CASHEW MARKET REPORT

FROM 16 to 31/05/2026

The market during the second half of May remained challenging, with no clear signs of improvement in demand while there is no positive interest for kernel contracts, partly because of supply chain disruptions caused by rising freight rates and vessel capacity being redirected to the China market. A good point was observed from several processors that had previously been less active during the Vietnam and Cambodia crop seasons, started to purchase West Africa RCN, either afloat or for June/July shipment, as part of their plans to maintain production throughout the third and fourth quarters of this year.

While W320 price was under pressure as supply continued to outweigh demand, at present, many processors are still holding significant stocks, mainly of smaller-sized kernels such as W320 and W450, which have gotten very few demands. Some processors have even offered lower price into $3.00–3.05/lb; however, trading activity has remained very limited. In contrast, the market continues to face a shortage of W240, while big size borma to China and W240 kernels are still attracting considerable buying interest, which is completely different from previous years. (currently, the price gap between W240 and W320 has widened to more than 60cents/kg).

Domestically, most Vietnamese processors are holding significant stocks of W320 and have temporarily reduced or suspended production to ease stock pressure due to high cost of RCN, it remains difficult for processors to offer W320 below the $3.00–3.10/lb range without incurring losses. It is very challenging for processing to balance between RCN costs and kernel prices till the end of this year though RCN prices have reduced. Despite the market slowdown and the decline in kernel prices, Buyers have not shown strong buying interest and are generally willing to wait until freight rates return to more reasonable levels before making purchasing decisions. Borma shipments to China have also slowed during this period, as stocks still remains from previously contracted shipments, resulting in cash flow being tied up for factories during a sensitive period when West Africa cargoes are beginning to arrive at ports from early June through July.

West Africa RCN prices have continued to show signs of going down, helping to narrow the gap between Sellers and Buyers during this period. Trading activity has been concentrated mainly on Boke, Ghana (afloat cargoes) and Ogbomosho origins which focused by larger nut size and high OT to solve the demand of W240 for future contracts. While IVC continue to hold firm price levels, mainly due to the high cost of input, which is difficult for significant price reductions, high OT lots purchased earlier have also been processed by factories, with the resulting to sell borma kernels back to the Vietnam market. Despite offering high OT, Bissau and Senegal have received limited market interest, as small nut count origins are not on target demand. Although most processors have yet to secure enough RCN to cover production requirements through year-end, many remain hesitant due to the risks associated with balancing RCN costs against kernel selling prices, thus although transactions have taken place, trading activity remains cautious and has yet to be active enough to drive any feedback in kernel prices at the present time.

Kernel prices and buyer demand in the third and fourth quarters are expected to be the key factors determining the market direction in the coming period. Meanwhile, geopolitical risks, together with global economic uncertainty linked to oil prices and the consequences of the Iran–U.S. conflict, continue to keep the market in a high-risk environment, making it difficult for parties to take decisive actions. Most processors are therefore mainly weighing purchase risks against production needs, in an effort to maintain operations and achieve a soft landing toward the end of 2026.

Reference Prices

- **Kernel Offers from Packer**
  - W320: $3.1-3.15 – top and BRC packers
  - W320: $3.0-3.1 – Medium packers
  - W240: $3.35–3.4
  - W180: $4.2-4.3
  - WS: $2.6-2.65
  - LP: $2.0-2.1
- **RCN Offers**
  - IVC 44 lbs – 200 NC – $1390-1400 - June July
  - IVC 45 lbs – 200 NC – $1425-1430 - June/July
  - Ghana 45 lbs – 190 NC – $1410-1420 - June July
  - Burkina 45 lbs – $1390-1400- June/July
  - Boke 49 lbs – $1540-1560 – June
  - Borma IVC: $2.38-2.4/lbs – June July

HOMIE D'LION GROUP COMPANY LIMITED
Compiled by CASHEW DEPARTMENT