



AfriCashewSplits

The source of the latest crop and price information

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info@africashewalliance.com

The International Cashew Market

The continued impact of the Covid19 crisis on the supply chain has become clearer in the past two weeks. So far it has had a greater impact on supply than on demand. The world available supply in 2020 will be lower than expected. To this problem, in recent weeks has been added the start of rains in West Africa. This will have a much greater affect than normal as the RCN is moving more slowly than it usually would. Reports, as you can read below, from a range of West African countries indicate that the quality of the RCN is falling more quickly than expected but also that the quantity harvested is impacted by the weather conditions.

The effect on supply of the crisis is not limited to West Africa. In India there are reports that the RCN is not moving from farm to processor as it normally would. In Maharashtra, a major producing state, it is estimated that 40% of the raw material is still at the grower level. India is in a zonal lockdown. There is no certainty that the raw material will move before the monsoon or that it will move at all. There is a chance everywhere, as one correspondent reports below, that farmers will become disheartened which could further damage the crop prospects. From Guinea Bissau reports indicate that the availability could be as little as 140,000 tonnes compared to an earlier estimate of 200,000 tonnes. It seems that even the informal cross border trade to Senegal and Gambia has been reduced by the crisis and lockdown.

At the other end of the long journey to processing in Asia, Indian imports are well up on 2019 figures at 230,000 tonnes but Vietnams imports in the first half of May are 31% down on the same period last year. This is as a result of the lack of buying during March. If the Vietnamese import figure remains low in the last two weeks of May it is possible the tight supply position first predicted here some weeks ago will come to pass. This could increase kernels prices and costs.

Demand for kernels is reported to have calmed down at destination and is at more normal levels for the time of year. Imports to the US and Europe are well up on expectations. Import and distribution supply chains are functioning. There seems no reason to expect demand to suffer in those markets.

The disruption to the long and tortuous supply chain that is the cashew chain is evident in the producing countries as trucks and vessels move more slowly, in factories in West Africa and India as social distancing limits capacity and in distribution in the world's largest market, India. The balance of supply/demand in 2020 remains difficult to predict. It seems almost certain that the harvest will be significantly lower. It seems likely that demand will remain steady in developed countries. The balance will be decided in markets where distribution faces challenges in time of a crisis. This means that the balance lies in India, how Indian demand performs and how much of a reduced Indian crop comes to market.

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 20 (May 11– 17, 2020)			This week vs last week		This week vs last month	
				Reported range		Outturn in lbs.	Variation	Trend	Variation	Trend
NIGERIA	349	506	321	259	389	43-46	1%	↗	-56%	↘
BENIN	468	540	518	579	599	44-46	14%	↗	10%	↗
GHANA	450	395	658	614	702	46-47	0%	→	40%	↗
MALI	192	395	207	165	248	39-46	0%	↘	-91%	↘
GUINEA CONAKRY	384	266	266	536		38-49	1%	↗	1%	↗

* 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 20 (May 11– 17, 2020)	
		USD per ton	Outturn in lbs.
GHANA	1,050	1,000-1,100	46-48
COTE D'IVOIRE	1,000	950-1,050	48
NIGERIA	950	950	46
SENEGAL	1,250	NQ	NQ

Worldwide WW320 export FOB prices in USD per lb.										
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 20 (May 11– 17, 2020)		This week vs last week		This week vs last month		
				Range reported		Variation	Trend	Variation	Trend	
VIETNAM	3.30	2.95	3.05	2.85	3.30	1%	↗	4%	↗	
INDIA	3.50	3.30	3.65	3.30	3.40	-9%	↘	1%	↗	

Country Reports

Benin

RCN quality is declining with a KOR ranging between 44lbs – 46lbs with a nut count of 170 – 200 per kg due to the arrival of the first rains and especially the second crop nuts that are in the market.

About 70 000 tonnes of RCN has been exported so far with only 2 to 3 weigh decks opened for cashew weighing.

Local processors are still fearful, but it is believed that they have not been able to raise funds from the banks. In the midst of this challenge, they have managed to buy only 5 000 tonnes.

Following the launch of the season, RCN price has reached and even exceeded the minimum price of 325 FCFA set by the Benin government on March 19, 2020. Farm gate price ranges between 350 – 375 FCFA as demand remains high. RCN FOB price ranges between 875-920 F CFA/kg and CFI is offered at 920 F CFA/kg; all based on the quality of the RCN.

There has not been a big change in the price of WW320 in the last few weeks as it is still traded for 4,564 FCFA per lbs tax exempted or 5,384 FCFA tax inclusive.

Burkina Faso

RCN quality is reported to be between KOR 44 and 45 lbs with a nut count ranging between 190 – 200 per kg. Though stakeholders fixed an official minimum farm gate price of 330 FCFA, prices have moved to 350 FCFA (Min)

and 385 FCFA (Max) during the past week. The RCN harvests of the first flowering are finished. The second flowering was weak, which does not bode well for a good harvest. In addition, the rains that are beginning to fall in the production areas are causing the fruits to fall and deteriorating the quality of the nuts in the fields.

Trades continue to intensify with renewed interest from buyers. Competition for RCN in the field has caused price increase. In some villages in the Cascades region, a box of RCN (1.4 kg) is sold for 500 FCFA. That is 350 FCFA per kg at farm gate. In doing so, many producers took out their stock for sale.

Côte d'Ivoire

CCA reports that the crop in 2020 will be lower by about 9% from initial expectations. CCA also reports that the government has procured 80,000 tonnes of RCN which has helped prices in some areas. In other areas slow movement of RCN has caused prices to trade in a wide range of FCFA225-325/kg which is close to the seasons range. Trade reports suggest that 160,000 tonnes has been exported but this figure is unconfirmed.

Ghana

This month's average outturn is reported to be between 46 - 47 lbs. At farm gate; the price currently ranges between GHC 3.5 – 4.0 per kg.

The FOB export price currently ranges between \$1,000 – 1,100 per tonne for qualities between 46-48 lbs. Locally processed WW320 kernels are offered between \$3.00 – 3.25 per lb.

Guinea Bissau

The country remains in lockdown until May 26th. The government has advanced funds to commercial banks to bridge the gap created by the late arrival of buyers and advance payments. International cashew inspectors are not yet in the country which is further delaying the season. ANCA reports that the reference price will be FCFA375/kg. However as often with cashews a late start to the season may reduce the eventual harvested quantity.

Guinea Conakry

Outturn ranges between KOR 38 – 49 based on the region. The total amount of exported RCN since start of the season is reported at 1,776tonnes.

5000 GNF/KG was announced as the official farm gate price by the Ministry of Trade who launched the cashew season on April 2. The FOB export price ranges between 875 – 950 USD per tonne with outturn levels between 41 – 48 lbs.

Kenya

RCN quality ranges between 47- 48lbs. Quality may lower due to the invasion of pests and the ongoing long rain season. The poor post-harvest methods by farmers and traders may also lower the quality as both hoard the crop longer for the lack of timely transport caused by the curfew. The ban on RCN export is still in place so, no export has taken place. Local processors rather import substantial amount of RCN from Tanzania to supplement what is produced in Kenya. The county government of Kilifi's program of distribution of quality Cashew seedlings to farmers over the last three seasons has started to pay off as farmers report that the young plants have started flowering.

RCN is traded for Kshs 45 – 60 per kg at farm gates. WW320 is traded at \$3.00 -3.15 per lbs.

Mali

The quality of RCN has gone down this week and ranges between KOR 39 - 46 per lbs. This drop in quality is due to lack of appropriate handling by farmers who have started to get discouraged because of the very low farm gate price.

Exports have been much disrupted this week because of the protests on the Bougouni - Sikasso road. Reports state that these protests rose after the results of the legislative elections have been announced by the constitutional

court. More than 70% of RCN from Mali transit through the Bougouni - Sikasso road to Burkina Faso, Ivory Coast and Ghana.

Prices declined a little bit based on the quality which has also declined. After the price recovery last week, many stocks that did not meet storage conditions were out for sale. These could not sell higher as the handling conditions were not very appropriate. This has caused farm gate prices to go as low as 200 FCFC/kg and as high as 300 FCFC/kg.

Local buyers who have bought 80 tonnes so far, have stocks at the cooperative level but with the price change this week, it is certain that some cooperatives will want to renegotiate prices.

Nigeria

RCN quality has dropped significantly to 46-43 KOR in areas like Nasarawa, Abuja, Northern part of Kwara and some part in Kogi state due to poor storage and rain. The better-quality RCN with KOR 48lbs can only be found in Lagos warehouses. Traders who have bought good quality RCN at a higher price are expecting more encouraging price for resale.

Local processors have bought 50 000 tonnes of RCN so far at different prices based on the location. Reports state that the difference in prices is based on quality and the availability of buyers in those locations. Farm gate prices range between 180 – 260 Naira per kg for wet RCN. RCN FOB is offered at \$950 per tonne. The WW320 is traded for \$3.00 per lb.

Senegal

The season has not really started yet. Only a few traders are currently active in buying RCN. At the moment, activities are at a standstill because of the Covid-19 pandemic. Official sources foresee a 2020 crop of 50 000 tonnes.

RCN is reported to have average outturns of 50 – 52 lbs. The farm gate price is reported to range between 200 – 250 FCFA.

Tanzania

The total production 2019 crop currently is 232, 404 tonnes; a decrease of 20% from 290,750 tonnes annual forecast in October 2019 due to climate changes. RCN quality has declined (between KOR 40 - 47 lbs) due to rains in Coastal region and poor storage facilities as most crops were stored in warehouses since January 2020.

Even though 213,620 tonnes has been exported; there is still unsold stock of around 4,600 tonnes country wise. Some few local buyers who have already bought 4,000 tonnes for local processing are requesting to buy more, but farmers are not ready to sell as the price offered does not meet their expectations. The price offered currently ranges between 0.37 to 0.67 per kg. RCN FOB is offered between \$630 - \$1050 per tonne based on quality.

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](#)

