



AfriCashewSplits

The source of the latest crop and price information

Week 27: June 29 – July 5, 2020 – N°12

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The International Cashew Market

The international cashew market remains quiet this week. Smaller processors offering low kernels prices for prompt shipment are generally ignored. Better processors are finding some buying interest if they are prepared to offer forward. Some speculators are offering discounted prices for next year at prices which the buyers find hard to refuse and even harder to believe. Pandemic or not, selling at 10 year price lows below cost and replacement is difficult to justify.

There is some concern now that the RCN stocks in Vietnam will not be enough to go beyond August whilst the earliest possible shipments would only arrive in September. This was originally pointed out at the ACA iforum as far back as June 10th which is available on our website. It is unlikely that the market will turn in July which is usually a quiet trading month, but August could be interesting.

Buying interest for RCN is noted from both India and Vietnam. Buyers and sellers are still not getting together on price. Meantime the quality of the remaining RCN is declining but prices are not. As outlined by the ACA reporter below, the Ivorian government has taken action to compensate farmers during the pandemic. Traded volumes of RCN are reduced all round West Africa. Indian and Vietnamese processors have been working from their own crops and earlier imports. Widespread default of contract has been a feature of the RCN market this year again as prices fall.

Kernels demand has been good. It has calmed somewhat as shipments return to more normal levels for the time of year. Key markets in Europe and North America remain healthy whilst the largest market, India is buoyant for wholes but slow for broken cashews. The impact of localized lockdowns in India remains to be seen.

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 27 (June 29 – July 5, 2020)			This week vs last week		This week vs last month	
				Reported range		Outturn in lbs.	Variation	Trend	Variation	Trend
NIGERIA	350	326	638	521	547	40-44	-20%	↘	39%	↗
BENIN	477	615	637	616	642	43-45	-1%	↘	2%	↗
GHANA	417	658	374	351	526	45-46	15%	↗	-50%	↘
BURKINA FASO	686	537	491	428	557	40-43	0%	↗	-9%	↘
COTE D'IVOIRE	998	508	512	342	685	40-46	0%	↗	1%	↗

* Cote d' Ivoire has announced a minimum farm gate price of 400 fCFA per kg (690 USD per ton).

RCN CFR export prices offered in USD per MT			
COUNTRY	1 year ago,	Calendar week 27 (June 29 – July 5, 2020)	
		USD per ton	Outturn in lbs.
BENIN	1,100	850-900	43-45
GHANA	900	960-1000	44-46
COTE D'IVOIRE	1,025	950-950	40-46
NIGERIA	850	750-800	40-44

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 27 (June 29 – July 5, 2020)		This week vs last month		This week vs last year	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	3.25	3.07	3	2.85	3.15	0%	→	-2%	↘
INDIA	3.44	3.35	3.35	3.30	3.40	0%	→	0%	→

Country Reports

Burkina Faso

RCN producers who are producers of other crops are currently focused on the production of staple crops as the cashew season has ended for most. Some are holding RCN to sell as and when they need to.

Traders are getting ready for the shea crop. Most of the cashew nut transactions carried out concern stocks that some traders had paid quite a lot for and could not sell earlier at a profit.

Farm gate prices of the week range between 250 – 325 F CFA per kg for 44-45 lb.

The processing activity continues despite the restrictions due to COVID-19. Most of the processing factories are in full operation. The stable kernel market is trending down with WW320 prices trading in the range of \$ 2.8 - 3.15 USD per lb. Prices for broken kernels especially LWP, are in the range of \$ 1.3 – 1.5 USD per lb.

Benin

The last stocks of RCN are being sold. International trade of raw cashew nuts is falling, and prices are also declining in the field and at the port. RCN quality is declining (43 – 45 lbs) with the arrival of the first rains particularly the second crop nuts that are in the market. Obviously buyers are looking for better outturns. However, some producers and collectors are selling the first crop nuts they had stored. Around 114,318 tonnes of RCN is already weighed for export.

Local processors are reported to have bought 7 500 tonnes of RCN since start of the season. Farm gate prices range between 360 – 375 F CFA depending on the locations and the stocks.

RCN FOB price ranges between \$ 850 – 900 USD per tonne and CFI ranges between \$ 870 – 920 USD both for outturn levels of 43 – 45 lbs.

Côte d'Ivoire

The Ivorian government's decision to secure for all producers the minimum price of 400 FCFA/kg through a subsidy of 35 billion CFA Francs (US\$60 million) to mitigate the economic impact of COVID 19 on the cashew sector was

launched this week. As a result, approvals for the purchase of raw cashew nuts have been withdrawn from the majority of active buyers.

Only buyers working under the supervision of a processor or exporter member of GIE-GEPPA who have been approved to receive and manage the subsidy (and to respect the minimum prices) are authorized to continue purchasing at a price of 400 FCFA/kg on the field. This decision announced last week began to be applied in the field this week. This decision is not appreciated by the buyers whose approvals have been withdrawn, and these buyers expressed their dissatisfaction last week, particularly in the east of the country in Zanzan. In the field the application is not yet effective but producers who hold stocks have stopped selling them while waiting for the application of the 400 FCFA/kg. This is causing a slight freeze on purchases in some production areas. However, producers with urgent needs are releasing their RCN between 200 and 250 FCFA/kg. The rainy season is very intense at the moment and causes flooding in some areas.

Reports state that 300 000 tonnes of RCN have been exported since start of the season while local processors have bought 54 000 tonnes.

RCN FOB prices range between \$ 900 – 950 USD per tonne.

Ghana

The cashew marketing season continues but the quality is falling though the majority of stocks have been purchased from farmers. This week, RCN average outturn is reported to be between KOR 45 – 46 lbs. These outturns are reported to be impacted by downpour of heavy rains in the production areas. The prices are stable for the mean time and are in the range of GHC 2.0 – 3.0 (\$ 0.35 – 0.52 USD) per kg. Warehouse prices also remain between GHC 3.5 and 4.0 (\$ 0.6 – 0.7 USD) per kg.

RCN FOB export is offered between \$ 960 – 1000 USD 46 – 48 per lb.

FOB for locally processed WW320 range between \$ 3.00 – 3.25 per lb.

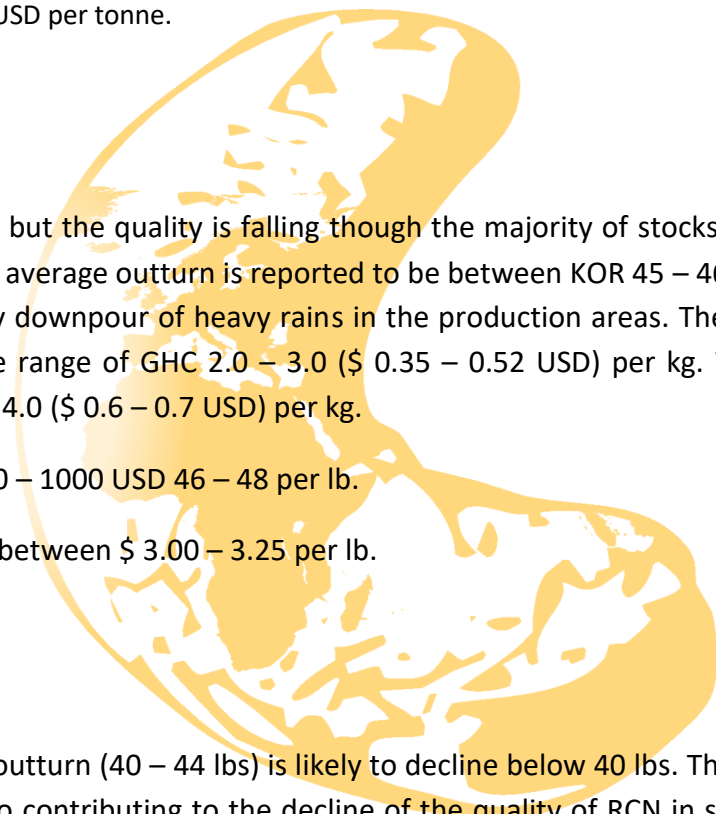
Nigeria

The quality is declining and the average outturn (40 – 44 lbs) is likely to decline below 40 lbs. The continual use of polythene sacks for storage is also contributing to the decline of the quality of RCN in some areas. There is about 2000 – 4000 tonnes of unsold RCN because farmers believed that they would have a better offer in the coming months.

Farm gate prices range between \$ 518.82 - 544.76 USD per tonne.

RCN FOB export price ranges between \$ 750 – 800 USD per tonne.

Locally processed WW320 kernels are offered for \$ 2.8 - 3.00 USD per kg.





Thank you to all our network of reporters and analysts for their contribution to this report.



AFRICAN **C**ASHEW ALLIANCE

Growing the African Cashew Industry!

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