



AfriCashewSplits

The source of the latest crop and price information

Week 22: May 30 – June 5, 2022 – N°11

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The International Cashew Market

The main feature in a relatively quiet week has been the arrival of early rains in the western part of the West African producing region. These appear to be bringing the Rep. of Guinea crop to a close and could impact the eventual harvest size in Guinea Bissau and Senegal. Difficult shipping conditions in these countries are slowing exports. Demand is good but with buying interest from Vietnam light, prices have been steady rather than rising for early shipments. Elsewhere across West Africa, the season is heading toward its close as rains arrive and producers sell their last RCN. As usual, the quality is declining. Prices at the farm gate are following the lower quality.

In international markets, RCN prices have eased due to low buying interest as a result of a slow kernels market. Indian buyers are receiving deliveries and Vietnamese buyers are struggling to make sense of RCN prices as they have dropped their kernels prices back a little following the price rally of early May. There seems to be a vicious circle emerging for Vietnamese processors. Buyers buy for a couple of weeks then they slow their interest, processors drop prices and RCN again goes out of parity with kernels prices. The financial stresses on Vietnamese processors and the constant response to a quiet few days by dropping prices suggest desperation for some. It also is a strong indication that Vietnam will process fewer cashews in 2022 than in 2021. Kernels buyers may hope that African processors fill the gap. Certainly, processing volumes in Nigeria and Cote d'Ivoire will increase in 2022 but on what we know now not enough to make up the lower volumes from Vietnam.

Cashew demand remains steady. In India, the recovery from the pandemic continues. Shipments to other markets remain strong although buyers talk about lower offtake making us wonder why they keep taking new shipments. It may be that an element of uncertainty is driving the conversation. There is also a shift toward new suppliers that may cause some buyers to receive conflicting signals from their supermarket customers. Look out for more developments in this as the year progresses.

As mid-June approaches, supply is not going to get any better. The Indian and Ivorian crops are likely to come in lower than forecast following poor crops in Vietnam and Cambodia. Transit stocks in Vietnam are being worked through. Shipments from Guinea Bissau and Senegal will start soon but are unlikely to weaken the market by way of any oversupply. A deficit of supply in 2022 is possible maybe even likely. Cashew kernel prices remain at the low end of the range for the past three years.

There has been a misreading of the impact of the pandemic in many sectors. Mistaken forecasts of falling demand for semiconductors, airline flights, motor cars and computers amongst others caused producers to cut back production resulting in shortages and higher prices. In cashew kernels, the reaction to the pandemic in early 2020, 2021 and to a lesser extent in 2022 has been forecasts of lower demand even though demand has been strong (except in India) leading to lower kernel prices. Could the same situation arise in the cashew

market as low prices, out of line with RCN, reduce processing volumes and kernels supply at a time when demand is as healthy as it has ever been?

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 22 (May 30 – June 05, 2022)		This week vs last week		This month vs last month		
				Reported range	Outturn in lbs.	Variation	Trends	Variation	Trends	
BENIN	976	1,086	926	655	982	45-47	-13%	↘	-33%	↘
COTE D'IVOIRE	558	563	564	491	614	37-45	-2%	↘	-2%	↘
MALI	734	563	564	491	655	43-47	2%	↗	2%	↗
NIGERIA	1,039	1,194	1,194	1,037	1,085	39-43	-13%	↘	-13%	↘
TOGO	660	925	902	859	982	42-43	2%	↗	0%	→

RCN FOB export prices offered in USD per MT			
COUNTRY	1 year ago	Calendar week 22 (May 30 – June 05, 2022)	
		US\$ per ton	Outturn in lbs.
BENIN	1,375	1450-1475	48-49
GHANA	1,300	1,250-1,300	46-48
COTE D'IVOIRE	1,275	1,250-,1300	46/48
Guinea Bissau	\$1425	\$1650	51/52

Worldwide WW320 exports FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 22 (May 30 – June 05, 2022)		This week vs last week		This week vs last month	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	3.23	2.98	2.90	2.85	3.05	-1%	↘	-1%	↘
INDIA	3.70	3.80	3.8	3.70	3.90	0%	→	0%	→
COTE D'IVOIRE	3.35	3.20	3.2	3.00	3.20	-3%	↘	-3%	↘

Country Reports

Benin

RCN quality decreased during the week due to the rains that have started (45 - 47 lbs.). Exports volumes since the start of the season have been reported are 60 000 tonnes and RCN FOB price is reported at USD1300 per tonne. Farm gate prices have also decreased due to quiet trade with prices ranging between 400 - 600 FCFA per kg (USD655 – 982 per tonne).

Cote d'Ivoire

In Côte d'Ivoire, the cashew market remains active, despite a sharp deterioration in quality. The harvest is almost over, and producers' stocks are dwindling. The drop in prices in recent weeks (300 - 375 FCFA per kg this week (USD491 – 614 per tonne) due to lower quality is pushing producers to sell their last stocks. The rains continue to drench the cashew nut production areas and affect the proper drying of the cashew nuts. This season compared to last season, the supply of jute bags to producers and cooperatives has not been sufficient and some producers, having no other choice, have stored their cashew nuts in plastic bags, further affecting the quality (37 - 45 lbs. this week). Each producer would have received 5 bags, which is not enough for those who have large farms.

Demand is still good and local exporters and processors who have not yet completed their orders are very active in the production areas. The bulk of cashew stocks is in the stores of local buyers who are slowly evacuating them to the port.

It is reported that local processors have purchased 150 000 tonnes of RCN this season and a total 325 000 tonnes have been exported so far.

RCN FOB export is offered between USD1325 - 1375 per tonne FOB for outturn 46 - 47 lbs.

WW320 kernels are sold between USD2.80 – 3.15 per lbs.

Nigeria

RCN quality at the farm gate ranges between 43 - 39 lbs. Farm gate prices range between NGN 430 000 - NGN450 000 per tonne (USD1,037 – 1,085 per tonne).

It is reported that local processors have purchased 110 000 tonnes. The volume of RCN exported remains unknown.

RCN FOB export prices are reported at USD1,200 per tonne for outturn levels of 47 - 48 lbs.

Mali

The rainy season has started in the main production areas, which is affecting the quality of the nuts currently at 40-45 lbs. Stocks purchased on the eve of the Ramadan holiday continue to be shipped out, resulting in a high export quantity at the end of the season. About 136 000 tonnes are reported to have been exported. The installation of new processing units has increased the amount of processing in Mali this year and 1800 tonnes have been purchased by local processors. Prices are very stable this year in Mali. Variation is only according to the quantity.

Guinea

Early rains are making the final weeks of the season difficult for drying and transport. Farm gate prices have fallen in line with lower quality but are also influenced by quickly rising transportation costs mainly due to fuel prices. Farm gate prices have dropped back by about 10%. Export prices remain relatively stable in the US\$1250 per tonne Cfr range.

Togo

RCN quality of the week ranges between 42 - 43 lbs and farm gate prices range between 525 - 600 FCFA per kg (USD845 – 966 USD per tonne).

RCN export continues and FOB prices reported range between USD991 and USD1 070 per tonne

WW320 kernels are offered for \$3.02 per lb. FOB

Guinea Bissau

The main features of the past week have been good demand, early rains, and the issuing of the first export licences. However so far there has been no export. There are vessels expected to load in the coming week and there are adequate stocks in the warehouses to meet the volume. Prices remain steady at last week's levels. The crop forecast remains unchanged with good arrivals at the port and rumours of a brisk smuggling trade.

Senegal

Farm gate prices have eased a little from a very strong early part of the season. Good size and the quality crop is expected in line with expectations and up on last year. Export shipments are still awaited. Demand remains steady.

The Gambia

Lower than expected volumes at this stage and good quality have pushed prices slightly stronger this week. Banjul is exported to RCN, unlike other regional ports. This also causes prices to steady. As elsewhere early rains have arrived but the possible impact on the crop is so far unclear.



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](#)

