



AfriCashewSplits

The source of the latest crop and price information

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The International Cashew Market

The cashew kernels market appears to have settled in a range of prices from US\$ 3.15 – 3.45 per lb FOB WW320. Where a particular processor stands in this price range depends mainly on their quality, reliability, certification and location. African processors with good records and quality management systems should expect to be in the top end of the range due to higher quality and lower freight costs to markets in Europe and North America. Buyers are also interested in diversifying their sources of supply and in establishing long term sustainable supply chains. That does not mean that price negotiations are easy, but it does mean that African processors are achieving higher prices on average. This year has seen an expansion of African cashew processors' share in the target markets in Europe and the US. The turmoil caused by the difficult crop and the market volatility was an opportunity that was embraced by the units that had good management and established supply chains for raw materials. In some countries, the regulatory and policy developments made processing more difficult, so the progress is not even across Africa. In some countries e.g. Benin, Cote D'Ivoire and Nigeria some processors have reduced the volume processed whilst others have thrived.

In the international market, during 2024, cashew kernels prices have moved up from 14-year lows around US\$ 2.40 per lb FOB to the current price range. That is about a 40% price increase.

The question now arises as to whether these price levels are sustainable. Current demand patterns tend to suggest that they are. Prices averaged well above US\$ 3.00 per lb FOB WW320 from 2010 to mid-2022. Demand grew during that period. Only from mid-2022 was a price fall towards the lows seen based on poor demand in the economic fallout from Russia's invasion of Ukraine and what can now only be described as "panic selling" from Vietnam. There is good reason to believe that demand in major markets such as India, the EU, the US and China can grow at current price levels. In our view, the key point is that the low prices of 2022-2023 were never likely to be sustainable in the long term. They were simply too low to work for farmers and processors worldwide. A catalyst was needed to reverse the trend. That catalyst came with late, lower crops combined with strong demand in the first half of this year.

Shorter term price movements may be decided by the supply of RCN available in India and Vietnam. Both countries had significant stock carried into 2024. Both countries still have significant imports to come. Vietnam's imports are about 3% ahead of the 2023 record figure. A big increase in imports from Cambodia has compensated for delayed cargo from Cote D'Ivoire. Indian imports are estimated to be about 7.5% down on 2023 by the end of July. The month of July was very strong in import tonnage which may be repeated in August. Reports from India are unclear. On one hand, demand is reported as no more than "steady" with a reduced import requirement of about 1 m tonnes in 2024. It is difficult to reconcile this with reports of a much lower crop.

In Vietnam, the situation on supply is tight due to very strong exports of cashew kernels. The strong export performance has persisted to the end of July despite the higher market prices. In India demand is good but the impact of higher prices will not become clear until the festival demand is going at full speed. Late

shipments are still to come from Guinea Bissau, Cote D'Ivoire and Senegal. Afloat and high-quality cargo is making premium prices which indicates good demand and the lower quality on offer for new shipments. On paper, it looks as if there is enough RCN available, but price volatility is never far away in the RCN market. In 2024, prices have moved from lows of US\$ 950 – 1400 per tonne Cfr (depending on quality and origin) to current levels of US\$ 1450 – 1850 per tonne Cfr. The current prices are workable in the current kernels market. However, processors struggle to execute their low-priced kernels contracts made in 2023 and early 2024. There is a question now as to who holds the inventory. If it is in the hands of traders, we could see further price rises.

Price volatility has had consequences. It has caused major renegotiation and default of contracts from the major Asian suppliers. This undermines confidence among buyers, limits forward buying and creates potential for further volatility in the future. Today many buyers are in turmoil as they try to deliver on their commitments to customers whilst their suppliers ask for increased prices, notwithstanding shipment delays and new high-priced contracts to compensate for the low priced contracts. This has been a factor in the cashew market for many years. There is an opportunity now for African cashew processors to demonstrate their reliability, think long term and deliver on low priced commitments. They should be capable of doing so as farm gate prices during the season did not spike upwards in the way that international RCN prices have. That does not mean it is easy dealing with lower quality raw material as widely experienced this year which increases costs and breakage and reduces outturn. Some segments have suffered more than others e.g. organic cashews. In general, African processors have kept to their contractual commitments better than other origins. There should be long term gains as a result.

The RCN market also remains steady despite falling quality and a series of defaults and renegotiations in recent months. These were mainly due to the export suspension in Cote D'Ivoire that was highly disruptive to the market. It may have longer term consequences as confidence in forward purchasing and regulatory discipline in Cote D'Ivoire has been damaged among the processors that buy 850,000 – 950,000 tonnes of Ivorian RCN each year. The impact will be clear only when the 2025 crop comes on the horizon.

2024 has been a difficult year in many ways. The impact of the weather conditions at critical times may be something that becomes more common as climate change impacts. The positive impact of cashew processing investment in African countries has been demonstrated this year. It is likely to continue but 2024 has also shown that there may be periods of rationalisation during which the weaker and less well managed processors struggle and some inevitably go out of business. This should not be allowed to cast a long-term shadow over cashew processing investment. There are many more success than failures. Cashews have shown that they can be an important part of rural development and potentially a significant mitigator of climate change.

RCN Cfr prices offered in USD per MT			
COUNTRY		Calendar week 33 -34 (August 11 - 22, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D'IVOIRE		1400-1550	42-45
NIGERIA		NQ	-
GHANA		NQ	-
GUINEA BISSAU		-	51-52

Worldwide WW320 Exports FOB prices in USD per lb.									
COUNTRY	1 year ago,	1 month ago,	1 week ago,	Calendar week 33 - 34 (August 11 – 22, 2024)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM				3.20					
INDIA				3.65					
COTE D'IVOIRE		3.3	3.3	3.30	3.6	-			

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

Country Reports

Côte d'Ivoire

The full resumption of RCN exports following the lifting of the export suspension after more than 50 days has not yet impacted the destination market in shipment arrivals. Trade sources suggest that there have been about 600,000 tonnes exported by the end of July. Vietnam reports imports of 315,000 tonnes by the end of July. India reports an estimated 75,000 tonnes. That leaves in the region of 210,000 tonnes afloat or landed in bond. There was significant export across land borders too. Some of this will have arrived at destination as other origins. Overall, circa 700,000 tonnes of exports may be explained so far. Processors have procured an estimated 325,000 tonnes according to discussions with them. The total therefore accounted for is 1.025 M tonnes. This seems to indicate that crop forecasts made early in the season underestimated the crop size. Even our estimate of 1.1 m may be on the low side. However, the quality of the crop was lower than expected impacting processors with lower outturns and higher breakage. The quality of the cargo remaining for shipment after the export ban was lifted may have been impacted by the lack of good storage conditions and the need for local buyers to hold cargo that would usually have moved to the port.

Nigeria

With about 200,000 tonnes of RCN arrived at destination and an increase in procurement for processing, it looks as if the Nigerian crop could be 300,000 tonnes plus. There is some evidence that stocks are being held back by speculators and as a hedge against the declining value of the Naira. Significant cross border trade from Benin due to the export ban there is also likely to have happened.

Guinea Bissau

Policy changes to encourage export through the port of Bissau have largely worked this year. On the downside this has again brought the infrastructure problems in the port into sharp focus. The initial availability of vessel space and the slow transit times have further complicated the situation. It appears that the crop is not as good as last year with trade sources reporting a shortfall in the 10-12% range. There are shipments pending. Afloat cargo is making premium prices indicating strong interest in high quality RCN. From July onwards the focus is on shipments and contract execution.

Special feature

18th ACA Annual Cashew Conference and Expo: Building Capacities for a Sustainable African Cashew Industry

The cashew world will gather in Cotonou, Benin from 17th – 20th September 2024 for the 18th African Cashew Alliance (ACA) Annual Cashew Conference and Expo. Over 400 local and international cashew industry actors,

and stakeholders are expected to participate in this year's conference. The Conference will be held in partnership with IFA – Benin, the cashew Interprofession in Benin, and the Ministry of Trade of Benin with funding support from the European Union, the Organization of African, Caribbean and Pacific States (OACPS), United States Department of Agriculture (USDA) and the Market Oriented value chains for jobs and growth in the ECOWAS region (GIZ/MOVE).

This will be Benin's third time of hosting Africa's biggest cashew event, and there couldn't be a better time. The West African country, as part of its cashew development policy and 100% local cashew processing vision, has banned the export of raw cashew nuts (RCN). This policy has varied opinions among local and international actors and stakeholders. On one end, it is an audacious policy that presents the opportunity for the country to build its local processing capacity, incentivise local processors and encourage investments into establishing new processing facilities and ultimately create jobs and incomes. On the flip side, there are questions of whether a total ban is the best decision considering Benin currently does not have the capacity to process all its production, resulting in a growth in informal trades across land borders.

The theme for this year's Conference, **Building Capacities for a sustainable African Cashew Industry**, presents a unique opportunity for industry experts, actors and stakeholders to delve deeper into policies such as Benin's export ban, Cote d'Ivoire's recent temporary export ban and whether indeed Africa is building the right capacity, especially in local processing to accelerate growth and sustainability. The opening plenary session on 18th September 2024, will therefore focus on discussing the topic, **Policies to promote Cashew processing in Africa: Are We Making Impact?** This session promises to be riveting as it features several experts in sector organization and regulation.

Two other important sessions to watch out for are Plenary sessions 3 and 4, sponsored by the EU. Session 3, will discuss the topic, **Addressing Human Rights Violations in the Cashew Value Chains - Which opportunities and challenges present the new EU Corporate Sustainability Due Diligence Directive (CSDDD)?** Plenary session 4 will also be on the topic, **Promoting Environmental Sustainability in the Cashew Sector**. These two sessions will highlight pertinent issues concerning EU regulations and human rights issues in the cashew industry.

This year's Conference will also mark the celebration of 10 years of impactful capacity building through the Cashew Master Training Programme (MTP). Plenary session 7 will discuss the topic, **MTP@ 10 years: Reinforcing the Cashew Learning Journey**. There will also be cashew women's and development partners' meetings. Click [here](#) to read more on Conference program.

This year, 30 organizations will be participating in the ACA Cashew Expo, including some of the biggest cashew machinery and equipment technology companies in the world, and very promising local cashew brands. Experience particularly, variety of cashew products locally processed in Africa. The ACA Business to business meeting is also returning strongly this year. Interested Conference participants can pre-book a space in the B2B room for meetings during the session. Be part of the field visit to the Glo-Djigbè industrial zone where the government of Benin is partnering with the private sector to build several cashew processing facilities, some of which are already operational.

The 18th ACA Annual Cashew Conference is the place to be this September. Join the cashew world in deliberating the future of the cashew industry, sharing knowledge and experiences while building strong business partnerships. Online registration is ongoing now. Visit ACA's [webpage](#) to register now at the early bird rate. Limited exhibition booths available for interested organizations.

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.

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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Growing the African Cashew Industry!