



# AfriCashewSplits

*The source of the latest crop and price information*

**Week 27: July 1 - 5, 2024 – N° 4**

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## The International Cashew Market

The market was calmer in the past two weeks. Cashew kernels prices have settled around US\$ 3.35/lb FOB in Vietnam and US\$ 3.45/lb FOB in West Africa. There is a significant freight and quality advantage for West African cashew kernels. The closing of the gap from 30 cents per lb earlier this year to 10 cents per lb is surprising. It may change if buyers remain absent from the Vietnamese market as they have been for the past week. There has been some buying interest from African processors. The impact of the higher prices on demand remains to be seen. US and European buyers are rarely active at this time of year. The Indian market will not feel the impact until August or September. Buyer sentiment has changed, and a more cautious approach is likely for the rest of the year. Nonetheless good opportunities for African cashew processors are likely to be present during July-October.

News on production was mixed this week. On the positive side, the Cashew Association of Cambodia reported an increase of 100,000 tonnes or 13% in its crop estimate. That would make the 2024 crop the second largest in history. It is a strong indicator for a large 2025 crop. In Cote d'Ivoire, whilst the official estimate remains at 1 million tonnes, trade figures indicate that 1.1 million and possibly more is likely. Less positively, reports from Guinea Bissau indicate that the crop there may be lower than hoped for. ACA reporters in Guinea report that its crop is down but it is very difficult to be accurate at this stage. Overall, the positives and negatives together mean that the total estimate for the 2024 crop is not much changed. The key now lies with the outcome in India where there are a wide range of estimates depending on location in a country where cashew growing covers a huge area. Cashew kernels prices in India are very high prices only proportionately. They have only moved up by about half the change in the international market. Farm gate prices are high too.

The international RCN market has dropped slightly in the past two weeks. This is partly related to lower quality offers and partly to hesitancy among buyers following the resumption of the flow of RCN to Abidjan port for export. It is now reported that Ivorian exports can resume but the mechanism remains unclear. The situation in destination countries suggests that Vietnam has enough stocks for now but will experience a shortage in last July or August and that traders are holding inventories in India. Whether RCN buyers come back to the market strongly probably depends on new kernels orders.

We think that the outlook is for a steady market in the coming two weeks. A slight drop in kernels prices in Vietnam would not be surprising but it should not be a fundamental weakness. Indian RCN buyers and processors activity will be interesting. There seems to be a belief in India that the market will remain steady until October. The RCN buying window for that period will end in August. It could be an interesting two weeks to come but hopefully not too *"interesting"*.

RCN FG prices offered in USD per MT			
COUNTRY		Calendar week 27 (July 1 – 5, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D'IVOIRE		370-450	43-44
NIGERIA		-	43-45
BENIN		-	48
GUINEA BISSAU		980-1100	50

  

RCN Cfr prices offered in USD per MT			
COUNTRY		Calendar week 27 (July 1 – 5, 2024)	
		US\$ per ton	Outturn in lbs.
COTE D'IVOIRE		1350-1425	42-45
NIGERIA		1300 – 1400	43-50
GHANA		1600	48
GUINEA BISSAU		1750	51-53

Worldwide WW320 Exports FOB prices in USD per lb.									
COUNTRY	1 year ago,	1 month ago,	1 week ago,	Calendar week 27 (June 1 – 5, 2024)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	2.50	3.60	3.30	3.30	3.40	-		+10%	
INDIA	3.30	3.65	3.90	3.90	4.05	+2.5%		+5%	
COTE D'IVOIRE	2.70	3.60	3.40	3.30	3.45	-		+8%	

**Please note that markets are currently volatile – always check prices on the day**

## Country Reports

### Côte d'Ivoire

The cashew season in Cote d'Ivoire is ending. Stocks from production zones are arriving in the port following the partial lifting of the ban on export by the Ivorian government. The cashew season in Cote d'Ivoire is usually between January and July. The official crop estimates for 2024 is 1 million tons. In the previous edition of AfriCashewSplits, we estimated that production could be up to 1.1 million by the end of the season. Some trade statistics suggest it may exceed that number.

The rains continue in cashew producing areas as usual. The quality of the RCN tends to deteriorate as the season progresses. Generally, Ivorian raw cashew nuts (RCN) quality has been low this year and the quality may have been adversely affected by the suspension of exports due to a lack of suitable warehousing infrastructure.

Demand from exporters remains good, keeping RCN prices stable at the farm gate. Our reporters believe this is because some exporters have still not achieved their targets for the season and are buying at the same prices as earlier despite the lower quality. For most part of the season, RNC prices ranged between 225 – 350 FCFA/kg (373 – 579 USD/t) at the farmgate for outturn of 38 – 46 lbs.

The reason given for the temporary export ban was to support local processors. Processors are now reported to have covered their needs. Local factories are meanwhile processing and demand for all grades of Ivorian kernels remain steady on the international market. Cashew kernels prices for WW320 range from \$3.30 – 3.45 per lb FOB Abidjan.

## Guinea

Unfavourable weather conditions have affected production this year. There are no official estimates so far. Unofficial sources estimate production to be around 200,000 tons. These estimates are largely based on last year's raw cashew nuts (RCN) export of 260,000 tons to Asian markets. Actual production could be much lower. Our reporters are on the ground and much more reliable data will be available in the coming weeks as the season ends.

So far according to reports from customs and the interprofession, 120,000 to 180,000 tons of RCN have been exported while the only operational processing factory has purchased around 4,000 tons.

RCN quality has not been the best this year but has not fallen as much as in other parts of the region. Average outturn ranged between 43 – 45 lbs this year, dropping further to between 41 – 43 lbs in the last few weeks as the season draws to an end. Guinea's usual outturn ranges between 45 and 49 lbs.

This year, the government has not signed the marketing order setting the minimum farmgate price, so last year's price is in force. RCN prices have therefore ranged between 9,000 and 11,000 GNF/kg (1,040 – 1,270 USD/t) for outturn between 41 - 46 this season. On the international market, export prices (FOB) for Guinean RCN ranges between 1,300 – 1,350 USD/t.

## Guinea Bissau

Reports from Bissau indicate that the crop outlook may be a little more pessimistic than earlier believed as some traders suggest that a drop of 10-20% in production due to a sudden drop in arrivals over the past two weeks. The quality has also dropped to 50 lbs. It is difficult to know whether this is a trend or farmers holding stocks following the rise in prices of the previous weeks. Conversely domestic prices have fallen in response to the weaker international market.

## Benin

The season 2024 remains something of a puzzle in terms of actual production and the impact of the export ban. The ban was originally expected to be for the early part of the season to allow processors to buy. However, it remained throughout the season. Large volumes of RCN crossed into Togo and Nigeria. In the last weeks traders have been openly quoting "Benin origin shipped from Togo" at prices in the range \$1450-1465/t Cfr 46 lbs. It is also noticeable that goods shipped as Togo origin are being identified for sale in India as Benin origin. There has also been significant trade by road to Nigeria where exporters and processors have bought. It will take some time to assess the final outcome, but it appears that the season has not been a good one with lower farm gate prices and a lower than expected crop.

*Compiled by ACA staff with data provided by national reporters and international contributors. Opinions expressed are those of our contributors edited by the ACA team. We particularly acknowledge the contribution of Sekongo and Balde.*

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