



AfriCashewSplits

The source of the latest crop and price information

Week 29: July 15 - 19, 2024 – N° 5

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The International Cashew Market

The cashew kernels market has calmed significantly since the volatility of June. Prices remain well above the lows of the season and appear likely to consolidate close to current levels.

From Vietnam, prices have drifted downwards by a further 10-15 cents per lb for WW320 based on actual arrivals of RCN. Vietnam's imports of RCN were 1.49 million tonnes in the first half of 2024 compared to 1.37 million for the same period of 2023 which is about 8.5% up. Imports in the month of June were lower by about 30,000 tonnes compared to last year - approximately 10%. The drop in imports from Cote d'Ivoire was noticeable in the second half of the month but still 94,000 tonnes were imported from there. The shortfall overall has been more than made up by increased import from Cambodia and from Ghana. In fact, the increase in the Cambodian crop estimate to 850,000 tonnes suggests that much of the gap in arrivals expected in July, due to the Ivorian export suspension, could be met from Cambodia. It is becoming more likely now, in our view, that the 2024 crop will not be as small as feared although there is significant impact of the lower quality harvested in West Africa.

In India, prices of cashew kernels have dropped too. This was mainly due to the alleviation of the supply situation by strong arrivals of RCN from West Africa. It has encouraged some processors to reduce processing and resell their RCN. This could be seen as part of a wider trend in India toward consolidation of processing. There is no official confirmation of the Indian crop size for 2024 yet but the behaviour of the market seems to indicate that fears of a major problem were overstated. It may have been the case that processors with RCN purchases tried to push the RCN market up to make a fast speculative profit by reselling their RCN.

Interest in African cashew kernels remains strong although buying has waned a little in recent weeks. Buyers with a focus on alternative, sustainable supply of high-quality cashew kernels are still looking to West Africa to cover some of their remaining needs.

More widely, cashew kernels buyers are not very active. Most destinations have strong imports for the first half of 2024. These were often undertaken to manage potential shipment delays. They are now acting as a buffer against the impact of delayed/defaulted contracts. The lack of new buying especially from the West in July and August could create a situation of tight cashflow in Vietnam which could cause processors to chase sales orders once again.

RCN markets have broadly been weaker in recent weeks. This is due to the physical arrival of shipments in India and Vietnam and the lower quality available from origin. The season is ending in West Africa. There are significant inventories in the hands of traders. The southern hemisphere crops are only weeks away. The situation that is evolving appears to be vastly different to the rumours and disaster theories spread in April and May. As we have reported consistently since March the supply/demand balance in 2024 is not critically

in the “red”. When the dust settles it may even become apparent that there is a small surplus. However, cashew prices are likely to retain most of the gains made based on strong demand and the lower outturn.

In this volatile period strong evidence has emerged that short-term thinking and poorly informed market analysis has caused governments in some countries to take action that had unintended consequences. Nothing can be done to change that now. We can only hope that the experiences of the 2024 season lead to better sector management in 2025.

RCN FG prices offered in USD per MT			
COUNTRY		Calendar week 29 (July 15 – 19, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D’IVOIRE		-	-
NIGERIA		-	43-45
BENIN		-	48
GUINEA BISSAU		-	50
RCN Cfr prices offered in USD per MT			
COUNTRY		Calendar week 29 (July 15 – 19, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D’IVOIRE		1100-1200	42-45
NIGERIA		NQ	
GHANA		NQ	
GUINEA BISSAU		1750	51-53

Worldwide WW320 Exports FOB prices in USD per lb.									
COUNTRY	1 year ago,	1 month ago,	1 week ago,	Calendar week 29 (June 15 – 19, 2024)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	2.50	3.60	3.30	3.20	3.45	-		+10%	
INDIA	3.30	3.65	3.90	3.65	3.75	+2.5%		+5%	
COTE D’IVOIRE	2.70	3.60	3.40	3.30	3.45	-		+8%	

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

Country Reports

Côte d'Ivoire

It is almost certain now that this year’s production was not as low as initially feared. Some early estimates suggested a 15 – 30 percent drop in Ivorian production this year. This has not been the case although much was made of the estimates to increase export pricing ultimately leading to the export suspension. The CCA official estimate for 2024 is 1 million tons. The main season is over but there are some stocks always in the hands of farmers. Due to the export suspension, there are significant stocks in the hands of the traders and assemblers. Export has not yet returned to its normal pattern. It looks now as if our earlier estimate of 1.1

m tones will be surpassed. However, the quality of RCN remains lower than usual with a range of outturns from 38-42 lbs now common. This is much lower than last year at the same time.

Processing is growing in Cote d'Ivoire. In 2024 it is likely that a new record volume will be processed possibly as high as 325,000 tones. There is some downside to this positive trend. Borma kernels exports appear to have increased, possibly to circumvent the export suspension. Costs for processors due to lower outturn from lower quality raw material have increased. ACA reporters believe processors have been able to cover their needs following the suspension of exports. On the international market, there is demand for Ivorian kernels of all grades. Kernel prices rang from \$3.30 – 3.45 per lb FOB Abidjan for WW320. We will see in the coming months if local processors will be able to maintain the positive momentum and take advantage of the trend toward African origin kernels. We will keep you informed.

Last week it was announced that the Cotton and Cashew Council (CCA), the cashew regulatory body of Cote d'Ivoire, had a change of leadership. After 11 years of service with CCA, Dr Adama COULIBALY, the CCA's Director General (DG) has officially handed over to his deputy, Mr. Mamadou BERTE as acting DG. It is unlikely that this signals any change of the Ivorian Government's cashew sector development policy but changes to implementation methods and ad hoc interventions cannot be ruled out.

Benin

The season is almost over. Reports indicate that there are some stocks held in warehouses in the hope of better prices. It is difficult to estimate Benin's production this year. There are still no official estimates. Unofficial sources suggest that production is around 200,000 tons but many reliable sources report a lower availability than in earlier years. Benin production has ranged between 140,000 and 200,000 tons in the last five years.

RCN quality in Benin has been generally good this year, with an outturn range of 45 – 47 lbs. The usual outturn for Benin RCN is 47 – 49 lbs, and 44 – 46 as the season draws to an end. RCN prices ranged between 400 – 500 FCFA/kg for outturn between 45 – 47 lbs for most part of the season, much lower than neighbouring countries.

There is an official RCN export ban in Benin. This is to promote local processing of Benin cashews. There are therefore no official export figures. However, large volumes of the Benin crop have been traded by road to neighboring countries, especially Togo and Nigeria. As reported in the previous edition of AfriCashewSplits, traders continue to openly use "Benin origin shipped from Togo" to differentiate Benin raw material.

There are big questions. With no official export this year and only an estimated 42,000 tonnes procured by processors, around 25% of the processing capacity, it appears that informal trade growth has been the big trend in 2024. Inconsistent and sometimes high-profile detentions and confiscations of RCN provided news stories but added little to the cohesion of the sector in Benin. This year, progress in processing will be much slower than hoped for. It is likely that factories will close early and export fewer kernels. The procurement arm of the GDIZ factories appears not to have followed the market price at the farm gate. Independent factories were unable to. Farm gate prices were comparable to earlier years due to a lower crop and a higher international market supported by the cross-border outlets. What might happen next year if the crop is good, no minimum or reference price is set, and the export ban remains in place without effective border controls is a major concern for stakeholders.

Whilst the intention of the export ban in relation to processing was positive, there are questions about implementation, market management and the ending of minimum pricing at the farm gate. Will the Government continue or change regulations? You should be part of these and many other discussions at the 18th ACA Annual Cashew Conference and Expo in Cotonou, Benin from the 17th to 20th September 2024. Preparations are well underway. You can already register on our [webpage](#)

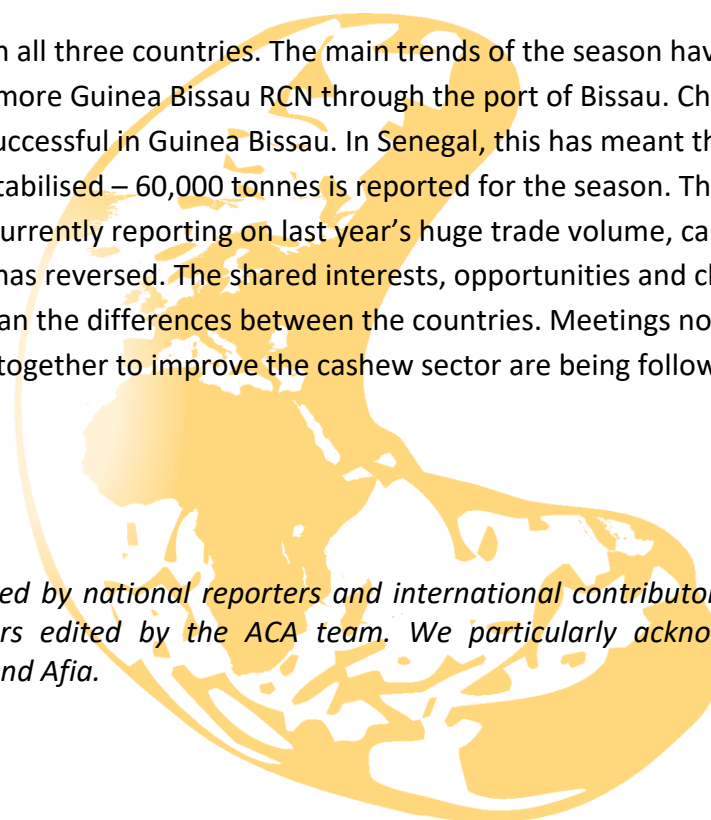
Togo

Togo's actual production this year is difficult to estimate due to the large inflow of Benin crops. The official estimate at the beginning of the season was 48,000 tons but this was always an overstatement. RCN purchasing have practically ended at the farmgate. The Ministry of Agriculture is expected to publish official figures in the coming weeks when the season ends. The major trend this year has been the increase in cross border trade.

SeGaBi

The cashew season is coming to an end in all three countries. The main trends of the season have been a slightly reduced crop and channelling of more Guinea Bissau RCN through the port of Bissau. Changes in the regulatory framework were largely successful in Guinea Bissau. In Senegal, this has meant that the flow of raw material through Ziguinchor has stabilised – 60,000 tonnes is reported for the season. This is well down on 2023. Ironically news media is currently reporting on last year's huge trade volume, calling it a "boom" just at the time when the trend has reversed. The shared interests, opportunities and challenges in this vibrant cashew region are greater than the differences between the countries. Meetings now taking place to discuss how the three will work together to improve the cashew sector are being followed with interest by stakeholders.

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