

Welcome to the China Cashew Market

**Review & Outlook
on 23 January 2019**

XiaoMan Nuts
小蛮腰果

By Chen Wen from Xin Da Sheng International Trade Ltd Co. in Abu Dhabi

*

The review about snacks & nuts in China

*

The nut kernels consumption in China

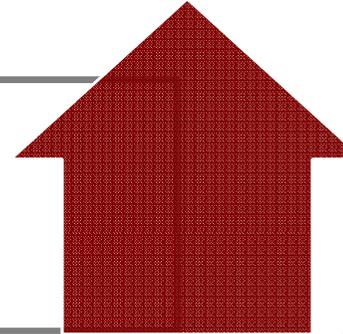
*

*The cashew price trend in China from 2016 to
2018*

*

*Two possible scenarios about the trade
disputes between China and the United States*

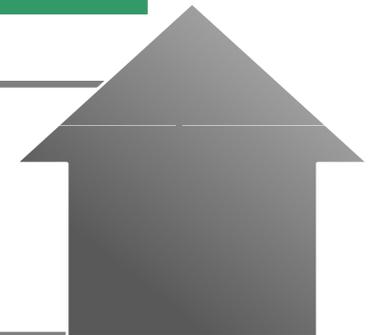
China consumed \$114.20-\$142.85 billion on snacks in 2018.



The growth rate is maintained at 11%-12%.

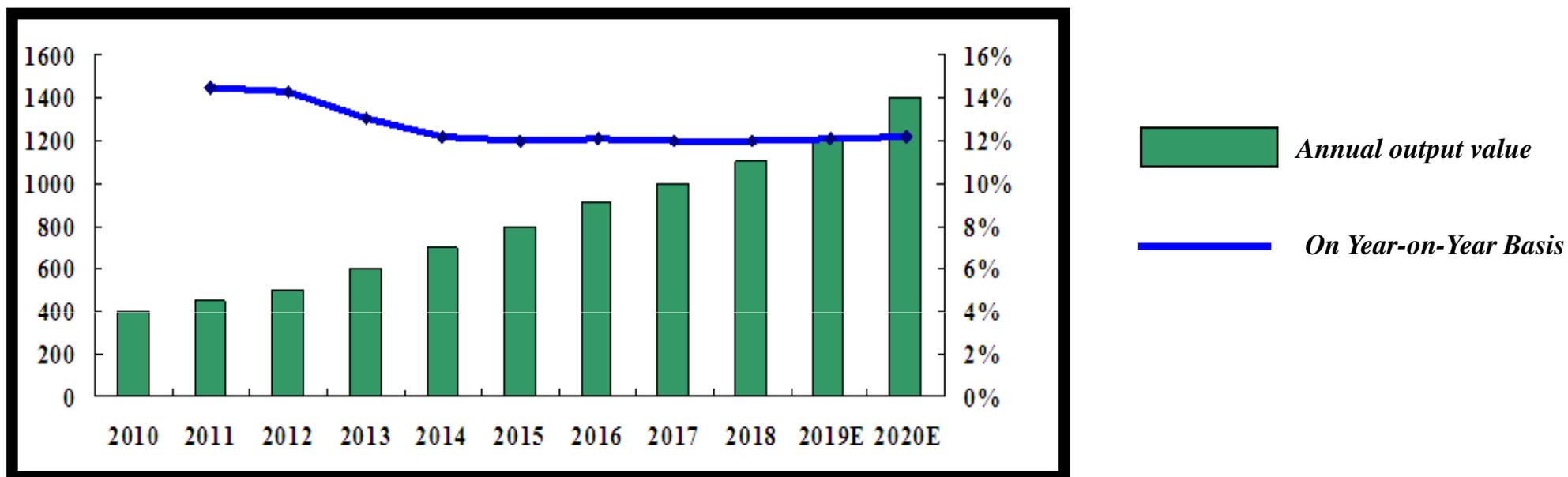


Nuts occupied 20.18% share in 2018.



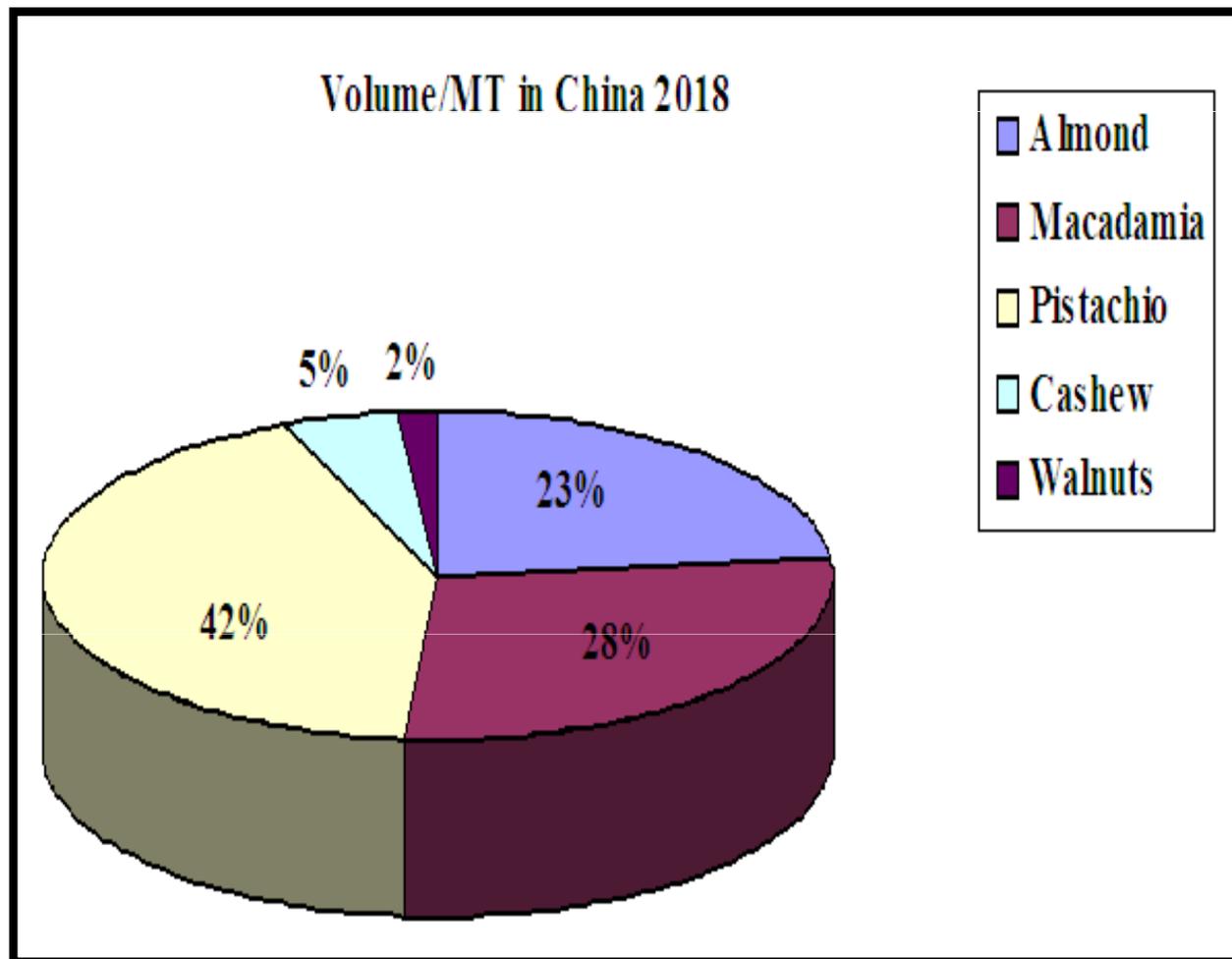
Cashew nut consumption in China from 2010 to 2020

- From 2010 to 2017, the annual output value of the roasted nuts industry increased rapidly from **\$6.45 billion** to **\$17.34 billion**.
- The output value is expected to reach **\$331.7 billion** in 2020.

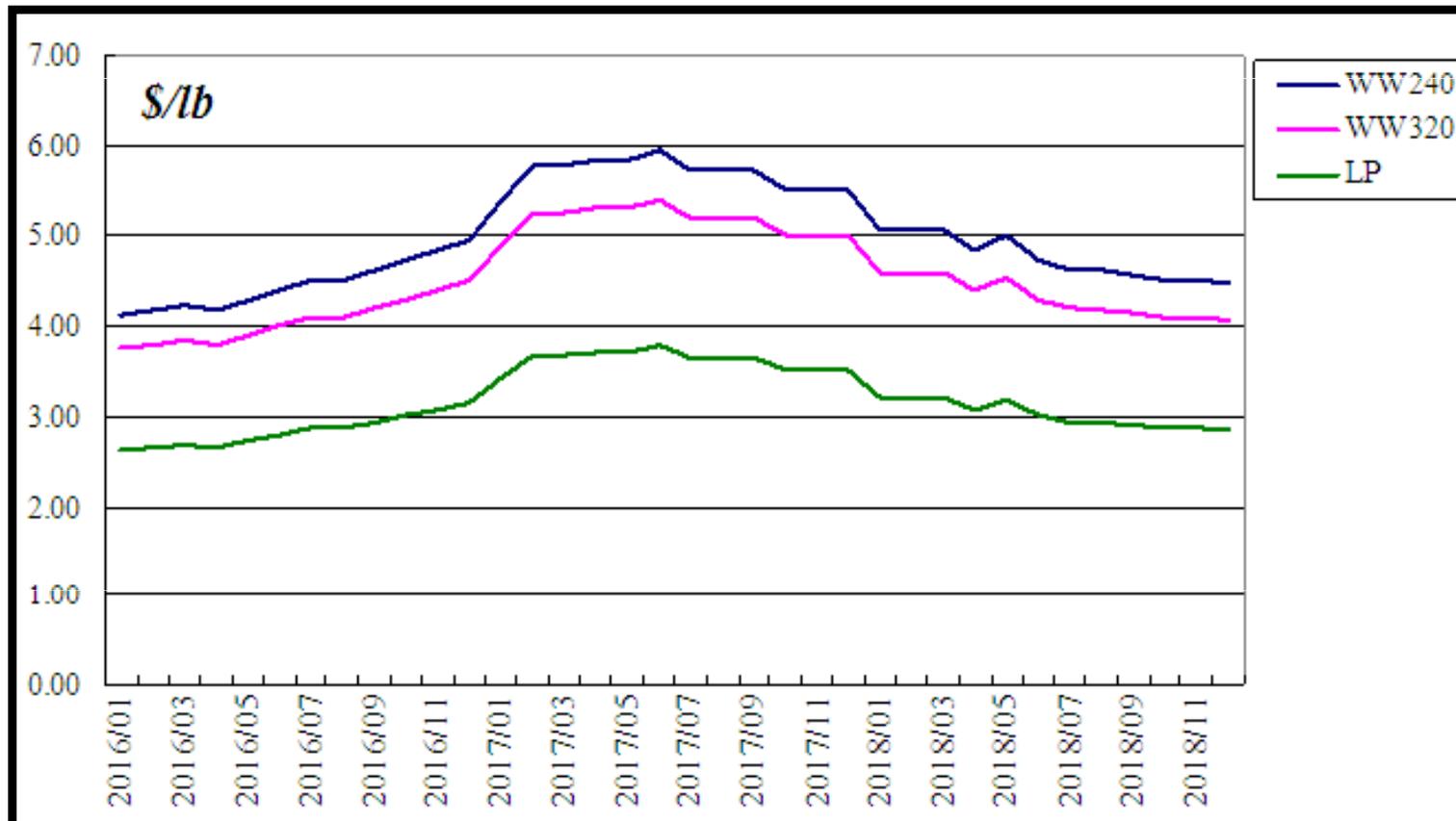


Cashews, pistachios, almonds, macadamias and walnuts in China 2018.

- **Macadamia** and **pistachio** are the top 2 most purchased nuts in China 2018.
- Especially US shares of the **market increased** from 55.5% in 2015 to **97%** in 2018Q2 on nuts, which is a **74%** increase over three years.
- Cashew is not the first choice in China and increasing varieties available in the market will mean more competition in 2019.



Price trend about WW240, WW320 & LP from 2016 to 2018 in China.



Sino-US trade war has a great influence in China

*Two
Scenarios*

```
graph TD; A[Two Scenarios] --> B[Agreement Reached]; A --> C[No Agreement Reached]
```

**Agreement
Reached**

**No Agreement
Reached**

Agreement Reached

- Due to the existing cost competitiveness and perfect industrial system in China, IMF expects China economic growth rate will be 6.4% in 2019. The macro situation will be better than 2018 and government is adopting to the economic adjustment flexibly.
- As decreasing assets with negative returns, increasing FDI and growing strong demands, China will reduce the import tariff by a large margin to stimulate the economic growth in 2019.
- Until then, American farm produce will occupy & compete with cashews in China market.

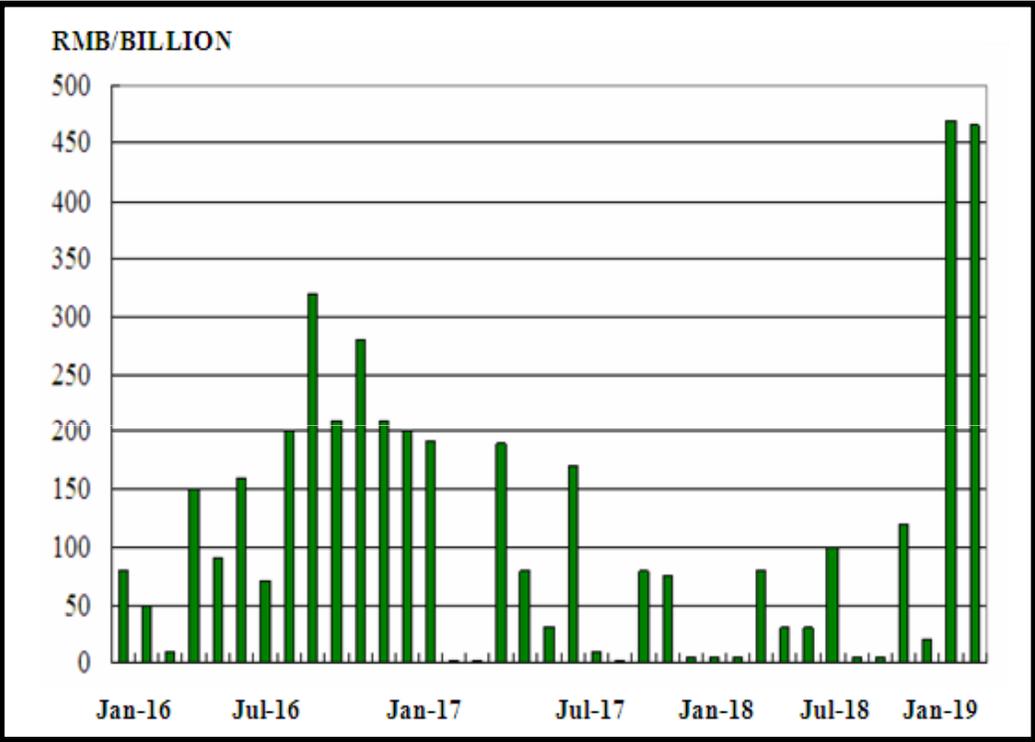
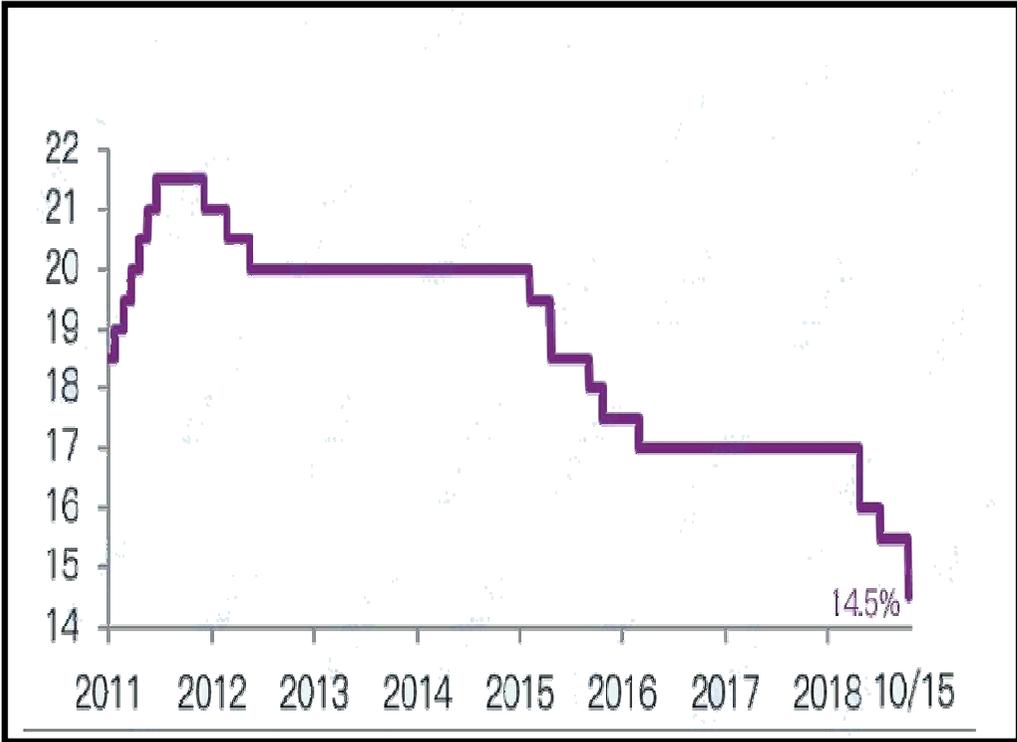
No Agreement Reached

- China's economic slowdown has led to weak consumption, meanwhile the investment will be reduced and foreign-capital enterprises will withdraw.
- With the decreasing FDI & increasing assets with negative returns, it'll cause a large number of enterprises to close down and increase the unemployment rate in 2019.
- On the occasion, the high debt-to-equity ratio will aggravate the macro situation worse than 2018. China export will face more enormous challenges and the government will increase import to reduce the deficit.

NEW POLICIES



- China's central bank announced a comprehensive reduction 1% in the deposit reserve ratio, while over CNY1.5 trillion will flow into market in 2019.
- China will build more infrastructure construction in 2019. National Development and Reform Commission improve the speed of projects approvals.



XiaoMan Nuts
小蛮腰果

*For more information, please contact Chen Wen
from Xin Da Sheng International Trade Ltd Co.,*

Email: chenwen.nuts@chinametals.cn

Skype: *antonio.chenwen*

XiaoMan Nuts
小蛮腰果

Thank you!