



AfriCashewSplits

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info@africashewalliance.com

The International Cashew Market

The cashew kernels market seems to be developing some positive sentiment. There has been some buying of kernels in Asian markets by European and US buyers. In India, the domestic market is more active now than in previous months ahead of the festival season that will define Indian consumption, and possibly the fate of the market for 2020. Prices for WW320 have moved up as a result. This may be the first shoots of recovery in kernels prices. Cashew prices still represent good value and opportunity for profit for roasters and retailers. Lower prices have not been passed to consumers in developed economies. When they are, demand may spike again even from current high levels. The strength of demand has its roots long before the pandemic. Demand has been moving positively for many years, but the second half of 2020 saw a surge in demand in the EU, USA, and China. This is largely driven by healthy eating, reduced meat, convenience, and snacking. Look out for these again in 2021.

The RCN trade has been in a standoff. Vietnamese buyers need material as their stocks are being used as kernels exports reach record levels. The key origins are now Cote d'Ivoire and Guinea Bissau. Both countries have slower than usual shipments and substantial stocks of RCN in the country and even on the farms. Port stocks are in strong hands and under negotiation with buyers. In both countries, exporters are looking for better prices to make sales. There have been some deals struck in Cote d'Ivoire. The Ivorian Government has put in place further market support mechanisms. Whilst buyers and processors negotiate farmers wait for new sales or payment for existing sales and the RCN declines in quality. The fundamental problems of the RCN supply chain have become very clear in the pandemic.

Early August is usually a quiet trading period. It may be so for kernels this year again, but we would not be at all surprised to see some momentum build on cashew kernels for more activity after 17th August. RCN trading will most likely continue to be slow. Landed stocks in the processing destinations are high priced compared to kernels discouraging processors from buying and traders from landing more stock. In Hollywood they would say "Somethings gotta give". Right now, it looks as if it could be higher kernels prices.

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 29 (July 13 – 19, 2020)		This week vs last week		This week vs last month		
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend	
NIGERIA	352	762	553	523	570	38-44	-1%	↘	-39%	↘
BENIN	473	624	630	586	647	42-45	-2%	↘	-1%	↘
GHANA	419	570	476	435	522	43-45	1%	↗	-19%	↘
BURKINA FASO	680	576	541	517	569	44-45	0%	↗	-6%	↘
COTE D'IVOIRE	990	515	515	345	690	40-46	0%	↗	0%	↗
GUINEA CONAKRY	385	265	262	524		39-46	0%	↗	-1%	↘
SENEGAL	818	796	803	707	733	46-50	-12%	↘	-11%	↘

* 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 29 (July 13 – 19, 2020)	
		USD per ton	Outturn in lbs.
BENIN	1,050	850-900	43-45
GHANA	1150	960-1000	46-48
COTE D'IVOIRE	1000	1050	40-46
NIGERIA	800-900	850-900	45-46
GUINEA BISSAU	1350	1200	51-53

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 28 (July 13 – 19, 2020)		This week vs last month		This week vs last year	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	3.20	2.85	2.85	2.85	3.10	4%	↗	4%	↗
INDIA	3.44	3.40	3.40	3.40	3.40	0%	→	0%	→

Country Reports

Benin

Benin has, under the authority of the Minister of Industry and Trade, initiated the preparation and amendment of two draft decrees to regulate the marketing of raw cashew nuts. The first relates to the establishment of a regulatory authority and the second to the modalities of marketing raw cashew nuts in Benin.

RCN quality of the week ranges between KOR 42 – 45 lbs with a nut count of 160-190 per kg.

Farm gate prices range between 340 – 375 F CFA depending on the localities, stocks, and RCN quality.

RCN FOB is offered for prices around \$ 850 USD to \$ 900 USD per tonne for outturn levels of 44 lbs.

WW320 kernels are traded for an average price of \$ 3 USD per kg.

Côte d'Ivoire

In Côte d'Ivoire, the stalemate remains unresolved because local buyers and the government are unable to agree on the modus operandi of the aid programme to mitigate the effects of COVID-19 on the cashew sector. The 100 FCFA/kg proposed for any buyer who would respect the farm gate price of 400 FCFA per kg to producers is still not to the taste of local buyers who do not find it sufficient to support their expenses and give them a margin. These producers are still very concerned, as they had been holding these stocks in the hope of benefiting from the farm gate price of 400 FCFA per kg under the government program. This hope is collapsing, and some are beginning to release these stocks at 250 FCFA per kg as soon as they have a buyer. But buyers are scarce, and the market is calm. Those who are still active in the villages are buying for storage. Quality continues to deteriorate (KOR 40 – 46 lbs) because it is raining heavily and producers who do not have adequate infrastructure to dry or store are unable to maintain good quality.

Reports state that 380 000 tonnes of RCN have been exported and local processors have bought 56 000 tonnes since the season has started.

RCN FOB is offered for \$ 900 USD per tonne. WW320 kernels are traded for an average price of \$ 2.7 USD per lb.

Ghana

RCN quality in Ghana this week ranges between KOR 43 – 45 lbs while farm gate prices range between GHC 2.5 – 3.0 per kg. The warehouse prices remain between GH 3.5- 4.0 per kg.

RCN FOB price is offered for \$ 960 – 1000 USD for qualities ranging between KOR 46 – 48 lbs.

The kernel market is currently very quiet. WW320 kernels are traded for \$ 2.70 USD per lb.

Guinea Bissau

It has been a quiet week in Guinea Bissau. Shipments remain well behind last year's levels at the same time. Rains have started and the balance of the crop must be under some threat due to lack of local infrastructure. Most stocks in the port are committed. Traders may hold some inventory but are unwilling to reduce prices of the highest quality raw material still left in West Africa this season.

Guinea Conakry

The Guinean government, through the Ministry of Commerce and the Guinean Export Promotion Agency (AGUIPEX), has bought back cashew stocks of 5000 tonnes from exporters, and the purchase of stocks from producers through the Ministry of Agriculture is under way.

This week's outturn ranges between KOR 39 – 46 lbs.

Purchases at farm gate continue with the official farm gate price of 5000 GNF per kg.

15, 292.568 tonnes of RCN have been exported since start of the season.

RCN FOB price is offered for \$ 500 – 680 USD per tonne for outturn levels of KOR 39 – 46 lbs.

Nigeria

RCN quality ranges between KOR 38 – 44 lbs during the week while farm gate prices range between \$ 525 – 570 USD per tonne.

RCN FOB is offered for \$ 650 – 750 USD per tonne.

Senegal

Since June 25, 2020, trucks loaded with cashew nuts have been unloading their cargo every day at the commercial port of Ziguinchor. The goods are then loaded onto a ship for shipment abroad. So far, everything is going well, despite the rainy season that has settled permanently in the region. The Chamber of Commerce, the National Maritime Affairs Agency (Anam), the Senegalese Consortium of Maritime Activities (Cosama) and the shipowners had made all the arrangements upstream. The commercial port of Ziguinchor is full of containers waiting to be transported to Dakar for export.

RCN quality is reported to range between KOR 46 – 50 lbs. 14,180.445 tonnes of RCN have been exported from Ziguinchor to Dakar. 35 tonnes are purchased by industrialists and small processors with the help of funds granted to certain operators.

Farm gate prices depend on the available RCN quality. RCN of outturn levels of 48 – 50 lbs are offered for 425 F CFA per kg and KOR 46 – 48 lbs are offered for 410 F CFA per kg.

Togo

There are no more RCN with producers at farm gate. A few rare buyers and exporters hold the little that remains. Most of the stocks are already in the port area of Lomé. The price of the RCN at port area of Lomé ranges between 375 - 400 FCFA per kg.

The average RCN outturn is reported at KOR 43 lbs. RCN of higher KOR have already been exported. The total quantity of RCN exported since the start of the season is reported at 16 000 tonnes.

Local processors have bought 7 000 tonnes since the season has started.

RCN FOB price ranges between \$ 850 – 900 USD per tonne.

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](#)

