



AfriCashewSplits

The source of the latest crop and price information

Week 23: June 3 - 7, 2024 – N° 2

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The International Cashew Market

It has been another interesting week in the cashew world. It has seen cashew kernels prices spiral upwards as processors in Vietnam, the primary source for international buyers, withdrew from offering due to uncertainty on RCN supply in the future. The reaction of processors in Vietnam may appear to be overly cautious but they are faced with price renegotiation on many RCN contracts and inevitably defaults on others. The prospect of kernels contract default caused some buyers to panic and bid unnecessarily high prices into the offer vacuum. Some buyers, seeking reliable and high quality supplies paid prices well in excess of last weeks close to reputable processors in West Africa.

It seems likely that if a shortage were to emerge in Vietnam it would be in July i.e. reflecting the Ivorian RCN export interruption but it would also be partially covered by record imports to the end of May. Shipments from Cote d'Ivoire of 360,000 tonnes pre-suspension of exports and of 120,000 tonnes from Nigeria as well as exports from Togo of local and Benin material may fill the gap.

In Africa the headline news will be the partial lifting of the Ivorian export ban on RCN – stocks in warehouses can be exported again. It seems likely that a full lifting will follow with a week or two. There were some equally interesting developments reported during the ACA GME with Jim Fitzpatrick on June 5th. From India we heard that the harvest is quite mixed with different results in different parts of the country. Overall, there were two conclusions. Firstly, the Indian crop of 2024 may be lower than last year by 15-20% - that reduces world supply by about 2%. Secondly, thinking longer term, newly planted areas on poorer land are beginning to yield a crop. India's crop has been growing very slowly over a long period. There has been talk for some time of newly planted areas boosting national production. This is the first evidence.

There was also news from Guinea Bissau, an important producer of high quality RCN often favoured by Indian buyers. The outlook for the crop is average to slightly down. That could mean a loss of a maximum of 30,000 tonnes of RCN to world supply. It is important in Guinea Bissau but does not make a significant dent in the world supply picture.

Overall, as you will read from our country analysts below, the position is far less tight in supply terms than the earlier rumours suggested. Prices of cashew kernels at the high end of recent business appear to be unsustainable and the result of panic from buyers. RCN prices may be less overblown and may be sustained. There are some complicating factors. Firstly, contract defaults both on RCN and cashew kernels will cause buyers to enter the market to renegotiate or to buy again. Neither option is satisfactory. They could lead to long term reputational damage. It is a difficult situation for African processors. Buyers are aware of that. Working in cooperation to find a fair balance to avoid outright default is the key to long term success in this volatile market. Secondly, the impact of higher price for cashew kernels could be lower demand. This might be first seen in price sensitive markets such as the US, China and the Middle East. A significant fall in demand may be less significant in 2024 than in 2025 especially if 2024 crops are good.

RCN FG prices offered in USD per MT			
COUNTRY		Calendar week 23 (June 3 – 7, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D'IVOIRE		410-735	43-44
NIGERIA		170 – 605	43-45
BENIN		-	-
GUINEA BISSAU		450	52

RCN Cfr prices offered in USD per MT			
COUNTRY		Calendar week 23 (June 3 – 7, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D'IVOIRE		1250-1350	42-45
NIGERIA		1200 - 1350	43-48
GHANA		NQ	
GUINEA BISSAU		1625	51-53

Worldwide WW320 Exports FOB prices in USD per lb.									
COUNTRY	1 year ago,	1 month ago,	1 week ago,	Calendar week 23 (June 3 – 7, 2024)		This week vs last week		This month vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	2.47	2.80	3.00	3.30	3.40	+9%	→	+20%	↗
INDIA	3.30	3.58	3.58	3.60	3.75	-5%	→	+5%	→
COTE D'IVOIRE	2.70	2.85	3.00	3.30	3.45	+14%	↗	+21%	→

Please note that markets are currently volatile – always check prices on the day

Country Reports

Côte d'Ivoire

The ban on RCN exports was partially lifted at the end of the week. Stocks in warehouses may be exported from 10th June. Many people believe that the ban will be fully lifted within 14 days

The cashew harvest in Cote d'Ivoire is entering its final phase. There are usually significant quantities harvested in June and July. This year these are likely to be lower quality as rains make drying more difficult. Indications are that the crop may reach 1.1 million tons based on figures from CCA that tell us that 842,000 tons has been commercialized so far. Stocks in the hands of traders are said to be high and farmers continue to collect RCN. The reports also indicate that an estimated 360,000 tons of RCN have already been exported while 290, 000 tons have been purchased by local processors. Both figures are well up on last week's reports. Processors are most likely in need of an additional 30-50,000 tons but most well-organized processors have covered their needs.

RCN quality deteriorated further this week due to increasing rains in major cashew producing areas, making drying difficult. From KOR of 44 – 45 lbs last week, quality recorded this week ranged between 42 – 45 lbs. Ivorian RCN farmgate prices remain stable, selling between 225 – 350 FCFA/kg (373 – 579 USD/t) for KOR

between 42 – 45 lbs this week. Some farmers have marked up their prices to the same levels as the prices dictated by CCA for the exporter/processor trade, but these are unlikely to hold.

Harvesting activity will slow in the coming weeks. RCN trade will pick up now that the ban is lifting. There is significant bad feeling among buyers due to the renegotiation of contracts including afloat shipments during the ban. It will be interesting to see how this situation unfolds. We will keep you informed.

Nigeria

As reported last week, the 2024 cashew season in Nigeria is drawing to an end after 5 months of trading. Available volume at the farm gate is low now. RCN trading is based on warehouse stock. The flow across the Benin border continues.

According to the latest reports, Nigeria has exported approximately 120,000 metric tons of raw cashew nuts since the beginning of the 2024 season. This is much lower than other recent reports that estimated exports at 200,000 tonnes. WE are investigating.

Total Raw Cashew Nuts bought by Local Processors in Nigeria is estimated at 50,000 metric tons so far in 2024. This indicates a growing trend in domestic processing, driven by government incentives and increased investment in processing facilities.

The farm gate prices for raw cashew nuts in Nigeria this week range between NGN 250,000 to NGN 300,000 (169 – 204 USD) per metric ton. Export Prices (FOB) for Raw Cashew Nuts for this week are between USD 1,200 to USD 1,300 per metric ton. The export price offers for cashew kernels WW320 are currently between USD 3.20 and USD 3.50 per lb. FOB. This premium price is due to the high quality of Nigerian cashew kernels, which are favoured in international markets.

Nigerian government has continued its support for the cashew sector through various initiatives, including the distribution of improved planting materials and agro-chemicals to smallholder farmers. Additionally, weather conditions this have been favourable, ensuring a good quality harvest with minimal rain damage.

Togo

The harvest is drawing to a close. Crop estimates have significantly dropped from initial estimates. Reports indicate that the crop has been severely impacted by poor growing conditions. Average crop over the season is reported to be 48 lbs but recent arrivals are 42/44 lbs. It is difficult to be precise on the Togo crop as the influx of RCN from Benin and from landlocked countries to the north is not always correctly identified. RCN exports continue. Traded prices in the local market are CFA 600 – CFA 640/kg (USD 940- USD 1040/t).

Guinea Bissau

Reliable sources in the country suggest that the crop may be lower than hoped for possibly by 10% but they also suggest that this may be made up as the weeks advance. The changes in regulation and the better enforcement of regulations on land borders has reduced the illegal trade (from the GB perspective) into Senegal. Prices are steady and buying is brisk. Already more than 100,000 tonnes has arrived into Bissau port and three break-bulk vessels have loaded. There are more Vietnamese buyers in the market this year competing with Indian buyers for supplies. Prices have reached levels not seen since 2021.

Ghana

There is not a great deal of change in Ghana this week. The crop continues to fizzle out in most areas. However, in some areas there is an unexpected late flowering that may boost production. A consensus of trade actors suggests that the crop is 30% lower than last year but in terms of volume this is made up by increased imports from Cote d'Ivoire. More news next week as one of our experts will be in the production areas.

Senegal

With more than 40,000 tonnes arrived in Ziguinchor, it might seem as if the crop is well underway. However, the trade is suffering from demand pull inflation as the number of traders more than doubled following the large transit trade through Senegal in 2023. Meanwhile the flow from Bissau is significantly reduced. Prices have spiked as a technical shortage has been created. In Ziguinchor the unprecedented price of CFA 840/kg or USD 1340/t was reported. This is completely unsustainable in the current market.

The authorities in Senegal have dropped the idea of insisting that all cargo be shipped by sea from Ziguinchor. Traders mainly used road transport to Dakar last year for cost and flexibility reasons. The transport union in Senegal had a significant part to play in lobbying for the status quo.

The Gambia

Reports from The Gambia indicate that there is progress in talks between governments in the sub-region toward regularising the cashew trade. This could be a significant development in the history of the sector in the sub-region. We will bring you further news as the story develops.

Compiled by ACA staff with data provided by national analysts and international contributors. Opinions expressed are those of our contributors edited by the ACA team. We particularly acknowledge the contribution of Alfred, Sekongo and Afiya.

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

