



AfriCashewSplits

The source of the latest crop and price information

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info@africashewalliance.com

The International Cashew Market

The cashew markets worldwide remained in a quiet phase last week. Processors are hesitant to take cover on RCN as they are receiving deliveries of domestic production at prices competitive with offers from West Africa. This has slowed the flow of funding to local buyers and traders in West Africa in a pattern similar to last year. Prices at the farm gate are workable for processors and export traders on paper but without adequate funding in the system so far, farmers who need to sell on a given day may find offers lower than expected. The impact of this situation on farm gate prices could be to encourage farmers to accept lower prices as last year those who sold early did best.

The cashew kernels market has also remained quiet. This is not unusual for the time of year. An unforeseen impact of the corona virus crisis has increased consumer buying in the US. This demand spike will reduce inventories at destination faster than expected. It is expected to have a short term impact (6-8 weeks); consumers will buy and store goods with long shelf lives like nuts but will not necessarily consume more product overall. There have been some spot enquiries in the US as a result. Importers and packers who have open positions to buy for 2020 (nearly all of them) may consider entering the market at the current price levels which for WW320 FOB are 12% below the 2 year average and at the lowest levels since April 2014. Looking at the long term trend, prices for cashew kernels have now returned to long term lows signalling that a period of relative price stability after a slight rise is likely over the next 12-15 months assuming crops arrive in good order as expected.

However, markets do not like uncertainty. The corona virus crisis has created uncertainty in kernel destination markets and in Vietnam. Buyers are likely to remain reserved in their activity until the picture becomes clearer. That picture, which is distorted by news and social media sensationalization, is unlikely to become clear in destination markets in Europe until mid-April and somewhat later in North America. This could lead to a pattern of short term decision making on kernels which will be reflected in RCN buying. Farmers and small traders without the infrastructure and resources to hold stock may suffer from lower prices as a result. It is in circumstances like this that the lack of post-harvest infrastructure and local processing in West Africa is most acutely felt. Whatever the short term impacts in the market, development of this remains the best way to protect farmers from price volatility.

ACA Editorial

The Cashew Market in Africa

RCN farm gate price in AFRICA in USD per MT										
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 9 (2 – 8 March 2020)			This week vs last week		This week vs last month	
				Reported range		Outturn in lbs.	Variation	Trend	Variation	Trend
NIGERIA	696	-	-	618	742	47-48	100%	↗	100%	↗
BENIN	685	372	-	383	595	48	100%	↗	23%	↗
BURKINA FASO	677			561		45-48	100%	↗	100%	↗
GHANA	821	1,183	940	646	738	49-51	100%	↗	-71%	↘

* Cote d' Ivoire has announced a minimum farm gate price of 400 FCFA per kg (690 USD per ton).

RCN CFR export prices offered in USD per MT			
COUNTRY	1 year ago	Calendar week 11 (2 – 8 March 2020)	
		USD per ton	Outturn in lbs.
BENIN	1,225	1,200-1,250	48-49
GHANA	1,500	1,250	50
COTE D'IVOIRE	1,300	1,150	49

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	Calendar week 11 (2 – 8 March 2020)		This week vs last month		This week vs last year		
			Range reported		Variation	Trend	Variation	Trend	
VIETNAM	4.55	3.24	3.00	3.30	-2%	↘	-3%	↘	
INDIA	4.50	3.65	3.30	3.25	3.40	-3%	↘	-9%	↘

Country Reports

Nigeria

This week, no major trade has begun. Cashew trees are said to be still flowering. The National Cashew Association of Nigeria estimates 220000-250000 tons production of RCN for 2020. It is reported that the RCN farm gate offered price range between 225 – 270 NGN per kg (618 – 742 USD per ton) depending on quality and location. Many indigenous buyers are yet to commence buying in the hope of lower prices. They hope RCN price will come down during the Easter break in Mid-April as more material comes to the market. Deliveries to Lagos are quoted at N300 per kg for dried cashew with 8% moisture. Conversely, there are reports of some buyers with local funding are purchasing and storing the RCN in anticipation of an export price increase.

Benin

Currently a yield survey is being carried out by FENAPAB. Taking into account the trends observed in the field it is reported that the production will be roughly equal to last year's production giving an, for which the estimated production of around 130 000 tons for 2020. It should be noted that this year's production is reported to be late in Benin with the harmattan extending over a long period resulting in the drying out of some flowers, which may reduce tree yields.

Depending on quantity and quality available at farm gate the price currently ranges between 225-350 FCFA per kg (378 – 588 USD per ton).

Burkina Faso

The 2020 season was officially launched on February 29th in Orodora in the province of Kéné Dougou. The minimum price is set at 330 FCFA per kg (554 USD per ton). for outturn of 45 to 48 lbs.

WW320 FOB export was traded this week at USD 3.25 per lb.

Ghana

In week 11, it is observed that flowers are drying up in all areas due to lack of rains. This could negatively affect the yield should this continue for another month. However the national meteorological agency forecasts rains in March which will be closely followed by observers. There are reports of lower than normal quality from some production zones but it is too early to conclude on the extent or reason for this-

Farm gate prices are reported to be between 3.5 – 4.0 GHC per kg (646 – 738 USD per ton). RCN export per ton for 50lbs minimum with 8% moisture and nut count below 200 is offered ranging from 1150- 1200 USD by different sources.

Côte d'Ivoire

Expectations are for another good crop which should make the country once again the World's largest producer. The season is expected to get going this week although an early announcement of minimum pricing gave many people the impression that it started earlier. Initial reports suggest that prices have held up reasonably well at the minimum level of FCFA 375/kg. Some

funding has now reached local buyers. Further funds are expected to create demand and establish traded price levels. The Government is set to defend the minimum price level and is intent on enforcement of border regulations for the transit of RCN. There has been some export trade in cashew kernels. Exporters with established relationships and certification are doing business in a range for WW320 US\$3.15-3.25 per lb FOB. A sharp growth in kernels exports is expected in 2020 as more processing comes online.



Thank you to all our network of reporters and analysts for their contribution to this report.

This is a publication of the [African Cashew Alliance](#)

