

Highlights of Key Cashew Stakeholders Meeting in Dubai on August 11, 2018

In order to discuss and resolve the current crisis in rcn sector, Cashewinfo has called for a meeting of key cashew stakeholders (governments and associations only) in Dubai on August 11, 2018. It was attended by Director General Cotton and Cashew nut Council, Cote d'Ivoire (CCA) along with a three-member delegation from CCA; CEO, Nigerian Cashew Export Promotion Council (NEPC) along with a member of NEPC; Chairman, Cashew Export Promotion Council of India (CEPCI); Vice President, Vietnam Cashew Association (Vinacas); Vice President, Association of Cashew Exporters of Cote d'Ivoire (AEC-CI); and Secretary, Karnataka Cashew Manufacturers Association (KCMA). Key points are summarised below:

1. The most important aspects highlighted by rcn exporters are (a) contract sanctity and performance by processors; and (b) clearing of remaining stocks before cashew season 2019. The representatives of processors from India and Vietnam have highlighted the various challenges faced by their respective industry and the solutions that they are attempting. Both agreed that if rcn price is aligned to kernel price and if quality of rcn is assured, then the situation can be brought under control in the next six months' time. On the ground, there are real challenges in Vietnam, as banks are reluctant to financing rcn cargoes that are priced at levels out of parity with the current market. Vinacas attempt to secure a bail-out package from State Bank of Vietnam has not been successful.
2. The discussions also focused on the level of taxes and levies on remaining stocks. Exporting countries have promised to make efforts. A positive response is expected in this direction soon.
3. The processing countries have also requested the government representatives to align the export levy and minimum farm gate price to the kernel prices, link minimum farm gate price with rcn quality and if possible, make them dynamic. The government representatives from rcn producing countries took note of the same. For the unsold stock of this season, producing countries offered to support processing countries with quality inspection of existing stocks at origin, so that good quality rcn is exported soon.
4. As a medium to long term solution, the group urged collective effort in standardising rcn quality and contract terms with the support of International Cashew Consultative Council (ICCC). Director General of CCA, Cote d'Ivoire invited India, Vietnam and Nigeria to join ICCC which was already represented by nine cashew producing countries. The group also proposed setting up of a cashew commodity exchange, which can help to set a benchmark price and also help in contract performance, once the quality and contract norms are finalised.

Date: August 20, 2018, Place: Bengaluru

Note: If you have any suggestions or comments or feedback, please write to content@cashewinfo.com cc gsv@fbspl.com