



# AfriCashewSplits

*The source of the latest crop and price information*

**Week 24: June 8 – 14, 2020 – N°10**  
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## The International Cashew Market

Record high exports of kernels and eleven-year low prices of kernels continued in week 24. These do not go together for too long so something must change. For two months Vietnamese processors have been offering shipping positions (prompt and spot) that international buyers had no interest in, at prices that buyers find very attractive. Continually offering below cost prices for fast shipment seems a strange way to do business. Dropping the price every week whilst knowing that buyers are covered for those positions seems even stranger. As often seen, the real agenda may be about RCN prices and the constant struggle for fair prices for African farmers. Yet again, this year in the midst of a major crisis, speculation and short-term interest in Asia and Africa rules.

Kernels prices may be 20% below where they were this time last year, but RCN is trading in or around the levels of 12 months ago. Concern is growing that the remaining RC that lies on farm or in small country warehouses will make it to market in 2020. There are inventories in Abidjan for example that unless shipped will block further arrivals. In Nigeria, with 150,000 tonnes shipped or bought, it is unclear what will happen to the rest of the crop. In Guinea Bissau, can the full crop be commercialized as illegal border trade has ceased and arrivals/cash/capacity is limited? There is a major risk that a significant part of the crop will be lost. With stories emerging in India of crop losses due to lockdown there may not be enough RCN to meet the needs in 2020. That does not mean that speculation in RCN is a good idea in fact quite the contrary.

Looking at what we know. It is clear that demand remains good – probably at 2019 comparable levels in Europe but higher than that for North America. Do not expect large orders from these markets for prompt shipment though as imports and shipments have been at record levels. Chinese demand is back to a normal pattern. India is returning to normal consumption but, of the major markets, is still the most affected by/vulnerable to Covid19. The crops are not going to outturn expected or hoped. Cashew kernels prices are at extremely attractive levels – any impediment on buying is for technical reasons e.g. inventory, finance limits, cover limits and not for want of demand or attractive prices. RCN prices are at levels similar to last year. We know processors need the RCN, but we also know that they do not want to buy loss making raw material. We know that the window for salvage of the remaining on farm RCN is narrowing and that the busy season has started in destination markets. We know that worldwide processing capacity is down. Look out for a steadier kernel markets but continued standoff on RCN in week 25.

*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 24 (June 8 – 14, 2020)		This week vs last week		This week vs last month		
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend	
NIGERIA	349	505	326	749	788	45-46	58%	↗	34%	↗
GHANA	468	395	658	526	614	46-47	-15%	↘	31%	↗
BURKINA FASO	673	-	623	552	603	46-48	-8%	↘	100%	↗
MALI	195	393	212	302	431	40-46	42%	↗	-7%	↘
GUINEA CONAKRY	384	286	268	529		38-49	-1	↘	-1%	↘
SENEGAL	822	620	508	776	819	46-52	36%	↗	22%	↗

\* 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 24 (June 8 – 14, 2020)	
		USD per ton	Outturn in lbs.
GHANA	1000-1,150	1000-1,025	46-48
NIGERIA	800-900	900-950	45-46
SENEGAL	1200	NQ	NQ

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 24 (June 8 – 14, 2020)		This week vs last month		This week vs last year	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	3.30	3.07	3.05	2.9	3.20	0%	→	-1%	↘
INDIA	3.47	3.35	3.65	3.60	3.70	0%	→	8%	↘

## Country Reports

### Burkina Faso

The activities related to RCN collection and marketing are now relegated to the background, the priority of the moment being the preparation of the fields for the winter season.

Collectors, traders and exporters are in the process of closing their transactions and preparing for other speculative transactions.

The cashew market is very quiet with prices ranging from 320 to 350 for KOR 45 to 46 (increasingly rare).

Processing activity continues even though the effects of Covid- 19 restrictions are still weighing on the business.

The kernel market is also stable with WW320 prices trading between \$2.80 to \$3.30 USD per lbs. The price of breakage, especially LWP is between \$ 1.3 and 1.6 USD per lbs.

## Ghana

The cashew season is over with few nuts left to be picked on the farms. Traders still having stock in their warehouses are quoting prices between GHC 3.5 to 4.0 per kg for outturn levels between 45- 46 lbs. However, buyers are expecting prices to go down.

Farm gate prices range between GHC 3.0 - 3.5 per kg. The quality dropped (KOR 45-46 lbs) due to heavy and continuous rains experienced in most of the production areas.

RCN FOB export prices range between \$ 1000-1025 for outturn levels of 46 – 48 lbs.

WW320 kernels are offered for \$ 3.00 – 3.25 USD per lbs.

## Guinea Conakry

The Guinean government, through the Ministry of Trade and the Guinean Export Promotion Agency (Agence Guinéenne de Promotion des Exportations - AGUIPEX), is working to buy back available stocks from exporters and producers in the sector.

RCN is traded at farm gate this week at 5000 GNF per kg the official price set by the government. RCN is reported to have outturn range of 38 – 49 lbs.

The total amount of exported RCN since start of the season is reported at 4571,205 tonnes.

The FOB export price of the week ranges between \$ 800 – 980 USD per tonne for outturn levels of 41 to 48 lbs.

## Mali

RCN quantity has dropped again this week (KOR 39 - 36 lbs). The rainy season has started in almost the entire production area.

It is reported that 90 tonnes of RCN have been exported since start of the season whilst 170 000 tonnes have been purchased locally by Malian processors. The season is coming to an end. Stocks are increasingly scarce at farm gates. Only traders and a few exporters still have some stocks. There is a difference of about 10 000 tonnes less between this year's statistics and last year's statistics at this time. This is mainly due to the fact that, with the closure of the borders because of the Corona virus, some foreign exporters have been releasing stocks informally.

Prices have stabilized in recent weeks (175 - 250 F CFA per kg). Buyers are very careful. There is still a great disparity between prices per locality and according to the quality and quantity of the nuts.

## Nigeria

It was expected in Nigeria to reach the production of 350,000 tonnes of RCN in 2019/2020 against 250,000 tonnes in 2018/2019. However the expected RCN production forecast for 2020 may not see the light of the day because of the covid-19 pandemic causing issues such as the inabilities of farmers and traders to convey the product to the processor, thereby making some nut wasted. As at the time of this report, local farmers do complain of their inability to get to their plantation to pick the RCN at the expected time which has resulted the rotting of some nut in their farms.

RCN quality is reported to range between KOR 40 – 45. The low quality is reported to be caused by storing RCN in polythene sacks in some areas.

Although the export of RCN from Nigeria suffered some set back during the outbreak of the pandemic Covid19 that is ravaging the economy of the world, it is believed that above 50% of the expected production for 2020 cashew season has been exported amidst lockdown through land borders to other neighboring countries while about 35% is still in stock in warehouses, 10% left wasted in farms, houses and 5% cannot be accounted for.

Local processors have bought over 200,000 tonnes since the start of the season.

It is reported that farmers aren't happy about the current farm gate prices (\$ 500 USD - \$ 526.315 per tonne). This makes some farmers to keep their stocks hoping for better prices to come.

RCN FOB export is offered between \$ 900 - \$ 950 USD per tonne.

Locally processed WW320 is offered for \$ 2.8 - \$ 3.00 USD.

## Senegal

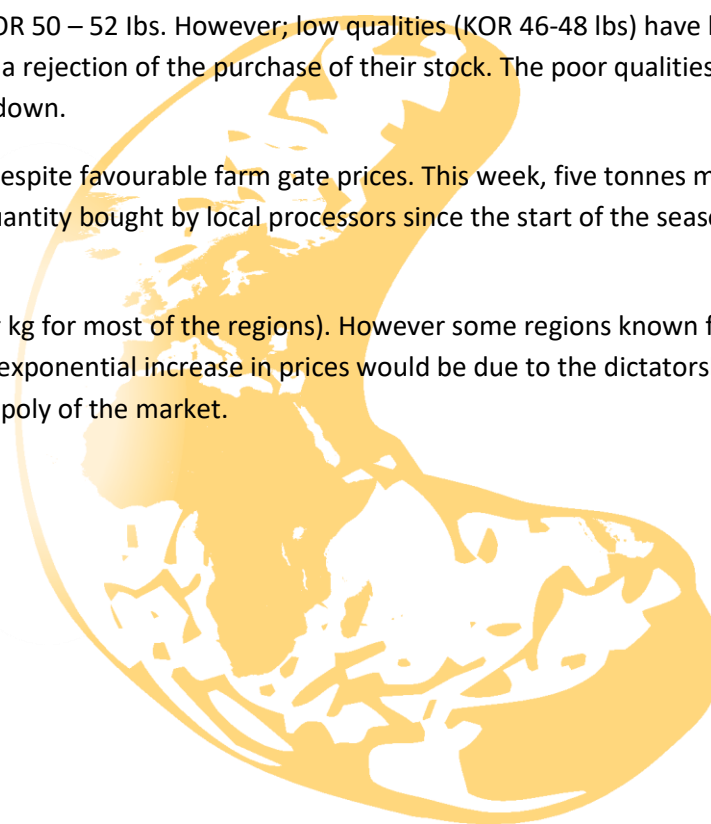
The first rains have already fallen in the southern part of the country. Harvests are continuing despite fears for some traders who still do not see Indian traders. Most producers agree on the idea that the best prices will be offered to them by the end of the month. All the storage warehouses are almost full to date and until then, export operations are not authorized by the Senegalese government.

Out of the 50,000 tonnes expected this year, 28,000 tonnes have been registered at the control services and at the commercial port of Ziguinchor.

The average RCN outturn ranges between KOR 50 – 52 lbs. However, low qualities (KOR 46-48 lbs) have been recorded at the collection stores resulting in a rejection of the purchase of their stock. The poor qualities are mainly due to the long storage time during the lockdown.

Purchasing for processing continues slowly despite favourable farm gate prices. This week, five tonnes more were bought by processors which took the RCN quantity bought by local processors since the start of the season to 15 tonnes.

Farm gate prices are on the rise (450 FCF per kg for most of the regions). However some regions known for their good RCN quality sell at 475 FCF per kg. The exponential increase in prices would be due to the dictatorship of the law of the strongest in order to have a monopoly of the market.



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](#)

