



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

It was a quiet week for cashew kernels trade. Buyers are not active and prices have reached the lowest levels since August 2016 from small and medium exporters circa US\$4.25 per lb FOB WW320. Only in India are we seeing some life in the kernels market where prices are steady as buying interest has improved. The decline in cashew kernels prices is led by processors who have difficulty making forward contracts due to their scale or reputation. Larger processors have more sales made and are under less pressure as supplies of RCN arrive. Bucking the trend, a little are broken cashews which appear to be holding their value better than wholes. It is too early to read into this as it simply may be that the processors under pressure on WW320 have held wholes back but it could also be a sign of improved demand for broken.

There seems little reason for buyers to enter the market now so prices could drift lower although in similar circumstances this time last year one large buyer did come in and pushed prices higher. However, we do not expect that now and most likely the market will settle and possibly drift down particularly if we reach the end of the month without any further change.

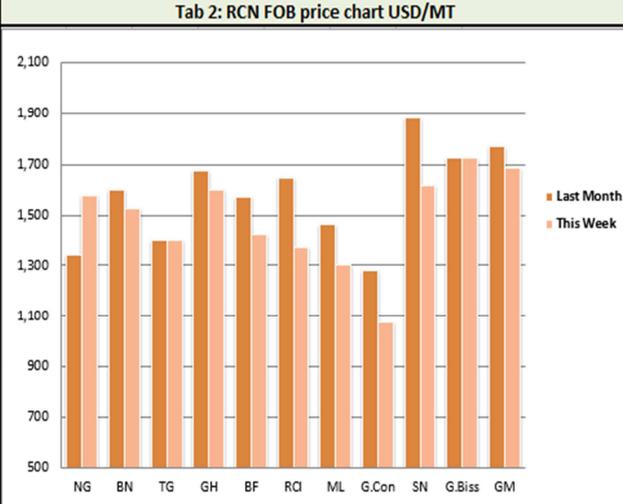
Imports of cashew kernels remain strong in the US. Imports from all African countries except Benin are down on last year which may reflect the high prices of RCN at the start of the season. Other markets are less positive as high prices have an impact. Indian exports of kernels are again down this year so far whilst Vietnam continues to increase its market share.

The RCN market has settled a little during the past week. Offered prices are in the range of US\$1650 - \$2000 per tonne Cfr depending on quality with Guinea Bissau and Senegal at the top of the range. Shipments are beginning to move on higher quality lots but there is little activity on the lower qualities at these prices. Imports to Vietnam are on a par with last year despite a slow start and a better crop in Vietnam. Indian imports are down on last year as a result of a higher crop and a slow start to imports reflecting higher prices. Overall it does not appear that there is any shortage of RCN at destination so whilst buying should improve there is unlikely to be any strong movement in the immediate future.

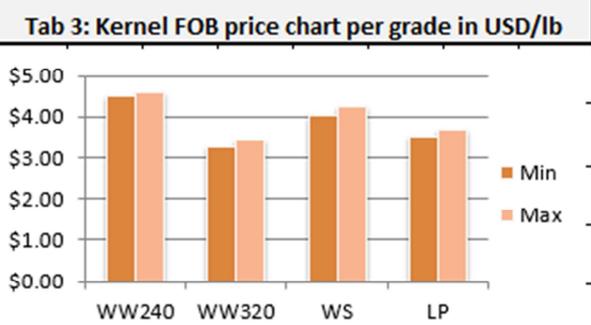
The coming week should follow the same pattern as the past week. Buyers activity is expected to be limited and holders of inventory are unlikely to push for sales in such a quiet period.

Source: Jim Fitzpatrick from Ingredient Sourcing Solutions (ISS)

RCN FOB price in AFRICA (USD/MT)								15/6/2018
COUNTRY	Last year (2017)	Last Month (May)	15-Jun-18			This week vs last month		
	Average	Average	Min	Max	Average	Outturn	Variation	Trend
NG	1,800	1,343	1,500	1,650	1,575	45-48lbs	0.15	↗
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	1,100	1,650	1,375	44-47lbs	-0.20	↘
ML	1,600	1,463	1,200	1,400	1,300	45-47lbs	-0.13	↘
G.Con	1,510	1,278	950	1,200	1,075	44-47lbs	-0.19	↘
SN	1,900	1,880	1,530	1,700	1,615	50-52lbs	-0.16	↘
G.Biss	2,100	1,728	1,500	1,950	1,725	52-56lbs	0.00	↘
GM	2,200	1,768	1,600	1,770	1,685	50-54lbs	-0.05	↘

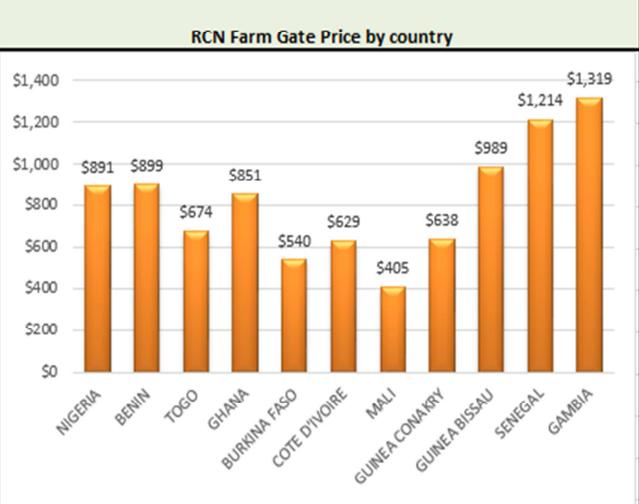


Cashew Kernel FOB prices in Vietnam								15/6/2018
Product	Last year (June 2017)	May-18	This week			This week vs last month		
	Average	Average	Min	Max	Av	Variation	Trend	
WW240	\$5.35	\$4.68	\$4.50	\$4.60	\$4.55	-2.86%	↘	
WW320	\$4.95	\$3.90	\$3.25	\$3.45	\$3.35	-16.42%	↘	
WS	\$3.80	\$4.40	\$4.05	\$4.25	\$4.15	-6.02%	↘	
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\$							15/6/2018
COUNTRY	Cur	Jun-17	May-18	15-Jun-18		This week vs last month	
		Per T	Per T	Per T	Outturn lbs	Variation	Trend
NIGERIA	US\$	\$1,746	\$982	\$891	38-45lbs	-10%	↘
BENIN	US\$	N/A	\$1,073	\$899	47-49lbs	-19%	↘
TOGO	US\$	N/A	\$805	\$674	38-44lbs	-19%	↘
GHANA	US\$	\$976	\$1,084	\$851	45-47lbs	-27%	↘
BURKINA FASO	US\$	N/A	\$1,250	\$540	46-48lbs	-132%	↘
COTE D'IVOIRE	US\$	\$885	\$672	\$629	35-46lbs	-7%	↘
MALI	US\$	N/A	\$1,117	\$405	40-46lbs	-176%	↘
GUINEA CONAKRY	US\$	\$1,234	\$752	\$638	37-46lbs	-18%	↘
GUINEA BISSAU	US\$	\$1,610	\$1,230	\$989	52-56lbs	-24%	↘
SENEGAL	US\$	\$1,771	\$1,254	\$1,214	50-52lbs	-3%	↘
GAMBIA	US\$	\$2,000	\$1,600	\$1,319	50-52lbs	-21%	↘



Country	Production Forecast in 2018	Weather/growing conditions past week
Nigeria	215,000	The rainy season is progressing and RCN quality is dropping
Benin	100,000	The rainy season is progressing in the various production zones. Sharp drop in RCN arrivals at the Producer levels
Togo	6,000	The rainy season is progressing in the various production zones; Sharp decrease in RCN quality.
Ghana	80,000	The rainy season is progressing in the various areas of production; High moisture content recorded. Most companies are no more buying
Burkina Faso	40,000	The rainy season is progressing 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.
Mali	40,000	The rainy season is starting and RCN quality dropped
Guinea Conakry	20,000-30,000	The rainy season is progressing; 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 RCN arrivals but no exports for the moment
Gambia	8,000	Good weather for cashew production

National Analysts Comments

Benin

There are no major changes on the cashew market in Benin. Most buyers held their purchases due to the current price range. Currently, the average farm gate price is at 500 FCFA/kg representing a decrease of 150 FCFA/kg compared to the minimum farm gate price set by the government (650 FCFA/kg) at the launch of the season. Unfortunately, this decline did not have a major impact on RCN demand and the cashew sector stakeholders complained that this situation has lasted for too long. The demand is very low compared to the good RCN availability at the trader levels at this period of the campaign and appeals for help to the authorities are beginning to come together because, for many actors, we are heading towards a crisis.

This week the RCN farm gate price is between 350 and 650 FCFA/kg (0.62-1.16 USD/kg) against 500 and 700 FCFA/kg recorded last week. The RCN warehouse price in Cotonou is around 675 FCFA/kg (1.21 USD/kg), while the RCN FOB price is still between 1,400 and 1,650 USD/MT for an average RCN Outturn of 48-50lbs.

This week there is a general drop in RCN prices in all four (04) production regions. The ZOU Collines and OUEME PLATEAU regions recorded the highest price decrease compared to last the week (May 28 to June 3, 2018), followed respectively by ATACORA DONGA and the BORGOU ALIBORI region.

Source: FENAPAB

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