

CASHEW NUTS

World Overview

United States of America

EEC Overview

India

Cashew nuts - World Overview

In international trade, the cashew nut refers to both the raw nut and to the edible kernel contained within the raw nut's hard shell. It is classified under the following codes:

HS 0801.30 Cashew nuts, fresh or dried, shelled or not

In terms of volume, the international market for whole cashew kernels amounts to approximately 135,000 metric tons per year. The principal importing countries are USA, the single largest market, the United Kingdom, CIS (former USSR), Japan, the Netherlands, France and Germany. The principal exporting countries are Brazil, China, Indonesia, Kenya, Tanzania and Mozambique. India and China, on the other hand, are both major producers and exporters of cashew kernels, as well as importers of raw cashew nuts.

The three import markets covered in

this market brief are USA, the European Community (EC), and India. In the first two cases, imports consist mainly of semi-processed cashew nuts which are, in general, further processed (roasted and salted) and re-packaged by the importer. India, on the other hand, imports raw cashew nuts both for the extraction and export of cashew nut shell liquid as well as for re-exports after further processing.

The market for cashew nuts is largely dominated by demand for whole white kernels used primarily as snacks, either alone or in mixed nut blends. Current demand levels for whole kernels amount to approximately 100,000 tons per year, or 75% of total trade volume. Other market segments for cashew nuts are food preparation and confectionery which demand whole or partly whole kernels, splits and broken pieces.

Imports of cashew nuts, 1986-1990

V: US\$ '000)

Resumé of major markets

Q: tons

	1986		1987		1988		1989		1990		1991 ^{a/}	
	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q
Total	465,678	n.a.	498,800	n.a.	433,638	n.a.	361,610	n.a.	490,843	n.a.	n.a.	n.a.
of which:												
USA	259,427	44,975	273,079	42,761	202,533	38,623	187,188	41,395	236,306	54,453	253,652	49,449
India	55,688	60,783	49,655	42,609	42,067	45,150	n.a.	n.a.	73,835	82,639	21,457	n.a.
EC	55,942	10,421	64,716	10,362	63,792	12,976	61,345	13,106	69,377	15,198	63,305	12,007
Singapore	12,586	9,720	18,823	13,934	11,708	5,815	17,817	18,446	23,049	24,606	27,393	26,680
Japan	21,626	3,409	19,410	2,735	23,185	3,718	20,910	3,793	21,810	4,298	n.a.	n.a.
Canada	18,442	3,133	18,641	2,860	15,954	3,201	21,008	4,347	21,545	4,730	25,480	4,826
Australia	16,426	n.a.	13,916	n.a.	12,084	n.a.	13,731	n.a.	15,005	n.a.	n.a.	n.a.
Hong Kong	15,881	5,710	15,860	4,669	22,005	12,057	18,490	13,406	13,559	4,650	n.a.	n.a.
China	n.a.	n.a.	15,035	12,191	30,349	28,869	8,808	10,488	5,692	7,639	n.a.	n.a.

Source: COMTRADE

^{a/} Provisional; statistics for India do not cover the full year; EEC figures do not include Germany.

Cashew nuts - USA

Total imports	Metric tons	US\$ '000	Market share %			
1988	38,876	195,706	India	43.7	UR Tanzania	1.7
1989	48,923	211,438	Brazil	38.9	Kenya	0.5
1990	55,361	229,834	Mozambique	5.6	Guatemala	0.3
1991 <u>a/</u>	49,449	253,652				

a/ Figures for 1991 are based on the COMTRADE database

Market characteristics

The USA is the world's largest importer of cashew nuts, accounting for 55 to 60 per cent of total world imports. It is also a highly price responsive market. Cashew nuts have a well-established market in the USA with widespread distribution and a great variety in uses. Per capita consumption is estimated at 215 grams. Increased demand from the Asian communities and from the restaurant sector has bolstered import demand. In addition, sales of cashew kernels have been influenced by greater distribution to supermarkets, increased use as a snack food in vending machines, and in broken pieces for use in bakeries and restaurants. Cashew kernels are also an important ingredient in assorted nut packs sold at the retail level.

Market access

No duty is levied on imports of cashew nuts. However, strict food safety, sanitation and quality inspections are carried out. Cashew consignments must be checked for pesticidal residues and aflatoxin content, and verified that levels fall within the limits set by the US Food and Drug Administration.

Prices

Wholesale import prices range from US\$ 2.50 to US\$ 2.80 for 320s per pound, US\$ 1.70 to US\$ 1.90 for pieces and US\$ 1.75 to US\$ 1.80 for scorched pieces. Retail prices for roasted cashew kernels in supermarkets range from US\$ 4.00 to

US\$ 11.00 per pound (or US\$ 9 to US\$ 23 per kg.), depending on the size of the kernels and on packaging. Prices for roasted nuts are usually the same for salted and unsalted nuts.

Packaging

At the retail level, cashew kernels are either packed in aluminium or plastic containers. Many stores and supermarkets also have containers or food bins filled with cashew kernels and cashew pieces from which customers may select the amount they wish to purchase.

Distribution channels

The normal distribution channels for imports of cashew nuts is from importer to processor to retailer. Importers may also re-pack and process (roasting and salting). Retailers are comprised mainly of gourmet stores and supermarkets. In the USA, food retailing (pre-packed food gifts) through mail-order catalogues is very popular around major holidays, such as Christmas and Easter. A list of importers can be made available upon request.

Market prospects

The US is a net importer of cashew nuts. Imports of cashew kernels and pieces continued to rise during the 1980's and economic projections on the future demand for cashew kernels in the USA confirm an overall upward trend. However, exporters from developing countries must ensure that their products comply with FDA regulations in order to avoid detention of their consignments.

Useful addresses

National Food Processors Association
1401 New York Avenue, NW, 4th Floor
Washington, DC 20005
Tel: (202) 639 5900

U.S. International Trade Commission
500 F Street NW
Washington, DC 20024
Tel: (202) 252 1626

Horticultural and Tropical Products
Division
Foreign Agricultural Service
Room 605, South Building
14th St. and Independence Ave., SW
Washington, DC 20250
Tel: (202) 447 3275

Center for Food Safety and Applied
Nutrition
Food and Drug Administration
200 C Street
Washington, DC 20204

Sources of information

- Market Research File on Cashew Nuts, TIDU/TIS/ITC 1991
(Available on payment basis; free of charge to LDCs)
- Various issues of the following trade journals were consulted:
 - The Clipper
 - Foodnews
 - Food Institute Report
 - The Public Ledger's Commodity Week
 - The Financial Times
- USA foreign trade statistics
- COMTRADE/UNSO
- On-line databases

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Cashew nuts - EEC Overview

Q: Metric tons V: Ecu '000	1988		1989		1990		Jan-Oct 1991	
	V	Q	V	Q	V	Q	V	Q
<u>Total EEC imports</u>	55,208	13,236	56,166	13,214	55,299	15,413	56,139	13,520
United Kingdom	18,949	4,212	19,352	4,855	18,249	5,106	17,447	3,924
Netherlands	14,182	3,149	14,161	3,164	14,896	4,086	15,698	3,833
FR Germany	14,547	3,379	15,270	3,269	14,352	3,732	13,250	3,197
France	4,737	1,177	4,717	1,077	4,194	1,212	4,652	1,139
Belg.-Luxbg.	971	361	812	304	806	363	905	364
Italy	998	787	940	310	630	306	798	293
Portugal	329	77	434	130	936	298	1,506	370
Spain	407	74	324	69	1,092	264	1,555	323
Ireland	73	17	86	22	108	38	129	43
Greece	0	0	9	2	28	6	183	30
Denmark	15	3	61	12	8	2	16	4
Source: Eurostat								
<u>Main origins of imports</u> (% market share 1990)	India (63.2), Brazil (11), Netherlands (6.3), Vietnam (4.4), Mozambique (4.3), PR China (3.8), USA (1.6), FR Germany (1.5), UR Tanzania (0.7)							

Market characteristics

The European Economic Community is the second largest import market for cashew products after the United States. While the major suppliers are developing countries, in addition to direct imports, Member States trade among themselves, especially when domestic stocks and world market prices are high.

The market for cashew nuts is largely dominated by demand for whole white kernels used primarily as snacks, either alone or in mixed nut blends. Other market segments for cashew nuts are food preparation and confectionery which demand whole or partly whole kernels, splits and broken pieces. Per capita consumption is the highest in the Netherlands, estimated at 230 grams, followed by the United Kingdom at 75 grams and Germany at 50 grams.

Market access

The EEC Common External Tariff for cashew nuts is an autonomous duty of

5 per cent. No conventional duties apply to countries covered by preferential arrangements (GSP, ACP/Lomé Convention and LDCs); to benefit from exemptions, exporters from developing countries must provide a certificate of origin.

Importers usually require a pre-shipment quality control inspection by an independent surveyor. In addition, cashew consignments must be checked for aflatoxin content (maximum 10 micrograms per kilo of nuts) and verified prior to shipment if levels conform to each country's regulations.

Packaging

Whole cashew kernels are packed in bulk containers - 50 lb or two 25 lb steel cans and placed in a standard 25 kg carton; other grades are packed in 50 lb aluminium containers. In general, they are further processed (roasted and salted) and re-packaged by the importer in retail packs of 50 to 400 grams.

Distribution channels

Specialized importers, central buying groups or agents usually make trial orders and distribute these among manufacturers or, if equipped as in the case of specialized importers, process the nuts and distribute to retailers, supermarkets and specialized food stores. Supermarkets generally have either a contractual agreement with these buying agents or a purchasing division. A list of importers can be made available upon request.

Prices

The price for cashew nuts is determined by the shape and size of the kernel, graded according to international standards which are based on count, colour, shape and taste. The upper price range is for whole kernels while the lower range is for broken pieces. The following prices for Indian cashew nuts are indicative:

<u>Cashew nut</u>	<u>US\$/lb</u>
W320's	2.75
W450s	2.55
Splits	2.18
LWPs	1.85 ex store

Market prospects

The EEC market for cashew nuts will continue to grow over the next few years, in terms of import volumes. As the market of this product is highly price-responsive, future imports will be, to large extent, a function of world market prices. New exporters wishing to enter the market should note that they will be competing with Brazilian and Indian suppliers who are well-established on the European market. Exporters are advised to send a sample of their production to an established agent or importer, in addition to providing information on quality and availability of grades. Exporters are also recommended to attend two major biennial food fairs - Anuga and SIAL (see Trade fairs).

Trade fairs

ANUGA
Messe- und Ausstellungen GmbH
Messeplatz
Postfach 210760
D-5000 Cologne 21
Germany

SIAL
International Food Products Exhibition
27, rue du General Foy
F-75008 Paris
France

Useful addresses

International Nut Council
Permanent Secretariat
C/. Boule 8
E-43201 Reus
Spain
Tlx: 56908
Fax: (77) 315810

Man Producten Rotterdam BV
PO Box 253
NL-3000 AG Rotterdam
The Netherlands
Tlx: 21122 manpr nl
Fax: (10) 436 2108

Sources of information

- Market Research File on Cashew Nuts, TIDU/TIS/ITC 1991 (Available on payment basis; free of charge to LDCs)
- DeCTA Import Data Sheet on Edible Nuts, 1990

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Raw cashew nuts - India

(MT '000)	1989	1990	% market share, 1990
<u>Total imports</u>	42,219	89,260	100.0
Main suppliers:			
Vietnam	12,537	28,066	31.4
Guinea Bissau	5,477	25,494	28.6
Nigeria	2,633	11,456	12.8
Tanzania	6,757	7,517	8.4
Côte d'Ivoire	7,214	6,545	7.3
Singapore	1,980	2,491	2.8
Philippines	304	1,176	1.3
Senegal	1,534	1,154	1.3
Others	3,783	5,361	6.0
Source: Cashew Export Promotion Council of India			

Market characteristics

India is one of the world's largest producers of raw cashew nuts, with production averaging 200,000 metric tons per year. Domestic consumption accounts for approximately 100,000 tons per year. It is also the largest processor and importer of raw cashew nuts, given the large domestic market, with imports doubling in 1990.

Market access

In April 1991, the Indian Government imposed a 200% tariff on imports of African raw cashew nuts. In addition, some African governments have prohibited or restricted exports of raw cashew nuts as a measure to promote local processing industries.

Packaging

Raw cashew nuts are shipped in-shell, placed in containers.

Distribution channels

Imports of raw cashew nuts are mainly carried out by major producers/processors for re-export purposes. All imports are registered with the Cashew Corporation of India, a state trading organization, which carries out direct negotiations and undertakes longterm contracts with producers.

Prices

The average import price in the first quarter of 1991 was Rs. 19.58/kg, representing a 33.5 per cent increase for the same period in the previous year.

Market prospects

Despite high tariffs on imports and export bans imposed by certain producer countries, the Indian market for raw cashew nuts remains strong. Exporters are recommended to contact the Cashew Corporation of India for further information.

Useful addresses

Indian Trade Promotion
Organization (ITPO)
Pragati Bhavan
Administrative Block
Pragati Maidan
New Delhi 110001
Tel: 331 8024
Fax: 331 8142
Tlx: 316 1022 comxh in

Cashew Export Promotion
Council of India
Chittoor Road
Ernakulam
P.O. Box 1709
Cochin 682 016
Tel: 351973
Tlx: 8856677 cepec in

Cashew Corporation of India Ltd
P.O. Box 1261
Cochin 682011
Tel: 32177
Tlx: 885202 stc in

Sources of information

- **Market Research File on Cashew Nuts, TIDU/TIS/ITC 1991**
(Available on payment basis; free of charge to LDCs)
- **Indian Cashew Journal, Cashew Export Promotion Council of India**
(various issues)
- **Cashew Bulletin, Cashew Export Promotion Council of India**
(various issues)
- COMTRADE/UNSO
- **FAO Production and Trade Yearbooks, 1989-90**
- On-line databases

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