

The International Cashew Trade



Examining aspects of the Cashew nut trade from 1997-2016

The Data Set:



Source: <https://www.kaggle.com/unitednations/global-commodity-trade-statistics>.

- Global Commodity Trade Statistics.
- Reduced to cashew nuts, HS Code : 080130.
- Identifies surprising trends in the cashew trade.

Format:

“Country or Area” , “Year” , “Commodity Code” , “Flow” , “Trade (USD)” , “Quantity”

Example:

“India” , 2004 , 080130 , “Import” , 800000000 , 100000000

Notes on the Data:

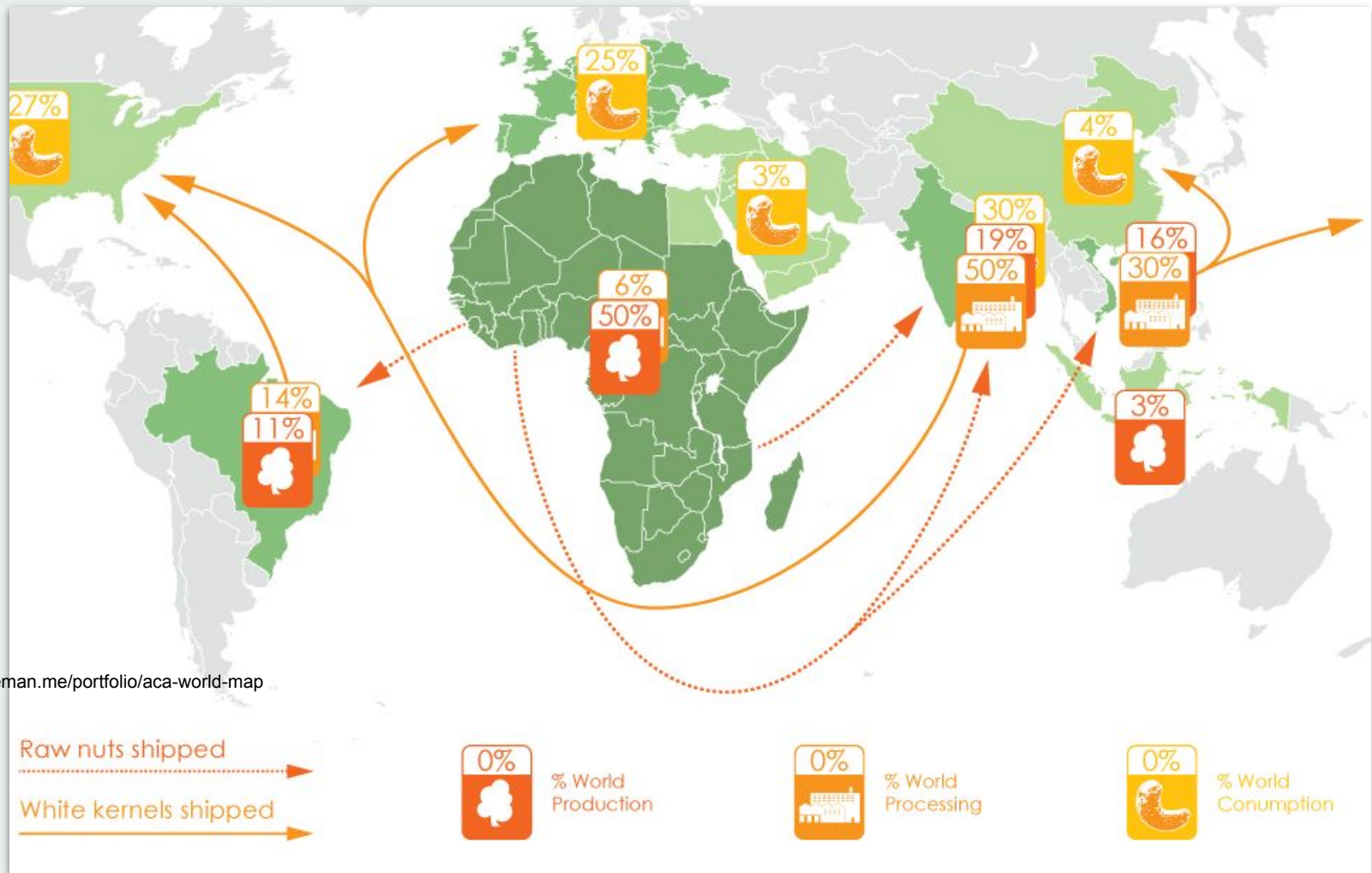


VS



- HS Code 080130 is used for both cashews in the shell (RCN) and without the shell (Cashew Kernel)
- Complicates things for Brazil, India, and Viet Nam
- Verifiable RCN exporters were considered “RCN Exporters”
- India, Viet Nam, Brazil were considered “RCN Importers”
- India, Viet Nam, Brazil were considered ‘Kernel Exporters”

The Harmonized Commodity Description and Coding System ([HS code](#)) of the tariff nomenclature is an international standardised system of names and numbers for the classification of commodities. ...



<https://bencoleman.me/portfolio/aca-world-map>



Question 1

What is the current state of the RCN trade?

Who are the main actors and how significant of a role do they play?

Question 2

What are the current trends in the cashew market?

Are these trends sustainable?

Question 3

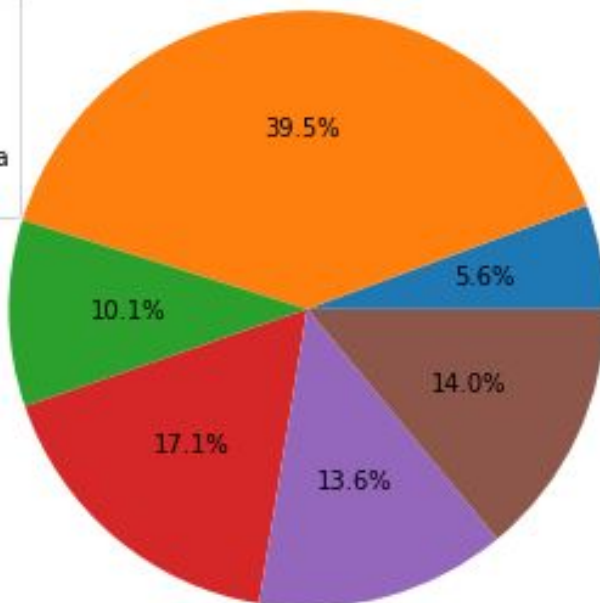
Is it profitable to process raw cashew?

A look at the numbers.

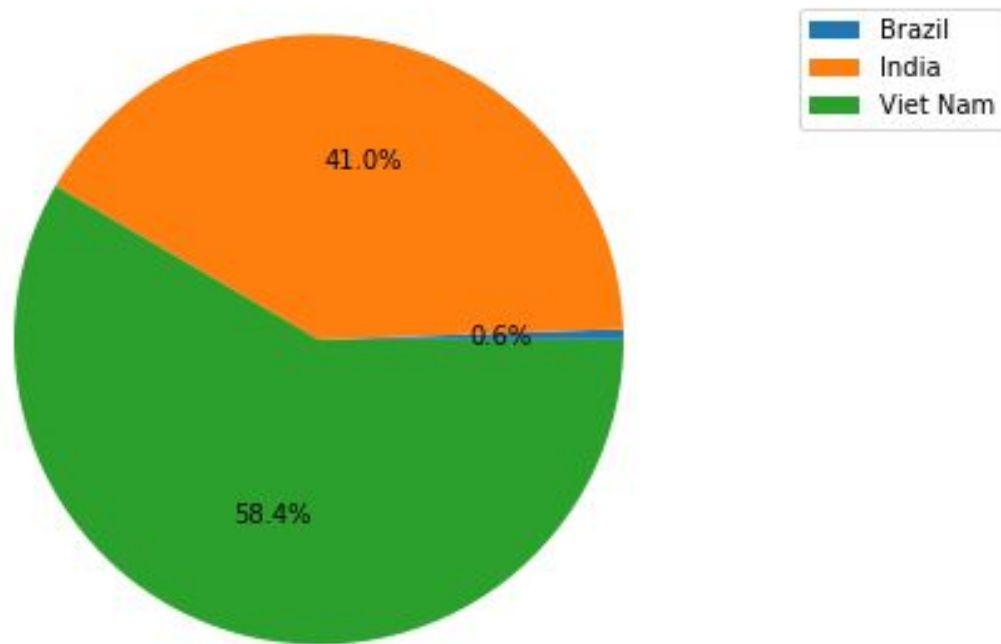


The current state of the RCN trade

Exports by Country 2016



Imports by Country 2016



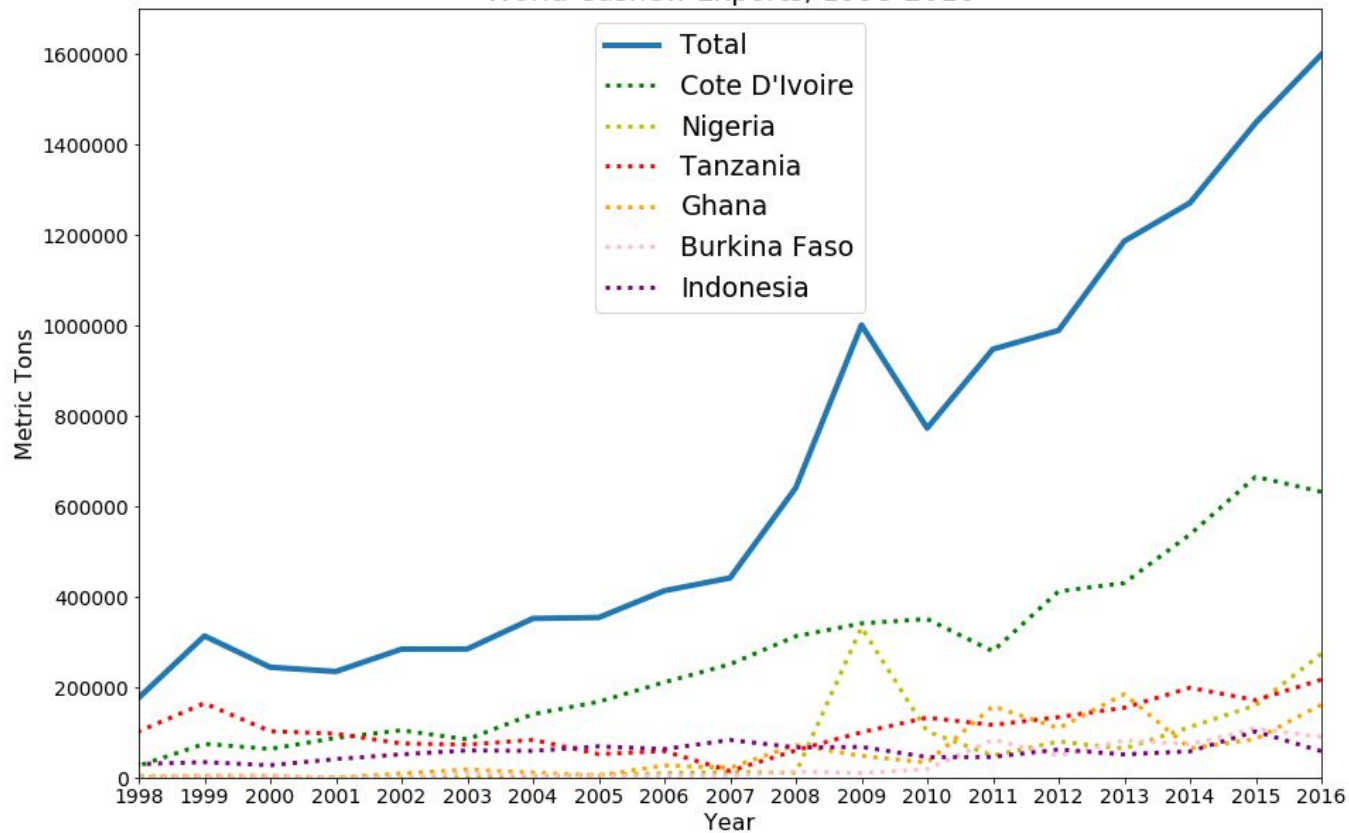
So, who matters?

- India and Viet Nam are two major RCN markets.
- Viet Nam is the top importer accounting for 58.4% of global RCN imports.
- Over 85% of world imports are of African origin, of which 40% comes from Côte D'Ivoire alone.
- The two major players are Cote D'Ivoire and Vietnam

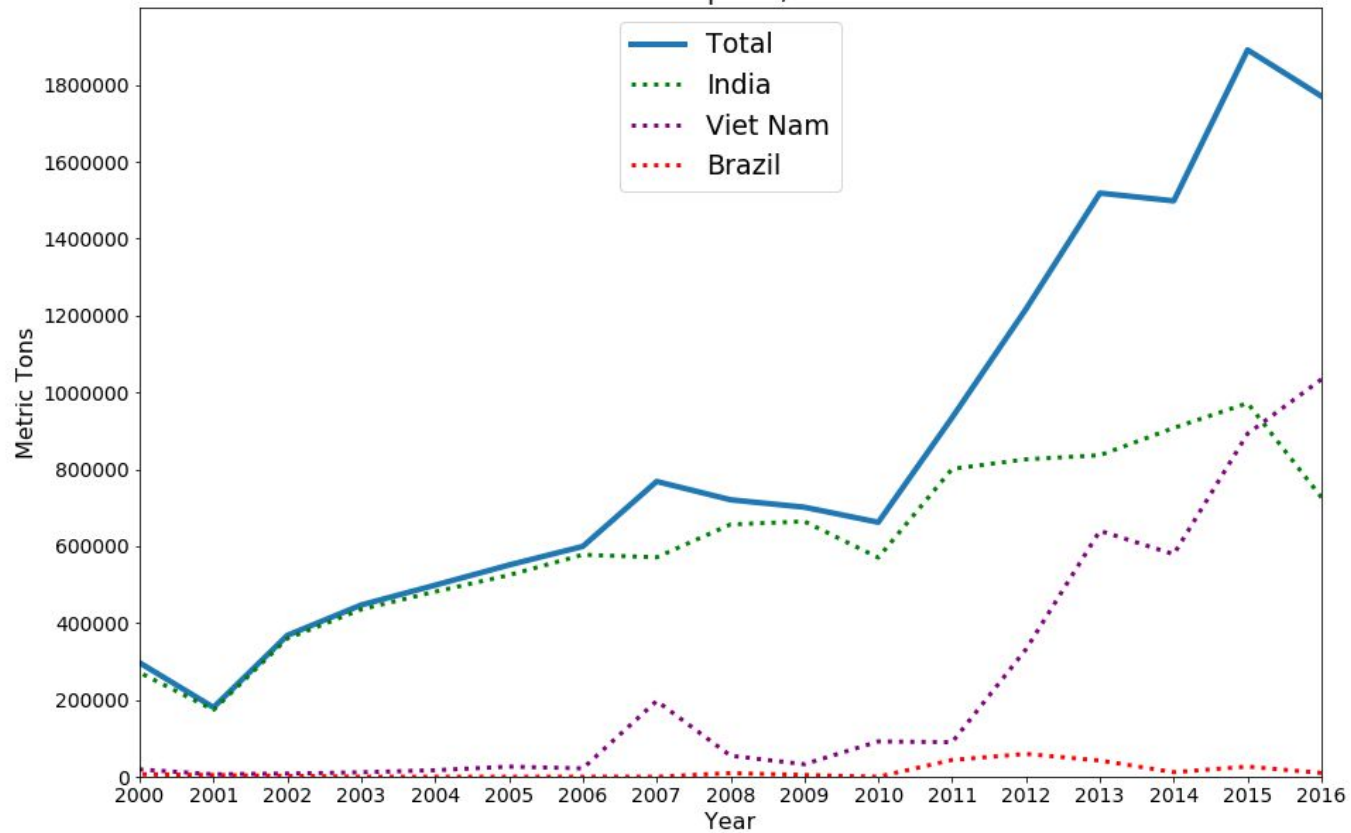


Has it always been this way?

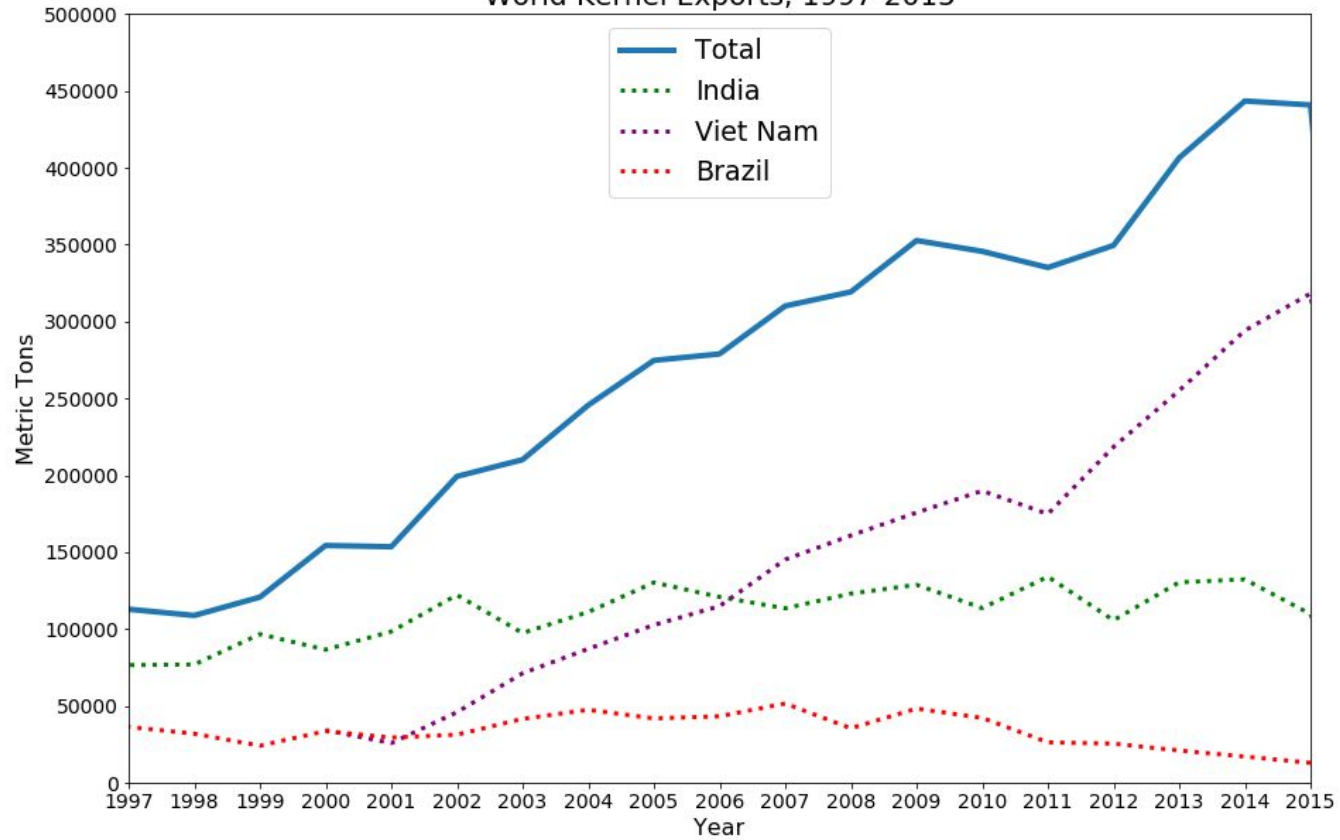
World Cashew Exports, 1998-2016



World RCN Imports, 2000-2016



World Kernel Exports, 1997-2015



Trends

- India and Viet Nam have become increasingly reliant on the African continent to sustain its domestic cashew industries.
- In less than a decade, Viet Nam displaced India as the top RCN importer and the top kernel exporter.
- In the same decade, Cote D'Ivoire went from exporting 200,000 Metric Tons per year to 635,000 Metric Tons per year.

Are these trends sustainable?



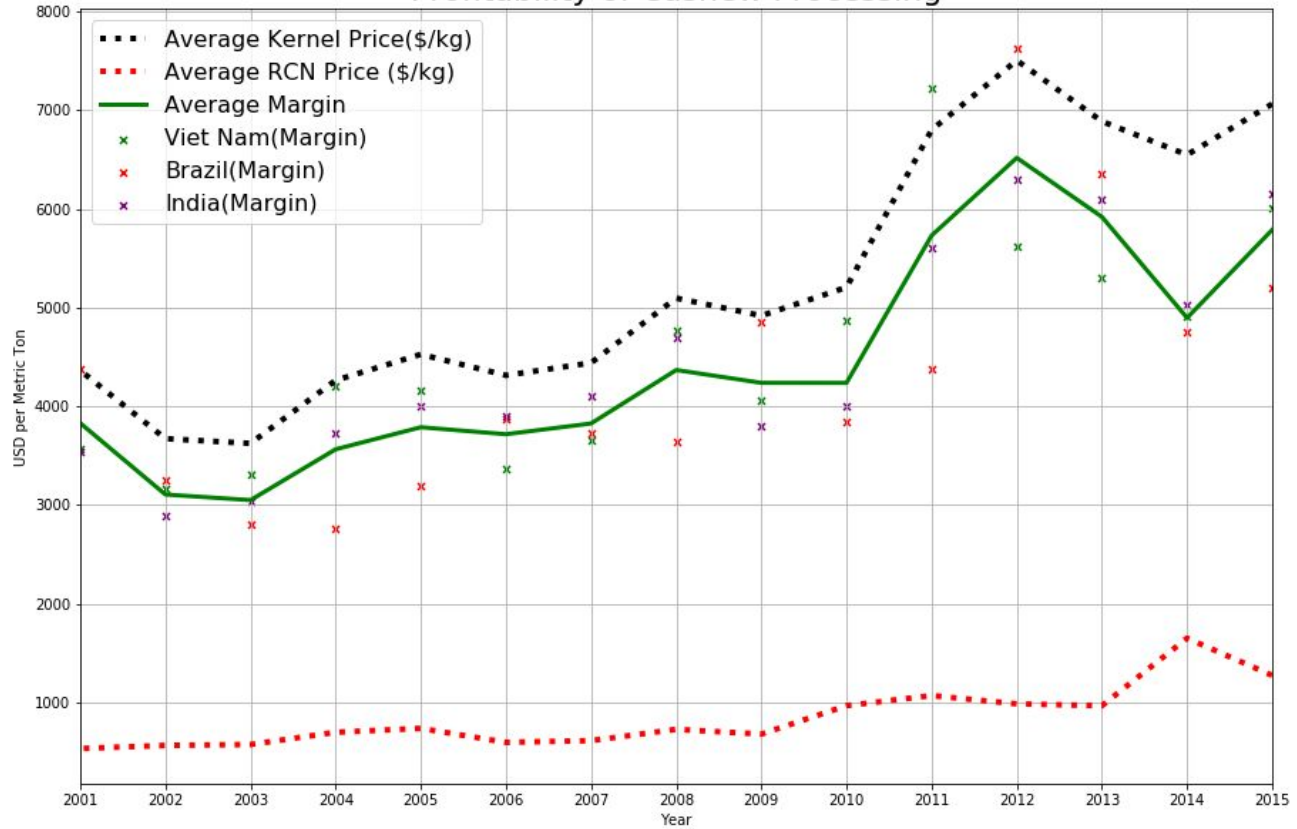
- could create a 'too big to fail' situation
- logistically unsustainable
- environmentally unsustainable.

Question:

Why do African countries ship the RCN to processing countries in the first place?

Would it make more sense to process the RCN locally?

Profitability of Cashew Processing



Should Africa process Cashew?

-Cashew Processors appear to have great margins.

-African countries have enough raw material supply 50% of the world's cashew kernels.

-A great path to industrialization, jobs and economy.

Future Research



Country or Area	Price		
	count	mean	std
Côte d'Ivoire	20.0	723.627777	307.281592
Indonesia	20.0	1214.510759	395.722902
United Rep. of Tanzania	20.0	1049.093636	395.758060

-Everyone knows that cashews are expensive. But why are they so expensive?

-How do world events such as the weather or political changes or globalization affect the price of cashew?

An evaluation of the global cashew nut value chain could answer these questions. The data science toolbox would be used to collect and analyze relevant news, weather predictions, cargo rates etc. This data could be used to analyze how events in one section of the supply chain (raw cashew nuts) affect other sections of the supply chain (kernel) ultimately affecting the price of cashew kernel in general.

See the jupyter notebook here:

<https://github.com/ExtraLime/cashew/blob/master/cashew-trade.ipynb>