



African Cashew Alliance (ACA)

PROMOTING AFRICAN CASHEWS WORLDWIDE

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www.africancashewalliance.org

Newsletter February 2008

Dear Cashew Colleagues,

The ACA secretariat would like to wish you all a happy and prosperous 2008. 2007 ended very happily for our ACA secretariat.

Vanessa Adams, Business Development Director at the HUB, gave birth to a boy, Makena on October 29th. After her maternity leave her family has returned to Accra, where Vanessa took up her position as Director of Enterprise Development at the HUB.

December 10th, Cilia de Cock, former ACA Secretariat Manager, gave birth to a baby girl, Mila. Both Mila and her happy parents are enjoying family time at home in Amsterdam, Netherlands.

Internationally, ACA was represented at the PNTPA in Arizona, in January 2008 by Richard Jennings.

In February Carls Costa, President of the ACA, visited our office in Accra. During his visit, we had a very constructive meeting with the senior cashew team and Executive Committee members of OLAM, discussing future strategies of ACA.

Also in February, we had the opportunity to present the African Cashew Alliance to President George Bush, First lady Laura Bush and Secretary of State Condoleezza Rice, who visited Accra during their trip to 5 African countries.

We plan to promote the African cashew sector internationally during the upcoming AFI Convention in Florida, March 2008 and at the New York Fancy Food Show, July 2008.

If you have news, information or best practices to add to this newsletter, we would appreciate your stories and contributions to share with African and international cashew stakeholders.

ACA Secretariat, Accra, Ghana

Upcoming Events

- **AFI CONVENTION, MARCH 27-30 2008, FLORIDA, USA**
WWW.AFIUS.ORG
- **INC CONVENTION, MAY 9-11 2008 SANTIAGO DE CHILE, CHILE**
WWW.NUTFRUIT.ORG
- **NEW YORK FANCY FOOD SHOW, JUNE 29-JULY 1, NEW YORK, USA**
WWW.SPECIALTYFOOD.COM

Join ACA and become a member today!
Register at our website
www.africancashewalliance.org

Visit by US President George Bush

President George W. Bush, First Lady Laura Bush and Secretary of State Condoleezza Rice visited with Trade Hub clients and staff on February 20 at a showcase of Ghanaian exports being shipped under AGOA. The eight exhibitors are working in some of Africa's leading growth sectors, including processed cashews, represented by members of the African Cashew Alliance: Amit Agrawal, Abou Bakr Adjibabe and Charlotte Akoe. The three explained cashew processing process to the distinguished visitors, who watched with great interest as Akoe cracked the nuts, while Agrawal and Adjibabe described the process of peeling the kernels and vacuum packing.

President and Mrs. Bush and Dr. Rice were also told about the role and relevance of ACA and how it is promoting cashew processing in Africa.

During a private briefing before the showcase, Bush munched on cashews from ACA's stand.

Soon you will find more pictures from the visit at www.africancashewalliance.org

FACTS PRESENTED TO PRESIDENT BUSH, THE FIRST LADY AND SECRETARY OF STATE CONDOLEEZZA RICE

- The global production of raw cashew nuts is 1.67 million tons
- 38 % of the world's crop is grown in Africa
- 12 % of the African crop is processed in Africa
- 100% of the Indian, Vietnamese and Brazilian crop is processed locally

By processing the crop in Africa:

- 35% value will be added to the crop
- 250,000 new jobs will be created
- \$150 million USD per annum added value
- 1,000 new businesses will be created

Visit the ACA Website

Our website has been improved recently. You can now access:

- A **library** with reports on cashews
- **Presentations** held at cashew meetings and events
- **News** on the cashew industry
- The **membership database**
- **Cashew recipes**

Send us your reports, studies, manuals, posters, recipes and news to share



ACA SECRETARIAT
WEST AFRICA TRADE HUB
C/O USAID, P.O. Box 1630
ACCRA, GHANA
TEL + 233 (0) 21 781 608
INFO@AFRICANCA SHEWALLIANCE.ORG



Cashew New Year resolutions

We have asked cashew stakeholders if they have any New Year's resolutions for the cashew industry. Here are their answers.

Hari Nair, Western India Cashew Co.

- To help increase farmer incomes by raising awareness about the amount of loss in value of raw cashews due lack of early drying.

Rita Weidinger, GTZ

- To give the fast-growing cashew sector in Africa a kick with convincing Public-Private Partnership projects in close collaboration with ACA.

Richard Jennings, Consultant

- To develop a simple worksheet on improving the field work for cashew growers in Africa.

Valentine Miheso, Technoserve

- To ensure we get new investments in cashew processing.

Kees Blokland, Global Trading

- To assure that the African cashew industry will develop rapidly in the coming years, along with the many dedicated organizations and stakeholders within the cashew industry. In 5-10 years from now, Africa will be an important exporter of cashew nut kernels, and India and Vietnam have to compete with Africa!



In February, ACA President Carlos Costa traveled to **Côte d'Ivoire** to support efforts to increase farmer income, exports, and economic growth of the cashew value chain. Rongead, a French non-governmental organization, and its Ivorian partner INADES (*Institut africain pour le développement économique et social-Centre Africain de Formation*) hosted a national cashew conference February 11-13 in Abidjan to share results of their work with the private sector and cooperatives, including training on quality control, controlling cashew diseases, basic processing techniques, and improving marketing cashew products.

Participants debated quality, transformation, commercialization, and institutional and legal frameworks issues. Costa briefed participants on ACA's objectives and organization in African producer countries. The ACA will soon publish a summary of the event on its website: www.africancashewalliance.org



Carlos Costa

**PTNPA annual convention**

The ACA took part in the annual convention of the Peanut and Tree Nut Processors Association, attended by nearly 500 stakeholders in Tucson, Arizona, in the U.S., January

19-22. Richard Jennings, a food processing expert who has volunteered for several African cashew consultancies, manned the ACA's information booth and spoke with attendees about the African cashew industry.

Jennings reported considerable interest from international brokers in dealing with Africa – as long as the continent's processors can comply with global industry standards, including product specifications, timeliness and packaging. The ACA is working to improve such standards within Africa.

Read Jennings' full report and presentations on our website: www.africancashewalliance.org

Nigerian investors in KD Food Processing had just finished building and furnishing a factory when they received an order for two 16 MT containers of processed cashews, which the company shipped in January to the Richard Franco Agency in the U.S. Located in Kaduna in northern Nigeria, KD Food Processing is also working to develop a promising domestic market.

"We are continuing to process for the export market while developing new and different products for the local market," Project Coordinator Garbo Dikko said.

Their success is far from overnight. After visiting another processor in Ibadan in 2000, Dikko sold the idea for KD Processing to a group of investors, and they began building the factory. But construction took more than six years, hampered by sky-high loan interest rates. Processing machines from India sat in crates while the building slowly took shape.

In 2006 and 2007, Dikko shared information and experiences with other cashew stakeholders at two national ACA meetings in Nigeria. He traveled to **Ghana** twice to participate in trainings from the West Africa Trade Hub: learning how to increase marketing and packaging capacity and about the benefits of the African Growth and Opportunities Act. Dikko also attended the opening of Afokantan Processing, a cashew processing factory in neighboring **Benin**, which was fostered through connections made by the ACA.

"The ACA helped us overcome some of our struggles," Dikko said.

The Nigerian knows that much of the hard work lies ahead — particularly in building an optimum labor force, which industry experts say takes up to three years.

"We already buy the best quality cashews in Nigeria. Now we are working on increasing output of the highest grades, meaning whole nuts," Dikko said. "We are doing what we can to create and keep a skilled workforce — through a lot of training and introducing incentives to stay with us."

Contact Garba Dikko at kadunafoods@yahoo.com



KD Food processing in Northern Nigeria

2008 Nigerian Cashew season, hoping for the best!

Caution is the watchword as Nigerian market operators prepare for the 2008 cashew season, after burning their fingers last year. Worst hit in 2007 were raw nut exporters who bought at speculatively high prices in the course of the trading year from LBAs and farmers who had expected to sell high. But rather than rising, prices nose-dived from \$500 to \$340/ton and further plunged to \$270/ton at the close of the season. This year, many cashew buyers are hesitant to take chances.

What will 2008 look like? What trading strategy is suggested?

Mr. Tunji Owoeye, an active market player and Nigeria cashew association President says:

"The expectation is that market would rally up between January and March 2008. Market may go slowly by the first week of April because other West Africa countries -- Ivory Coast, Ghana, Benin, etc., would have started releasing their harvest.

Nigeria may have late crop since the season started late in February, and may crawl to June 2008. Estimated quality for the 2008 season may be an average of 46 or 45 KOR but would start with 49 KOR. Crop size is estimated to be about 100,000 metric tons, out of which about 50% would be shipped as raw nuts."

He added: "Market players should ensure that well dried cargo are brought for shipment. Cargo must be in jute Bags and not P.P Bags to retain quality. Exporters should avoid taking blind positions on stock and sales: Take measurable risks."

For more information contact
Roland Oroh:
Roland_oroh@yahoo.com



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