

Vietnam Cashew Update

- The Vietnamese cashew market remains firm, with prices holding steady compared to last week. Although demand for cashews has returned, it isn't strong enough to drive a price rebound.
- Amid growing concerns over supply shortages, Vietnamese processors are exercising caution with their offers, focusing primarily on prompt shipments.



September 19th, 2024



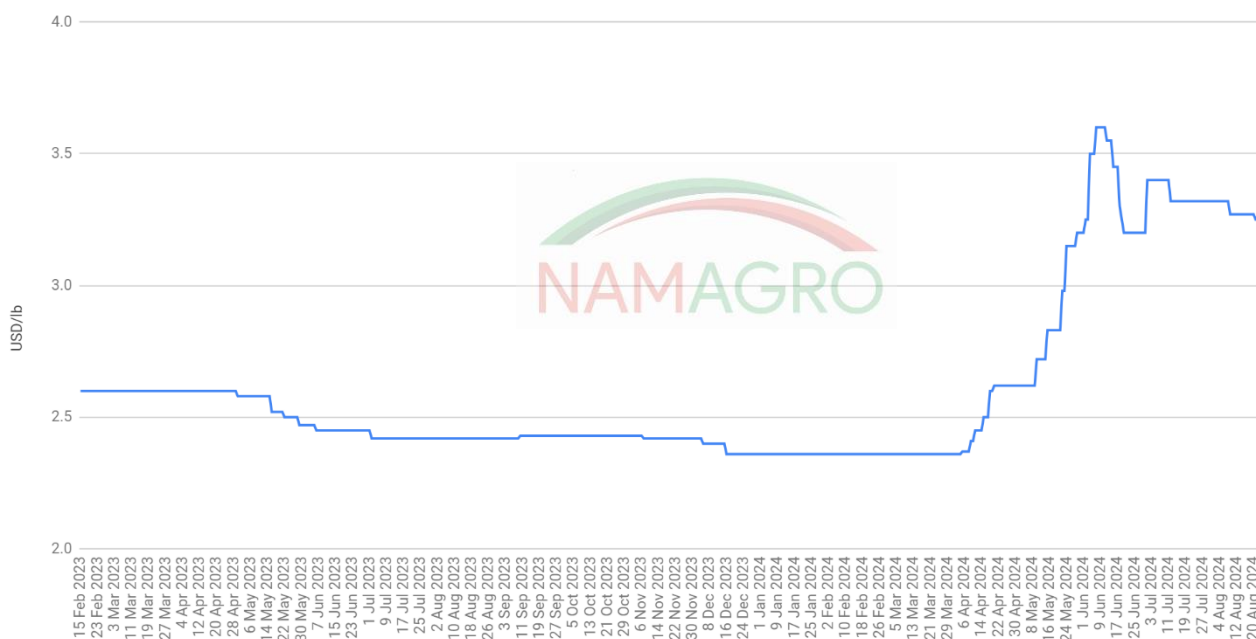
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A. Price:

Price Fob USD/lb Carton packing 50 lbs		September 2024		
Date	19-Sep-2024			
Grade	BRC	Regular		
W240	3.55	3.52		
W320	3.23	3.18		
WS	2.25	2.20		
LP	1.93	1.90		
Offers are subject to reconfirmation and till stocks being unsold				
Offers are for AFI 2012 standard				
For special tests such as Micro, Mycotoxins, Pesticides please get in touch				
Trend BRC W320				
Date	19-Sep-2024	18-Sep-2024	12-Sep-2024	20-Aug-2024
Grade	Today	Previous Day	Previous week	Previous month
W320	3.23	3.23	3.23	3.27
Change	0	0.00%	0.00%	-1.22%
Trend Regular W320				
Date	19-Sep-2024	18-Sep-2024	12-Sep-2024	20-Aug-2024
Grade	Today	Previous Day	Previous week	Previous month
W320	3.18	3.18	3.20	3.23
Change	0	0.00%	0.00%	-0.93%

W320 BRC shippers



*Source: Prices are indicative and are taken from Namagro trades and market feedback.

B. Supply Side

B1. Raw Cashew Nuts:

Country	Out turn	Price USD/MT BWH	Change
IVC	48	1,520	Reduce
Guinea-Bissau	50	1,750	Reduce
Indonesia	52	1,900	Reduce

Source: Namagro traded prices and offers from various RCN sellers

The raw cashew market remains sluggish, with minimal new demand and transactions. Although raw cashew nut prices have softened slightly, high-level prices combine with slow demand from the kernel side continues to make buyers hesitant.

The harvest season in West African countries has ended, resulting in limited, lower-quality stock, making new offers from the region scarce. The market is now seeing fresh supplies from southern hemisphere countries such as Guinea Bissau, Tanzania, and Indonesia.

The Indonesian crop has arrived earlier than usual this year, but high demand from India is driving up prices for Indonesian raw seeds. Due to a poor harvest and strong domestic demand, India is aggressively purchasing premium seeds at inflated prices. Indonesian raw cashew nuts currently offered at 1900 USD/MT for 52 outturn. At this price, processors in Vietnam are unable to balance costs with the current price of cashew kernels.

Some producers, who had previously halted operations due to price fluctuations, are now considering resuming purchases but remain cautious, opting to wait for more favorable conditions.

B2. KERNELS:

Overall, cashew kernel prices remain firm, holding steady from last week. The current price for WW320 is approximately \$3.18–\$3.30/lb FOB (BRC quality, AFI standard), while WW240 is priced around \$3.55–\$3.65/lb FOB.

The market continues to face an oversupply of larger nuts like W180 due to weak demand, putting downward pressure on their prices, with quotes around \$3.65–\$3.75. This has led to a narrowing price gap between W180 and W240.

As noted in previous reports, a shortage of raw seeds is likely in the later months of the year, and most factories are expected to deplete their seed supplies. If consumption remains strong, we could face a kernel shortage during this period.

With concerns over supply shortages, processors are cautious in making offers, focusing primarily on prompt shipments, while some European buyers are seeking shipments for later dates, such as November through the first quarter of next year.

C. Demand:

Overall, demand from European and Australian buyers has surged across all grades, with numerous inquiries and increased new transactions currently. This uptick is due to buyers returning after the summer holidays and preparing for the upcoming holiday season.

However, demand in the U.S. market remains weak, with limited interest observed. Despite this, U.S. consumption shows signs of recovery, as stock levels have sharply declined.

In Asia, there is also strong buying interest, especially from major Middle Eastern buyers. While the Chinese market has been sluggish over the past two months, a noticeable increase in buying interest has recently been observed.

According to data from the General Department of Customs, Vietnam's cashew exports in the first eight months of 2024 reached 486,470 tons, equivalent to nearly 2.78 billion USD. For August 2024, exports are estimated at 64,560 tons, or 408.44 million USD.

Over the past eight months, the U.S. remained the largest export market, accounting for nearly 28% of total volume and export revenue, with 134,109 tons—a 29.3% increase in volume compared to the same period in 2023. China ranked second with 82,863 tons of cashew exports, a 43.5% increase. Exports to the Netherlands and Germany reached 44,839 tons and 16,978 tons, up 15.5% and 23.6% respectively.

D. Our View:

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For any questions or comments please feel free to contact our cashew team:

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