



AfricashewSplits

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African Cashew Alliance:
information@africancashewalliance.com

The Cashew Market in West Africa

NOTE: Last week, ACA members were contacted to share their opinion on the ACA Market Information Services. We encourage you to participate in the survey. This is to enhance our service delivery and meet the needs of our valuable members. Thank you for your compliance and participation.

Please see your email for the survey.

Nigeria

There were no major changes in the cashew market this week. The rainy season is well established and the quality of the nuts degrades further (average KOR 39-45 lbs).

In Kwara state RCN warehouse prices remained around 550 NGN/kg (1.53 USD/kg) and for an average KOR of 40-45lbs. In Kogi State, the price of raw cashew nuts at the producer level is around 530 NGN/kg (1.51 USD/kg) and for an average KOR of 39-

40lbs. The wholesale price of merchants in Kogi also remained around 540 NGN/kg (1.54 USD/kg). Deliveries to the port of Lagos are always around 580 NGN/kg (1.66 USD/kg).

Source: Market Analysts Mr. Azeek Ayodele and Mr. Alfred Makuoga Friday

Côte d'Ivoire

The cashew season is gradually coming to an end in Côte d'Ivoire. RCN stocks are scarce at both the producer and trader level causing buyers to withdraw from the market. The RCN arrivals at the port level are declining. The available stocks are in the eastern part of the country but remain very small.

The rains intensified throughout the country. The cashew crop season is over and producers are currently working on farm maintenance.

Most exporters have stopped purchase and prices have fallen further in all production areas as quality has decreased sharply.

The farm gate prices are between 300 and 650 FCFA/kg (0.51-1.12 USD/kg) against 300 and 750 FCFA/kg (0.51-1.27 USD/kg) recorded last week. The RCN warehouse prices are currently between 325 and 675 FCFA (0.56-1.16 USD/kg) depending on the zones

against 425-775 FCFA/kg (0.72-1.31 USD/kg) recorded last week.

Deliveries to the port are being made for 600 and 700 FCFA/kg (1.03-1.2 USD/KG) against 700-790 FCFA/kg (1.19-1.34 USD/kg) recorded last week. FOB price decreased from 800-900 FCFA/kg (1,362-1,533 USD/MT) recorded last week to currently between 700 and 850 FCFA/kg (1,206-1,465 USD/MT) for an average RCN Outturn of 42-46lbs. RCN CIF prices are currently between 800 and 950 FCFA / kg (1,379-1,637 USD/MT) against 900-1 000 FCFA/kg (1,533-1,703 USD/MT) recorded last week.

With the current price level, most of the small scale processors have not been able to get good supply however; some big processors are buying small quantities of RCN with poor quality.

Source: Mr. Kamate Issoufou from K.R Organization

Guinea Conakry

In Guinea, the rains have led to the degradation of cashew nuts in some areas. In the Upper Guinea region, the rains and the lack of adequate warehouses have had a negative impact on the RCN quality, which has declined considerably to an Outturn range of 40-44lbs. In this region, RCN warehouse price is currently around 12 000 GNF/kg (1.34 USD/kg). However, according to the president of the Cashew Exporters Association of Guinea (ASEXANA), RCN prices increased in the Lower Guinea region due to the high demand and the quality of the available RCN. The RCN warehouse price ranges between 15 000 and 17 000 GNF/kg (1.68-1.91 USD/kg) for an average RCN Outturn of 44-46lbs. According to the same source, the RCN FOB prices are between 1,600 and 1,800

USD/MT for an average RCN Outturn of 40-48lbs depending on the quantity and the origin.

The cashew market remained very active with the presence of more than twenty exporting companies. According to the Guinean Export Promotion Agency (AGUIPEX), from the beginning of the season in March to the end of May, nearly 20,000 MT of RCN have already been exported from the port of Conakry to India, Vietnam and a little to Belarus.

Source: CLARISSE BANGOURA from AGUIPEX

Senegal

The cashew market is slowing down in Senegal at this period of the year. The RCN availability is decreasing at both the producer and the trader level. Following the start of the rains RCN quality decreased to an average Outturn of 49-52lbs. Most foreign buyers are withdrawing from the market and RCN prices decreased this week compared to the previous week. Thus, RCN farm gate price is currently around 1050 FCFA/kg (1.81 USD/kg) for an average RCN Outturn of

49-50lbs compared to 1050-1100 FCFA/kg (1.78-1.87 USD/kg) recorded last week. The RCN wholesale price at the trader level in Ziguinchor decreased from 1240/kg (2.11 USD/kg) recorded last week to around 1125 FCFA/kg (1.93 USD/kg) this week and for an average RCN Outturn of 50-52lbs.

Source: Mr. LAMINE SENE

Below are tables showing the average CNF prices from Both West and East Africa for 2015-2016 and 2017.

| East African RCN price CNF India (USD/MT) 2015-2016-2017 | | | | | | | | | | | | | |
|---|-------|-------|-------|--|------|-------|-------|-------|--|------|-------|-------|-------|
| RCN prices (CNF India of East Africa origin) increased by 47% in 2016 over 2015. About 23% in the first three months of 2017. | | | | | | | | | | | | | |
| Year | Month | Min | Max | | Year | Month | Min | Max | | Year | Month | Min | Max |
| 2014 | Dec | 1,200 | 1,250 | | 2015 | Dec | 1,650 | 1,850 | | 2016 | Dec | 1,632 | 2,412 |
| 2015 | Jan | 750 | 1,350 | | 2016 | Jan | 1,650 | 1,750 | | 2017 | Jan | 2,294 | 2,470 |
| 2015 | Feb | 850 | 1,350 | | 2016 | Feb | 1,650 | 1,750 | | 2017 | Feb | 2,100 | 2,200 |
| 2015 | Mar | 850 | 1,400 | | 2016 | Mar | 1,500 | 1,650 | | 2017 | Mar | 1,375 | 2,200 |
| 2015 | Apr | 950 | 1,450 | | 2016 | Apr | 1,550 | 1,800 | | 2017 | Apr | | |
| 2015 | May | 925 | 1,550 | | 2016 | May | 1,700 | 1,850 | | 2017 | May | | |

| West African RCN price CNF India (USD/MT) 2015-2016-2017 | | | | | | | | | | | | | |
|---|-------|-------|-------|--|------|-------|-------|-------|--|------|-------|-------|-------|
| RCN prices (CNF India of West Africa origin) increased by 19% in 2016 over 2015. About 16% increase in price in 2017 over 2016. | | | | | | | | | | | | | |
| Year | Month | Min | Max | | Year | Month | Min | Max | | Year | Month | Min | Max |
| 2014 | Dec | 1,200 | 1,250 | | 2015 | Dec | 1,125 | 1,525 | | 2016 | Dec | 1,200 | 1,750 |
| 2015 | Jan | 1,000 | 1,300 | | 2016 | Jan | 1,175 | 1,400 | | 2017 | Jan | 1,200 | 1,400 |
| 2015 | Feb | 850 | 1,250 | | 2016 | Feb | 1,250 | 1,525 | | 2017 | Feb | 1,500 | 1,650 |
| 2015 | Mar | 850 | 1,350 | | 2016 | Mar | 1,400 | 1,500 | | 2017 | Mar | 1,500 | 1,850 |
| 2015 | Apr | 975 | 1,450 | | 2016 | Apr | 1,050 | 1,600 | | 2017 | Apr | 1,500 | 1,850 |
| 2015 | May | 925 | 1,500 | | 2016 | May | 1,300 | 1,750 | | 2017 | May | 1,500 | 2,350 |

Source: ACA

The International Cashew Market

The market remains in a relatively calm period. International kernels buyers are not active. Some processors are, as a result, dropping their prices slowly to find buyers but without success. Larger processors in Vietnam are holding price levels in expectation of major buying from the USA. In India some potential negatives have been removed as the tax issues are resolved. At this moment there seems little likelihood of a change in this short term trend. Supply is well enough known between now and October when there will once again be a focus on East Africa. Off-take of cashew kernels is expected to remain positive despite the high prices but most buyers will think carefully before moving at the current high prices. Our view is that there is a chance of a price decline but that the price movement for the rest of the year is in the hands of one or two large buyers whose activity has the some (albeit limited) potential to push prices back up.

| Cashew kernels FOB | | | |
|----------------------------|--------|--------------|----------------|
| Description | Grade | Price USD/lb | Recent changes |
| Whole White 240 kernels/lb | WW240 | 5.25- 5.40 | Decrease |
| Whole White 320 kernels/lb | WW320 | 4.85-5.00 | Decrease |
| Splits | FS/WS | 3.80 | Stable |
| Broken | LWP/LP | 3.35 | Stable |

| Raw Cashew Nut FOB Africa and CFR India/Vietnam | | | |
|---|---------|--------------|----------------|
| Origin | Outturn | Price USD/MT | Recent changes |
| West Africa CFR price (Prompt Shipment) | 44-53 | 1,500-2,350 | Stable |
| Cote d'Ivoire CFR | 44-47 | 1,530-1,700 | Stable |
| Benin CFR | 47 | 1,883 -1,969 | Firm |

Source: Mr. JIM FITZPATRICK, INGREDIENT SOURCING SOLUTIONS

Currency

| Exchange Rate: 1 USD= ? | | | This Week | Last Week | Exchange Rate : 1 USD= ? | | | This Week | Last Week |
|-------------------------|----------------|-----|-----------|-----------|--------------------------|--------------------|-----|-----------|-----------|
| West Africa | Franc CFA | XOF | 580 | 587 | East Africa | Tanzanian Shilling | TZS | 2232 | 2230 |
| | Nigerian Naira | NGN | 349 | 322 | | Kenyan Shilling | KES | 103.4 | 103.3 |
| | Ghanaian Cedi | GHS | 4.38 | 4.2 | | Mozambican Metical | MZN | 59.6 | 59.7 |
| | Gambian Dalasi | GMD | 45 | 44.5 | Asia | Indian Rupee | INR | 64.62 | 64.6 |
| | Franc Guineén | GNF | 8895 | 9037 | | Vietnam Dong | VND | 22700 | 22719 |

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