



AfriCashewSplits

The source for the latest crop and price information

June 2nd, 2018 – N°08

information@africancashewalliance.com

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

The International Cashew Market

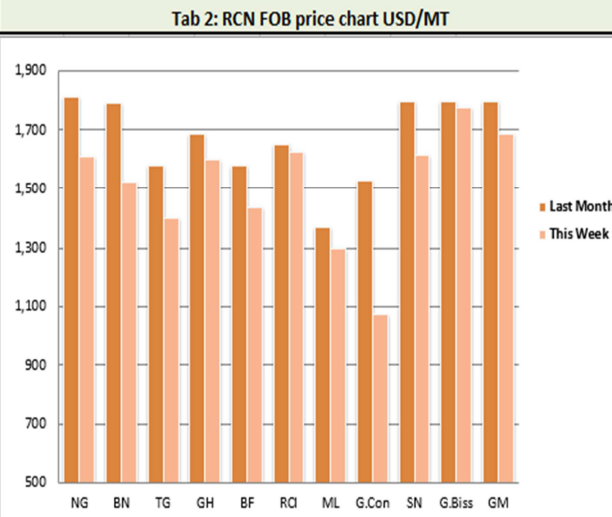
Never has the need for more processing in African countries been clearer than in the past two weeks. Lack of buying interest, lack of cash, lack of warehousing and effectively lack of information (too many people have held on too long to stock despite being offered what would have looked like excellent prices at any time except in the past twelve months) have brought farm gate RCN prices right back to the levels seen at the beginning of last year. Unsold or unshipped material is beginning to pile up in the ports at origin and perhaps at destination too as less reliable buyers try to renegotiate high priced contracts. However, these are not low prices. Even the lower levels on offer today around US\$1,650-1,700/MT Cfr. are higher than the average price of 2016 and well above the levels of 2015. If we take Cote D’Ivoire as an example the average high in 2016 was US\$1,660/MT Cfr. and in 2015 US\$1,500/MT Cfr.

Someone once said, “Expectation is the root of all heartache”. This can be the only explanation why anyone would be disappointed with prices this year at the farm gate. In essence much of the crop has been sold at prices far above the kernels parity, above even last year’s record prices so now some equilibrium must be restored and is being restored as you can see from the price reports below. The problem now is not the price to the farmer which is still not bad but the fact that it is difficult to sell at any price and that is why local processing is so badly needed.

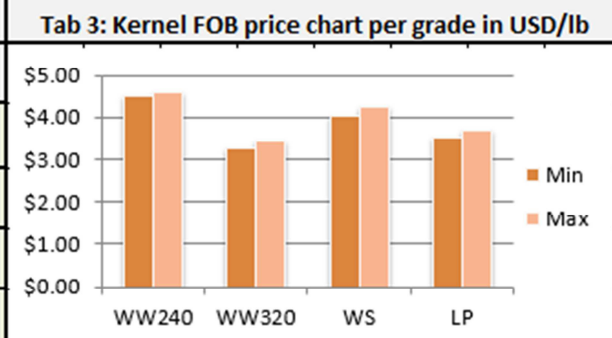
We do not expect this to change for some time as the trading system for raw cashews is now short of funding and has a series of inventory and contractual problems to solve. It could change if kernels buyers came in to buy their needs for the last quarter of the year. They still have some time on their side. Prices have been falling to levels just above US\$4.35/lb FOB WW320 down from highs earlier in the year of US\$4.75/lb FOB and prices are now just below the 2-year average. However, kernels buyers are reluctant to buy in a falling market. They are seeing demand down in major markets by at least 5% in response to high prices. There are more cashews in stock as early year imports were high by comparison with last year. Short term there may not be too much help from buyers of kernels, however in the longer term if we see prices get back to attractive levels.

Source: Mr. Jim Fitzpatrick from Ingredient Sourcing Solutions (ISS)

RCN FOB price in AFRICA (USD/MT)								1/6/2018
COUNTRY	Last year (2017)	Last Month (April)	29/5/2018				This week vs last month	
	Average	Average	Min	Max	Average	Outturn	Variation	Trend
NG	1,830	1,813	1,550	1,670	1,610	45-48lbs	-0.13	↓
BN	1,927	1,792	1,400	1,650	1,525	47-50lbs	-0.18	↓
TG	1,750	1,581	1,400	1,500	1,400	45-47lbs	-0.13	↓
GH	1,700	1,688	1,500	1,700	1,600	46-48lbs	-0.05	↓
BF	1,750	1,581	1,320	1,550	1,435	46-49lbs	-0.10	↓
RCI	1,860	1,650	1,600	1,650	1,625	45-47lbs	-0.02	↓
ML	1,600	1,372	1,200	1,400	1,300	45-47lbs	-0.05	↓
G.Con	1,726	1,528	950	1,200	1,075	45-47lbs	-0.42	↓
SN	2,250	1,800	1,530	1,700	1,615	50-52lbs	-0.11	↓
G.Biss	1,770	1,800	1,600	1,950	1,775	50-54lbs	-0.01	↓
GM	2,500	1,800	1,600	1,770	1,685	50-52lbs	-0.07	↓

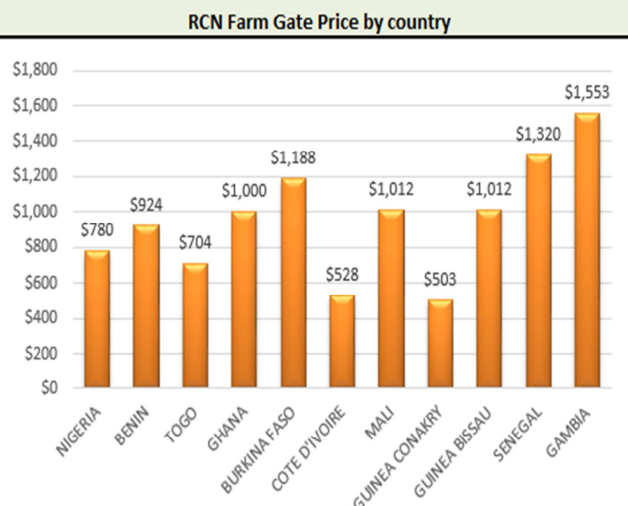


Cashew Kernel FOB prices in Vietnam								1/6/2018
Product	Last year	Last Month	This week			This week vs last month		
	Average	Average	Min	Max	Av	Variation	Trend	
WW240	\$5.30	\$4.75	\$4.50	\$4.60	\$4.55	-4.40%	↓	
WW320	\$4.95	\$4.49	\$3.25	\$3.45	\$3.35	-34.03%	↓	
WS	\$3.90	\$4.26	\$4.05	\$4.25	\$4.15	-2.65%	↓	
LP	\$3.40	\$3.59	\$3.50	\$3.70	\$3.60	0.28%	↑	



The Cashew Market in West Africa

RCN Farm gate price in AFRICA in US\$							1/6/2018
COUNTRY	Cur	May-17	Apr-18	29-May-18		This week vs last month	
		Per T	Per T	Per T	Outturn lbs	Variation	Trend
NIGERIA	US\$	\$1,786	\$1,350	\$780	38-45lbs	-73%	↓
BENIN	US\$	\$1,223	\$1,477	\$924	46-49lbs	-60%	↓
TOGO	US\$	\$1,265	\$1,197	\$704	44-47lbs	-70%	↓
GHANA	US\$	\$1,118	\$1,246	\$1,000	45-47lbs	-25%	↓
BURKINA FASO	US\$	\$1,235	\$1,234	\$1,188	46-48lbs	-4%	↓
COTE D'IVOIRE	US\$	\$1,349	\$1,234	\$528	35-46lbs	-134%	↓
MALI	US\$	\$1,096	\$1,022	\$1,012	44-47lbs	-1%	↓
GUINEA CONAKRY	US\$	\$1,289	\$1,126	\$503	37-46lbs	-124%	↓
GUINEA BISSAU	US\$	\$1,391	\$1,882	\$1,012	50-54lbs	-86%	↓
SENEGAL	US\$	\$1,539	\$1,340	\$1,320	50-52lbs	-1%	↓
GAMBIA	US\$	\$1,833	\$1,425	\$1,553	50-52lbs	8%	↑



Country	Production Forecast in 2018	Weather/growing conditions past week
Nigeria	215,000	Rains intensified and RCN quality is dropping
Benin	100,000	Rains intensifying in the various production zones. Sharp drop in RCN arrivals at the Producer levels
Togo	6,000	Rains intensifying in the various production zones; Sharp decrease in RCN quality.
Ghana	80,000	Rains are intensifying in the various areas of production; High moisture content recorded. Most companies are no more buying
Burkina Faso	40,000	Rains are intensifying in the various cashew production zones. Farmers are preparing their plantation for the agricultural season
Cote d'Ivoire	750,000	Quality has dropped but not as much as feared. Buyers retention is still noticed.
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. No rains for the moment
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

National Analysts Comments

Benin

The cashew market slowed down in Benin due to a sharp decrease in RCN arrivals at the producer levels. The minimum farm gate price of 650 FCFA/kg set by the Government seems to be high for the buyers who are currently offering around 500 FCFA/kg while the producers are demanding at least the minimum price of 650 FCFA/kg set for this season. The RCN quality for the available RCN is good with an average Outturn of 50lbs.

However, RCN farm gate price is between 500 and 550 FCFA/kg (0.88-0.96 USD/kg) while the warehouse price is currently around 600 FCFA/kg (1.05 USD/kg). There is still a good availability of RCN at the producer levels with a good quality but despite the good availability, demand remains very low.

Source: FENAPAB

Cote d'Ivoire

The cashew market has remained quiet in Cote d'Ivoire. The rains intensified in the various production areas and there is a sharp decrease in RCN quality with an average Outturn of 35-47lbs. Buyers are withholding their purchases in the production areas.

However, there is still good RCN available in traders' warehouses and at the port level where many trucks are waiting to be offloaded. Most exporters stopped their purchases because of the current poor quality of the RCN and the increase in the export tax on RCN this year.

As a result, prices declined sharply in all production areas. The RCN farm gate price is currently between 200 and 400 FCFA/kg (0.35-0.7 USD/kg) against 300 and 500 FCFA/kg recorded last week and for an average Outturn of 35-44lbs. RCN FOB prices are currently between 1,600 and 1,650/MT for an average Outturn of 45-47lbs.

Source: Koura Association

This is a publication of the [African Cashew Alliance](#). It is realized with the support of:

FNDASP



FONDS NATIONAL DE DÉVELOPPEMENT
AGRO-SYLVOPASTORAL
Pour le bien-être rural
For Rural Welfare



WEST AFRICA
**TRADE &
INVESTMENT
HUB**



**Self Help
Africa**

