

CASHEW MARKET BULLETIN



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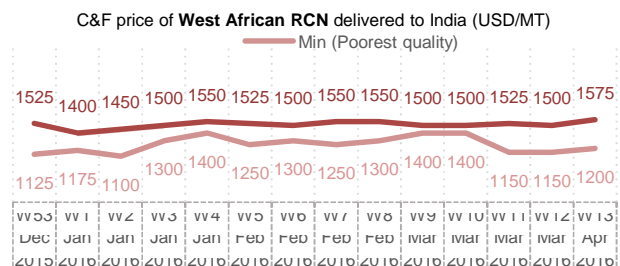
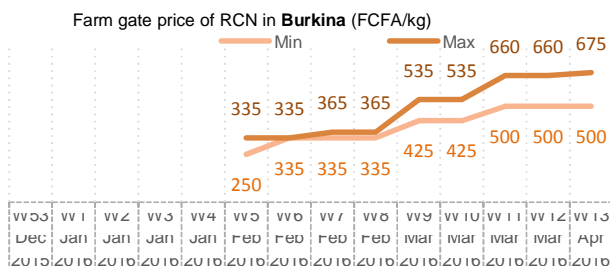
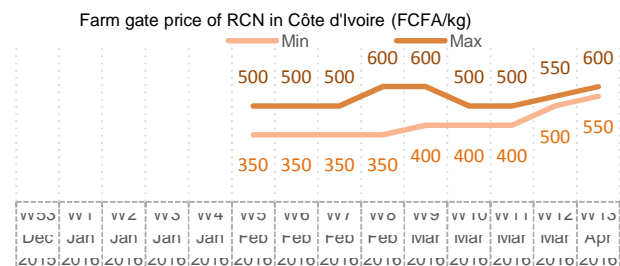
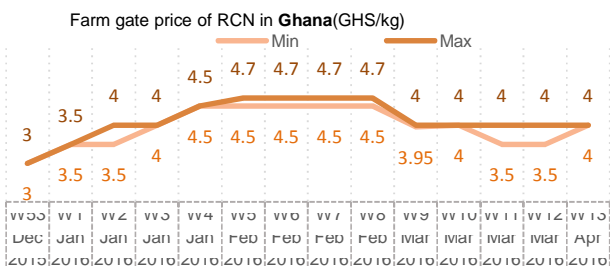
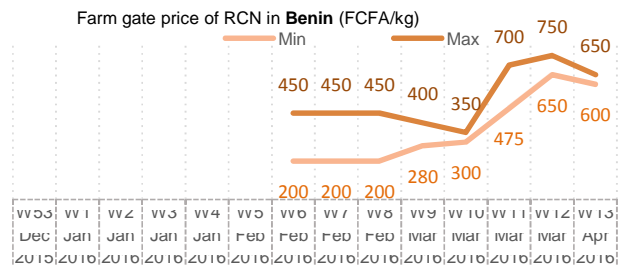
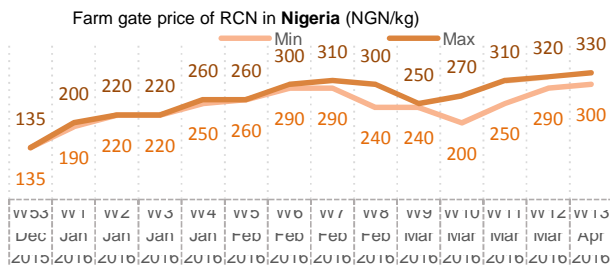
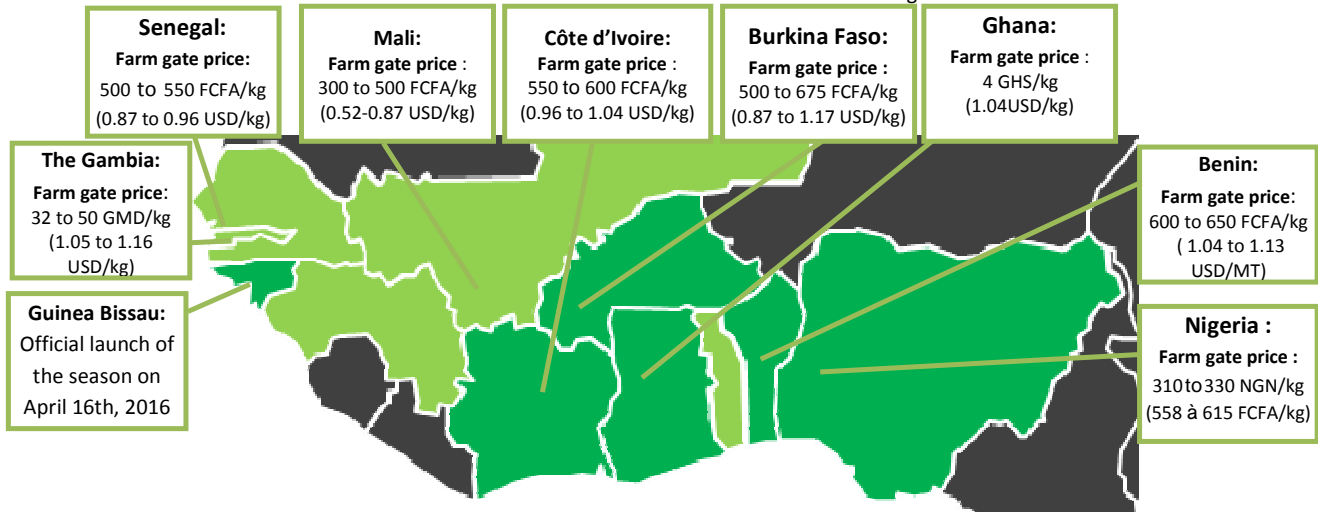
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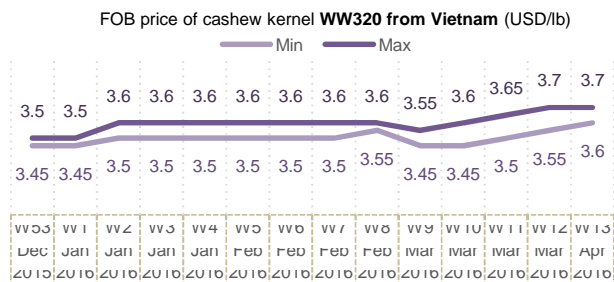
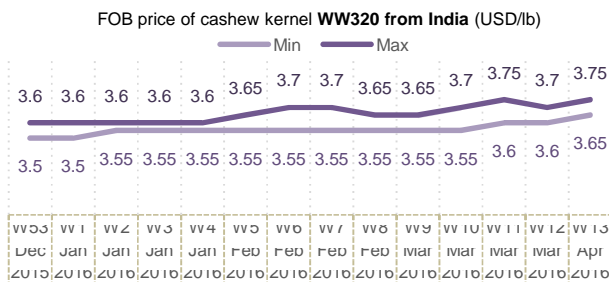
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The Cashew Market Flash

Current RCN Price from West African Cashew Producing Countries





The Cashew Market in West Africa

Nigeria

This week, the Naira exchange rate in the informal market is: 1 USD for 310 NGN against 1 USD for 199 NGN on the official market. Cashew farmers are still gathering nuts, while some cashew trees are full of flowers. Some rains are falling at the moment, but the quality of RCN is still good with an average outturn of 47-49lbs.

The market remains active with several foreign buyers on the ground buying at the farm level. In Kogi State, the raw cashew nut (RCN) farm gate price is between 300 and 310 NGN/kg (between 0.97 and 1.00 USD/kg), while the warehouse price is around 330 NGN/kg (1.06 USD/kg).

In Kwara and Oyo States, RCN farm gate price is between 320 and 330 NGN/kg (between 1.03 and 1.06 USD/kg), while the warehouse price is about 350 NGN/kg (1.13 USD/kg). Deliveries to Lagos from these states are being made at 365 NGN/kg (1.18 USD/kg) and above.

Traders are struggling to fulfill their commitments regarding the contracts signed with exporters. In fact, the price previously agreed is not possible due to the increase in price at the farm gate.

To deliver in Lagos, traders Kogi State require 350 NGN / kg (1.13 USD/kg), but some exporters insist on 330 NGN/kg (1.06 USD/kg), while others offer up to 365 NGN/kg (1.18 USD/kg). This is only for high quality nuts and has contributed to slow deliveries to Lagos.

Source: Market Analyst Azeez Ayodele and Mr. Alfred Makhuga Friday

Benin

The cashew campaign is still ongoing in Benin. Arrivals are low at the moment, though with a good nut quality of 46 - 48lbs RCN Outturn. Demand for RCN is very high, but the supply is very low. However, the highest prices, which were due to speculation of some traders, have disappeared and purchases are now being made at more realistic prices, compared to those on the international market.

This week, the RCN farm gate price is between 600 and 650 FCFA /kg (between 1.04 and 1.13 USD/kg), while the purchase price from traders varies between 700 and 725 FCFA/kg (between 1.22 and 1.26 USD/kg). The FOB price at the port of Cotonou is 750,000 FCFA/MT (around 1,300 USD/MT).

Source: Mr. Antoine DJOSSOU

Ghana

The cashew market in Ghana is quite stable. There has been no significant change in the market over the past week. Producers continue to maintain their plantations by applying good agricultural practices. The second phase of production is underway in all production areas, coupled by optimism from stakeholders expecting a better performance than the earlier campaign.

The RCN price at the producer level remains around 4 GHS/kg (1.04 USD/kg) in the localities of Brekum, Sawla and Bole.

Source: Market Analyst Cyril Alormene from MOFA

Burkina Faso

In Burkina Faso, the cashew market has intensified slightly in all production areas this week. Thus, in the Hauts-Basins, RCN farm gate prices this week have averaged 675 FCFA/kg (around 1.17 USD/kg). In the Cascades and the South West regions, the farm gate prices now range between 550 and 600 FCFA/kg (1.04 USD/kg), which is up to 25 FCFA/kg more than last week.

In the Central West, the farm-gate purchases are being made between 500 and 550 FCFA/kg (between 0.87 and 0.96 USD/kg). The purchase price from middlemen has now increased to 575 FCFA/kg (1.00 USD/kg).

In the city of Bobo Dioulasso, the warehouse price from traders has also increased slightly during the week and is now between 700 and 715 FCFA/kg (between 1.22 and 1.24 USD/kg). In general, the cashew market is characterized by an increasing demand compared to low supply for the meantime.

Source: Manéré OUEDRAOGO, analyste de marché N'Kalô

Cote d'Ivoire

In Côte d'Ivoire, the cashew market is still active, but has encountered a slight slowdown this week. Currently, with the end of the first disappointing harvest, both local and foreign buyers hope that the second batch of the production will be more important. They struggle to quickly purchase large stocks, but they are also confronted with a rapid increase in RCN farm gate prices compared to port prices.

The second phase of the flowering is ongoing and some buyers think they will find the opportunity to honor their commitments. However, the drought and high heat in the production areas could still affect this crop if rains do not come in April.

RCN farm gate prices are still increasing slightly and are approximately 550 FCFA/kg (0.96 USD/kg) even up to 600 FCFA/kg (1.04 USD/kg) for large quantities sold through group sales. The warehouse prices vary between 575 and 615 FCFA/kg (between 1.00 and 1.07 USD/kg) according to zones and buyers. Port prices are around 610 FCFA/kg for pre-financed purchases and between 620 and 630 FCFA/kg (between 1.08 and 1.10 USD/kg) for self-funded purchases.

Apart from the few big processors that are still active in the cashew market, small processors are virtually absent for the third consecutive year. This situation could undermine the government strategy which is to supply processing units at all levels.

Source: N'Kalô Market Analyst; Sékongo Soungari

Mali

In Mali, the cashew market is very intense and we are currently observing high prices and strong demand. RCN demand remains limited however the available quantity is assimilated by the transactions. RCN farm gate prices vary between 300 and 500 FCFA/kg (between 0.52 and 0.87 USD/kg) with a majority of trade in the higher range. Warehouse prices ranged between 550 and 625 FCFA/kg (between 0.96 and 1.09 USD/kg).

Available stocks are lower than the current demand. Thus the competition is becoming rude and prices high. The crops are still in full swing in producing areas. However, the quantities put on the market are still below buyers expectations.

The current price level compared to the previous campaign makes some actors hope for a sharp increase in prices, as foreign buyers and traders are increasingly active on the markets.

Source: N'Kalô Market Analyst; Ousmane N'DIAYE

Senegal

In Senegal, the cashew season is intensifying in the locality of Sokone. Nevertheless, in the localities of Casamance (region of Ziguinchor, Sédhiou and Kolda), the season has not yet started. In the locality of Sokone (region of Fatick), many exchanges have been observed on the market this week with good demand. RCN offers have significantly increased compared to last week thus many buyers have settled in the area. They are mostly of European origin (Germany, Italy, etc.)

and mainly rely on middlemen to satisfy their large orders. Only a few contracts have been signed this week between buyers and producers for small quantities between 500 and 550 FCFA/kg (between 0.87 and 0.96 USD/kg) farm gate were signed. Middlemen, as a precautionary measure in relation to the market situation, refuse to commit to large quantities for now. The farm gate prices remained stable this week between 500 and 550 FCFA/kg (between 0.87 and 0.96 USD/kg) in the weekly markets and within the villages.

In the southern region of Senegal (Ziguinchor, Sédhiou, Kolda), which is the largest producing area, the majority of nuts have almost matured. Some producers in the Kolda region have even started collecting small quantities that they then sell at 250 FCFA/kg (0.43 USD/kg) to resolve small expenses. The actual start of the season is expected in the second half of April. Some buyers are already present in this area to build their collection networks.

A climate of strong competition is emerging in Senegal as many buyers who have large export contracts already seek to honor those agreements and await the availability of products, as well as the launch of the campaign.

Source: N'Kalô Market Analyst; Cheikh Ousmane Loum

Gambia

In The Gambia, the cashew season is gaining momentum. Across the country, prices range between 45 and 50 GMD/kg (between 1.05 and 1.16 USD/kg). In the villages, the purchases are being made at 48 GMD per box of 1.5kg (0.74 USD/kg). Already, active exporters are many and the competition will be intense for access to first cashew stocks.

The market situation in the sub-region of Senegal, The Gambia and Guinea-Bissau should be marked this year by tensions between Senegal and Gambia, which led to the closure of the border between the two countries for the transport of goods for more than a month. If this situation continues, the port of Banjul should witness a drastic reduction of RCN flow passing through.

There are prospects for a very good cashew season (especially in The Gambia) given the increased production yields and the interest and enthusiasm shown by various actors (especially farmers and traders) this year. Actors are hoping that there is less interference in the free movement of goods and services and a supportive policy environment in the sub region.

Source: Cashew Alliance of Gambia, Alpha Jallow

The Cashew Market in East Africa

Kenya

The cashew season is coming to an end in Kenya. However, demand remains strong while the supply of RCN decreases. Most producers expect the rainy season to likely intensify in the second half of April. Some producers have already started preparing their farms for other crops.

This week the RCN farm gate price is between 50 and 65 KES/kg (between 0.5 and 0.64 USD/kg), while the warehouse price is at 70 KES/kg (0.69 USD/kg).

Source: Ustadi Foundation, Noel Kasololo

The International Cashew Market

The tax on the import of RCN in India has been maintained and it is now clear that the exemptions for processors who re-export will not be systematically eased. Knowing the final conditions, many Indian processors have started to look for import contracts for RCN but the current price with the added tax is making imports unprofitable so very few new contracts have been signed.

The crop is in full swing in India, but many processors are now refusing to sign new export contracts for cashew kernels and some are even facing problems in fulfilling the contracts that have been already signed. Despite

limited availability, cashew kernel importers from Western countries also remain very cautious due to the decrease in prices of competing cashew products. They do not want to risk buying at high prices. The market is very tight, currently facing limited inventory and both upward downward pressure.

International quotations in India/Vietnam

<i>Cashew Kernel FOB Asia</i>			
Description	Grade	Prix USD/lb	Recent Changes
Whole white 240 Kernels/lb	WW240	3.8 – 4	Slight Increase
Whole white 320 Kernels/lb	WW320	3.6 – 3.75	Slight Increase
Splits	FS/WS	3.25-3.4	Slight Increase
Broken	LWP/LP	3.05 - 3.3	Slight Increase

<i>Raw Cashew Nut (RCN) CFR Asia</i>			
Origin (Availability)	Outturn	Price USD/MT	Recent Changes
Nigeria (April)	47-48	1,200-1,300	Stable
Benin (April)	49-50	1,350-1,450	Slight Decrease
Ghana (N/O)	48-50	1,350-1,450	Stable
Côte d'Ivoire (April)	48-49	1,350-1,450	Stable
Senegal/Gambia (May)	50-52	1,550-1,650	New Offer

Currency

Exchange Rate: 1 USD=			This Week	Last Week	Exchange Rate: 1 USD=			This Week	Last Week
West Africa	Franc CFA	XOF	575	585	East Africa	Tanzanian Shilling	TZS	2185	2185
	Nigerian Naira	NGN	200	200		Kenyan Shilling	KES	101	101
	Ghanaian Cedi	GHS	3.85	3.85		Mozambican Metical	MZN	52	52
	Gambian Dalasi	GMD	43	43	Asia	Indian Rupee	INR	66	66
	Franc Guinéén	GNF	7600	7600		Vietnam Dong	VND	22300	22300

The Analysts' Opinion

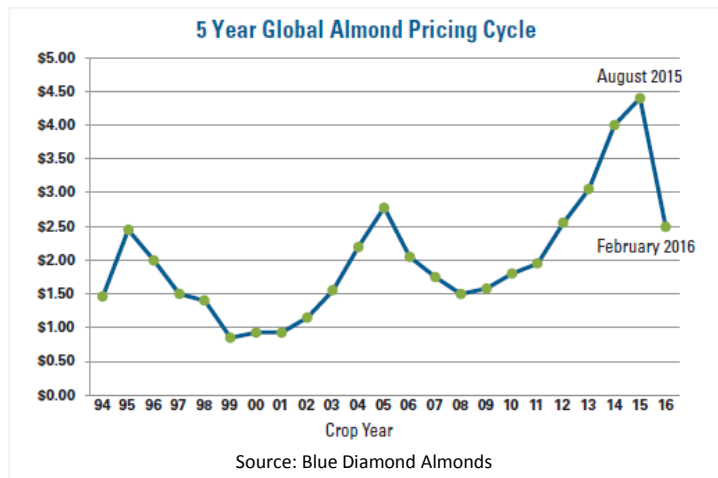
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(Please note that all views expressed in the "The Analysts' Opinion" section do not necessarily reflect the view of the African Cashew Alliance)

The international market for cashew remains in a very uncertain situation with high tensions.

On one hand, the late harvest in most production areas of the Northern hemisphere has greatly reduced availability of raw material in the short term, which limits the number of active processing plants and therefore the supply of kernel. This explains the high prices for both cashew kernel and RCN. In addition there are concerns about the impact of this delay, so buyers remain under pressure fearing that the crop volume and quality reduces.

On the other hand, as shown on the graph, the price of the California almond (*Prunus dulcis*), the main competitor product of cashew nuts, dropped further in March. This product is now significantly cheaper than cashew kernels and other nuts, including hazelnuts and walnuts. Currently, the California almond is traded between 2.2 and 2.6 USD/lb FOB from US ports according to the grade. Therefore, there is a difference with California Almond price of more than 1.00 USD/lb compared to the cashew kernel price. It may prompt many users and distributors to promote consumption of California Almond.



In a context of declining global Economy growth and widespread fluctuation in commodity prices, this situation clearly does not encourage cashew importers to accept higher prices than those currently proposed. The cashew market trends by the end of April and beginning of May are very uncertain, but a further increase in prices seems unlikely, though a decrease in prices is possible.

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