



# 2019 RAW CASHEW NUTS CROP IN NIGERIA: REVIEW AND OUTLOOK

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# REVIEW OF 2018 RCN

- Nigerian RCN production in 2018 was 240,000 MT, which was an improvement on the 2017 figure of 220,000MT. This was as a result of the commitment of Government and stakeholders towards increased RCN production.
  - i. The 2018 crop, about 10% is processed locally (24,000 tons) while the balance 90% is exported.
- Unprecedented rush and unhealthy competition for RCN during the months of January and early February when RCN was hardly available in commercial quantities.
- Resultant effect of the rush was poor handling with likely effects on quality.

- Lagos ports' logistics problems that unduly prolonged transit periods en route the ports and shipment. RCN took longer periods to arrive destinations well beyond the projected 35-40 days.
- The RCN value chain was highly distorted by exporters – mostly foreign buyers who went as far as buying at the farm gate.
- Unsustainably high prices arising from the scrambling for and unhealthy rivalry by buyers.

- Pilferage of RCN in containers arising from the logistic issues/gridlock encountered en route the Lagos ports.
- Containers were also tampered with and mishandled en route the port which also affected quality.

# 2019 RCN OUTLOOK

- Weather has been favourable/clement to support good harvest:
  - i. Temperature has been good – hovering between 23<sup>0</sup> to 32<sup>0</sup>C.
  - i. Harmattan and wind have been within tolerable levels with no negative effects on flowering and fruiting.
  - ii. No adverse weather condition expected.
- RCN production for 2019 is projected to be about 270,000 as new cashew initiatives/plantations mature.

- Quality expected is an average of 48lbs.
- Crops harvest has began but commercial quantities will only be available from the month of February 2019.
- Though 2019 is an election year in Nigeria (holds on February 16<sup>th</sup> and 2<sup>nd</sup> March), any apprehension suggesting that it can affect RCN crop negatively is likely to be misplaced. 2019 RCN season should run smoothly without any hitch.

- On-going aggressive efforts to fix the ports access roads and reduce gridlock and transit time. The gridlock is however expected to persist during the RCN season but reduced in its impacts.
- Opening up and encouraging the use of alternative ports to decongest the Lagos ports.
- Synergy between the National Cashew Association of Nigeria (NCAN) and government agencies to curb unwholesome activities in RCN trade.

# PRICE EXPECTATION

- Farmers and stakeholders are aware of the global RCN challenges.
- Farmers have a cautious optimism on price.
- Farmers expect price to be determined by the market dynamics/fundamentals.

# CHANGING THE NARRATIVE

- Sustained efforts in RCN handling over recent years has impacted greatly and positively on quality.
- RCN from Nigeria's major producing areas compare favourably with those of its immediate neighbours.
- Price differential has encouraged smuggling to neighbouring countries as well as quality decline occasioned by poor handling.
- Encroachment by Exporters, particularly foreign exporters should stop as this will curb distortions in pricing and trade generally.

# CONCLUSION

- All players/stakeholders should expect a relatively good RCN season.
- Efforts are geared towards having less logistic problems at the Ports through the Government's ease of doing business initiative.
- Time to change such stereotype/narrative that Nigerian RCN is of low grade and should attract least prices.
- The NCAN/Stakeholders are engaging the shipping lines to facilitate shipment and shorten transit time.
- Stakeholders are advised to strictly operate at their appropriate stations within the value chain.

**THANK YOU FOR  
YOUR ATTENTION**