



AfriCashewSplits

The source of the latest crop and price information

Week 11: March 11 – 17, 2019 – N°06

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The International Cashew Market

The market has continued in its relatively quiet trend over the past week. There is a hangover from the last quarter of 2018 when prices fell sharply and inventories of RCN built up. Processors in Vietnam and India are focussing on their domestic crops and leaving the international RCN market alone for now. This means that there is a shortage of cash advances in the market to buy the crop. This has led to a continued weakening of RCN prices in the international market. The farm gate prices in West Africa remain fairly stable so far but need close attention as arrivals increase.

Meantime processors in Asia are doing everything they can to stimulate prices and demand with more stories circulating than deals made. Kernels buyers remain unimpressed for now and are likely to keep to their conservative purchasing pattern. Cashew kernels prices for WW320 FOB remain in the US\$3.35 – 3.55 per lb FOB range depending on processor reliability and shipment position. There may be some sales at lower levels as under pressure smaller processors need to raise cash. Of particular concern is the slowdown in sales of broken grades as a direct result of last year's high prices.

The market is taking its time to recover. Demand will take 9-18 months to recover from the high prices. We are about five months into that period. Confidence may be slow to return. Many traders and Vietnamese processors had a difficult year in 2018 which is reflected in the view of their financiers and management in releasing funds for trade until the market stabilises. The unsold Tanzanian crop also hangs over the market with continued mixed messages through the news media causing buyers take a wait and watch position.

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 11 (11 – 17 March 2019)		This week vs last week		This week vs last month		
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend	
NIGERIA	1,563	649	699	570	696	48	-10%	↘	-3%	↘
BENIN	1,411	666	685	604	777	46-49	1%	↗	4%	↗
GHANA	1,670	949	820	718	898	46-48	-1%	↘	-17%	↘
BURKINA FASO	1,600	-	677	630	734	44-48	1%	↗	-	-
CÔTE D'IVOIRE	1,176	618	643	647		48	1%	↗	4%	↗
GAMBIA	-	-	-	1,123		50-52	-	-	-	-

RCN export Cfr prices in AFRICA in USD per MT

COUNTRY	1 year ago	Calendar week 11 (11 – 17 March 2019)		
		US\$ per ton	Outturn in lbs	Remark
NIGERIA	2,050	1,150	47-50	Traded
BENIN	1,850	1,350	46-49	Offered
GHANA	2,100	1,400	48+	Traded
CÔTE D'IVOIRE	2,100	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 11 (11 – 17 March 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%	↘
Prices ranges traded in:									
NIGERIA				3.45					
BENIN				3.30					
GHANA				3.35		3.40			
COTE D'IVOIRE				3.35					

Country Reports

Nigeria

The reported farm gate price ranges between 205 – 250 NGN per kg (USD 570 – 700 per ton) in calendar week 11. Average quality is reported at 48lbs. The lower end of the range is documented in Central-Eastern Nigeria, while crops from the Western part are offered at a higher price.

Cfr export price for RCN 47-48 is offered in week 11 at US\$1,150.

Reports believe that as the market remains slow, the RCN price may continue to decrease at farm gate level.

W320 FOB export price is quoted this week at USD 3.45 per lb.

Benin

Reporters from sector associations estimate the 2019 crop at about 140,000 MT. However, this week traders report observations of trees unexpectedly dropping their flowers, their reports state producers are concerned if this persists the crop estimate could be smaller. The official minimum farm gate price is set at 400 CFA per kg, with some reports stating the minimum is observed, but buyers are reluctant to pay more than the minimum. However, traders report 350-450 CFA per kg (USD 600-780 per ton) at farm gate.

RCN quality is reported to vary between 45 to 51lbs, with RCN from central regions demonstrating the best quality at an average of 49lbs.

First truckloads have arrived in Cotonou, however large buyers remain absent. Cfr export price for RCN 46-49 is offered in this week at US\$1,350.

This week, one buyer reports an unconfirmed trade of Benin origin WW320 at USD 3.30 per lb. FOB.

Ghana

A first 2019 crop estimate of 80,000 tons has been reported by traders. This would be a 27% decrease compared to last year's official 2018 crop estimate of 110,000 tons. This week's RCN farm gate price range remains at 4.0 – 5.0 GHC per kg (USD 720 – 900 per ton). Base prices in the Techiman area are reported at GHS4.00 per kg and GHS4.50 per kg in Sampa. Reports of lower outturn in some areas are a cause for concern with unusually low outturn levels reported. Some as low as 46-47. This is being attributed by buyers to rains since February, with poor post-harvest handling accentuating the issue.

It has been reported in this week that 48+ lbs. RCN are as last week offered at USD 1400 per ton Cfr.

Cashew kernels WW320 are this week in the range of USD 3.35 – 3.40 per lb with little trade reported.

Ghana remains one of the most lightly regulated cashew sectors in Africa. The Government is currently reviewing a cashew policy.

Cote D'Ivoire

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

There are unconfirmed reports of producers looking for sales even below the minimum price. This may be the last volumes of old crop material, lower quality or inferior material. However, it seems clear that there is a shortage of finance in the sector and farmers are concerned as last year so much product went unsold.

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

WW320 FOB export is traded this week at USD 3.35 per lb.

Gambia

The season is yet to start. It is reported that it is difficult to estimate the 2019 crop size. There have been observations of high harmattan activity. 2019 crop is expected to come in by early April. First samples report quality expected to be slightly below the normal outturn (50-52 lbs.).

Few early crops are being bought by local processors at very high farm gate prices of about USD 1150 per ton. These prices will most likely not be sustained.

Senegal

The season is yet to start and is expected to come in late April. Cross-border trade of RCN by road remains closed. Reports state there remains in the region logistical uncertainty for 2019 crop.



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](#)

