



AfriCashewSplits

The source of the latest crop and price information

Week 36: September 1 – 7, 2019 – N°26

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The International Cashew Market

The cashew kernels market showed some trade activity in the past week. This was mainly middle-sized buyers from a range of countries covering their short-term needs. The large buyers that dominate markets in Europe and North America were not active as they are already well covered for this year. WW320 prices have moved up. Trading, from smaller processors, is around US\$3.25 per lb FOB origin and from large processors with certification at US\$3.35-3.40 per lb FOB. There is not much selling pressure from top processors who are well sold. There is not much buying pressure. It seems unlikely that the buying spree predicted by some brokers and traders in September will happen. Prices for broken grades have not moved, which is not good news for processors. Large Pieces are still below US\$1.50 per lb FOB and Fancy Splits are just over US\$2.00 per lb FOB.

We now enter the high consumption season for cashew kernels in India, Europe and North America. Demand in India has been good and will remain busy as the Diwali festival approaches. European and North American demand is steady, but not showing any notable improvement. Most kernels needs for the final quarter were covered months ago.

The RCN focus is turning to East Africa. The announcements in Tanzania last week of non-interference of government will be welcomed by processors who will be looking to buy the new crop from Tanzania at market prices. The old crop shipments to Vietnam have commenced, which will make space in warehouses and the national exchequer for the coming new crop. Crop forecasts in East Africa remain positive. Indonesia has started to offer new crop material this week. Prices offered range from US\$1,600-1,700 per tonne Cfr for 53/54 lbs outturn. This material is likely to be bought mainly by Indian processors.

Shipments of RCN from Guinea Bissau continue. Other West African countries offer lower outturn material at lower prices. Estimates are that about 230,000 tonnes remains unsold in West Africa. There is no pressing demand for this at present. Indian processors will hope to work off Guinea Bissau, Senegal and other arriving shipments before switching to Tanzanian and Indonesian new crop. Vietnamese processors are well covered with afloat material arriving and the Tanzanian old crop on the way.

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 36 (1 – 7 September 2019)		This week vs last week		This week vs last month	
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend
SENEGAL	NQ	640	588	505	Not specified	-17%	↘	-27%	↘

RCN CFR export prices offered in AFRICA in USD per MT

COUNTRY	1 year ago	Calendar week 36 (1 – 7 September 2019)	
		US\$ per ton	Outturn in lbs.
SENEGAL	NQ	1,250	52
GUINEA BISSAU	NQ	1,300	52/53

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 36 (1 – 7 September 2019)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	4.55	3.30	3.28	3.20	3.40	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					

Country Reports

Senegal

In week 36 it is reported that the farm gate price is at 300 CFA per kg (USD 505 per ton) without the quality specified. This could imply selling off of leftover crops. The average outturn at the port warehouses is reported at 49-52 lbs. Based on recorded weight at the port, the export volume is estimated to be 52,940 tons. Of this the quantity of raw nuts exported through the port of Ziguinchor is reported at 52,581 tons. There are observations that the volume of crop coming into the country from Guinea Bissau is between 25,000 to 30,000 tons.

It is reported that about 107 tons have been purchased by local processors.

RCN Cfr export price is around \$1,250 per tonne for 52 lbs. WW320 kernels are reported to be offered for domestic purchase between USD 3.03 – 3.09 per lb.

Overall, the cashew nut marketing campaign was successful compared to last year in terms of export volumes (32,000 tons in 2018 and more than 52,000 tons in 2019). although the price-quality ratio did not meet expectations given that Senegal has very good quality nuts.

Guinea Bissau

It is reported that 186,000 tons of RCN have been declared for export, with approx. 160,000 tons already exported.

Tanzania

The Government announced that it will not interfere in the cashew market this year. There will be an indicative price, which will be announced in the coming week. The announcement says that farmers and cashew buyers will be allowed to conduct business directly with the Government reverting to a facilitation/regulatory role. However, until full details are announced it is not clear how the market will operate. An official statement is expected in the coming weeks. Buyers will have to mobilize funding and supply chain networks at fairly short notice. The news will be positively greeted by the few remaining Tanzanian cashew processors. It will also encourage investment in new processing plants.

Meantime shipments of old crop material to Vietnam have commenced. This will relieve the strain on national finances and free warehouse space for new crop. Forecasts for the new crop remain good. There was some disruption to the supply of all-important pest control inputs, but forecasters remain positive for another good 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](#)

NEWSFLASH

Do you have access to cashew market information? Would you like to see it reflected in ACA's market reports? Then do not hesitate and contact us at aca@africancashewalliance.com.

By the way – great news! We will be hosting a **Market Intelligence Systems (MIS) workshop** at the upcoming ACA Annual Cashew Conference in Tanzania from November 7-9! This workshop will explore the importance of market intelligence for the cashew industry and how to equip yourself with the right skills to identify and validate market information. Spots are limited, so if you want to be a part of this workshop please sign up by sending an email to: aca@africancashewalliance.com

