



# AfriCashewSplits

The source of the latest crop and price information

Week 10: March 4 – March 10, 2019 – N°05

[info@africancashewalliance.com](mailto:info@africancashewalliance.com)

## The International Cashew Market

The market remains relatively quiet compared to this time last year and 2017. Activity in the RCN market was limited following the price falls of the previous week. Offers from exporters slipped down toward the levels, which reflect the farm gate prices. There is still a lack of buying interest from processors who are content, for now, to work on their domestic crops knowing that there are also stocks of RCN available at destination. The financial impact of last years sharp falls and resulting losses for RCN traders and Vietnamese processors continues to have an impact. Banks in Vietnam are restricting the available funds to purchase RCN for now. Internationally, an unusually cautious approach characterises the RCN market. This may be due to the shock of last year – (remember 200,000 tonnes were in stock in Vietnam and were only moved or managed due to the changes in Tanzania’s marketing of RCN) – and resulting losses. Last year we talked a lot about the cash squeeze, which brought prices down and restricted trading in the last quarter. The follow on from this is now restricting trading of the new crop. The problem today in West Africa is that with finance for international trade in RCN restricted and a high reliance on the export of RCN the ability of the domestic sector or authorities to get business going to move cashews from the farms is limited. Ultimately this could be negative for prices.

Kernels trading in the past week saw more offers emerging for the second quarter of the year. Medium and top-quality processors offered WW320 FOB at prices in the range US\$3.46-3.51 per lb.

Nearby positions were trading circa US\$3.40 per lb FOB WW320 with some buying. However, most buyers buy forward and still have some time to view their orders from customers and see how the market evolves. This time frame is narrowing every week. It does seem that the market has found a level for now and unless pressure builds from sellers will not slip further down in the immediate term. There is no doubt that buyers of kernels are still to buy. There is a fairly good expectation based on the range of prices that demand in the second half of the year will be improved on last year. Buyers are likely to continue to buy cautiously, but if we see prices move up, they are likely to follow as buyers tend to prefer to buy in a rising market.

An opportunity for West African cashew processors may arise now as RCN prices are under pressure and kernels are stable. Processors who have funding in place and access to international kernels buyers could see an opportunity to establish themselves. This is an opportunity to reverse the trend in the US and EU markets where despite increased processing capacity actual shipped volumes fell in 2018.

## 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 10 (04 – 10 March 2019)			This week vs last week		This week vs last month	
				Reported range		Outturn in lbs.	Variation	Trend	Variation	Trend
NIGERIA	1,588	651	694	615	783	49	1%	↗	7%	↗
BENIN	1,279	604	615	600	771	46-49	10%	↗	12%	↗
GHANA	1,667	931	827	729	911	46-48	-1%	↘	-14%	↘
BURKINA FASO	1,595	-	685	625	728	44-48	-1%	↘	-	-
CÔTE D’IVOIRE	1,220	648	607	643		48	6%	↗	-1%	↘
GUINEA				542	650	47-50				

RCN export Cfr prices in AFRICA in USD per MT				
COUNTRY	1 year ago	Calendar week 9 (25 Feb – 02 March 2019)		
		US\$ per ton	Outturn in lbs	Remark
NIGERIA	2,000	1,150	47-50	Traded
BENIN	2,100	1,400	49-50	Offered
GHANA	2,200	1,400	48+	Traded
CÔTE D'IVOIRE	2,000	1,310	48	traded

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 10 (04/03– 10/03/2019)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	4.55	3.40	3.40	3.40	3.50	1%	↗	1%	↗
INDIA	4.55	3.55	3.48	3.45	3.55	1%	↗	-1%	↘
<b>Prices ranges offered in:</b>									
BENIN				3.55					
GHANA				3.50	3.65				

## Country Reports

### Nigeria

The reported farm gate price ranges between 220 – 280 NGN per kg (US\$ 615 – 780 per ton) in calendar week 10. The lower end of the range is documented in the East of Nigeria, while crops from the Western part are offered at a higher price.

Governor elections on March 9 are reported to have hindered business in the local cashew market. RCN business is expected to pick up as of the next week, calendar week 11.

Cfr export price for RCN 47-48 is offered in this week at US\$1,150.

Comment from international market – Processors are likely to show interest for early shipments from Nigeria but will approach cautiously as they fear that old and new crops may be mixed. For reasons which may be more linked to market price movements as much as quality, there is also a stock of Nigerian RCN in Vietnam, which has not helped the reputation of the sector.

### Benin

The season has officially been launched and the baseline farm gate price has been set at 400 CFA franc per kg (US\$685 per ton). The official season will run from March 7 to October 31, 2019 and the export of cashew nuts by land is prohibited.

Cfr export price for RCN 49-50 is offered in this week at US\$1,400.

This week, Benin origin WW320 are offered at a slightly reduced price of US\$3.55 per lb. FOB by a top processor.

### Ghana

This week's RCN farm gate price range remains at 4.0 – 5.0 GHC per kg (US\$730 – 910 per ton). It has been reported in this week that 50-52 lbs. are as last week offered between US\$1335 – 1400 per ton Cfr. Due to the higher quality it can be assumed that these are stocks harvested/bought earlier.

Cfr export price for RCN 49lbs is offered in this week at US\$1,400.

The WW320 FOB export price range offered this week remains at US\$3.50 – 3.65 per lb. offered by a top processor. Considering international market prices there is no buying interest at this level. Demand from kernel buyers remains weak but is expected to pick up soon.

Comment from international market – Buyers who have long bought good quality from Ghana in the 50lb range will be disappointed with this news on quality: There are concerns that material, which has moved across the borders into Ghana, is being mixed or marketed as genuine Ghanaian material. This is especially of concern if the mixed in material is old crop. Exporters and traders of RCN from Ghana would do well to make sure that buyers understand that their quality is reliable and traceable.

### Rep. of Guinea

The official opening of a cashew processing plant at Kankan this week with a capacity of 10,000 tons according to news reports has been greeted as a positive step forward for the sector. Prices at the farm gate are reported in the range 5,000-6000 GNF per kg (US\$ 540 – 650 per ton) for material in the eastern regions with material from Boke expected to make higher prices based on its higher quality. Crop information is positive as elsewhere with estimates ranging from 25,000 to 31,000 tons. Recent research from a respected ACA contact indicates that production in Guinea can grow quickly in the coming years based on tree age and new plantings.

### Cote D'Ivoire

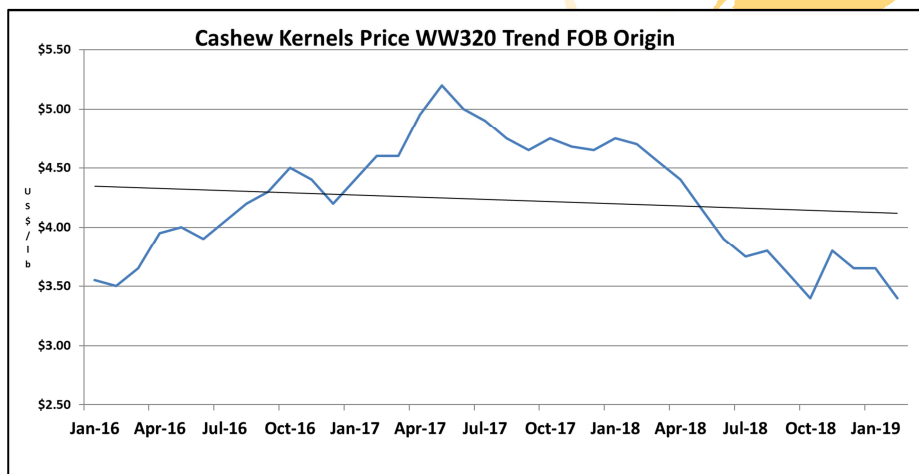
News is limited this week as the sector follows the trends elsewhere in the market – limited trade, shortage of pre finance.

Comment from international market: It is likely that Cote D'Ivoire will be the largest grower of cashews nuts in the World in 2019 based on the official estimate of the crop. Government policy has given a boost to processing investment in recent years. International kernels buyers have been surprised not to see more approaches from Ivorian processors to do business outside of the large established units. They are hoping to see that factories come on line this year with more offers of kernels for export.

Cfr export price for RCN 48lbs is offered in this week at US\$1,310.

## Analysis from ACA market commentator

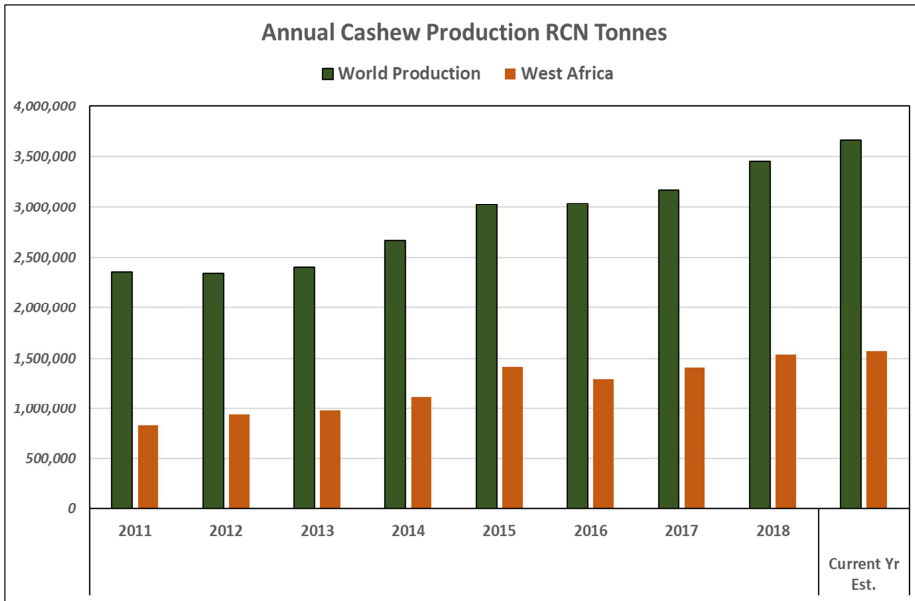
WW320 Prices return to 2015 levels



**Analysis**

The WW320 market has returned to prices last seen in 2015 and early 2016. This is likely to improve demand in 2019. Prices are below the trend and are below the 2 year and 5 year averages suggesting that there may be reason to expect an improvement in prices in the months to come.

**Cashew Production expected up in 2019**



**Analysis**

Cashew production is expected to be up in 2019 based on estimates from official bodies around the World. Growth is seen in Ivory Coast, India, Nigeria and Mozambique with other producers showing unchanged or small increases.

A complicating factor is the unusually high carry-in stocks of RCN and unsold Tanzanian stock which could tip the balance either way.

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](#)

