



AfriCashewSplits

The source of the latest crop and price information

Week 24: June 10 – 16, 2019 – N°19

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The International Cashew Market

The international markets have been relatively stable in the past week WW320 US\$3.25-3.40 per lb FOB. Kernels buyers remain quiet for now but are likely to return to the market in the next four-six weeks to take their next tranche of cover. Demand forecasts for the year remain optimistic with improved demand in Europe and expectations of an improvement in the USA and India. This is reflected in Vietnam's export of cashew kernels which are 5.5% ahead of the same time last year.

During May 2019 and the first half of June 2019, Vietnam has caught up on and surpassed 2018 import levels. By the end of May imports were up 23% on 2018 and in the first half of June imports were up 61% on last year. Indian imports remain well behind 2018 due to a lack of Tanzanian import. By mid-June 2019, Vietnam has imported about half the required RCN for the 2019/20 season but India still has much buying to do. India may well be focussed on Guinea Bissau and Senegal as sources which will increase the import figures from the end of June onwards. With heavy arrivals in Vietnam and many contracts above today's market, RCN traders will be anxious not to disturb the market; so reports of higher kernels prices trading should be treated with caution.

There is still much trading to be done in 2019 but the overall balance of supply and demand is beginning to become visible. It seems that the remaining inventories in West Africa will be needed for processing. There may be some inventory left in Nigeria and Cote D'Ivoire which will compete for orders from Vietnam for lower outturn material. The Tanzanian material from the 2018/2019 crop remains in warehouses with the authorities interested to sell but not at current prices. That 250,000 tonnes of relatively good quality material should be needed but buyers may be hoping that pressure to sell mounts as the new crop approaches only 100 – 160 days from now.

Given the fact that 1. cashew kernels prices have been stable for weeks now; 2. that RCN import is not far behind the levels of 2018; and 3. that most of it will be needed for processing as the year goes on, we must ask the question as to how farm gate prices have traded for most of the year well below the equivalent international RCN or kernels traded prices. Is it the structure of the market? the lack of holding power among farmer? poor infrastructure? or poor regulation? It is difficult to know but 2019 has marked a return to what we thought was in the past when the farm gate market price did not reflect the real market value. Ironically it seems that regulatory action which was put in place to protect farm gate prices may well have had the opposite effect in a declining market.

The coming week is unlikely to see many major changes in the market. Prices for RCN should begin to increase gently as the availability tightens toward the end of the season. Countries holding large inventories in interior or port warehouses may not see this as buyers continue their focus on higher quality origins. On kernels, heavy RCN arrivals into Vietnam should end the tight supply position for prompt shipments on wholes and could weaken broken kernels prices further.

ACA Editorial

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 24 (10 – 16 June 2019)			This week vs last week		This week vs last month	
				Reported range		Outturn in lbs.	Variation	Trend	Variation	Trend
NIGERIA	737	348	349	279	419	38-43	0%	→	0%	↗
TOGO	-	-	-	556	769	43-48	100%	↗	100%	↗
GHANA	957	438	514	371		45-49	-177%	↘	-136%	↘
MALI	514	383	362	256	470	40-46	0%	↗	-5%	↘
GUINEA Conakry	-	-	465	383	549	38-48	0%	↗	100%	↗
SENEGAL	1,169	660	936	855	1,026	49-52	0%	↗	30%	↗

RCN CFR export prices offered in AFRICA in USD per MT			
COUNTRY	1 year ago	Calendar week 24 (10 – 16 June 2019)	
		US\$ per ton	Outturn in lbs.
NIGERIA	1,350	800 – 900	46-48
GHANA	1,800	850 – 950	45-48
CÔTE D'IVOIRE	1,850	1000 – 1,050	47-48
SENEGAL		1250-1350	51+
GAMBIA		1,375	51

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 24 (10 – 16 June 2019)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	4.55	3.40	3.30	3.25	3.35	0%	→	-3%	↘
INDIA	4.55	3.55	3.50	3.40	3.55	-1%	↘	-2%	↘
Prices ranges offered in:									
NIGERIA				3.30					
GHANA				3.50 – 3.60					
CÔTE D'IVOIRE				3.30					
MALI (Domestic)				3.50					
SENEGAL (Domestic only)				3.03-3.09					

Country Reports

Nigeria

In calendar week 24 the reported farm gate price lies between 100 – 150 NGN per kg (USD 279 – 419 per ton) depending on location. RCN quality is reported to be 38-34 lbs. Currently, the season is ending over in Nigeria, RCN is available at farmers and buyers storehouses, as well as in Lagos warehouse.

Cfr export price for RCN 46-48 is offered in week 24 at USD 800 – 900 per ton.

Amount of RCN purchased by local processors is reported to 60,000 tons from a crop estimated at between 220,000 and 270,000 tonnes. We hope to have more specific figures from NCAN next week.

It has been reported in this week that WW320 kernels is traded at USD 3.30 per lb.

Togo

Crop estimates for 2019 are reported to be in a range of 20,000-21,000 tons. The crop size is forecast to grow in the coming years as new trees come to maturity given good growing conditions. In calendar week 24, farm gate price ranges between 325-450 FCFA per kg (USD 556-769 per ton).

So far, local processors are reported to have purchased about 4000-7000 tons of RCN at 250 FCA per kg up until May 2019.

Ghana

The market in Ghana this week remained generally quiet. Average farm gate price is in this week at 2 GHC per kg (USD 371 per ton). The current range of outturn is reported as variable between 45-48 lbs. same as last week.

Total RCN export since the start of the season is reported to be 207,000 Mt. The export figure includes nuts from neighboring countries exported in transit through Ghana.

Mali

This week reports the same farm gate price as last week of 150-275 CFA per kg (USD 256-470 per ton). The average outturn remains reported at 40 – 46 lbs. Currently, traders have started sorting and drying to obtain quality nuts.

It is estimated that a total of 101 000 tons of RCN have been exported since the onset of the season which may include product transited through Mali for export. This week's exports are the stocks purchased on the eve of Eid celebration. There are practically no more stocks at the producers and traders levels. Traders also took advantage of the scarcity of stocks to sell the last available stocks to exporters from Burkina Faso, Ghana, Ivory Coast and India.

Local processors are reported to have purchased 800 tons RCN so far.

Guinea Conakry

In calendar week 24, farm gate price lies between 3,500-5,000 GNF per kg (USD 383-549 per ton) with an outturn of 38-48 lbs. A total of 20, 350 tons have been exported and a 178 tons purchased by local processors. At warehouses, RCN is sold at 5,500-6,000 GNF per kg (USD 588 – 642 per ton).

Senegal

This week, production estimates are again reported to be at 50,000 – 60,000 tons as the season gradually comes to an end. Farm gate price ranges between 500-600 CFA per kg (USD 855 – 1,026 per ton) with an outturn of 49-52 lbs.

To date, 13,023 tons of RCN have been exported to Dakar via the commercial port of Ziguinchor and 22 000 tons has been purchased by local traders since the start of season. The approach of the rainy season is increasing the pressure on producers to deliver their production. To this end, more than 2000 tons of nuts were mobilized this week.

Furthermore, this week was marked by very intense RCN sales operations coming from both Guinea and Senegal. A quality stock of 53 lbs was noted to have been bought in Guinea Bissau. However, for Senegal, it still remains between 49 and 52 lbs.

Total RCN bought by local processors is said to be 33 t.

RCN FOB this week is traded at USD 1, 200 per ton FOB and WW320 kernels are reported to have been traded at USD 3.03 – 3.08 per lb.



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](#)

