



AfriCashewSplits

The source of the latest crop and price information

Week 29: July 15 – 21, 2019 – N°24
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The International Cashew Market

The cashew market has not been very active in the past week. July is often a quiet month and 2019 has proved no exception. In the broad picture India and Vietnam are now well supplied with RCN. Vietnam has been running ahead of last year throughout, but India has now caught up. There remain significant balances unsold in West Africa and in Tanzania. If demand continues, they will probably be needed, but the bridge period between current crop in West Africa and new crop in East Africa will be the crucial period. Not surprisingly there is now some strong efforts to support cashew kernel prices as the balance for processors has now swung toward the long side with most purchasing done. The range of prices remains wide with WW320 \$3.15-3.40 per lb FOB depending on shipment position, processor and certification. The market feels as if the lowest prices for the season have already been seen, but demand recovery has been modest reducing the chances of a tight supply position between July and new crop in the Southern hemisphere from October.

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 29 (15 – 21 July 2019)		This week vs last week		This week vs last month	
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend
SENEGAL	710	955	728	594 679	49-52	-14%	↘	-50%	↘

RCN CFR export prices offered in AFRICA in USD per MT

COUNTRY	1 year ago	Calendar week 29 (15 – 21 July 2019)	
		US\$ per ton	Outturn in lbs.
SENEGAL	NQ	1,250	52

Worldwide WW320 export FOB prices in USD per lb.

COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 29 (15 – 21 July 2019)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	4.55	3.30	3.25	3.10 3.35		-1%	↘	-2%	↘
INDIA	4.50	3.48	3.48	3.40 3.55		0%	→	0%	→

Prices ranges offered in:

SENEGAL (Domestic only)	3.03-3.09
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Country Reports

Senegal

In week 29 it is reported that the farm gate price ranges between 350-400 CFA per kg (USD 594 – 679 per ton) with an average outturn of 49-52 lbs. The amount of RCN purchased so far is reported to have reached 50,000 tons.

It is reported that about 50 tons have been bought by local processors. It is furthermore stated that some processors also process unspecified volumes from their own production.

RCN Cfr export price is around 1,250 for 52 lbs. The quantity of nuts exported to date is reported at 32,000 tons. However, 4,250 tons are being loaded at the port and will be exported from next week. Furthermore, it has been observed that there have been delays in exporting. WW320 kernels are reported to be offered for domestic purchase between USD 3.03 – 3.09 per lb.

Gambia

For calendar week 29 it is reported that expected rainfall is very delayed. It is reported that the 3rd crop wave will start once the rain comes in. The local ex warehouse prices are reported to be between 46-49 GMD per kg (USD 967-1,030 per ton) for 47-48 lbs. It is observed that most Gambian shippers have stopped buying and that the cargo is nearly finished. About 20,000 tons have been exported.

Season Recap

Burkina Faso

For 2019 some official sources focusing on trade and commerce quote a production volume of 100,000 tons, however other government sources rather report 80,000 tons, pointing out the 100,000 tons could include transit crops. A reported 100,002 ha are planted with cashew trees. On the production level it has been observed that most smallholders do not follow the recommended planting distances leading to low yield production systems delivering 250-300 kg per ha. There is therefore a contradiction in the reports on production, which ACA is discussing with actors to bring a logical finding.

At farm gate retail level, it is reported that in the 2019 season price were perceived as volatile. Regulatory efforts were made for the 2018/2019 season by fixing a guaranteed minimum producer price of 640 CFA per kg. Subsequently an influx of transit trade from Ivory Coast was observed, where the Ivorian cashew regulatory agency (CCA) had set the minimum price at 350 CFA per kg. The 640 CFA per kg minimum price for Burkinabe producers was not sustained and by March 2019 the market price dropped as low as 375 CFA per kg. It has been pointed out that when the price of the raw nut is higher in neighboring countries, Burkinabe RCN is rather sold to neighboring markets to the disadvantage of local processing units.

Reports state that 90% of the RCN production is exported, while about 10% are processed locally. It is estimated that in 2019 there are eighteen (18) processing units made up of limited liability companies (SARL), economic interest groupings (GIE), cooperatives, associations and producer unions. It is reported that cumulatively 14 out of the 18 processing units have an installed capacity capable of producing in total 13,874 tons of white kernels.

In terms of cashew sector regulation the past season brought forth the creation of a Burkinabe cashew regulatory body, the Burkinabè Council of Cashew (CBA). Various decrees have been announced at the ministerial council, however they are pending signature.

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](#)

