



# AfriCashewSplits

*The source for the latest crop and price information*

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

## **The International Cashew Market**

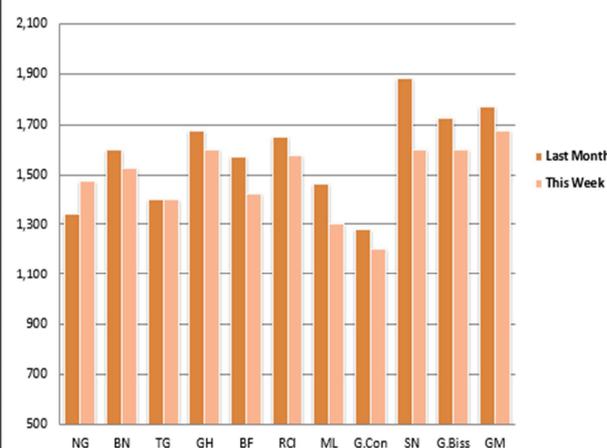
The kernels market has continued to look weak over the past week. WW320 prices in Vietnam broke through US\$4.00/lb FOB and seem headed toward US\$3.90/lb. Larger processors are holding back asking higher levels as they are well sold. Many people thought that around US\$4.00/lb buyers would come back to the market. Apart from some modest covering from the US, there has been little interest to buy and probably very little pressure on buyers to move at a time when time remains on their side. The lack of buying interest from major markets in the West is due to imports being ahead of last year, meaning that stocks are adequate and possibly overstocked. The quiet holiday period in many markets is just beginning and market sentiment – buyers tend not to move in falling markets even if that means missing the bottom of the market. Add in plenty of negotiations/re negotiations on high priced contracts – some will be US\$1.00 per lb over today's market or \$35,000 per container, a lot of money, and it becomes more understandable that the market price has drifted down and that it may well continue to do so.

The RCN market too remains very quiet with little buying interest and prices falling below minimum levels at the farm gate in West Africa. There are stocks left in almost every West African country with significant unshipped volumes at some of the ports. The farm stocks are also significant and are at risk if not stored well. Overall production according to our calculations can easily match demand with a carry out predicted at the end of the year of about one month's supply which is normal. The question is whether or not the remaining stocks in West Africa will be sufficiently secured and of good enough quality when eventually the processors come back to buy? Meantime with heavy arrivals in Vietnam on top of the bigger domestic crop and higher imports from Cambodia and Tanzania earlier in the year there seems little reason for buyers to pursue RCN for now.

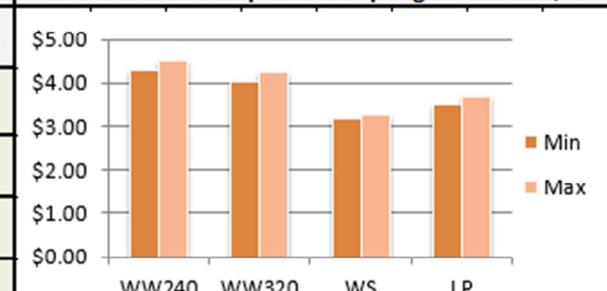
We should also consider the monetary impact of overpriced RCN earlier in the season – Vietnamese imports of RCN for the season are down 10% but the value is up 3%. This will be reflected right back along the chain. Traders are being asked to put more and more money into a commodity that is falling in value. They will not do so. We expect a few months of careful trading on RCN with prices unlikely to recover unless a problem emerges with Southern hemisphere crops which are only three months away now.

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

| RCN FOB price in AFRICA (USD/MT) |                  |                  |           |       |         |          |                         |       | 29/6/2018                         |
|----------------------------------|------------------|------------------|-----------|-------|---------|----------|-------------------------|-------|-----------------------------------|
| COUNTRY                          | Last year (2017) | Last Month (May) | 29-Jun-18 |       |         |          | This week vs last month |       | Tab 2: RCN FOB price chart USD/MT |
|                                  | Average          | Average          | Min       | Max   | Average | Outturn  | Variation               | Trend |                                   |
|                                  | NG               | 1,800            | 1,343     | 1,400 | 1,550   | 1,475    | 42-48lbs                | 0.09  |                                   |
| BN                               | 1,713            | 1,600            | 1,400     | 1,650 | 1,525   | 48-50lbs | -0.05                   | ↘     |                                   |
| TG                               | 1,650            | 1,400            | 1,300     | 1,500 | 1,400   | 45-47lbs | 0.00                    | →     |                                   |
| GH                               | 1,675            | 1,675            | 1,500     | 1,700 | 1,600   | 46-48lbs | -0.05                   | ↘     |                                   |
| BF                               | 1,750            | 1,570            | 1,300     | 1,550 | 1,425   | 46-48lbs | -0.10                   | ↘     |                                   |
| RCI                              | 1,500            | 1,650            | 1,500     | 1,650 | 1,575   | 40-46lbs | -0.05                   | ↘     |                                   |
| ML                               | 1,600            | 1,463            | 1,200     | 1,400 | 1,300   | 42-46lbs | -0.13                   | ↘     |                                   |
| G.Con                            | 1,510            | 1,278            | 1,000     | 1,400 | 1,200   | 38-47lbs | -0.06                   | ↘     |                                   |
| SN                               | 1,900            | 1,880            | 1,500     | 1,690 | 1,595   | 50-52lbs | -0.18                   | ↘     |                                   |
| G.Biss                           | 2,100            | 1,728            | 1,550     | 1,650 | 1,600   | 52-56lbs | -0.08                   | ↘     |                                   |
| GM                               | 2,200            | 1,768            | 1,600     | 1,750 | 1,675   | 50-54lbs | -0.06                   | ↘     |                                   |

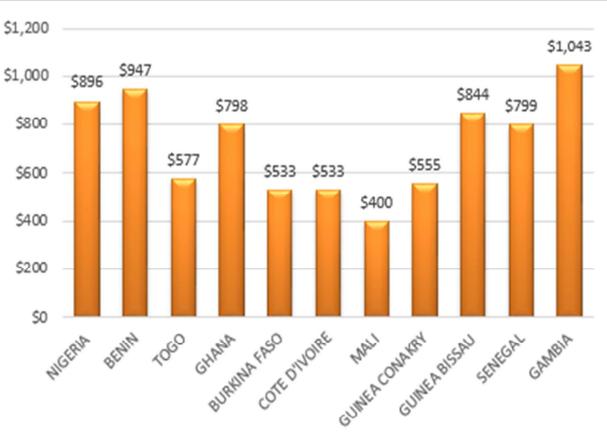


| Cashew Kernel FOB prices in Vietnam |                       |         |           |        |        |                         |        | 29/6/2018   |
|-------------------------------------|-----------------------|---------|-----------|--------|--------|-------------------------|--------|---|
| Product                             | Last year (June 2017) | May-18  | 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                 | \$5.35  | \$4.68    | \$4.30 | \$4.50 | \$4.40                  | -6.36% |   |
| WW320                               | \$4.95                | \$4.40  | \$4.05    | \$4.25 | \$4.15 | -6.02%                  | ↘      |   |
| WS                                  | \$3.80                | \$3.90  | \$3.15    | \$3.25 | \$3.20 | -21.88%                 | ↘      |   |
| LP                                  | \$3.30                | \$3.60  | \$3.50    | \$3.70 | \$3.60 | 0.00%                   | →      |   |



## The Cashew Market in West Africa

| RCN Farm gate price in AFRICA in US\$ |      |         |         |           |             |                         |          | 29/6/2018                      |
|---------------------------------------|------|---------|---------|-----------|-------------|-------------------------|----------|--------------------------------|
| COUNTRY                               | Cur  | Jun-17  | May-18  | 29-Jun-18 |             | This week vs last month |          | RCN Farm Gate Price by country |
|                                       |      | Per T   | Per T   | Per T     | Outturn lbs | Variation               | Trend    |                                |
|                                       |      | NIGERIA | US\$    | \$1,746   | \$982       | \$896                   | 38-45lbs |                                |
| BENIN                                 | US\$ | N/A     | \$1,073 | \$947     | 46-49lbs    | -13%                    | ↘        |                                |
| TOGO                                  | US\$ | N/A     | \$805   | \$577     | 45-48lbs    | -39%                    | ↘        |                                |
| GHANA                                 | US\$ | \$976   | \$1,084 | \$798     | 42-47lbs    | -36%                    | ↘        |                                |
| BURKINA FASO                          | US\$ | N/A     | \$1,250 | \$533     | 44-48lbs    | -135%                   | ↘        |                                |
| COTE D'IVOIRE                         | US\$ | \$885   | \$672   | \$533     | 35-44lbs    | -26%                    | ↘        |                                |
| MALI                                  | US\$ | N/A     | \$1,117 | \$400     | 42-45lbs    | -179%                   | ↘        |                                |
| GUINEA CONAKRY                        | US\$ | \$1,234 | \$752   | \$555     | 37-45lbs    | -35%                    | ↘        |                                |
| GUINEA BISSAU                         | US\$ | \$1,610 | \$1,230 | \$844     | 50-54lbs    | -46%                    | ↘        |                                |
| SENEGAL                               | US\$ | \$1,771 | \$1,254 | \$799     | 50-52lbs    | -57%                    | ↘        |                                |
| GAMBIA                                | US\$ | \$2,000 | \$1,600 | \$1,043   | 50-52lbs    | -53%                    | ↘        |                                |



| Country        | Production Forecast in 2018 | Weather/growing conditions past week  |
|----------------|-----------------------------|---|
| Nigeria        | 215,000                     | Still some product available.   |
| Benin          | 100,000                     | The rainy season is progressing in the various production zones. There are still some stocks available for sale even at grower level.   |
| Togo           | 6,000                       | The rainy season is progressing in the various production zones   |
| Ghana          | 80,000                      | The rainy season is progressing in the various areas of production; High moisture content recorded. Small availability at the producers' level. Most companies are not buying |
| Burkina Faso   | 40,000                      | The rainy season is progressing in the various cashew production zones. Farmers are preparing their plantations for the growing season  |
| Cote d'Ivoire  | 750,000                     | Arrivals remain on target for the CCA prediction of 750,000 tonnes. Stocks are high for the time of year and secure storing of these is essential.                            |
| Mali           | 40,000                      | The rainy season is starting and RCN quality dropped  |
| Guinea Conakry | 20,000-30,000               | The rainy season is progressing; High moisture rate recorded at the producer levels   |
| Guinea Bissau  | 200,000                     | Arrivals still good and shipment have started. Some pressure on prices at the farm gate.  |
| Senegal        | 50,000                      | Shipments ongoing   |
| Gambia         | 8,000                       | Shipments ongoing   |

## National Analysts Comments

### Benin

The cashew market in Benin remained very calm as in the previous weeks. There is a good RCN availability at both the producer and trader levels in most of the cashew production zones. The status quo is still on and the producers are constantly complaining and calling on the government and the cashew stakeholders' umbrella associations in Benin to help. If initially the price was the main cause of the fall of the demand, it should be noted that in spite of a progressive fall of this price the buyers do not show any interest.

Consequently, this week the average farm gate price is 533 FCFA/kg representing a difference of 117 FCFA compared to the minimum farm gate price set by the Government. This week the RCN farm gate price is between 300 and 600 FCFA/kg (0.53-1.06 USD/kg) against 300 and 650 FCFA/kg recorded last week. The RCN warehouse price in Cotonou remained around 675 FCFA/kg (1.19 USD/kg), while the RCN FOB price is between 1,400 and 1,650 USD/MT for an average RCN Outturn of 48-50lbs.

There is no more RCN available in south-east part of Benin especially in OUEME PLATEAU while in Savalou in the region ZOU Collines there is still a good availability (about 1,000 MT of RCN remaining at the producers' level).

Source: FENAPAB

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