



Thông tin định kỳ

# HẠT ĐIỀU

PERIODIC INFORMATION ABOUT CASHEW INDUSTRY

*“Talk about CASHEWS, think about VIETNAM”*

\*LƯU HÀNH NỘI BỘ / INTERNAL CIRCULATION \* HIỆP HỘI ĐIỀU VIỆT NAM / VINACAS\*

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**HIỆP HỘI ĐIỀU VIỆT NAM**  
Vietnam Cashew Association



**RESHAPING**

**THE GLOBAL CASHEW SUPPLY CHAIN**

**THE 13TH VINACAS GOLDEN CASHEW  
RENDEZVOUS 2024**

## HIGHLIGHTS

### 13th VINACAS Golden Cashew Rendezvous:

## RESHAPING THE GLOBAL CASHEW SUPPLY CHAIN

### Phieu Nhien

*At the press conference for the 13th VINACAS Golden Cashew Rendezvous (GCR) in Dong Hoi, Quang Binh province at the end of February 2024, the President of the Vietnam Cashew Association (VINACAS) - Mr. Pham Van Cong said this is an opportunity for all parties to find solutions to reshape the global cashew supply chain in 2024 and the following years.*

### Vicious circle

Although the cashew supply chain recovers, it is still stagnant as the international cashew kernel price has continuously decreased, faster than the decrease of raw cashew price due to impacts of the COVID-19 pandemic and geo-political fluctuations in the world. According to Mr. Vu Thai Son, Chairman of the Board of Directors and General Director of Long Son Joint Stock Company, from 2018 to the end of 2023, the price of cashew kernels exported has decreased from 9 USD/kg to 5.8 USD/kg. The price of raw cashew nuts also decreased but was still higher than the price of processed cashew kernels. The more businesses process and export, the more they lose. This is because many businesses bought large quantities of raw cashew nuts from the beginning of the year at a price of 1,100 USD/ton to 1,200 USD/ton, but when sold, the price of cashew kernels was lower than the processing cost. At the same time, the price of raw cashew nuts was 900 USD/ton. Some raw cashew nut importers with

previously signed contract conducted "loss of deposit" to cut their losses. However, the raw cashew nuts from Africa are still transported to Vietnamese ports, so the sellers must hire a bonded warehouse to store goods, waiting to be sold to other businesses causing the increasing costs.

For the businesses that have bought raw cashews from the beginning of the season (high price), they also must process them even though the selling price of cashew kernels is lower than production cost, because the raw cashew nuts stored for a long time have reduced quality. Once cashew kernels are processed, they must be sold to cover costs and repay the bank loan to buy raw cashew nuts. Importers and roasters are not in a hurry to buy if the price is not reduced. Just like that, the decrease trend in cashew kernel prices is gradually decreased. That vicious cycle repeated over the past few years. By early 2024, many factories sell WW 320 at a price of 2.3 USD/Lb.

## **Risk of supply chain breakdown**

Vietnam is the largest importer of raw cashew nuts, and is also the largest processor and exporter of cashew kernels. At one time, it accounted for nearly 80% of the world's cashew kernel exports and imported nearly 65% of the world's raw cashew output.. Although cashew kernel processing has been encouraged and promoted by African countries, it still accounts for a modest proportion. African countries, especially Ivory Coast, control the floor price of raw cashew nuts sold, and Tanzania sells via bidding. Each country imposes high export taxes and many fees instead of 0% as before. Countries also "roll out the red carpet" calling foreign investors to build processing factories with the desire to increase the value of cashew nuts and gradually reduce the volume of raw cashew exports; contributing to solving employment and other socio-economic issues. However, many factories operate at low efficiency. As assessed, it is not only due to investing in equipment and processing technology but also the skills of workers and management experience during the operation process. In fact, no less than 30% of preliminarily processed cashew kernels at factories in Africa fail to meet

export standards, especially with the cashew kernels with leftover testa. Most of these defective products are being exported to Vietnam for "recycling", reducing the quality and reputation of Vietnamese cashew nuts.

The consequence of some countries imposing minimum export prices and many fees when exporting raw cashews is that some businesses have sought ways to export across borders to help consume some of the raw cashews in stock when processing capacity is still very limited; At the same time, it contributes to pushing up the price of raw cashew nuts at a high level.

Meanwhile, many Vietnamese small and medium-sized processing businesses have suffered prolonged losses, leading to the potential of stopping operations. It may disrupt the global supply and demand chain of raw cashew nuts and cashew kernels as a result. Importers are lack of goods to deliver to cashew roasting and packaging businesses; Raw cashew nuts from African countries cannot be consumed completely, because Vietnamese businesses stop buying or buy limited quantities. This will greatly impact the psychology of cashew growers and they do not take care of or cut down cashew trees.

## **Change or go bankrupt together?**

According to a representative of Starlink Global Nigeria Limited, Vietnam is the center of the global cashew industry supply chain, from importing raw materials (Africa, Cambodia and Indonesia) to processing and exporting cashew kernels to major markets such as the United States, China and EU countries...

Before the COVID-19 pandemic, when the cashew supply chain operated smoothly and all parties were profitable, the processing factories in Vietnam increased rapidly in both quantity and processing

capacity with nearly 1,500 processing factories and facilities in various size. The cashew growing area in Africa and other countries also increased rapidly leading to a sharp increase in output. Ivory Coast alone, the country with the world's leading area and output of raw cashew nuts from 680,000 tons/year increased to 800,000 tons/year and now it is 1.25 million tons/year; Cambodia increased from 200,000 tons/year to 650,000 tons/year. Raw cashew output will continue to increase because the quite large area of newly planted cashew trees in African

countries and Cambodia has been matured and harvested in recent years (Cambodia is trying to achieve an output of 1 million tons of raw cashew nuts in coming years)

Lessons from other industrial crops show that hot growth causes an imbalance in supply and demand. When additional uncertainties appear, the imbalance in the entire supply chain becomes more obvious. It is difficult to predict the consequences when Vietnam cashew industry as a center of the global cashew industry supply chain has malfunctions.

VINACAS hopes that the 13th GCR will be an opportunity for all parties to analyze the gains and losses. If old way (only thinking about the benefits of each country and each business) is not changed, it will lead to the breakdown of the entire global cashew supply chain. Therefore, it is time to adjust and reshape operations so that all parties in the chain can operate effectively. In particular, how to adjust to more appropriately allocate the Global Cashew Value Chain for mutual development of all parties plays a very important role.

**THE 13TH VINACAS GOLDEN CASHEW RENDEZVOUS 2024**

*(One of key national-level trade promotion events of Vietnam of the year); Networking with the top cashew stakeholders in the globe and Vietnam*

**“Talk about CASHEWS, think about VIETNAM”**

**QUANG BINH - VIETNAM**  
From 26th till 28th February 2024

**RECOGNITION, EVALUATION OF CASHEW MARKET  
 OF VINACAS INFORMATION COUNCIL**

**I. RAW CASHEW MARKET**

Raw cashews are being transacted at the following prices (C&F HCM):

Xuất xứ Origin	Thu hồi/ Outturn (Lb)	Số hạt Nut count	Giá/ Price (USD/mt)
IVC	48	200	1000 - 1050
Ghana	50	200	1050 - 1100
Mozambique	48	200	1050 - 1100

Currently, there are many different prices of raw cashews offered in the market depending on the quality, reputation of suppliers and buyers, sales pressure...

however, the level to which the price is "matched" depends on the outcomes of the parties' negotiations.

**II. CASHEW KERNEL MARKET**

Transaction prices are recorded as follows (FOB HCM):

Loại Nhà máy Type of Factory	W180 (USD/Lb)	W210 (USD/Lb)	W240 (USD/Lb)	W320 (USD/Lb)	W450 (USD/Lb)	WS (USD/Lb)	LP (USD/Lb)	SP (USD/Lb)
BRC & Smeta	3.70 - 3.80	3.15-3.20	2.75 - 2.80	2.40 - 2.45	2.25 - 2.30	1.55-1.60	1.25-1.30	1.05 - 1.10
BRC	3.55 -3.65	3.05 - 3.15	2.70 - 2.75	2.35 - 2.40	2.20 - 2.25	1.50-1.55	1.20-1.25	1.00 - 1.05
HACCP	3.45-3.55	3.00 - 3.05	2.65 - 2.70	2.30 - 2.45	2.15 - 2.20	1.45-1.50	1.15-1.20	0.90 - 1.00

The prices of factories with BRC and SMETA certification are sold to high-end

markets such as Japan, China, Arab world, etc.

**III. EVALUATION, RECOMMENDATIONS**

**3.1. Raw cashew market**

The market remains stable. Currently, inventory of small and medium-sized factories is low, the demand for raw cashew nuts is so still large. However, the current

market offering is not much because the raw cashew businesses have sold out in December 2023 and early January 2024.

**3.2. Cashew kernel market**

The market is not really vibrant yet. Currently, many buyers still hold enough inventory. Furthermore, because freight

shipping rates are rising, such buyers are still observing the market in the hope that the rates will decrease and they can buy more.

The small and medium-sized factories offer the price of approx. 2.30-2.35 USD/Lb to W320 and BRC&SMETA factories offer the price of 2.40-2.45 USD/Lb. Currently, some demands until December 2024 are given and buyers suggest the price of around 2.40-2.42 USD/Lb for the BRC&SMETA factories. some deals have been agreed at this price.

Demand for W240 raw cashew nuts in a prompt delivery is good; The quantity of W240 is however not much anymore because the manufacturers previously classified large nuts to sell to China as salt-roasted cashew kernels in testa. The current offered price for W240 is about 2.70 - 2.75 USD/Lb for the prompt delivery.

W180 and W210 raw cashew nuts are still in demand; however, the prices of these

### ***3.3. Valuations, recommendations***

2023 is a leap year; the cashew crop of Cambodia and Vietnam is so expected to arrive early after the Lunar New Year and a peak crop is in March 2024.

Africa is also starting a new crop in Ghana and Nigeria (Ogbomosho region). A few deals have been agreed in January. It is expected that a small quantity of African raw cashew in a new crop will arrive at ports at the end of March.

According to information from African countries, it seems that the predicted negative impacts of El Nino on world cashew production have not yet occurred. Up to now, the situation of the 2023-2024 season is normal in most countries.

Some businessmen with many years of experience in the Vietnamese cashew industry recommend: If you buy raw cashew nuts with OT 48 lbs/ 80 kgs and 200 NC for 1,000 USD, it will be very risky for production and business in 2024.

products have decreased because the inventory of large factories is still high and a new crop is coming in Cambodia. Furthermore, China is reducing to buy large sizes of salt-roasted cashew kernels in testa.

The quantity of W320 from small and medium sized factories in the prompt delivery is low; a few American buyers have bought some W320 product at the price of 2.30-2.33 USD/Lb.

There is still not much demand for WS and LP broken cashews; the prices of these products are therefore still low. The small and medium-sized factories receive some WS demands in forward delivery at 1.50-1.55 USD/Lb

Currently, most shipping routes going through the Suez Canal will be affected by the war and hence, some ships have change their route with longer shipping time to avoid risks. The freight shipping rates from January onwards have increased many times due to this event. Currently, the factories are suffering difficulty to get a booking because of few ships and out of space.

This year is a really difficult year for the Vietnam cashew industry; it is worse than 2024. If importing the cashew kernels with leftover testa from Africa is not stopped, many Vietnamese factories will be unable to compete with African manufacturers because after processing, the African factories select good cashew nuts to sell to Europe, the US and other countries and remaining bad cashew nuts with leftover testa which cannot be processed will be sold to Vietnam to remove the testa and sell them. This makes the quality of African cashew kernels very good and gradually obtain the reputation and trust of customers and step by step

encroaching on the market of Vietnamese factories.

Currently, some large factories are considering changing their business to another direction or temporarily suspending cashew production if this situation is not improved because it's unreasonable to invest too much money in something that doesn't yield a profit and give a high risk.

According to some experts: The US market for world cashew kernels grew slowly in 2023; For Vietnam, cashew kernel exports to US increased more than the same period in 2022 in June - August but the whole year still decreased by 1.66%. In addition to general economic, political, and social reasons, the

cause may be due to competition from other types of nuts and reduced quality of cashew kernels. However, the amount of further processed cashew nuts, mainly roasted, imported into the US increased sharply. Vietnam is the main importer with 84% market share. This is a good development direction for Vietnam's cashew industry.

US interest rates are still high (It is forecasted to decrease in 2024). With current interest rates, US companies will not increase inventories. This will create pressure in selling cashew kernels to Vietnamese processors. Therefore, cashew kernel prices are unlikely to increase suddenly in the first 6 months of 2024.

## INFORMATION FROM THE FOREIGN PRESS



### I. THE INTERNATIONAL RAW CASHEW MARKET

#### Nigeria

The new cashew crop has begun and will peak in mid-February 2024. Favorable weather is expected to produce good yield and quality. Output in 2024 is expected to reach 300,000 - 350,000 tons (2023 is 240,000 tons).

#### Ghana

Initial records of the new cashew crop show that: The quality of existing raw cashew nuts is not good: Outturn only reaches 48 to 50 LBS and high moisture.

#### Benin

The harvest is about to officially begin. The harvest forecast is quite good. This year, the Benin Government decided to ban the export of raw cashew nuts to develop domestic processing. However, some people predict that this decision will be lifted or postponed until 2026 because processing facilities are not capable of consuming all the raw cashews produced.

### II. THE INTERNATIONAL CASHEW KERNEL MARKET

In 2023, Africa implemented many projects to build new processing

factories. Ivory Coast's projects have a total announced capacity of over

200,000 tons of raw cashew nuts/year but have not yet been officially built. Benin also announced several new projects; Two new processing factories have come into operation in Tanzania.

Ivory Coast authorities said that the current processing capacity of the factories is about 250,000 tons/year. However, according to some experts, in reality, factories operate at only 55-

60% capacity. Operating at less than half capacity is a common situation in other African countries. Factories in most countries only reach 30-55% capacity. Most factories built before 2015 are no longer operating. Several recently built plants have closed, including ones that were considered "game changers" when they first opened.

## ACTIVITIES OF VINACAS

### PERMANENT VICE PRESIDENT OF VINACAS

#### *ATTENDING THE CONFERENCE TO SUMMARIZE THE ACTIVITIES IN 2023 AND DEPLOY TASKS IN 2024 OF AGRICULTURE AND RURAL DEVELOPMENT SECTOR*

*On the afternoon of January 3, the Ministry of Agriculture and Rural Development held a conference to summarize the activities in 2023 and deploy the tasks in 2024 of the agriculture and rural development (ARD) sector. The conference was connected online from Hanoi place to other places in 63 provinces and centrally run cities. Prime Minister Pham Minh Chinh attended and chaired the conference. Permanent Vice President of VINACAS, Bach Khanh Nhut attended at the Ho Chi Minh City place.*

According to Report of the Ministry of Agriculture and Rural Development, in 2023, the Agricultural sector implemented the plan in context of mixed advantages, difficulties and challenges... etc. However, with unity from awareness to action and organization of a strong transformation from production thinking to agricultural economic thinking, from single-sector development to multi-

sectorial cooperation and development; promote multi-value integration in agricultural, forestry and fishery products; moving from the agricultural supply chain to developing product line chains in accordance with the orientations in the "Tam Nong" Resolution and the Strategy for sustainable agricultural and rural development; striving to rise up with the motto "Responsible



discipline, timely initiative, accelerated creativity and sustainable efficiency".

Therefore, the whole sector has achieved many positive results.



In 2023, the Ministry of Agriculture and Rural Development (MARD) closely coordinated with the Ministry of Industry and Trade to implement mechanisms and policies for trade promotion, open negotiations, and market development to promptly resolve problems promoting AFF exports. In addition, MARD coordinated with Embassies, Trade Counselors, and Vietnamese Agricultural Counselors in other countries to build exchange channels, provide export market information, and strengthen promotion and promotion of products that have been opened and officially exported in association with diplomatic activities of the Government and the MARD in major markets (China, United States, EU,

Russia and Brazil) and effectively exploited potential markets (Japan - Korea, Asean, Australia - New Zealand, Middle East and Africa...etc.).

Thanks to such activities contributing to removing many difficulties and obstacles to increase the export of agricultural, forestry and aquatic products in difficult conditions of new open orders and market barriers, total export turnover of agricultural, forestry and aquatic products continued to maintain a good growth reaching USD 53.01 billion, down 1.2% compared to 2022; trade surplus reached a record of USD 12.07 billion, an increase of 43.7%.

Specifically, GDP growth of the entire agricultural sector was 3.83%, the highest in recent years, contributing greatly to the 5.05% growth rate of the economy (of which: Agriculture, fisheries and forestry increased by 3.88%; 3.71% and 3.74% respectively). Agriculture continue to affirm its important position and serves as a “supporting column” of the economy, firmly ensuring food security, major balances of the economy and contributing to macroeconomic stability.

Total agricultural, forestry and fishery export turnover has maintained a high

amount over USD 53 billion; The trade surplus was the highest ever at USD 12.07 billion, an increase of 43.7%. Some products significantly increased such as: Vegetables and fruits with turnover of USD 5.69 billion, an increase of 69.2%; rice with turnover of USD 4.78 billion, an increase of 38.4%; ST25 rice won the championship award for the second time for the best rice in the world; the cashew with turnover of USD 3.63 billion, an increase of 17.6%. Vietnam has produced and exported commercial vaccines against African swine fever.



It is forecasted 2024 will continue to have mixed advantages, difficulties and challenges with stronger ratio; The agricultural sector faces difficulties and challenges, especially climate change, but the Prime Minister believes in the tradition of innovation, creativity, and high

determination at the Government and all local governments and experience and results of 2023, the efforts of businesses and people, the agricultural sector will continue to develop more, faster, more sustainably and successfully implement the set goals and achieve better results in 2024 than 2023./.



Since 1990



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Kính gửi: Quý Hội viên và Doanh nghiệp ngành điều,

Từ tháng 3/2021, thực hiện chỉ đạo của Lãnh đạo Hiệp hội Điều Việt Nam, Thông tin định kỳ "Hạt Điều" của VINACAS đổi mới về hình thức và nội dung nhằm cung cấp đến quý Hội viên, Doanh nghiệp trong ngành những thông tin thị trường trong và ngoài nước, những khuyến cáo kịp thời, chuẩn xác. Các doanh nghiệp tổng hợp thêm các nguồn thông tin khác và căn cứ vào điều kiện cụ thể của mình để đưa ra các quyết định trong sản xuất, kinh doanh đạt hiệu quả tốt nhất.

Để có được nhiều thông tin thị trường đáng tin cậy cung cấp cho Hội viên, doanh nghiệp sẽ cần không ít chi phí, trong khi ngân sách của VINACAS còn hạn hẹp; Ban biên tập Thông tin định kỳ "Hạt Điều" rất mong muốn nhận được nhiều thông tin góp ý xây dựng và tham gia tài trợ, vừa giới thiệu sản phẩm và thể mạnh hoạt động của đơn vị mình trên các Bản Thông tin vừa góp phần nâng cao chất lượng Thông tin để ngày một đáp ứng tốt hơn nhu cầu của doanh nghiệp trong ngành.

Rất hân hạnh được hợp tác và đồng hành cùng Quý Hội viên và các doanh nghiệp. Trân trọng cảm ơn!

**Mọi chi tiết xin liên hệ:**

1. Về Nội dung: Ông Trần Hữu Hậu - Phó Tổng thư ký VINACAS. ĐT/ Whatsapp/Zalo: 0903 904 021;
2. Tài trợ, Giới thiệu doanh nghiệp: Ông Nguyễn Đình Trường - Phó CVP VINACAS: ĐT/Whatsapp: 0917 888 148.

*"Talk about cashew, think about Vietnam"*