



AfricashewSplits

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The Cashew Market in West Africa

Nigeria

In Nigeria, the cashew season is at its peak. RCN arrivals are increasing at both the producer and trader levels. Large stocks of RCN are currently in the warehouses and are yet to be exported. Rains are intensifying across all the producing areas; however, the RCN quality remains good with an average outturn of 46-48lbs.

RCN farm gate prices increase from between 520 and 530 NGN/kg recorded last week to 540 and 580 NGN/kg (1.71-1.84 USD/kg) this week. However, RCN FOB price at the Port of Lagos is still around 1,600 USD/MT with an average outturn of 46-49lbs.

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

Benin

The cashew market is very active in Benin. The RCN arrivals are increasing at the trader level, while at the producer level the availability is decreasing. There is no stock available in Bassila and Boukoubé. In Natitingou and Toukountouna, on the other hand, RCN stocks are still available, but buyers are slowing down their purchases at the farm level.

The crop is currently decreasing and the first rains have started in the production areas. However, the RCN quality is still good with an average outturn of 48-50lbs.

The government has announced new regulations for cashew marketing. The export of raw cashew nuts by land was prohibited by a decision of the Council of Ministers. A levy of 50 FCFA/kg for RCN exported was also instituted by the government

in addition to a tax of 10 FCFA under the Finance Law for the 2017 Management Year. This levy will be released on the customs cord before any export.

A slight increase in RCN prices has been noticed this week. RCN farm gate prices vary from 700 FCFA/kg (1.13 USD/kg) in the plateau (RCN Outturn 47-49lbs) to 800 FCFA/kg (1.29 USD/kg) in Zou - Collines, Atacora – Donga, and Borgou (average RCN Outturn of 48-50lbs). The wholesale price is between 700 and 850 FCFA/Kg (1,132-1,375 USD/MT) depending on the quality and the quantity. The price change compared to the previous week is 50 to 200 FCFA/Kg.

Source: FENAPAB

Burkina Faso

In Burkina Faso, the cashew market is experiencing a major slowdown due to a sharp decline in RCN availability at the producer level.

However, there is a very strong demand from foreign buyers who are now relying on wholesalers in the cities. The rains are starting in most of the producing areas, but the quality of the nuts remains good with an average outturn of

46-49lbs in Bobo-Dioulasso, Banfora, Orodara, and Batié.

This week there was an increase in RCN prices compared to last week representing a major challenge for local processors who are still struggling to get supplies with the current level of prices.

Côte d'Ivoire

The available stock of RCN at the producer level is decreasing, while the demand is still strong. The rains settle, but are for the moment irregular.

There is an increase in RCN prices this week due to high demand and speculations on prices in some producing regions. The RCN farm gate price is currently between 750 and 800 FCFA/kg (1.21-1.29 USD/kg) while the warehouse price is

This week RCN farm gate prices are between 785 and 857 FCFA/kg (1.27-1.38 USD/kg) while deliveries to the local processors are being made for between 900 and 950 FCFA/kg (1,456- 1,537 USD/MT) with an average RCN Outturn of 48-50lbs.

Source: Mr. NOMBRE ELOI,(UNPA/BF)

between 775 and 825 FCFA/kg (1.25-1.33 USD/kg). Deliveries at the port are being made for between 850 and 900 FCFA/kg (1,375-1,456 USD/MT) while the FOB prices vary between 950 and 1 050 FCFA/kg (1,537-1,699 USD/MT) and CFR prices vary between 1000 and 1100 FCFA/kg (1,618-1,779 USD/MT).

Source: Mr. kamate Issoufou from K.R Organisation

Ghana

At the moment, the season is winding down and RCN availability is currently limited at the farm gate. The second crop has produced less RCN. There have been heavy rains with high-speed winds, which affected the flowers of most of the cashew trees during the second crop and, thus, affected the quantity and quality of the RCN. RCN quality dropped from an average outturn of 48-50 recorded in March to an average outturn of 46-48lbs presently.

RCN farm gate prices decreased from 5.8-6.0 GHS/kg last week to between 5.5 and 5.8 GHS/kg (1.34-1.41 USD/kg) currently depending on the quality, the quantity, and the location. Deliveries to trader and processor warehouses are being made between 6.4 - 6.6 GHS/kg (1,560-1,609 USD/MT).

Source: Cyril Alormene from MoFA

Senegal

The cashew season in Senegal is becoming active with an increase in RCN arrivals in Ziguinchor, Sédhiou, and Kolda. In Sokone where the season started earlier, the market remains very active with the presence of many local and foreign buyers. Many traders have settled their buying points in this zone due to the availability and the good quality of the nuts. RCN farm gate prices are currently between 800

and 850 FCFA/kg (1.29-1.37 USD/kg) in Ziguinchor where the average RCN Outturn is 48-50lbs. However, in the Sokone RCN price from producers is between 900 and 1000 FCFA/kg (1.37-1.6 USD/kg) with an average RCN Outturn of 52-54lbs. RCN exports are expected to start in the second half of May.

Source: FNDASP

The International Cashew Market

The cashew kernels market has almost become a spot/prompt market with buyers unwilling to commit for forward shipment at the current prices which are just under all time highs. Trade is lower this year with kernels exports from Vietnam down by circa 5% for Quarter 1 of 2017 and Indian exports down 18% for the financial year just ended. The pattern of trading “hand to mouth” can make the market difficult to follow and has caused volatility with the range of prices on WW320 for example \$4.45-4.70 per lb FOB. From week to week processors expectations flow and ebb based on the recent orders that they have seen whilst waiting for the major orders that they expect to come soon. As one buyer said to us recently “at these prices – what do I have to lose by waiting? My competitors are not buying so we are all in the same position”. Processors meantime wait in hope that orders are on the way and maintain their price levels in the knowledge that if they drop the offered price then buyers will withdraw further. It is a standoff but it could have the effect of damaging demand which once lost is difficult to recover.

Meantime processors especially from Vietnam have again started to push their buying interest for RCN firming prices a little again after the weakness of recent weeks. They are in a difficult position. The prices which they are paying are high but if they wait, due to the long transit to Vietnam they may miss the opportunity to sell kernels or be forced to take a short position. Imports to Vietnam are up 65% on the first quarter of 2016 to 177,000 tonnes which is about two months’ usage which covers the gap between the crops. Now Vietnamese processors wait to see how good or how bad their own crop is. Estimates range from 280,000 tonnes to 320,000 tonnes but these cannot be accepted with any certainty. However even at the lower end of the range the drop does not have a significant impact on World supply but it does have an impact on how quickly raw material is available in Vietnam. Vietnam imports almost 80% of its cashews for processing. From February to August this product grows 10,000 miles away from the processing plants in countries where accurate market information is difficult to find so it is not surprising that sometimes the market behaves illogically. (By the way we can solve this by processing in Africa). Meantime arrivals of RCN for processing are beginning to build up which may encourage kernels buyers to wait which can extend the standoff for perhaps another month.

The market remains difficult to judge. The firm market and rumors (often unfounded or localized) of crop problems or weather may encourage producers and traders of RCN to speculate but this looks like a risky game in the current market.

Quotations in India/Vietnam

<i>Cashew kernels FOB</i>			
Description	Grade	Price USD/lb	Recent changes
Whole White 240 kernels/lb	WW240	5.25 - 5.35	Stable
Whole White 320 kernels/lb	WW320	4.55-4.65	Slight increase
Splits	FS/WS	3.65	Steady
Broken	LWP/LP	3.15	Stable

<i>Raw Cashew Nut FOB Africa and CFR India/Vietnam</i>			
Origin	Outturn	Price USD/MT	Recent changes
West Africa CFR price (April Shipment)	48-50	1,500-1,850	Firm
Cote d'Ivoire CIF	48-50	1,537-1,700	Steady
Benin FOB	48-50	1,500 -1,700	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	618	613	East Africa	Tanzanian Shilling	TZS	2227	2226
	Nigerian Naira	NGN	315	315		Kenyan Shilling	KES	103	103
	Ghanaian Cedi	GHS	4.1	4.2		Mozambican Metical	MZN	70	70
	Gambian Dalasi	GMD	44	44	Asia	Indian Rupee	INR	64.5	65
	Franc Guineén	GNF	9218	9250		Vietnam Dong	VND	22733	22679



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