EDITORIAL

The development of the Gambia Trade Information Network is one of the components of the “Enhanced Integrated Framework (EIF) Tier 2 Gambia Project” executed by the International Trade Centre (ITC) in collaboration with the Gambia Ministry of Trade, Industry, Regional Integration and Employment.

The final setup of an operational and sustainable Cashew Market Information Service in The Gambia is one of the major outputs of the project. The Cashew Market Information Service will publish and disseminate customised weekly Cashew Market Bulletins during the crop marketing campaigns, as well as SMS messages sent to cashew producers, containing prices and marketing advices. The weekly Bulletins are aiming at keeping the cashew stakeholders abreast with developments in the national, West African and international cashew markets and will cover topics market and price developments, crop quality, policies and regulations and the evolution of West African cashew industries’ situation.

We look forward to your collaboration in supplying information of interest to cashew community and your potential business partners. Your comments and suggestions for improving the quality of the bulletins are welcomed.

CASHEW MARKET IN THE GAMBIA

The Cashew Alliance of Gambia, which is the apex institution of the cashew sector, organized on 8 – 9 April 2015 a pre-season consultative forum with all stakeholders of the Cashew Value Chain, to assess and discuss stakeholders’ preparedness for the trade season. The issues discussed included the Gambian cashew market information and advisory services under development; the export preparation status; the current situation of the regional and international cashew markets; the prevailing market prices, as well as cashew quality considerations. The forum declared April 15, 2015, as the start date for the 2015 cashew marketing season in The Gambia.

Following the event, exporters started providing financing to local traders and the cashew trade stated in North Bank and West Coast regions.

In West Coast, exporters and buyers have already their logistics in place and started collecting from the major collection centre Brikama.

Farm-gate prices increased slightly in comparison with the occasional purchases of the past weeks, reaching around 35 GMD/tomato tin of 1.5kg, equivalent to 23 – 24 GMD/kg. Deliveries at Brikama warehouses are done at 28 GMD/kg.

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In the North Bank region, purchase prices along the main highway average 30 GMD/kg in small villages and 30 - 35 GMD/kg in larger ones.

In Lower River, cashew trading which usually begins well after the West Coast and North Bank regions is yet to start. The first picks by women and children are being conceded to some few collectors at 30 – 35 GMD/tomato tin of 1.5kg, equivalent to 20 – 23 GMD/kg.

With cashew marketing season starting up in Casamance, trading in The Gambia will intensify during the coming weeks. As the harvest is quite late this year, the availability of raw cashew nuts (RCN) will be limited, while the demand should be strong.

Therefore, farm-gate prices are expected to quickly go up to 30 GMD/kg in the main cashew growing areas, and further stabilize around 40 GMD/kg when competition for RCN will be in full swing.

**CASHEW MARKET IN OTHER WEST AFRICAN COUNTRIES**

**MALI**

After one month of strong increases, prices began to stabilize this week. In the southern Sikasso region, where 90% of the Malian cashew is harvested, competitions is strong. Prices are supported by the Burkina Faso buyers looking for raw cashew. Current farm gate prices are around 325 - 350 FCFA/kg (23 - 25 GMD/kg). Wholesale prices are between 375 and 450 FCFA/kg (26.5 - 32 GMD/kg) in the three main collection centers of Sikasso, Koutiala and Bougouni. In the central Koulikoro region, where cashew cultivation is not widely spread and the availability is limited, farm-gate purchases occur between 250 and 275 FCFA/kg (18 to 19,5 GMD/kg).

**CÔTE D’IVOIRE**

The cashew trading season is slightly slowing down. Some buyers are struggling hard to obtain new financing. Many banks in the production areas are running out of cash, and exporters are prudently financing as prices are very high compared to these historically payed in Côte d’Ivoire at this time. Farm-gate prices are stabilizing between 400 and 425 FCFA/kg (28.5 to 30.5 GMD/kg) for an average quality of 47 lbs/bag.

| Farm-gate price: D20/kg |
| Farm-gate price: D20 to D24/kg |
| Farm-gate price: D23 to D24/kg |

**Expected trends for evolution of RCN prices in The Gambia:**

- At short term: Increase
- At medium term: Slight increase

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BURKINA FASO

The competition is high between local processors and exporters who are sending raw cashew to Ghana. Farm-gate prices vary between 430 and 475 FCFA/kg (30.5 to 34 GMD/kg). Wholesale prices for an average cashew quality of 47lbs/bag average 525 FCFA/kg (37.5 GMD/kg) in the main collecting centers of Bobo-Dioulasso, Orodara and Banfora.

NIGERIA

The market is quiet. Although many traders encounter problems in getting new financing to collect the raw nuts, some are still purchasing and prices are firm. Current farm-gate prices average 117 NGN/kg (25.5 GMD/kg) for an average quality of 46-47 lbs. Wholesale prices in collection centres are between 120 and 125 NGN/kg (26 - 27 GMD/kg).

SENEGAL

The new cashew season is starting in the main cashew producing region of Casamance. As in other West African countries, harvesting is delayed and the availability of raw cashew is currently limited. First purchases are done around 200 FCFA/kg (14.5 GMD/kg). The competition between traders and the prices should rapidly increase during the coming weeks.

INTERNATIONAL CASHEW MARKET

Raw cashew prices were lower in February on expectation of good crops, but started rising from mid-March onwards. This is caused by the limited availability due to belated harvests in many Asian and West African producing countries, as well as by slow arrivals and reports of quality and logistic issues at some origins. The first shipments of West African cashew are still on their way to India and Vietnam.

The first week of April, raw cashew of India and Vietnam origins were trading around 1450-1500 US$/ton. Raw cashew from West African origins were around 1100-1300 US$/ton C&F, depending on origin, quality, shipment period, and payment terms. Prices remained at these high levels since, sustained by the strong demand from processors. The only reason for a decrease of raw cashew prices from their current levels would be a lowering of quality of supplies and smooth cargo movements in the second quarter of 2015.

Average KOR 49-50lbs/bag quality raw cashew from The Gambia and Senegal is quoted between 1300 and 1400 USD/ton (62 to 67 GMD/kg) C&F Asia.

Although the availability of raw cashew is starting to increase, the price of kernels is foreseen to be sustained by the strong Asian demand. International traders expect spot and nearby demand to continue during all April and May. If the raw cashew prices will not decrease, processors will not be able to reduce kernel prices. This may lead to their further firming up in the second half of the year, and to increased coverage taken by buyers during the second part of the year.

Prices of cashew kernels increased over the past two weeks. Quotation for cashew kernel grade WW320 rose from 3.3 - 3.5 US$/lb (345 - 370 GMD/kg) to 3.4 - 3.6 US$/lb (360 - 380 GMD/lb). Many importers from USA and Europe began sending enquiries for kernel deliveries during the next 6 months.

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ADVICE TO GAMBIAN CASHEW STAKEHOLDERS

Producers: sell 75% of the quantities harvested when prices proposed are equal or higher than 35 GMD/kg

Local traders and exporters: expect strong competition and conclude revolving contracts for limited quantities, in order to be able to adapt to fluctuations in exchange rates. The West African CFA Franc is expected to depreciate strongly this season inducing price increases, wherefrom the awareness needed in trading with Senegal, Guinea Bissau and Mali

Local processors: source and stock the earliest possible RCN raw material and be prepared to face increases in prices

Kernel traders/exporters: foresee whenever possible room for price renegotiations, in order to benefit from the kernel price increases expected along 2015.
**EVOLUTION OF CURRENCIES VERSUS US$**

The sharp fluctuations, and often severe depreciation of national currencies of most raw cashew producing countries against the US$ have a negative impact on imports and hamper the international trade. This is one of the factors which influence adversely traders’ decisions to take risks and be active in the trade. The table below illustrates the variations of exchange rates from 7th to 15th of April 2015.

<table>
<thead>
<tr>
<th>Country/currency</th>
<th>US$ versus local currency</th>
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</thead>
<tbody>
<tr>
<td>Gambia GMD</td>
<td>42.605</td>
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<tr>
<td>CFA Franc BCEAO - FCFA</td>
<td>597.641</td>
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<tr>
<td>Nigerian Naira NGN</td>
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<tr>
<td>Indian rupee INR</td>
<td>62.066</td>
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<tr>
<td>European Union Euro</td>
<td>0.910</td>
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| Country/currency          | 7 April 2015 | 17 April 2015 |
|---------------------------|--------------|
| Gambia GMD                | 42.605       |
| CFA Franc BCEAO - FCFA    | 613.152      |
| Nigerian Naira NGN        | 195.976      |
| Indian rupee INR          | 62.216       |
| European Union Euro       | 0.934        |