ACA

AfriCashewSplits

The source for the latest crop and price information

July 19th, 2018 – N°13
information@africancashewalliance.com

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

The International Cashew Market

The cashew kernels market has continued to drift down this week but much more slowly. Prices have reached a low of US$3.75 per lb FOB for smaller processors for nearby shipment. However, the forward shipment market for large shippers is higher in price and processors are reluctant to commit for forward shipment. July is often a quiet month for kernels trading. It seems that 2018 is no exception. The market may find some resistance in these conditions to stop the decline and possible start to recover over the coming weeks.

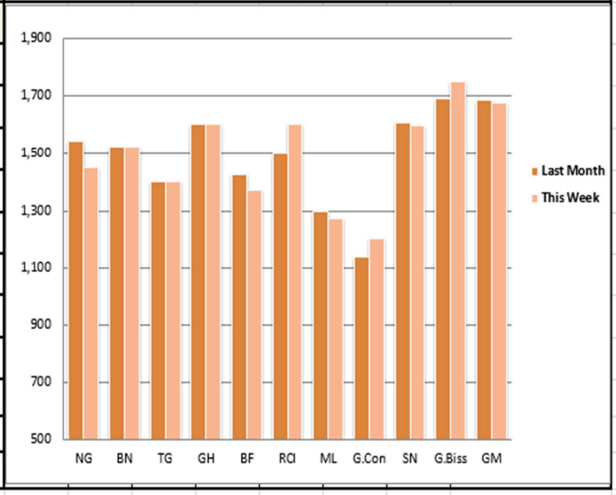
Lower prices and quiet trading conditions should not be taken as signs of weak demand. Latest import figures from the US show a strong May 2018 import figure up 18% on May 2017 and the highest import figure for May since 2015. Overall US import figures are up by 8.27% for the first five months. The first five months' imports are the all-time highest for that period. For those looking for long term good trends consider that Jan-May 2018 US imports are almost double the volume for the same period in 2002 – and the price is almost double what it was then too.

European figures for the year to date are even better with imports to the end of May up almost 20% although the improvement is slowing on a very fast start to the year. It appears that the higher prices have had very little impact on demand in Western markets. Indian demand is reported steady but we should keep an eye on falling almond prices that could impact the market later in the year.

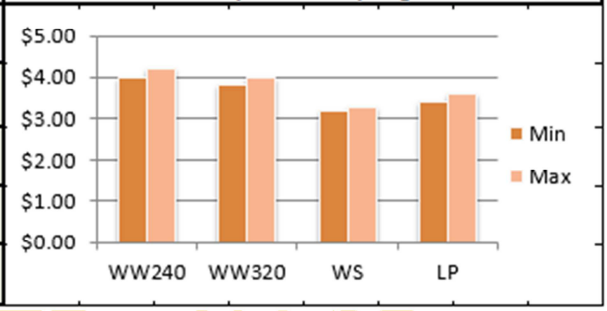
The RCN market feels less optimistic. Trade is slow and stocks are building at destination and at origin. This is largely related to falling prices as importers/traders do not want to add to the high priced inventories in hand and processors renegotiate contracts in a falling market. It seems likely that buying will remain restrained for the coming week and probably beyond. Vietnams imports are well below last year's levels (-150,000t) but well above 2016 levels (+135,000t). On these figures there is no crisis of RCN supply in either India or Vietnam for now. That means that RCN will continue to move slowly and should be well stored and preserved until needed (and it will be needed) but we do not anticipate higher prices.

Returning to a topic we raised last week the need for a more coordinated policy in West Africa has never been clearer than this year. Initial high prices led governments to increase taxes and raise farm gate price guides. These policies may seem like a good idea but only if there is adequate infrastructure and funding mechanisms to manage inventories when trade slows. The unfortunate fact is that much of the storage is poor and drying inadequate meaning that as well as market losses the remaining inventory is losing out on quality too which further reduces its value. It seems to us that far too often policy makers are drawn into the misinformation of speculators instead of working on the long term enablement of those vested in the sector as processors and service providers.

RCN FOB price in AFRICA (USD/MT)									13/7/2018
COUNTRY	Last year (July 2017)	Last Month (June)	13-Jul-18				This week vs last month		Tab 2: RCN FOB price chart USD/MT
	Average	Average	Min	Max	Average	Outturn	Variation	Trend	
NG	1,600	1,543	1,350	1,550	1,450	42-48lbs	-0.06	↘	
BN	1,650	1,525	1,400	1,650	1,525	48-50lbs	0.00	→	
TG	1,600	1,400	1,300	1,500	1,400	45-47lbs	0.00	→	
GH	1,700	1,600	1,500	1,700	1,600	46-48lbs	0.00	→	
BF	1,675	1,425	1,200	1,550	1,375	42-48lbs	-0.04	↘	
RCI	1,550	1,500	1,550	1,650	1,600	40-46lbs	0.06	↗	
ML	1,600	1,300	1,150	1,400	1,275	42-46lbs	-0.02	↘	
G.Con	1,510	1,138	1,000	1,400	1,200	38-47lbs	0.05	↗	
SN	1,800	1,605	1,500	1,690	1,595	50-52lbs	-0.01	↘	
G.Biss	1,900	1,688	1,700	1,800	1,750	52-54lbs	0.04	↗	
GM	1,900	1,685	1,600	1,750	1,675	50-54lbs	-0.01	↘	

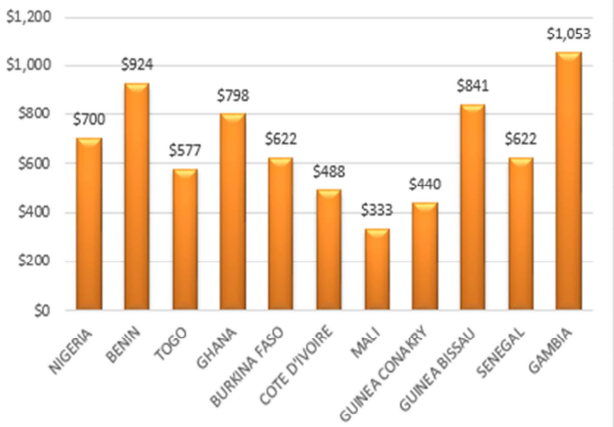


Cashew Kernel FOB prices in Vietnam								13/7/2018
Product	Last year (July 2017)	Jun-18	This week			This week vs last month		Tab 3: Kernel FOB price chart per grade in USD/lb
	Average	Average	Min	Max	Av	Variation	Trend	
WW240	$5.35	$4.28	$4.00	$4.20	$4.10	-4.39%	↘	
WW320	$4.95	$4.15	$3.80	$4.00	$3.90	-6.41%	↘	
WS	$4.33	$3.28	$3.15	$3.25	$3.20	-2.50%	↘	
LP	$3.68	$3.60	$3.40	$3.60	$3.50	-2.86%	↘	



The Cashew Market in West Africa

RCN Farm gate price in AFRICA in US$								13/7/2018
COUNTRY	Cur	Jul-17	Jun-18	13-Jul-18		This week vs last month		RCN Farm Gate Price by country
		Per T	Per T	Per T	Outturn lbs	Variation	Trend	
NIGERIA	US$	$889	$796	$700	38-42lbs	-14%	↘	
BENIN	US$	N/A	$985	$924	45-48lbs	-7%	↘	
TOGO	US$	N/A	$758	$577	40-44lbs	-31%	↘	
GHANA	US$	N/A	$899	$798	42-47lbs	-13%	↘	
BURKINA FASO	US$	N/A	$860	$622	40-47lbs	-38%	↘	
COTE D'IVOIRE	US$	$759	$579	$488	35-44lbs	-18%	↘	
MALI	US$	N/A	$706	$333	38-45lbs	-112%	↘	
GUINEA CONAKRY	US$	N/A	$571	$440	37-45lbs	-30%	↘	
GUINEA BISSAU	US$	$1,610	$980	$841	50-52lbs	-17%	↘	
SENEGAL	US$	$1,096	$1,114	$622	48-52lbs	-79%	↘	
GAMBIA	US$	$2,000	$1,298	$1,053	48-52lbs	-23%	↘	



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	100,000	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	Arrival remain on target for the CCA prediction of 750,000 tonnes. Stocks are high for the time of year and to 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

This is a publication of the African Cashew Alliance. It is realized with the support of: