cashew Market in West Africa

RCN Farm gate price in AFRICA in US\$							13/4/2018	
COUNTRY	Cur	Apr-17	Mar-18	13-Apr-18		This week vs last month		RCN Farm Gate Price by country
		Per T	Per T	Per T	Outturn lbs	Variation	Trend	
NIGERIA	US\$	\$1,547	\$1,396	\$1,327	46-48lbs	-5%	↘	
BENIN	US\$	\$1,191	\$1,328	\$1,549	47-49lbs	14%	↗	
TOGO	US\$	\$1,060	\$1,128	\$1,365	45-47lbs	17%	↗	
GHANA	US\$	\$1,316	\$1,397	\$1,301	46-48lbs	-7%	↘	
BURKINA FASO	US\$	\$1,203	\$1,316	\$1,248	46-48lbs	-5%	↘	
COTE D'IVOIRE	US\$	\$1,142	\$1,222	\$1,083	44-48lbs	-13%	↘	
MALI	US\$	\$979	\$1,081	\$1,059	45-48lbs	-2%	↘	
GUINEA CONAKRY	US\$	\$978	\$1,024	\$1,139	45-49lbs	10%	↗	
GUINEA BISSAU	US\$	\$1,142	\$1,222	\$1,883	50-54lbs	35%	↗	
SENEGAL	US\$	\$1,305	\$1,692	\$1,412	50-52lbs	-20%	↘	
GAMBIA	US\$	\$1,500	\$1,064	\$1,489	50-52lbs	29%	↗	

Country	Production Forecast in 2018	Weather/growing conditions past week
Nigeria	215,000	Weather condition favourable for good production
Benin	100,000	Good weather conditions with rains starting in the various production zones
Togo	6,000	Good weather conditions with rains intensifying in some regions
Ghana	80,000	Rains are intensifying in the Brong-Ahafo region
Burkina Faso	35-50,000	Very hot weather that could damage the developing flowers. However, the second batch of cashew trees flowering seems to be good with a few rains recorded last week in some regions (Sud-Ouest; Hauts-Bassins and Cascades).
Cote d'Ivoire	750,000	Weather conditions remain good for cashew trees flowering. Rains are starting slowly in the various areas of production
Mali	40,000	Very hot weather in the main production regions. Rains expected to start soon in some regions closed to Bobo-Dioulasso and Cote d'Ivoire border
Guinea Conakry	20,000-30,000	Rains starting in some regions; Risk of High moisture rate at the producer levels
Guinea Bissau	200,000	Good weather for cashew production
Senegal	50,000	Good weather for cashew production
Gambia	8,000	Good weather for cashew production

## National Analysts Comments

### Nigeria

The cashew market slowed down this week in Nigeria compared to last week. The major raining season is in full swing in the eastern part of the country. There is still good availability of RCN at the producer level however, the RCN quality dropped significantly this week to an average Outturn of 46-48 lbs.

RCN farm gate prices are currently between 450 and 500 NGN (1.25-1.4 USD/kg) against 480 and 500 NGN/kg (1.34-1.4 USD/kg) recorded last week. Deliveries to trader warehouses in Lagos are being made between 550 and 600 NGN/kg (1.53-1.67 USD/MT) while the FOB price at the port of Lagos is between 1 630 and 1,825 USD/MT for an average RCN average outturn of 47-49lbs.

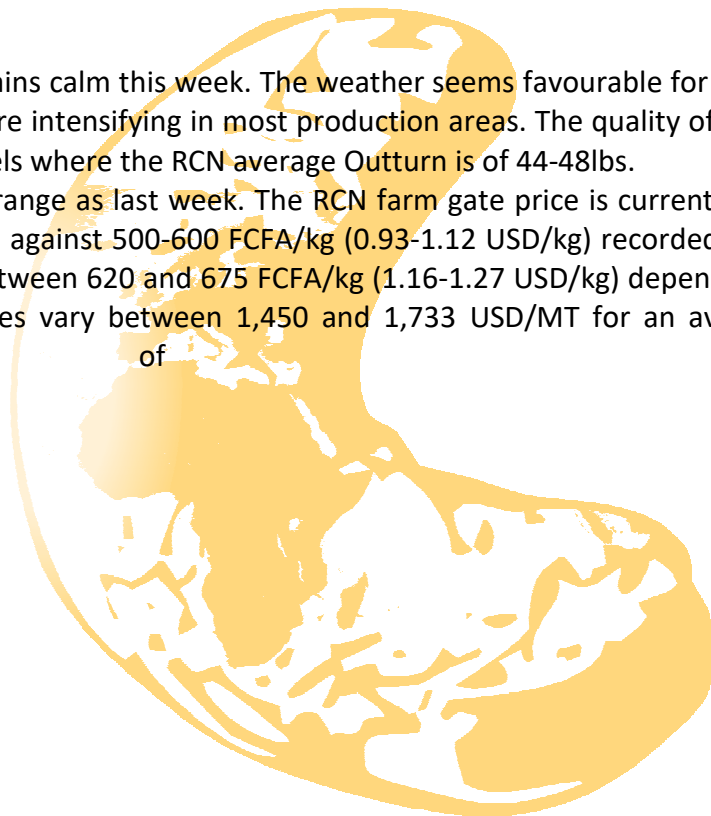
*Source: Market Analysts Mr. Azeez Ayodele and Mr. Alfred Makhuoga Friday*

### Côte d'Ivoire

In Côte d'Ivoire, the cashew market remains calm this week. The weather seems favourable for the second bloom of cashew trees; however, rains are intensifying in most production areas. The quality of the nuts is gradually decreasing at the producer levels where the RCN average Outturn is of 44-48lbs.

Farm gate prices remained in the same range as last week. The RCN farm gate price is currently between 500 and 650 FCFA/kg (0.94-1.22 USD/kg) against 500-600 FCFA/kg (0.93-1.12 USD/kg) recorded last week. Wholesale prices at the port level are between 620 and 675 FCFA/kg (1.16-1.27 USD/kg) depending on the quality and the quantity. RCN FOB prices vary between 1,450 and 1,733 USD/MT for an average RCN outturn of 47-49lbs.

*Source: Mr. Kamate Issoufou from K.R Organisation*



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