

RAW CASHEW CROP 2019: REVIEW & PROSPECTS

SEASON 2018

- ▶ **MOST DISRUPTIVE YEAR**
- ▶ **MANY CHANGES IN PATTERN IN THE CASHEW CANVAS**
- ▶ **BREAKING THE PATTERN OF A SIX YEAR CLIMB**
- ▶ **USD 850/MT IN 2012 TO USD 2300/MT**
- ▶ **STEEP CRASH IN WEST AFRICAN SEED PRICE**
- ▶ **EAST COMES TO WEST**
- ▶ **90% OF EAST AFRICA CROP IS STILL UNSOLD**

WHAT LED TO RCN DEMAND

- ▶ **LARGE SCALE MECHANISATION IN VIETNAM & INDIA**
- ▶ **PROCESSING CAPACITY INCREASE BY 40%**
- ▶ **PRESSURE ON SEED PRICE DUE TO ADDITIONAL DEMAND**
- ▶ **2012-2018... BOOM PERIOD, RECORD INCREASE IN TRADERS NO'S**
- ▶ **COMPETITION – ADVANTAGE FARMERS**
- ▶ **MECHANISATION EFFECT- 100% PASSED ON TO FARMERS**
- ▶ **FARMERS INCOME-TRIPLED IN 6 YEARS**

CRISIS IN THE MAKING

- ▶ **LARGE SCALE AREA EXPANSION UNDER CASHEW CULTIVATION**
- ▶ **RAW SEED PRODUCTION- LIFE TIME HIGH IN 2018**
- ▶ **SEASON 2018 BEGINS- RCN PRICE LIFE TIME HIGH @ 2300/MT**
- ▶ **LIFE TIME HIGH CASHEW KERNEL PRICES@ \$5/LBS**
- ▶ **VIETNAM LIQUIDITY CRUNCH...STEEPEST CRASH OF RCN**
- ▶ **USD 2300/MT - USD 1500/MT**
- ▶ **35% FALL... BLOOD BATH IN VALUE CHAIN**

MONTH/YEAR	RCN PRICE -\$/MT	KERNEL PRICE \$/MT	KERNEL PRICE-\$/LBS
JAN 2016	1650	7500	3.40
MARCH 2016	1550	7600	3.45
MAY2016	1470	7700	3.50
JULY 2016	1500	7750	3.53
SEPT 2016	1550	8350	3.76
NOV 2016	1750	8750	3.95
JAN 2017	2175	9250	4.15
MARCH 2017	2000	9300	4.20
MAY 2017	1950	9600	4.35
JULY 2017	1975	10250	4.60
SEPT 2017	2100	10000	4.50
NOV 2017	2150	10100	4.55
JAN 2018	2250	10300	4.65
MAR 2018	2300	10150	4.57
MAY 2018	2150	9400	4.23
JULY 2018	1850	8700	3.90
SEPT 2018	1700	8400	3.77
DEC 2018	1550	8100	3.60

THE BIG DEBATE

- ▶ We opened the 2018 season with a 50,000MT surplus
- ▶ We end with at least 350,000 MT surplus for 2019
- ▶ Almost the entire surplus sitting in one origin!
- ▶ Lets debate and see if we need to change this number