



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

This week has seen some continued support for the main grades from buyers in North America and Europe. They are covering a further set of needs as the peak usage season approaches especially in the USA. Prices for WW320 moved to US\$4.40 per lb FOB with shippers of high reputation and quality system certification making up to 10 cents per lb more. Processors were happy to sell and by the end of the week there were offers left over unsold. It seems that the market has found a level for the time being.

It is difficult to work out exactly what is going on in the market at this time of year. Crop “statistics” are being used to put pressure on the RCN market. For example, one publication last week reported the crop in Cambodia as “disappointing” but the figure quoted (150,000t) would be an excellent crop and probably a record. The same publication reported the Cote D’Ivoire crop as the same as last year but all official estimates put it at a much better 750,000 t. We saw the Vietnamese crop forecast fluctuate by 100,000t either way depending on how and by whom it was reported. Who do you believe? Do you believe anyone? Never has a good market reporting system been more vital than in the past two years.

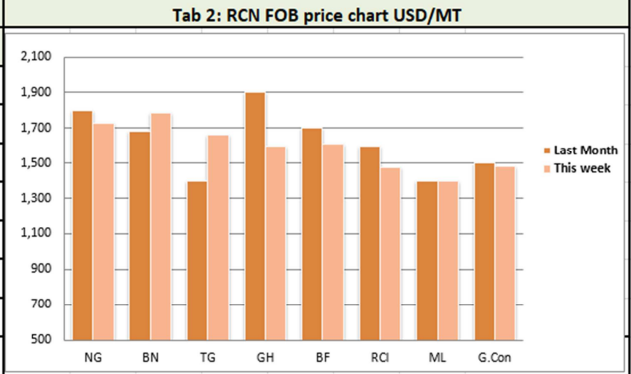
I think that there are some high cost stocks of RCN from East Africa and elsewhere still weighing heavily on the Vietnamese market. The sale of these (or the negotiation of defaulted contracts) may be the priority for traders. Only after these have been cleared will we see the realistic RCN market emerge. If there happens to be some trades from West Africa at high prices for small volumes it will help the task, so let’s not get the idea that the RCN market is going to take off because a few containers have been traded and a few lots of WW320 committed by end buyers.

2018 is going to continue to be hard work. Big crops and high prices do not make life easy for buyers. Yes, they will buy when they have to and they will buy big if prices suit them but that level is probably 40 cents per lb below today’s price levels. In the meantime, they will continue the current pattern. RCN holders will look at each wave of buying as an opportunity to mark up prices and hope to catch some processors on the way. However, in reality with farm gate prices stable to weak, large crops coming in and kernels buyers reluctant it would be a brave trader who speculates on RCN right now.

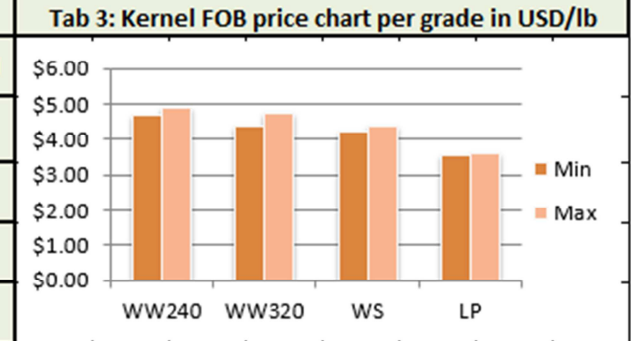
Where does that leave the market? I think that a strong upward movement in prices is unlikely and becomes more and more unlikely as current stocks in Vietnam are liquidated. The downside too is limited by the fact that kernels buyers would support the market if it started to approach US\$4.00 per lb and possibly long before that. Stability? Maybe but the RCN segment is floating many rumours about everything from politics to quality to crops to bankruptcies, so it could move around a little on RCN. It is important to verify the stories and ensure that your sources are good before making decisions. For me this is not a good time for speculation. If you are familiar with the parlour game “musical chairs” you will know what I mean when I say that someone is going to be left without a chair.

Source: Jim Fitzpatrick from Ingredient Sourcing Solutions (ISS)

RCN FOB price in AFRICA (USD/MT)								27/4/2018
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	↘

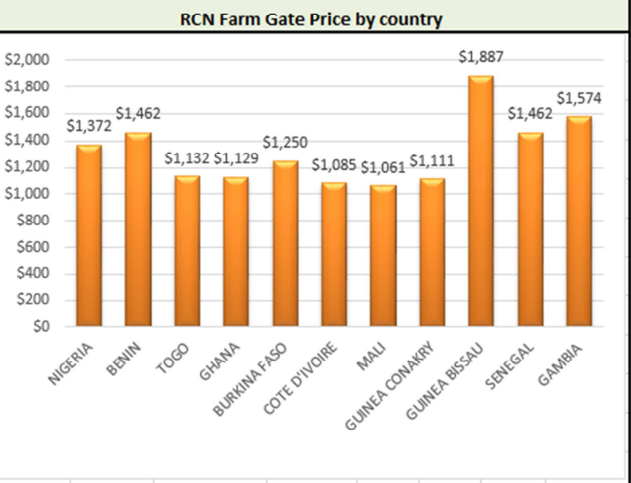


Cashew Kernel FOB prices in Vietnam								27/4/2018
Product	Last year	Last Month	This week			This week vs last month		
	Average	Average	Min	Max	Av	Variation	Trend	
WW240	\$4.95	\$5.10	\$4.70	\$4.90	\$4.80	-6.25%	↘	
WW320	\$4.55	\$4.80	\$4.40	\$4.75	\$4.58	-4.92%	↘	
WS	\$4.20	\$3.65	\$4.20	\$4.40	\$4.30	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\$								27/4/2018
COUNTRY	Cur	Apr-17	Mar-18	27-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 intensifying 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 various areas of production; High moisture content recorded
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. Rains starting in some regions (Sud-Ouest; Hauts-Bassins and Cascades).
Cote d'Ivoire	750,000	Weather conditions remain good for cashew trees flowering. Rains are intensifying 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 are intensifying; Risk of High moisture rate at the producer levels
Guinea Bissau	200,000	Good weather for cashew production; Good flowering of cashew trees
Senegal	50,000	Good weather for cashew production; Good flowering of cashew trees
Gambia	8,000	Good weather for cashew production; Good flowering of cashew trees

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