



AfriCashewSplits

The source of the latest crop and price information

Week 4: January 25 – 31, 2021 – N°1

info@africancashewalliance.com

The International Cashew Market

The new season is upon us. It is hard to believe that a year has passed since a new virus emerged and people became concerned that the demand for cashew nuts would collapse, precipitating a sharp fall in prices from which the market has still not recovered. That collapse in demand did not happen. 2020 was a record year for cashew consumption. The major import markets like the US, the EU and China broke records for consumption throughout the year and finished on the up. Of the top ten importing countries, eight broke new import records. The World's largest consumer, India, looks likely, on latest data, to reach a similar RCN import figure to 2019.

Overall, despite some stocks of RCN remaining in West Africa the year ended with the lowest level of inventory since 2016. Supply for processing in January and February is tight and new crops are eagerly anticipated by processors. Prospects for demand in 2021 remain positive. Cashew kernels are attractively priced and the drivers of demand such as healthy eating and home consumption of snacks are likely to gather pace this year.

Crop forecasts are varied. The Tanzanian crop that was initially forecast to exceed 250,000 tonnes before being downgraded looks likely to come in around 220,000 tonnes. Mozambique's crop too was lower than the initial optimistic forecasts. From Vietnam official reports indicate an area of 297,000 hectares planted to cashew, slightly down on last year with a predicted crop of 360,000 tonnes again down on last year. This is likely to be offset by higher production in Cambodia, a rising star among producers, but where low prices may stunt growth in the coming years. There are some questions regarding the Indian crop particularly timing in some states – further news next week.

As you can read below, West African countries are reporting good growing conditions and forecasting good crops for 2020. Cote d'Ivoire will once again be the World's largest grower of cashew nuts. The official forecast is for a new record production at 900,000 tonnes. This would be a new world record for any single country surpassing India's bumper 2018 crop.

Based on current forecasts the supply/demand scenario for 2021 will remain tight. Cashew prices have started at low levels compared to the trend before 2020. Warehouses are not empty but are not overstocked either. A steady and balanced year is the most likely based on what we know today. This would suggest that kernels prices can move up as the year progresses and that RCN should remain steady but there is not much room for RCN price increases in the early part of the year.

Oh yes, the virus. It is still having a high impact on many countries. Europe is experiencing a strong third wave. The US health system is under pressure. The restrictions will continue to impact distribution and costs for importers and processors. If it stays at current levels and the vaccines take hold as the year progresses the impact on the sector should be no worse than last year and probably much less. Key cashew countries in West Africa and the key processor Vietnam have so far managed the pandemic well. If that were to change so would everything else. Stay safe, follow the advice, and eat cashews!

ACA Editorial

The Cashew Market in Africa

RCN farm gate price in AFRICA in USD per MT				
COUNTRY	1 year ago	Calendar week 4 (Jan 25 – 31, 2021)		
		Reported range		Outturn in lbs.
BENIN	357	370	416	47
GHANA	1,128	853	887	48-49
NIGERIA	604	729		48-49

RCN CFR export prices offered in USD per MT			
COUNTRY	1 year ago	Calendar week 4 (Jan 25 – 31, 2021)	
		US\$ per ton	Outturn in lbs.
TANZANIA	1,213	1500	50-52
GHANA	NQ	1400	49-50
Cote d'Ivoire	NQ	1275	48

Worldwide WW320 export FOB prices in USD per lb.			
COUNTRY	1 year ago	Calendar week 4 (Jan 25 – 31, 2021)	
		Range reported	
VIETNAM	3.24	2.80	3.05
INDIA	3.65	3.70	3.90
COTE D'IVOIRE	3.25	2.90	3.10

Country Reports

Benin

The preparatory session for setting the floor price took place 14 January 2021 in Cotonou at the Ministry of Industry and Trade and the official date of the opening of the campaign is scheduled for March 11, 2021. It is also planned during this meeting that the opening of the campaign will be made with a price of 275 F per kg.

At this advanced stage of flowering and with good weather conditions (harmattan) the outlook is favourable for the good production of cashews. A good quality crop is expected.

Processors have not yet begun buying at farm gate. However, the few local buyers who have started RCN pre-crop season are purchasing RCN from producers at prices between 200 CFA and 225 CFA per kg without testing the quality.

Côte d'Ivoire

Cote ' d'Ivoire has announced a farm gate price of CFA305/ kg for the new season. The market is quiet as traders have turned to other activities such as cereals and are preparing for the coming cashew season. Activity may pick up following the announcement. The flowering is widespread, and there are many fruits on the trees. Some growers have started to collect from the trees, which confirms an early season. The official production estimate is 900 000 tonnes up 12.5% on 2020.

During the 2020 season it is reported that 715 000 tonnes of RCN were exported, and domestic processors bought 90 000 – 100 000 tonnes some of which may have been exported as RCN eventually. The overall crop estimate for 2020 is 800,000 tonnes

RCN export prices range between \$ 1000 to \$ 1050 USD per tonne FOB. Ivorian Cashew WW320 kernels are trading for between \$ 2.90 - \$ 3.10 USD per lb for conventional with organic making prices up to US\$3.85 per lb FOB.

Ghana

The RCN crop production for 2021 is forecast at 120 000 tonnes up slightly in 2020. It is reported that the crops are looking good and the weather is favourable for a good production for farmers who are expecting better yields this year.

RCN quality is reported between 48 – 49 lbs and farm gate prices between GHC 5.0 – 5.2 per kg.

RCN FOB price ranges \$1200 - \$1275 USD for outturn levels of 48 – 49 lbs while WW320 kernels FOB price ranges between \$3.00 - \$3.25 USD per lbs.

Nigeria

The production forecast of the year 2021 is estimated at 250 000 tonnes.

It is reported that RCN quality at this early stage of the season is good (48 – 49 lbs) because farmers are adopting good post-harvest practices. It is also reported that this quality is likely to reduce to 47 lbs in the next few weeks as is often seen.

The average farm gate price is reported at 280 Naira per kg.

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](#)

