



AfriCashewSplits

The source of the latest crop and price information

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The International Cashew Market

The international cashew kernels market was firm in the past week. Traded volumes were low, but processors marked up prices and traders talked the market higher. WW320 offered prices for top processors remain in the \$3.35-3.45 per lb range but medium processors (lower levels of certification/reliability) sold at US\$3.25 per lb FOB. The talk of a firmer market may be related more to efforts to sell RCN than to the current demand for cashew kernels.

Tanzanian RCN is now available from resellers in the market with offered prices in the range of US\$1500 per tonne Cfr for unknown quality. It seems unlikely that 2018 crop Tanzanian material will be as high quality as the new crop, which is only a few weeks away now. The price therefore looks like a high price especially in view of significant unsold balances held in Cote D'Ivoire and Nigeria by traders hoping for an increase in prices. In India, RCN from Benin, Guinea Bissau and other origins are available in limited volumes at a price range from \$1,200 - \$1,500 per tonne depending on the outturn. Indonesian new crop material is now also available and is offered at prices in the range of US\$1,605 - 1,700 per tonne Cfr.

Vietnam has already imported more RCN in 8.5 months of 2019 than it did in the entire year of 2018. Given that opening stocks of RCN were high in January and that there are scheduled shipments from Tanzania of old crop RCN the likelihood of a shortage in Vietnam seems low. Although Vietnams export figures for cashew kernels are well up (15.8% over 2018), it is worth reminding ourselves that the unrecorded cross border trade with China has almost stopped in 2019, which increases official export figures. US imports are down by 5.48% so far in 2019 and that EU imports are slowing down just as they did in 2018.

India is in a tighter position. Imports of RCN were down by about 4% to the end of July. Demand in India for cashew kernels appears to be picking up as the Diwali festival approaches with domestic prices rising. India will need more RCN as the year progresses. We should bear in mind that most of the shipments now afloat or underway from Guinea Bissau will end up in India. Also, Indian buyers have come to the market later in 2019 than they did in 2018 taking a more cautious approach and probably sourcing at lower prices as a result so that by the end of September there should be a good indication of India's position.

In East Africa decision time is rapidly approaching for stakeholders and regulators. In Tanzania there will be interest to ensure that the 2019/20 marketing campaign is orderly by going back to the auction system and that prices are workable for farmers and exporters. The shipment of the old crop material already sold, and the sale of the balances is crucial to this objective. In both Mozambique and Tanzania, the stakeholders and regulators return to a market, which is much changed since last year. A year ago, on September 15th 2018, Tanzanian RCN was quoted at US\$1,800 per tonne Cfr where it peaked. It fell in each of the following weeks until the auction system stopped. Regulators in Tanzania and Mozambique face decisions on lower prices. They risk another difficult export season in Tanzania. In Mozambique, setting guide prices too high would damage the processing industry, which has had a difficult period in 2018 and 2019. Somehow a balance needs to be found.

ACA Editorial

The Cashew Market in Africa

RCN CFR export prices offered in AFRICA in USD per MT			
COUNTRY	1 year ago,	Calendar week 38 (15 – 21 September 2019)	
		US\$ per ton	Outturn in lbs.
SENEGAL	NQ	1,250	52
GUINEA BISSAU	NQ	1,500	52/53

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago,	1 month ago,	1 week ago,	Calendar week 38 (15 – 21 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	3.25	3.45	1%	↗	4%	↗
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

Mozambique

Stakeholders and the regulatory authorities have engaged in discussion on setting guide prices for the 2019/20 season. This is proving a difficult discussion as the market has changed a lot since the end of the last season. Mozambique processors had a tough season. Their raw material buying season saw the final weeks of the high market. Kernels prices fell throughout the season and demand for broken cashews was poor.

Tanzania

In a statement on Friday 20th September the Government advised buyers to register on the auction system. This year buyers are required to bid online, through an online platform running through the Tanzania Mercantile Exchange (TMX). Initial statements had suggested that the Government would not “interfere in the buying of cashews”, but Friday’s statements indicate that this only implied a return to an auction system. The official crop estimate for the coming seasons 300,000 tons is similar to the year before last. There are reports of vessels loading RCN for the Vietnamese buyer, T&T. There are also rumors in the market that the purchased 176,000 tonnes will not be shipped in full. There is no news on the balance of 2018 crop which appears not to have been sold as yet although news reports suggested that the entire stock has been sold, with a considerable volume going to newly established local processors.

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](#)

