



AfriCashewSplits

The source of the latest crop and price information

Week 31-32: July 29 – August 6, 2024 – N° 6

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The International Cashew Market

With the 2024 cashew crop season now all but behind us, the supply situation is becoming clearer. Estimates, based on a mix of stakeholders input, official estimates and trade figures suggest that the World crop is between 5 and 12% lower. In West Africa the average fall by country is circa 10% although this is further reduced in kernels outturn terms by the lower quality experienced. In India the production may be lower by as much as 20%. However, a very good crop in Cambodia has somewhat offset the lower production elsewhere. Lower production is not as damaging as it may appear. The 2023 crop was the largest in history and the 2024 crop should be just a few percentage points down on 2022. Cashew kernels prices have risen by 35-40% to reflect this. This may have a dampening effect on demand in the second half of the year although the prices seem likely to be consolidated around current levels as the year goes on.

There is still significant business to be transacted on RCN. India will still need at least 600,000 tonnes with current imports in line with last year. Vietnam may require 1 – 1.1 m tonnes of RCN based on current export trends in kernels. Delivery of RCN to the Asian processors has been slower than usual due to a range of issues including the late crop, the export suspension in Cote D'Ivoire (now lifted), the decline in the value of the Nigerian Naira, the export ban in Benin and operational difficulties in the port of Bissau. Vietnamese buyers have been sheltered from this by the large production in Cambodia and a significant carry-in stock of kernels. Indian buyers have been assisted by the high stocks from 2023 RCN imports and a sluggish start to 2024. This will change from August as the inventories in Vietnam are depleted by high exports of kernels and the India festival demand peaks. Already price premiums for afloat and ex warehouse material at destination are noticed. A price spike in RCN cannot be ruled out but it may be short lived as processors struggle with high RCN prices, the Southern Hemisphere crops are not far away now and kernels buyers show little enthusiasm for further price rises.

Despite a difficult harvest season in West Africa, the performance of African cashew kernels in destination markets has been positive. In the latest EU figures (Jan-May), Africa cashew kernels have a 22% share, up from 17% in 2023 and an 8.5% share of the US markets, up from 6.5% in 2023. Cote D'Ivoire dominates the figures accounting for 61% of African cashew kernel exports to the EU. There are increases elsewhere too including Nigeria, Benin and Ghana. African cashew kernels are finding their markets based on quality, lower transit time/cost and the need for traceable, sustainable supply chains in key markets. Processing capacity is increasing. New factories opened in Cote D'Ivoire, Ghana, Benin and Nigeria in the past eight months. Existing units in Cote D'Ivoire, Ghana, Nigeria and Tanzania have increased their processed volumes. However, utilisation of installed capacity remains low and many factories in the mid-range scale continue to struggle with costs, management and supply chain issues.

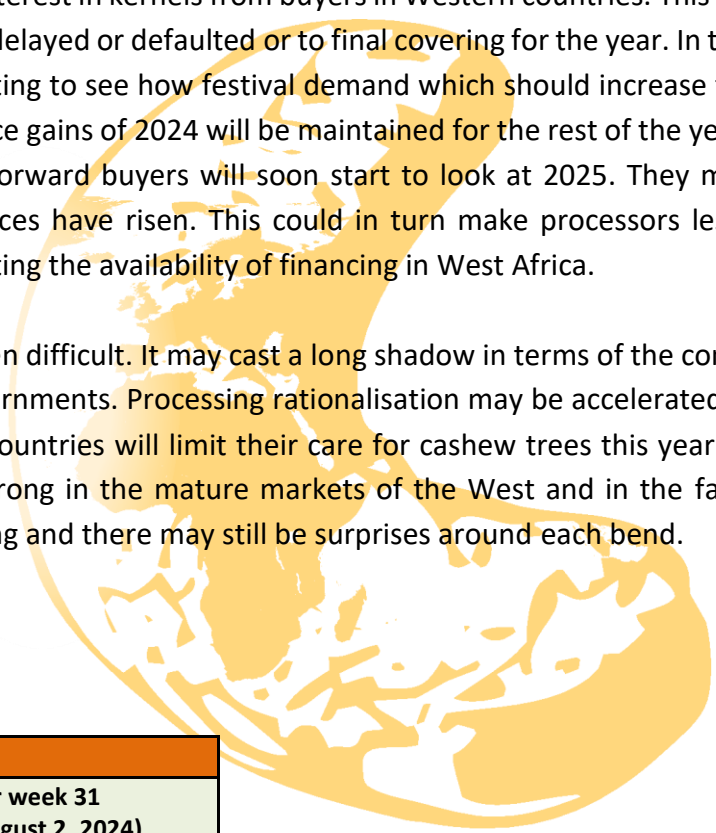
The struggle of processors is not limited to West Africa. In Vietnam, processors find it difficult to execute their lower priced contracts that were sold in 2023 at prices that make no sense against the current RCN market. In India, small and medium processors are closing or suspending operations. This may be a sign of a

significant rationalisation and the future dominance of the large, mechanised units. This rationalisation has been signalled for some time. The volatile trading conditions of 2024 may accelerate it. If larger, better managed factories come to dominate, it could change the nature of the sector reducing speculation and improving linkages between processors and producers.

Cashew kernel demand in 2024 has been strong. Key markets are growing – EU imports are 6.6% up, US imports are up by a remarkable 21% and shipments from Vietnam to China were 62% up by the end of June 2024. There is evidence that some of the increase is due to earlier shipments to avoid potential disruption due to problems in the Arabian Gulf. It is also due to an improved economic outlook in Europe and the US. Both factors may fade in impact as the year goes on which, combined with higher kernels prices, could lead to a situation similar to 2022 when second half trade fell sharply following a buoyant first half of the year. This is by no means certain so demand trends should be closely followed.

In recent days there has been renewed interest in kernels from buyers in Western countries. This can be due to covering of shipments that have been delayed or defaulted or to final covering for the year. In the World’s largest market, India, processors are waiting to see how festival demand which should increase this month will perform. It appears to us that the price gains of 2024 will be maintained for the rest of the year but that the upside is limited at current levels. Forward buyers will soon start to look at 2025. They may be less inclined to make contracts now that prices have risen. This could in turn make processors less likely to contract RCN early in 2025 indirectly limiting the availability of financing in West Africa.

In summary, the first half of 2024 has been difficult. It may cast a long shadow in terms of the confidence of RCN buyers in the actions of African governments. Processing rationalisation may be accelerated especially in Vietnam and India. Farmers in some countries will limit their care for cashew trees this year. However, demand for cashew kernels has been strong in the mature markets of the West and in the fast-growing markets of Asia. The road ahead is winding and there may still be surprises around each bend.



RCN Cfr prices offered in USD per MT			
COUNTRY		Calendar week 31 (July 29 – August 2, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D’IVOIRE		1100-1300	42-45
NIGERIA		NQ	
GHANA		NQ	
GUINEA BISSAU		1750-1790	51-52

Worldwide WW320 Exports FOB prices in USD per lb.

COUNTRY	1 year ago,	1 month ago,	1 week ago,	Calendar week 21 (July 29 – August 2, 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

The big news from Cote D'Ivoire this week is that the suspension of exports has been fully lifted. The Ivorian government announced a temporary suspension of RCN exports in May to allow local processors to buy. This was partially lifted in June to allow exports of warehouse stocks. More than 50 days since this initial stage, there is now a complete lifting of the suspension. We expect trading activities to pick up now. Buyers and aggregators who have been holding stocks are expected to sell now while exporters will be looking to meet their targets. Now that export has resumed, it will be possible to compare the official export of 1 m tonnes production with trade estimates ranging from 1.1 m – 1.2 m tons in the coming weeks.

The long wait for export could also have much worse implications on quality. RCN quality in Cote d'Ivoire has been generally lower than usual due to unfavorable weather, with outturn ranging between 40 – 45 lbs for a large part of the season. This has disimproved in the last few weeks. Outturns between 38 – 42 lbs are being recorded. The usual Ivorian RCN quality is between outturn of 45 – 48 lbs and between 42 – 45 lbs as the season ends. It will be interesting to know what this will mean for existing contracts. We will keep you updated.

As featured in the last edition of AfriCashewSplits, local processing is on course to reach record levels in Cote d'Ivoire this year. ACA reporters believe local processors have been able to cover their needs more competitively due to the suspension of exports. Processed volumes could reach 325,000 tonnes of RCN in 2024 or circa 30% of the crop. Several new, large, mechanized, factories have opened this year. Unfortunately, the challenging trading conditions continue to place in doubt the future of some established factories and some have reduced or ceased operations this season.

Ivorian cashew kernels of all grades are still in demand on the international market. The country has a 61% share of EU imports from Africa in the first five months of 2024. Kernel prices remain steady, ranging from \$3.30 – 3.50 per lb. FOB Abidjan for good quality WW320 from food safety certified factories.

Following the change of leadership, stakeholders will be following the actions of the CCA carefully. It is unlikely that there will be a fundamental change in policy. However, the current period of review at CCA may change the method of operations. There are rumours in the market that the processing subsidy may be impacted. This would be surprising given its positive impact in bringing new processing investment and the fact that the project objective of 50% processing of the crop has not yet been achieved.

Nigeria

The season is over at the farmgate. Available RCN stocks are limited. However, traders may be holding RCN pre-export as a hedge against the currency decline as seen in recent weeks. ACA reporters indicate that the

few RCN available are at the lower end of the quality range with outturn ranging between 35 – 40 lbs. Warehouse prices range between 1.4 – 1.8 million naira (845 – 1,083 USD per tons) for outturn 35 – 40 lbs. in Lagos.

Unofficial crop estimates range between 300,000 to 350,000 tons. This includes significant volume from Benin due to the ban on exports there.

Reports indicate that about 60,000 tons of RCN were purchased by local processors, an increase over last year. Local processing continues, and we will follow closely to know what tonnage out of the 60,000 purchased will be processed locally. There is demand for Nigerian kernels, both locally and on the international market. In the first five months of 2024, Nigerian kernels had a 1.6% share of the EU market. Whilst still a low share, this is significant progress compared to 2023. Some factories are selling locally for 13,000 naira/kg or US\$ 3.54/lb.

Benin

The ban on RCN exports is still in place. There are reports of significant illegal land export of RCN to neighboring countries. The season is almost over in Benin. There are no official production estimates. Actors estimate a crop between 140,000 – 160,000 tons, much lower than some early estimates of around 200,000 tons. According to reports, about 45,000 tons of RCN have been sourced by local processors. Although this is an increase on previous years, it is much lower than Benin's current processing capacity of over 100,000 tons. IFA – Benin, the cashew interprofession in Benin, is undergoing internal restructuring in several areas including its membership.

The ACA Annual Cashew Conference and Expo is just about 6 weeks away. It will be held in Cotonou from the 17th – 20th September 2024. Preparations are ongoing and online registration has begun. You can visit our [webpage](#) to register.

Togo

The cashew season has ended in Togo. ACA reporters believe there are no more RCN purchases. The season could have long ended but for the continued inflow of crops from Benin due to the ban. It will be difficult to estimate Togo's actual production this year as a result. There are still no official estimates. Our reporters indicate that this year's crop is much lower than last year's official estimate of 38,000 tonnes. The Ministry of Agriculture is expected to publish official estimates in the coming weeks. CIFAT, the cashew interprofession in Togo, is also compiling its report on the campaign.

Local processing is ongoing. As part of measures to fight climate change, there is a reforestation campaign currently ongoing in Togo. Cashew nursery operators are therefore very active at the moment as they supply cashew grafts to individuals establishing new cashew plantations, especially in the northern part of the country.

SeGaBi Update

Harvesting in all of the region's main producers is completed. Looking at expected export volumes it appears that a total of 280,000 – 310,000 tonnes will be exported from the 2024 crop based on estimates from the trade. This comprises of 200,000 – 220,000 tonnes from Bissau, 60,000 -70,000 tonnes via Dakar and 20,000 tonnes through Banjul port. These figures indicate a shortfall in the sub region of around 10% based on 2023 shipment figures. Volumes exported will increase through Bissau port due to successful

regulatory changes by the government there. Exports through Dakar have collapsed in volume terms as RCN has not crossed the border in the same volumes as last year.

It is estimated that about 50% of shipments through Bissau have taken place. Most RCN is sold. Afloat and shipment lots are offered at prices in the range of US\$ 1770-1790 / tonne Cfr for 51-52lbs. Buyers remain reluctant but high-quality RCN is in short supply across the markets.

Compiled by ACA staff with data provided by national reporters and international contributors. Opinions expressed are those of our contributors edited by the ACA team. We particularly acknowledge the contribution of Sekongo Koura (Cote d'Ivoire), Azeez Ayodele (Nigeria), and Afiya Awarinète Adane (Togo).



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](#)



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