

GAMBIAN CASHEW MARKET BULLETIN

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International
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CASHEW MARKET IN THE GAMBIA



Expected trends for evolution of RCN prices in The Gambia:

At short term:	Slight increase	➔
At middle term:	Stabilization	➔

CASHEW MARKET IN OTHER WEST AFRICAN COUNTRIES

In **Senegal**, the devaluation of Gambian Dalasi did not have impact on cashew trade but some exporters have increased their activities in Ziguinchor while the situation seems clearer in The Gambia.

In Fatick Region, around Sokone (close to North Bank region), demand is still higher than current supply and price went up between 550 and 600 FCFA/kg (38 and 41.5 GMD/kg).

In Casamance (Ziguinchor, Sedhiou, Kolda), buyers activities are now intense and local traders received many enquiries for big quantities. Prices increased sharply during last days and most of the trade is now done between 500 and 600 FCFA/kg (34.5 to 41 GMD/kg) even if some small sells are still done for small quantities at 400 to 450 FCFA/kg (27.5 to 31 GMD/kg).

Even if prices already reached a quite fair level in Senegal there is still some room for price increase and competition can still be harder between traders as enquiries are huge while the harvest peak have still not begun.

In **Mali**, the cashew trade is slow as Raw Cashew Nuts (RCN) are less and less available in villages, but Burkinabè buyers are still numerous and regular enquiries keep the competition to an high level. Prices went slightly up during last days.

In Sikasso region, the main producing areas, prices went up by 25 FCFA/kg (1.7 GMD /kg). At farm gate prices are between 375 and 425 FCFA/kg (25.8 and 29.5 GMD/kg) and at the level of cities markets prices are between 400 and 500 FCFA/kg (27.5 and 34.5 GMD/kg).

In Koulikoro region, near Bamako, available stocks are almost no inexistent and cashew season seems to be over.

Very few RCN will be available in Mali this year for Gambian and Senegalese traders as we estimate that 80% of the output is already sold.

In **Côte d'Ivoire**, new buyers are coming from neighbour countries looking for available cashew and leading to a new increase of the competition. As prices are already really high maxima prices did not increase but minima prices increase in all the production areas during last days. The Cotton and Cashew Council of Côte d'Ivoire announced last Friday that 505 000 Metric Tons of RCN have already been purchased and register this year. This figure is even higher than our estimates and confirm that 2015 output will not decrease in comparison with 2014 but will just grow at a slower pace this year. Current prices are between 500 and 550 FCFA/kg at farm gate (34.5 to 28 GMD/kg) and between 600 and 640 FCFA/kg for deliveries at port (41.5 to 44.5 GMD/kg).

In **Burkina Faso**, the cashew harvest is about to reach its end while competition is still strong for what is still available. Farm-gate prices increased again in Banfora and Bobo-Dioulasso regions and are now between 530 and 535 FCFA/kg (36.5 GMD/kg). In Gaoua and Leo regions, cashew season seems over.

In **Ghana**, the market is identical to the previous week and the season is winding down. Producers continue to sell the cashews, but in much smaller quantities. Compared to last year, growers believe that this campaign was shorter. There are still some trees with flower but with the gradual onset of the rains the last output should be small and of poor quality. This week, the farm-gate prices are around 3 GHS/kg (31 GMD/kg) in the production areas.

In **Nigeria**, cashew nuts are scarce on the trees and the producers now expect the latest wave of production to be low in quality and quantity. The farm gate prices remain high and there is still the presence of Asian and Benin buyers. This week, farm-gate prices are still between 170 and 180 NGN/kg (35 to 37.5 GMD/kg) depending of the production areas, with average KOR around 40 lbs/bag. Wholesale prices are between 205 and 210 NGN/kg (42 to 43.5 GMD/kg) depending on quality.

INTERNATIONAL CASHEW MARKET

This week again prices went up in the international cashew market.

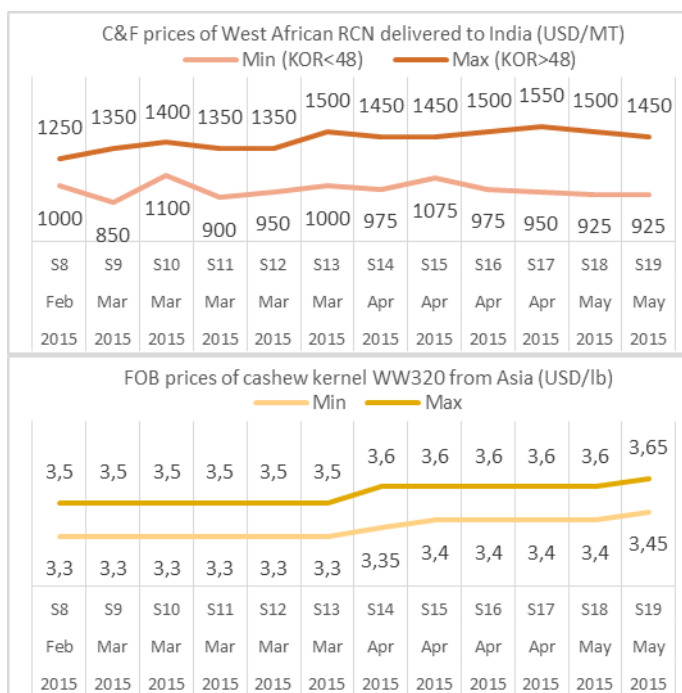
The spot market is quite active with new offers higher than past weeks for cashew kernel as well as RCN.

The forward market is still quiet as all the importers (of kernel and RCN) are worry about contract defaults which are more and more numerous.

Demand growth seems very strong in the 3 main consuming areas of the world (India, USA and Europe) and substitution of other more expensive nuts (hazlenuts, almond) by cashew kernels is already happening.

International quotations

<i>cashew kernels FOB Asia</i>				
Description	Grade	Price USD/lb	Price GMD/kg	Recent changes
Whole Whites	WW320	3.45-3.65	300-320	Increase
Scorched White	SW320	2.95-3.4	260-300	Increase
Splits	S	2.9-3.3	255-290	Increase
Broken	LP	2.85-3.2	250-280	Increase
<i>Raw Cashew Nut C&F Asia</i>				
Origin	KOR	Price USD/MT	Price GMD/kg	Recent changes
Mozambique	Almost no available stocks			
Nigeria	46-47	1100-1300	44-52	Increase
Benin	48-49	1300-1450	52-58	Increase
Ghana	47-48	1300-1400	52-56	Increase
Côte d'Ivoire	47-48	1300-1400	52-56	Increase
Senegal/Gambia	49-50	1350-1500	54-60	Increase



ADVICE TO GAMBIAN CASHEW STAKEHOLDERS

In a market that remains generally bullish, we recommend to all players in the Gambian cashew sector, not taking excessive risk and work on the basis of current prices. In particular, it is recommended:

- To farmers: to wait no more than two weeks before beginning to sell again, and then to sell every week what is harvested just after drying it. Wherever possible to privilege local processors that are the only guarantee for stable prices for the future years of overproduction.
- To the traders and exporters to continue to work on small revolving contracts to not end up in contractual default on quantities, delays or prices. Not to play with fire by speculating, prices decrease is unlikely but can occur if the quality deteriorates too quickly. At the current level of prices charged, a slight decrease of 10% equivalent to a loss of 4 GMD/kg.
- To local processors: to do everything you can to supply our factory as much as possible and as quickly as possible, diversifying your channels and supply areas and adjusting your purchase price. Raw Cashew Nut is very expensive but cashew kernel will also increase over the coming months. Be careful to be able to renegotiate prices for the sale of your cashew kernels during the second half of 2015. The price of cashew kernels should experience a continuous rise in the international market.