



# AfriCashewSplits

*The source for the latest crop and price information*

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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 international cashew kernels market perked up this week on buying interest from North American buyers. The price slide was halted as some of the lower offers were bought up. WW320 prices moved back to the range US\$4.40-4.50 /lb depending on the quality and reputation of the processor. In my view this was more about timing than any change in the view of the market by the buyers. Buyers needed to fill their needs for the middle of the year and did not have sufficient cover in hand. Indeed, the fact that they waited until the last moment may indicate that they expect prices to fall further.

The kernels trading this week should not be interpreted as a signal that RCN prices will rise. Vietnamese processors are anxious to liquidate their high-priced purchases especially those from Tanzania which cost in the range of US\$2300/t for 52/53lbs material. They are probably working off thin margins and some are losing money. It seems likely that they will continue to make sales if buyers show interest. Indications on RCN are that a little more business has taken place (as it must do at this time of year) but that prices have slightly fallen overall. There are concerns that the quality of the RCN has fallen recently at the end of some crops and in between 1<sup>st</sup> and 2<sup>nd</sup> crops which makes the interpretation of price trends more difficult. A lower price may be more to do with lower quality than a fall in the market or it may simply be a way of hiding the reality of a price fall.

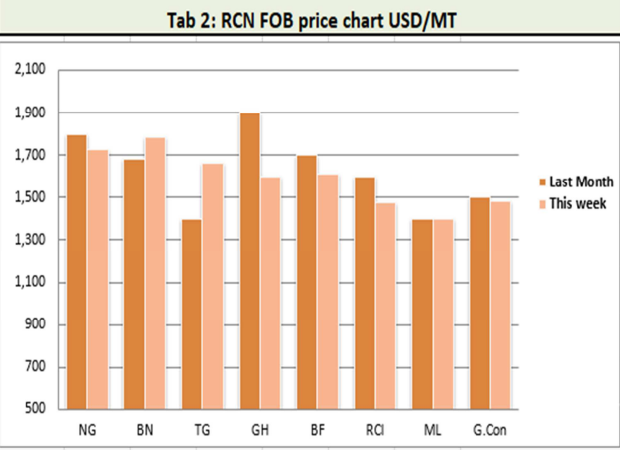
As seen over the years the cashew market can be subject to misinformation and even propaganda. We always need to check information out thoroughly. This week we hear reports that the Vietnamese crop may not be as large as originally forecast. However, if we look at the original estimates they were never realistic – 600,000t between Vietnam and Cambodia was always overstated. Now we see the figure downgraded to 400,000t +. It seems that crop estimates are high when processors are buying RCN but low when they are selling kernels.

The same may apply on RCN at the farm gate. With minimum prices in place it may suit buyers to downgrade quality in order to pay a lower price. It is always important to keep in mind who provides information and their possible motives. Independent sources are best but very few.

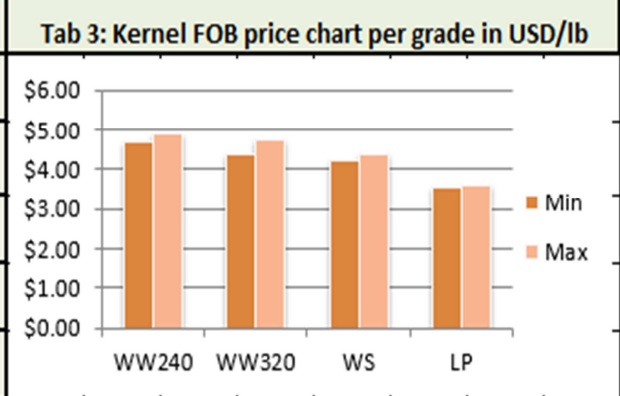
The coming week may see more buying interest on kernels. We expect that RCN buying will remain low key. The crop situation remains good to very good but timing of needs, high cost inventory and processing volumes can potentially negate or intensify the basic supply demand balance.

**Source: Jim Fitzpatrick from Ingredient Sourcing Solutions (ISS)**

RCN FOB price in AFRICA (USD/MT)								20/4/2018
COUNTRY	Last year (2017)	Last Month (March)	This week			This week vs last month		
	Average	Average	Min	Max	Average	Outturn	Variation	Trend
NG	1,750	1,800	1,600	1,850	1,725	45-49lbs	-0.04	↘
BN	1,700	1,680	1,700	1,868	1,784	47-50lbs	0.06	↗
TG	1,600	1,400	1,600	1,723	1,662	46-48lbs	0.16	↗
GH	1,700	1,900	1,400	1,800	1,600	46-49lbs	-0.19	↘
BF	1,750	1,700	1,500	1,724	1,612	47-49lbs	-0.05	↘
RCI	1,600	1,600	1,350	1,600	1,475	46-49lbs	-0.08	↘
ML	1,480	1,400	1,300	1,500	1,400	45-49lbs	0.00	→
G.Con	1,300	1,500	1,460	1,500	1,480	46-48lbs	-0.01	↘

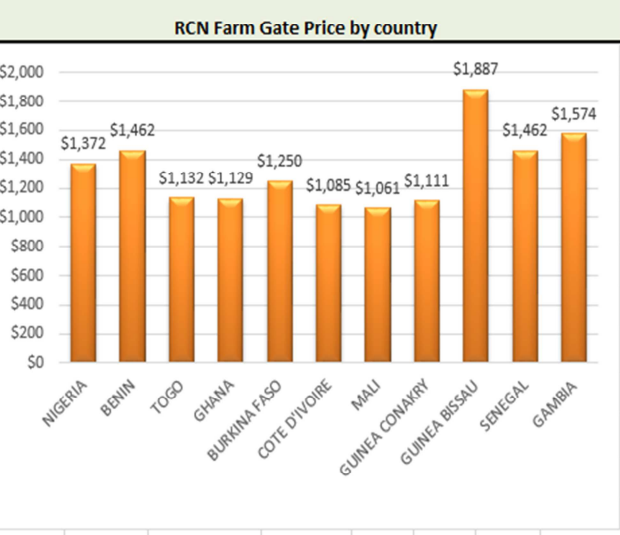


Cashew Kernel FOB prices in Vietnam								20/4/2018
Product	Last year	Last Month	This week			This week vs last month		
	Average	Average	Min	Max	Av	Variation	Trend	
WW240	\$4.95	\$5.10	\$4.70	\$4.90	\$4.80	-6.25%	↘	
WW320	\$4.55	\$4.80	\$4.40	\$4.75	\$4.58	-4.92%	↘	
WS	\$4.20	\$3.65	\$4.20	\$4.40	\$4.30	15.12%	↗	
LP	\$3.70	\$3.70	\$3.55	\$3.60	\$3.58	-3.50%	↘	



## The Cashew Market in West Africa

RCN Farm gate price in AFRICA in US\$							20/4/2018
COUNTRY	Cur	Apr-17	Mar-18	13-Apr-18		This week vs last month	
		Per T	Per T	Per T	Outturn lbs	Variation	Trend
NIGERIA	US\$	\$1,547	\$1,396	\$1,372	45-48lbs	-2%	↘
BENIN	US\$	\$1,191	\$1,328	\$1,462	46-49lbs	9%	↗
TOGO	US\$	\$1,060	\$1,128	\$1,132	45-47lbs	0%	↗
GHANA	US\$	\$1,316	\$1,397	\$1,129	46-48lbs	-24%	↘
BURKINA FASO	US\$	\$1,203	\$1,316	\$1,250	46-48lbs	-5%	↘
COTE D'IVOIRE	US\$	\$1,142	\$1,222	\$1,085	44-48lbs	-13%	↘
MALI	US\$	\$979	\$1,081	\$1,061	45-48lbs	-2%	↘
GUINEA CONAKRY	US\$	\$978	\$1,024	\$1,111	45-49lbs	8%	↗
GUINEA BISSAU	US\$	\$1,142	\$1,222	\$1,887	50-54lbs	35%	↗
SENEGAL	US\$	\$1,305	\$1,692	\$1,462	50-52lbs	-16%	↘
GAMBIA	US\$	\$1,500	\$1,064	\$1,574	50-52lbs	32%	↗



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

### Benin

The cashew market is quiet this week in Benin compared to the previous weeks. Buyers are holding their purchases despite the good quality and availability. The quality of available RCN remains good with an average outturn of 46-50lbs. There is a good availability at the producer levels but buyers remain reluctant to the prices offered by producers. The cashew crop is over in Boukoumbe and Tanguieta in the region of Atacora.

This week the RCN average farm gate price is between 750 and 800 FCFA/kg (1.41-1.5 USD/kg) for an average RCN outturn of 46-49lbs against 800 and 850 FCFA/kg recorded last week. RCN warehouse price is currently between 775 and 825 FCFA/kg (1.46-1.55 USD/kg) while the FOB price at the port of Cotonou is between 1700 and 1868 USD/MT for an average RCN Outturn of 47-50lbs.

**Source: FENAPAB**

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