

CASHEW MARKET BULLETIN



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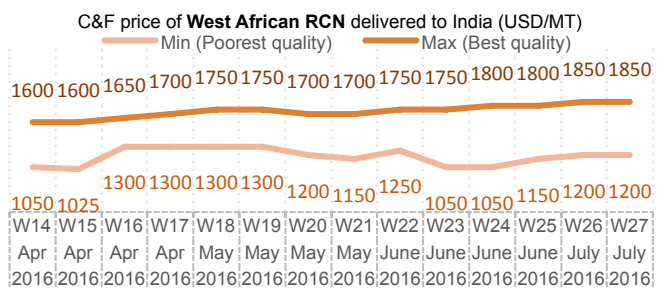
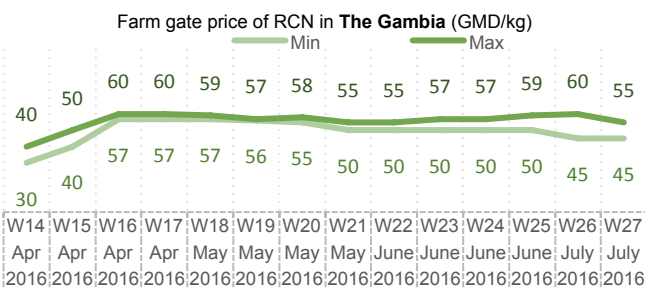
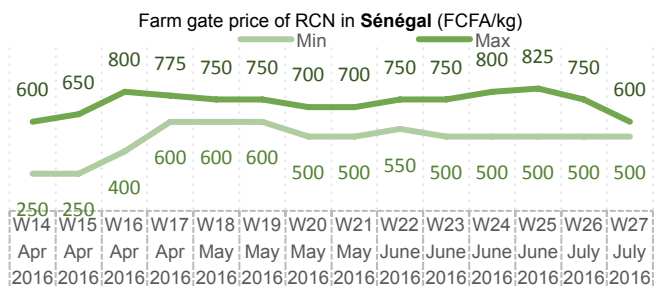
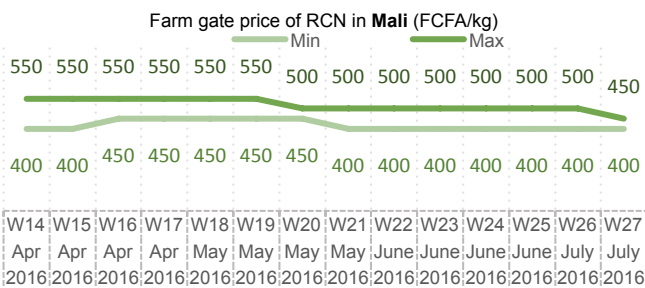
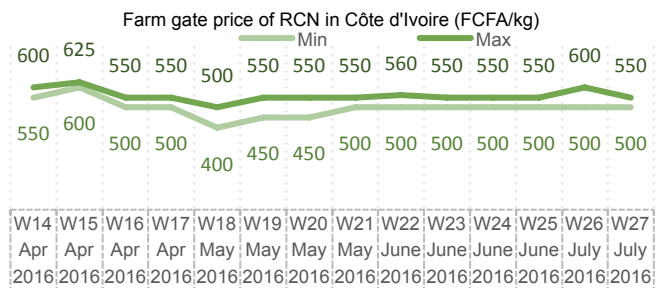
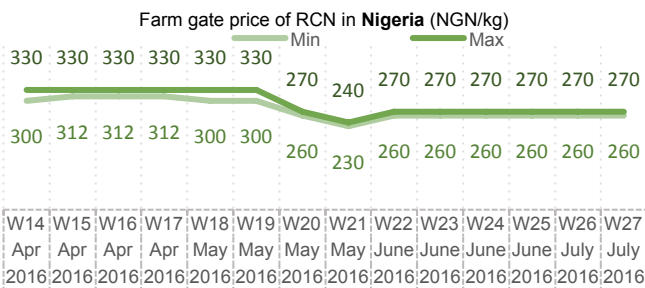
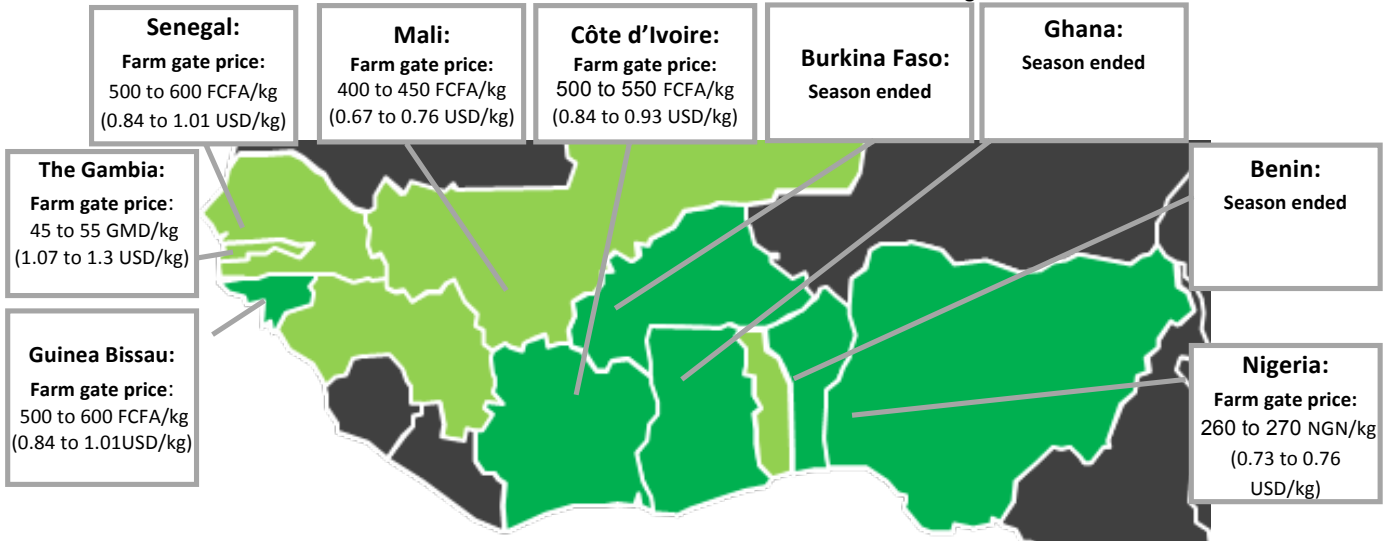
July 12th, 2016 – N°197

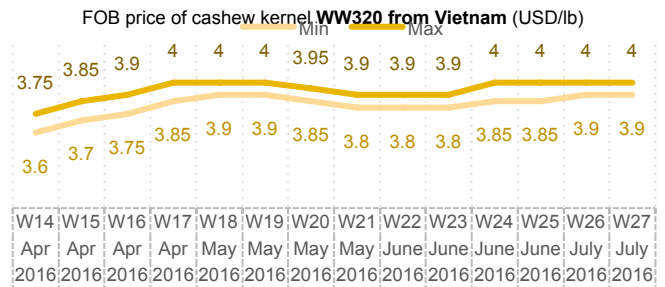
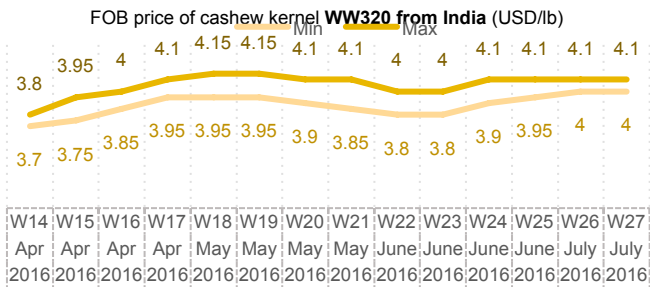
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The Cashew Market Flash

Current RCN Price from West African Cashew Producing Countries





The Cashew Market in West Africa

Nigeria

This week in Nigeria the Naira exchange rate in the informal market is 1 USD to 353 NGN against 1 USD to 282 NGN in the official market.

The cashew season is coming to an end. Small stocks are still available with some producers and local traders, but transactions are rare and the majority of exporters are about to close for the season.

RCN prices remain stable. The farm gate prices are still around 260 NGN/kg (0.73 USD/kg) in Kogi State and around 270 NGN/kg (0.76 USD/kg) in Kwara and Oyo States. Deliveries to the port of Lagos are between 285 and 290 NGN/kg (800-820 USD/MT).

New cashew plantations are evolving and the government encourages farmers to continue planting new cashew plots. Nigerian production could still increase significantly in the coming years.

Source: Market Analyst Azeez Ayodele and Mr. Alfred Makhuoga Friday

Burkina Faso

In Burkina Faso, the cashew campaign is over. Even if the contract between the Federation of Producers and local processing factories did not achieve the expected results, local processors were able to source more RCN than last year. Cashew processing factories and small processing units in Burkina Faso should transform more than 7,000 MT of RCN this year after a catastrophic 2015 campaign.

The cashew sector stakeholders in Burkina Faso continue to work for the development of local industry, which still has a high growth potential and allows producers to sell their cashew easier at the beginning and end of the season when export orders are not on the market.

Source: Sansan BLEU and Manéré OUEDRAOGO Market Analyst, N'Kalô Service

Cote d'Ivoire

In Côte d'Ivoire, the cashew market is coming to an end; although, few purchases continue for the remaining RCN stock.

This year was particularly difficult for not only the processors, but also for both local and foreign buyers. Most of them were not able to fulfill their commitments.

On one hand, there was price volatility at the opening of the campaign and RCN prices remained relatively high until the end of the season. On the other hand, the RCN quality was rather disappointing compared to the previous campaign.

However, this situation was favorable for Ivorian producers whose purchase prices benefited by exceeding their historical record.

The Ivorian total production seems to have dropped, as some actors announced, and the expected growth of 50,000 MT has been lower than what we initially expected (100,000 MT) due to a shorter production period than last year.

The Ivorian minimum farm gate price (350 FCFA/kg), which was announced early in the season by the cotton and cashew council (CCA), almost doubled with strong speculation a few months later by 375 FCFA/kg and even up to 600 FCFA/kg depending on the quantity. However, the wholesale prices and the port prices were quiet stable and ranged between 575 and 625 FCFA/kg.

In general, the 2016 campaign is ending with a high range of prices and few RCN stocks remaining.

Source: N'Kalô Market Analyst; Sékongo Soungari

Mali

In Mali, the cashew market remains calm. Transactions are few and the RCN arrivals are scarce. The RCN prices are within the same ranges as the previous week.

Farm gate prices are still between 400 and 500 FCFA/kg (0.67-0.84 USD/kg) with a majority of purchases falling between 400 and 450 FCFA/kg (0.67-0.76 USD/kg). The wholesale prices from the traders and middlemen are between 500 and 600 FCFA/kg (0.84-1.01 USD/kg) depending on both the quality and the quantity.

RCN quantities decreased sharply at the producer's side. The majority of the remaining stocks are held by traders.

Source: N'Kalô Market Analyst; Ousmane N'DIAYE

Senegal

In Senegal the cashew season is coming to an end. After Casamance, Sokone just recorded its first rains this week.

In Sokone, a few purchases for small quantities of RCN are still observed in the villages and weekly markets. Some middlemen are still active, but no longer able to collect large quantities because the RCN arrivals have become very low with nut quality significantly down. RCN quality is dropping causing lower prices.

From 750 FCFA/kg last week, the farm gate price varies between 500 and 550 FCFA/kg (0.84-0.93 USD/kg) this week. This decrease in prices has encouraged some processors to source while taking the necessary precautions to reduce quality risks. The wholesale prices in the city of Sokone are around 625 FCFA/kg (1.05 USD/kg).

In the south (Ziguinchor, Sédhiou, Kolda), the cashew season is almost complete. Producers are especially busy with farming work and the maintenance of their cashew plantations. In Sédhiou and Ziguinchor, rare stocks are still with some traders who sell between 500 and 600 FCFA/kg (0.84-1.01 USD/kg). Deliveries to the city of Ziguinchor are between 650 and 675 FCFA/kg (1,099-1,142 USD/MT).

Source: N'Kalô Market Analyst; Cheikh Ousmane Loum

The Gambia

The rainy season is now really progressing in all the producing regions of the country and farmers are busy planting their subsistence and cash crops. There are very few cashew nut fruits remaining in the trees and the limited picks gathered by farmers take a longer period to dry due to the high ambient relative humidity.

Most buyers have closed their contracts with traders and only few middlemen, 'banabanas', could be seen collecting for those pressing to complete their previously contracted volumes. The main activity during this period is the conditioning (drying, picking and bagging) of warehouse stocks for containerizing and export.

In the North Bank Region, traders are pressing to evacuate their stocks to Banjul before the rains clog the bush-roads. There are still very limited purchases occurring in some collection stores, between 45 and 50 GMD/kg depending on the quality (1.07-1.19 USD/kg). The measuring tin still fetches GMD75 (1.78 USD).

In the West Coast Region, the main activity is also centered on drying and evacuating cashew-nut stocks to the Kanifing, Denton Bridge and Banjul warehouses for containerizing. Interestingly, some farmers that held their cashew nuts in anticipation of better prices have started offloading them at the main Brikama collection stores between 55 and 58 GMD/kg (1.3-1.38 USD/kg) depending on both the quality and the quantity.

There is very little cashew nut trading in the Foni, limited only to few picks brought in by women and children.

In the Lower River Region, very limited purchases are being registered in the Kiyang West area between 50 and 55 GMD/kg (1.07-1.3 USD/kg). The measuring tin is being negotiated between 60 and 70 GMD (1.42-1.66 USD).

Source: Cashew Alliance of Gambia, Alpha Jallow and N'Kalô Service, Gabriel GOMEZ

The International Cashew Market

In the international market, both the cashew kernel and the RCN prices remain stable.

Significant orders continued to be placed before the holidays of European and American importers, but in recent days the market is experiencing the usual summer slowdown.

Global demand increased despite the fact that the cashew nut has become significantly more expensive than many other nuts (almond, walnut, and hazelnut) over the past 10 months.

The resumption of cashew kernel orders after mid-August could boost price volatility for the cashew kernel market, while the price of West African RCN may not change too much given to the low availability and slowdown in export contracts.

Currency

Exchange Rate: 1 USD=			This Week	Last Week	Exchange Rate: 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	591	589	East Africa	Tanzanian Shilling	TZS	2186	2198
	Nigerian Naira	NGN	282	283		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3.94	3.92		Mozambican Metical	MZN	63	63
	Gambian Dalasi	GMD	42	43	Asia	Indian Rupee	INR	67	68
	Franc Guineén	GNF	8874	9011		Vietnam Dong	VND	22276	22300

Note:

After a monthly publication in August and September, we will come back to a weekly publication in October with more thorough monitoring of the East Africa cashew market than in previous years.

Thank you for your loyalty and we remain available, as always, to take your feedback and your advice in order to make our Cashew Market Bulletins increasingly useful to the cashew sector stakeholders in Africa.

This is a publication of [N'Kalô Information and Advisory Service](#) and the [African Cashew Alliance](#). It is realized with the support of:

