



AfriCashewSplits

The source of the latest crop and price information

Week 6: February 3 – 9, 2020 – N°02

info@africancashewalliance.com

The International Cashew Market

The cashew market is in a quiet phase ahead of the arrivals of new crop. Most buyers of kernels have still cover to take from second quarter onwards but are prepared to wait and watch in a market which has dropped a few cents in the past week. The Chinese market, which might be expected to restock in normal circumstances, is not buying in the fallout from the coronavirus. This situation needs to be followed carefully as China is a significant buyer of cashews from Vietnam. WW320 prices in Vietnam have dropped back from a range of US\$3.15-US\$3.30 per lb FOB to US\$3.10-3.25 per lb FOB. Buyers are unlikely to act in a falling market, so further downward drift can be expected. Longer term price stability in the current range would boost demand in 2020.

The situation regarding broken has not improved as unsold stock in a number of origins is not moving and the largest consuming market, India, is effectively closed by high import tariffs. The low prices of the past year for broken cashews have not as yet stimulated demand positively. This makes efficient processing even more important than before.

Crop forecasts from around the Northern Hemisphere are positive. Countries with early crops are seeing some buying support e.g. Ghana and Cambodia. There is no significant pressure on buyers to buy at this point as kernels offtake is slow, stocks of RCN are adequate and the Tanzanian auction purchases are still arriving. The Vietnamese crop is forecasted to be good. Although Vietnam produces a small crop compared to the import of RCN the crop does tend to set the tone of the market in the early weeks of the marketing season. Therefore, further falls in RCN prices cannot be ruled out, especially as many of the offers currently are from speculators testing the market.

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 6 (3 – 9 Feb 2020)		This week vs last week		This week vs last month		
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend	
GHANA	900	1,123	1,227	1,109	1,201	49-51	-6%	↘	3%	↗
MOZAMBIQUE	-	719	634	600	648	44-45	-2%	↘	-15%	↘

* Cote d' Ivoire has announced a minimum farm gate price of 400 fCFA per kg (670 USD per ton).

Worldwide WW320 export FOB prices in USD per lb.

COUNTRY	1 year ago	1 month ago	Calendar week 6 (3 – 9 Feb 2020)		This week vs last month		This week vs last year	
			Range reported		Variation	Trend	Variation	Trend
VIETNAM	4.55	3.20	3.10	3.30	-1%	↘	0%	→
INDIA	4.50	3.48	3.40	3.50	-6%	↘	-1%	↘

Prices ranges offered/sold in:

MOZAMBIQUE	3.20-3.40
TANZANIA	3.15-3.30
COTE D'IVOIRE	3.25-3.35

Country Reports

Ghana

Currently, farm gate prices are reported to be between 5.5 – 6 GHC per kg (1,109 – 1,201 USD per ton). The average outturn is reported to be between 49-51 lbs. Qualities are expected to be stable or even rise as the season matures.

Reporters on the ground speak of there being so far no rush to the market by the bigger buyers. However, RCN buyers are active in Ghana covering their contracts for March delivery as other markets like Benin or Togo are yet to launch their marketing seasons.

There have been complaints of the current RCN farm gate price being unsustainable as export prices and kernel prices remain low. Generally, it is reported that most buyers are still waiting for prices to fall. Coming weeks are expected to show where the local market is headed.

As is the case in Togo and Benin WW320s from local processors are not yet available.

Côte d'Ivoire

On February 6 the 2020 cashew minimum farm gate price has been officially announced at 400 fCFA per kg (670 USD per ton). This is a 6.3% increase to the 2019 reference price of 375 fCFA per kg. Reported quality is between 48-52 lbs.

The FOB export price offered for locally processed WW320 kernels ranges between 3.25 – 3.35 USD per lb.

Tanzania

The auction season was originally prolonged till January 26, 2020. Currently, additional auctions are to take place till February 9 in an effort to sell off remaining RCN stocks. Official reports state that by February 2nd a total of 222,530,474 kg have been sold at a value of 573,941,853,032 TZS (248,416,657 USD).

The FOB export price offered for locally processed WW320 kernels ranges between 3.15 – 3.30 USD per lb.

Mozambique

Nearly all of the RCN stock has been sold with small quantities left in the Southern cashew producing areas. The farm gate price is reported to range between 38 – 42 MZN per kg (600 – 650 USD per ton).

The FOB export price offered for spot sales of locally processed WW320 kernels ranges between 3.20 – 3.40 USD per lb.

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](#)

