



AfriCashewSplits

The source of the latest crop and price information

Week 41: October 6 – 12, 2019 – N°28

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The International Cashew Market

The cashew kernels market has slipped back toward US\$3.20 per lb for WW320 FOB as there is a lack of buyers in the market. Buyers in general are not under pressure to make decisions at this time of year and may wait until the new crops in East Africa and Indonesia are advanced before looking at kernels again. The market looks stable although continued absence of buyers could cause prices for near shipments to drift lower.

Indian RCN buyers have been covering some material including Guinea Bissau origin circa US\$ 1,550 per tonne Cfr. Indian processors still have RCN to buy although imports have caught up after a slow start and are ahead of last year now. Vietnam's import cover looks well on course despite a 19% increase in exported kernels volume. Shipment of old Tanzanian crop started with about 60,000 tonnes shipped but are now halted according to reports in the market.

With a good crop expected in Tanzania and an excellent crop forecast in Mozambique there will be approx. 548,000 tonnes available in East Africa. Rumoured changes to the Mozambique system could mean that material would become available earlier than in prior years. There seems little reason for volatility in RCN pricing.

ACA Editorial

The Cashew Market in Africa

RCN CFR export prices offered in AFRICA in USD per MT

| COUNTRY | 1 year ago, | Calendar week 41 (6-12 October 2019) | |
|---------------|-------------|---|-----------------|
| | | US\$ per ton | Outturn in lbs. |
| GUINEA BISSAU | NQ | 1,550 | 53 |

Worldwide WW320 export FOB prices in USD per lb.

| COUNTRY | 1 year ago | 1 month ago | 1 week ago, | Calendar week 41 (6-12 October 2019) | | This week vs last week | | This week vs last month | |
|---------|------------|-------------|-------------|---|-----------|------------------------|-----------|-------------------------|---|
| | | | | Range reported | Variation | Trend | Variation | Trend | |
| VIETNAM | 4.55 | 3.30 | 3.35 | 3.25 | 3.45 | 0% | → | 1% | ↗ |
| INDIA | 4.50 | 3.48 | 3.48 | 3.40 | 3.55 | 0% | → | 0% | → |

Country Reports

Mozambique

First indications estimate 148,000 tons to be marketed in the new season. This figure is close to the 142,000 of last season. The opening of the cashew season has been scheduled for the second half of October.

Tanzania

On October 7, after several postponements, a stakeholder meeting with cashew producers took place. Prior to this meeting the Ministry of Agriculture together with CBT had announced the 2019/20 crop would be openly auctioned online via the Tanzania Mercantile Exchange (TMX). Subsequently, the government cancelled this proposition announcing that the old system would rather be maintained, i.e. a closed auction system ("bidding with boxes" a day before the auction) with some (unknown) improvements to be introduced. A motivation for this change of direction is alluded to the online system not yet being thoroughly tested and tired for RCN trading and the need for more time to validate the online system's robustness. The Ministry of Agriculture and CBT has originally also announced that a certain quantity (yet to be defined) would be reserved for local

processors at preferred conditions. Furthermore, it was announced that a financing model would be offered to local processors via the Tanzanian Agricultural Development Bank. A stakeholder meeting with processors is still anticipated after it has also been postponed several times. After this is concluded a better picture of what remains of the package for local processors will emerge. Reporters estimate that next week should bring more news. Meanwhile early harvests have begun, with reports stating the season is 2-3 weeks later than usual. A date for starting the auctions has been set for October 25.

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](#)

