



AfricashewSplits

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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

The cashew market is slowing down in Nigeria as most of the buyers are withdrawing from the market. Rains have started in the entire cashew belt and producers are preparing their lands for other crops. The RCN quality is now poor as usual end of season, ranging from 39 to 44lbs.

This week, RCN prices remained in the same range as last week. RCN farm gate price in Kogi is

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

Côte d'Ivoire

The cashew season is coming to an end in Cote d'Ivoire. Currently, the cashew market is marked by few buyers present and low availability of the product. The available RCN at the producer level is in the Eastern part of the country where some producers are still holding RCN stocks and continue to speculate for higher prices. The rains have intensified with flood in the southern part of the country but little impact on the cashew sector.

This week there is a decrease in RCN prices. RCN farm gate prices are currently between 300 and 750 FCFA/kg (0.51-1.27 USD/kg) for an average RCN Outturn of 37-42lbs against 400-750 FCFA/kg (0.68-1.27 USD/kg) recorded last week. RCN warehouse price decreased from 425 and

still around 530 NGN/kg (1.64 USD/kg) for an average RCN Outturn of 40-43 lbs. RCN warehouse price in Kwara state remained around 550 NGN/kg (1.70 USD/kg) for an average RCN Outturn of 40-44lbs. In Kogi State, the RCN warehouse price remained 540 NGN/kg (1.67 USD/kg) as compared to the previous week. Deliveries to Lagos port are still being made around 580 NGN/kg (1.80 USD/kg).

775 FCFA/kg (0.72-1.31 USD/kg) last week to 325 and 775/kg (0.55-2.4 USD/kg) this week and with an average RCN outturn of 38-44lbs. RCN warehouse price at the port is currently between 700 and 790 FCFA/kg (1.19-1.34 USD/kg). RCN FOB price decreased from 800-975 FCFA/kg (1,362-1,658 USD/MT) last week to currently between 800 and 900 FCFA/kg (1,362-1,533 USD/MT) for an average RCN Outturn of 44-46lbs. RCN CIF prices are currently between 900 and 1 000 FCFA/kg (1,533-1,703 USD/MT) against 900 and 1 050 FCFA/kg (1,530-1,785 USD/MT) recorded last week.

In general, there is a sharp decrease in both RCN availability and demand. Many buyers have stopped their purchases and the RCN quality remains poor ranging from 37 to 46lbs.

Source: Mr. Kamate Issoufou from K.R Organization

Guinea Bissau

The cashew market in Guinea Bissau remained active with many trucks arriving at the port of Bissau with a significant quantity of RCN. The RCN stocks transportation from the production zones to the Port maintained a good pace while the exports are in progress.

According to Mr. Mario Mendonça from the Project PRSPDA, two weeks ago approximately 66,000 MT of RCN were declared ready for export. Last week again, an additional 46,000 MT of RCN have been registered in the warehouses at the Port level. It is then estimated that around 112,000 MT of RCN have already been transported from the production zones to the port. However, it should be noted that only

40,000 MT were exported last week to their various destinations. The remaining stocks of RCN at the port level last week was around 72,000 MT.

The RCN farm gate price ranges between 1 000 and 1 010 FCFA/kg (1.70-1.72 USD/kg) depending on the availability and the quality of the nuts which remained good with an average Outturn of 53-55lbs. At the port level, the RCN warehouse prices are between 1100 and 1125 FCFA/kg (1.87-1.91USD/kg) for an average RCN Outturn of 54-56lbs. RCN FOB prices are currently between 2,250 and 2,362 USD/MT for an average Outturn of 54-56lbs.

Source: Mr. TAMBLE CARDDOSO from ANCA-GB

Senegal

In Senegal, the rains started in Casamance (Ziguinchor, Sédhiou and Kolda regions) where RCN availability at the producer level is very limited. In Sokone, RCN arrival at both the producer and trader level is still good with RCN Outturn range of 50-54lbs. The market remained active with a slight increase in prices due to the high demand and the low availability of RCN at the moment.

The RCN farm gate price is currently between 1,050 and 1,100 FCFA /kg (1.78-1.87 USD/kg) compared to 1 000 FCFA/kg (1.7 USD/kg) recorded last week. RCN wholesale price at the

trader level in Ziguinchor is around 1 240 FCFA/kg (2.11 USD/kg) compared to 1 205 FCFA/kg (2.04 USD/kg) recorded last week and for an average RCN Outturn of 50-52lbs.

It should be noted that significant rainfall was recorded last week in Casamance (Ziguinchor region, Sédhiou, Kolda) and producers are currently engaged in other staple crops. The cashew season is expected to end in the coming weeks in this area due to the low availability of RCN and the strong demand in the market.

Source: Mr. LAMINE SENE

The International Cashew Market

The cashew kernel market remains in a quiet phase. Prices from some processors have slipped down as they push for sales at a time when buyers are not interested to move. Major processors seem to be holding their prices at slightly higher levels. International cashew buyers still have business to do but they can afford to stand on the sidelines in the short term especially as prices drift downwards. There is a chance that if any one major buyer makes a move that others will follow and prices would then steady up. A key issue will be that when buyers look to cover forward into 2018 there are very few suitable, reliable suppliers who will be trusted to make contracts. In some ways, the nightmare scenario has arrived for big cashew buyers – they are dependent largely on one supply origin, Vietnam and

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

within that origin they find only a handful of trustworthy suppliers. Those suppliers could conceivably decide to keep forward prices high despite emerging normality in the supply/demand position.

RCN prices are falling in line with quality across the eastern part of West Africa. There are some parcels still available. The pain of speculation is beginning to show for some. What they would not sell at CFA1000/kg six weeks ago they cannot sell today at even CFA700/kg. It looks as if availability from Guinea Bissau will be good to very good and our reporter above tells of 72,000 tons at the port ready for shipment. Meantime the pressure on the market in Vietnam has somewhat alleviated as arriving goods have been sold and moved on. There is probably good availability of afloat and landing cargo so no price rise should be expected in the short term.

Looking at the market in theory one can say that cashew kernels should not have reached US\$5.00 per lb. FOB this year based on the supply/demand calculation. However, for a range of reasons it did. Buyers are generally committed on sales for 2017 so the fall off in volumes for shipment is likely to be light in the immediate future. A price collapse seems unlikely. Forward buying for 2018 will be influenced by the impact of high prices on demand but also by the lack of suppliers as mentioned above. This story has some twists in it still.

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	587	588	East Africa	Tanzanian Shilling	TZS	2230	2230
	Nigerian Naira	NGN	322	321		Kenyan Shilling	KES	103.3	103.1
	Ghanaian Cedi	GHS	4.2	4.3		Mozambican Metical	MZN	59.7	59.65
	Gambian Dalasi	GMD	44.5	44.51	Asia	Indian Rupee	INR	64.6	64.37
	Franc Guineén	GNF	9037	9003		Vietnam Dong	VND	22719	22689

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