



AfriCashewSplits

The source of the latest crop and price information

Week 8: February 22 – 28, 2021 – N°4

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The International Cashew Market

Not surprisingly, for February, the market last week was quiet. There has been some downward pressure on cashew kernels coming from Vietnam. This is difficult to understand as prices mentioned in the range of US\$2.80-2.90 per lb. WW320 FOB will not make a profit for processors. The logic for lower prices is said to be high kernels stocks at the destination, lower Chinese buying and a big global crop. None of these assertions stands up under scrutiny.

Domestic and Cambodia RCN prices for processors in Vietnam are in the range US\$1375-1450 per tonne dried. The crop in Cambodia, now estimated at circa 250,000 tonnes, looks a little lower than expected and is late. The crop in Vietnam is reported to be as expected and reported here two weeks ago. There is, as usual, a significant concern in Vietnam as to the price of African RCN on which they depend for 60% of their processing needs. A further 20%+ is imported from Cambodia, Indonesia, and others. Given domestic prices of RCN in Asia, there seems little room for an increase in the currently offered RCN for export from West Africa, but farm gate prices look sustainable at current levels. This week may give some more clues as Vietnamese businesses build up activity after the TET holiday. One factor that may emerge as significant is the control of imports of “borma” (shelled/unpeeled) cashew kernels.

After very positive crop reports, to begin with, news this week from two of West Africa’s major producers is less optimistic. Trade sources in World’s largest producer, Cote d’Ivoire, report that weather conditions in the major producing areas of the north have not been as good as expected. The size and quality of the crop may suffer. From Ghana, a similar story is emerging as major buyers are active in the field to pick up early material most likely for export to India.

Cashew kernels demand remained strong this week. In India, demand is beginning to return to a more normal pattern. Some Indian observers predict that demand in 2021 may be back at the levels of 2019. There is still a long way to go in the pandemic crisis and the economic impact may yet hit hard. Vietnams exports in the first weeks of February defied predictions breaking the record for the first half of February despite the TET holidays and the disrupted freight system. There is no reason to believe that the positive trend for demand will not continue this year although we do not expect growth to be at the same remarkable levels as in 2020.

There is little indication of turbulence in the coming week. Prices are likely to remain steady with limited traded volumes. As usual when it comes to market information, “listen to many, speak to a few”!

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 8 (Feb 22 – 28, 2021)		This week vs last week		This week vs last month		
				Reported range		Outturn in lbs.	Variation	Trends	Variation	Trends
BENIN	537	394	601	647		49	-86%	↘	-22%	↘
COTE D'IVOIRE	661	566	468	370	601	45-48	4%	↗	-17%	↘
GHANA	755	879	658	603	810	48-49	7%	↘	-24	↘
NIGERIA	620	739	902	875	928	47-48	0%	→	18%	↗

RCN FOB export prices offered in USD per MT			
COUNTRY	1 year ago,	Calendar week 8 (Feb 22 – 28, 2021)	
		US\$ per ton	Outturn in lbs.
BENIN	1,225	1250	50-52
GHANA	1,250	1,200-1,275	48-49
COTE D'IVOIRE	1,150	1,150-,1250	48

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 8 (Feb 22 – 28, 2021)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	3.18	2.9	3	2.80	3.10	-2%	↘	2%	↗
INDIA	3.35	3.8	3.8	3.70	3.90	0%	→	0%	→
COTE D'IVOIRE	3.25	3	3.2	2.80	3.1	-2%	↘	-2%	↘

Country Reports

Benin

Since last week, events have remained relatively unchanged. Farmgate prices are still 350 fCFA per kg (647 USD per tonne), higher than the expected official price of 275 fCFA per kg, which will take effect after the season's official start on March 15, 2021.

The average RCN quality also remains 49 lbs with a nut count of 180.

Côte d'Ivoire

The cashew market in Côte d'Ivoire is active, but faces a quality issue, particularly in the North, where since September it has barely rained. The prices given by the government are taking a long time to be respected because some buyers believe that the quality is not good, and others think that prices should not exceed 250 fCFA per kg (460 USD per tonne). On the other hand, only a few exporters are active and contract purchases are limited reducing competition.

Producers and some local buyers have already received their jute bag allocations, while others have yet to obtain theirs. On Thursday, the first RCN shipments arrived at the port. Instead of the 389 fCFA per kg announced by the government, the prices offered at the port vary between 360 and 389 fCFA per kg.

The season began rather early and there are already large stocks of RCN at both producers' and buyers' levels. The week's RCN quality is recorded at KOR 44 to 49 lbs with farmgate price ranging between 200-325 FCFA per kg (370 – 601 USD per tonne).

The average RCN FOB price ranges between \$ 1150 – 1250 USD per tonne.

Ghana

RCN quality ranges between 48 – 49 lbs. Reports indicate that buyers are very strict on RCN quality.

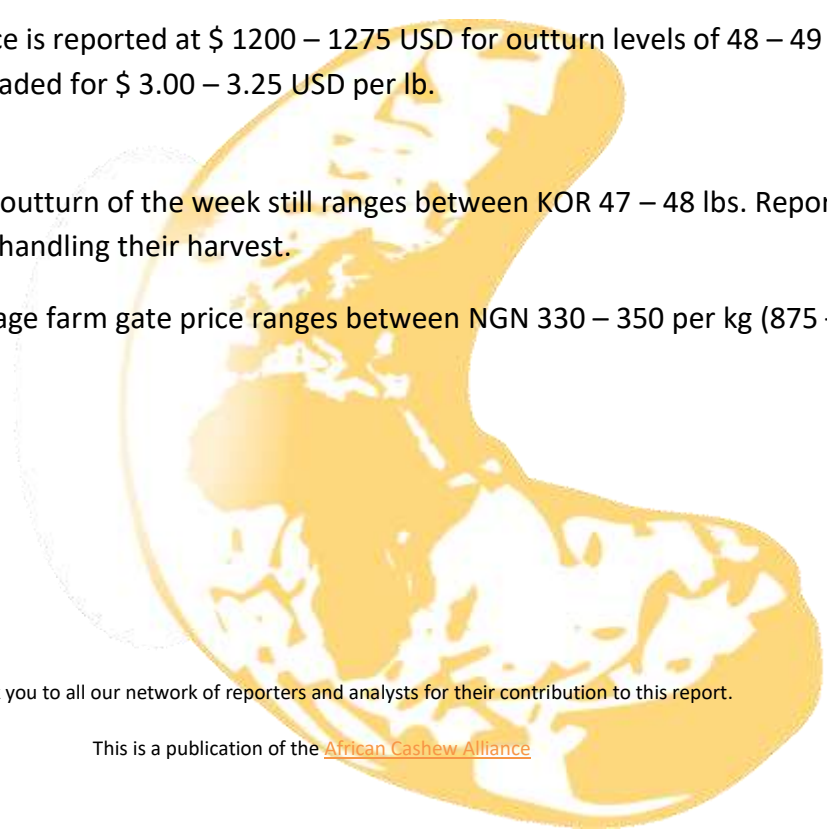
Farm gate prices range between GHC 3.50 – 4.0 per kg (603 – 724 USD per tonne). Prices for immediate collection range between GHC 4.2 – 4.7 per kg.

The average RCN FOB export price is reported at \$ 1200 – 1275 USD for outturn levels of 48 – 49 lbs. Locally processed WW320 kernels are traded for \$ 3.00 – 3.25 USD per lb.

Nigeria

The cashew market is calm. RCN outturn of the week still ranges between KOR 47 – 48 lbs. Reports state that farmers are more careful in handling their harvest.

For this week, the reported average farm gate price ranges between NGN 330 – 350 per kg (875 – 928 USD per tonne).



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](#)