



African Cashew Alliance (ACA)

PROMOTING AFRICAN CASHEWS WORLDWIDE

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www.africancashewalliance.org

Newsletter November 2008

Dear Cashew Colleagues!

Since the last newsletter there have been many ACA activities and presentations. Earlier this year, the Alliance was represented at the New York Fancy Food Show and at the High Level Forum in Ghana. And in September, the Alliance hosted its annual conference together with the Cashewnut Board of Tanzania and the Cashewnut Processors Association of Tanzania in Dar es Salaam.

You can find more details of the annual conference, and download many of the interesting presentations directly from our website: www.africancashewalliance.org

A series of newsletters will highlight a selection of African cashew producing countries. The countries of focus for the current edition are Gambia and Guinea-Bissau. Also in this issue is information about the 2nd conference of the National Cashew Commission of Guinea-Bissau, which took place at the beginning of October.

New investors have also moved into the cashew sector. For example, read about Lars and Christine Wallewik a

young Danish couple, who have recently invested in MIM Cashew and started cashew processing.

The ACA secretariat, which is based in Ghana, is changing staff. We are happy to welcome Christian Dahm, who started working at the West Africa Trade Hub as a cashew manager at the end of August, 2008. The Trade Hub is funding Christian and, among other tasks, Christian will be responsible for managing the ACA secretariat. We are sad to say goodbye to Pernille Isaksson, who will leave the Secretariat on November 14th to move to Switzerland with her family. We wish both Christian and Pernille the best of luck with their new positions and lives and hope that Pernille will continue to eat and promote African cashews!

We hope you enjoy this edition of the ACA newsletter and forward it to your friends and colleagues interested in cashews.

ACA Secretariat, Accra, Ghana

Upcoming Events

- **PTNPA CONVENTION & TRADE-SHOW, JANUARY 17-20 2009, GRAND BAHAMAS ISLAND, BAHAMAS**
WWW.PNTPA.ORG
- **WORLD NUT AND DRIED FRUIT CONGRESS (INC), MAY 29-31 2009, MONACO**
WWW.NUTFRUIT.ORG

Tanzanian Pineapple Salad

- 3 large pineapples
 - 2/3 cup cashew nuts
 - 1/2 cup coconuts, slivers
 - 1 cup cream
 - 4 tablespoons honey
 - 1 1/2-3 ounces white rum
1. Peel the pineapples and cut the flesh into cubes
 2. In a dry frying pan, toast separately the cashews and coconut until lightly browned, then set aside to cool
 3. Mix together the cream, honey and rum to taste and pour this mixture over the pineapple cubes
 4. Reserve some of the toasted cashews and coconut to use a garnish, then add the remainder to the pineapple
 5. Mix well and place in the refrigerator to chill
 6. Before serving, garnish with the reserved cashews and coconut slivers

Source: "The Africa Kitchen" by Josie Stow and Jan Baldwin

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African Cashews – The Ultimate Source: The third annual conference of the African Cashew Alliance in Dar es Salaam, Tanzania heralded cashew as "the ultimate source," a potent force for economic development and poverty reduction in Africa. It's not hard to see why: Farmers are willing and able to grow more cashews. The number and quality of processors in Africa is on the rise. And cashews top consumers' nut preferences. The conference organized by the Trade Hub in its capacity as secretariat of the ACA, hosted and co-sponsored by the Cashewnut Board of Tanzania, the Cashewnut Processors Association of Tanzania, and other stakeholders, covered virtually every aspect of the industry – from how to increase cashew tree yields to how to market the final product to consumers. Over 130 industry stakeholders from 19 countries participated, including 60 active ACA members. Confident in the future of the cashew sector in Africa, they made and attended presentations, panels and discussions, visited

local cashew processors, shared best practices and sealed cashew deals with newly found business partners. The ability to network was one of the key benefits of the conference. "The power of networking should never be underestimated" Pernille Isaksson from the ACA Secretariat explained, "and this conference is the ideal opportunity for that". By bringing together diverse players in the industry, the conference enabled idea-sharing, contact-building and deal-brokering. In fact, the conference's program was designed to allow participants to make deals in between focused sessions. African processors' exposure to international buyers resulted in new orders of processed cashews, and opportunities for many more to come. "The conference, where everybody in the business is at the same place at the same time, is invaluable." an international trader explained. "I had been dealing with several of the people present through email and telephone for some time, but nothing was moving until we actually met face-to-face. Then, things quickly fell in line."

For more information visit www.africancashewalliance.org or contact the Secretariat at info@afriancashewalliance.org.

New Executive Committee: After serving the African Cashew Alliance (ACA) the last two years, it was time to elect a new Executive Committee (EC). Prior to the conference, the ACA decided to increase the size of the EC from five to seven members. Therefore, the EC will now comprise five members representing the private sector from African cashew countries and two representatives from international companies.

International company representatives Kees Blokland (Global Trading) and Parthiban Theodore (OLAM), and African cashew country representatives Carlos Costa, and Massogbe Toure, all entered their names for re-election. Robert Yapo, who has served the Alliance as Vice-President for the last two years, chose not to be re-elected. The ACA secretariat would like to extend its gratitude to Mr. Yapo for the two years that he has served the ACA.

The four existing members were all re-elected and three new members were elected:

- Mario Mendonca, director of No Fianca (Guinea Bissau)
- Mamadou Chabi, a cashew farmer and chairman of

Benin's National Chamber of Agriculture and the network of West African Chambers of Agriculture (Benin)

- Idrisa Kilangi, managing director of Agro Focus and chairman of the Tanzanian Cashew Processors Organization (Tanzania).

After the election, the new EC decided that Carlos Costa would continue in his role as President and Massogbe Toure would continue as Vice-President. Idrisa Kilangi was elected as Vice-President, while the five others will serve the EC as members.

We wish all the members the best of luck in their work for the ACA.



From left: V. Adams, M. Mendonca, M. Toure, C. Costa, K. Blokland, M. Chabi, I. Kilangi & P. Isaksson

Meet the new EC Members

Mamadou Chabi (Benin): I am a cashew farmer with a 25 hectare plantation in Bénin. I have acted as a Technical Advisor for government agencies for more than 20 years. I look forward to joining a dynamic team contributing to the development of Africa's cashew sector in. This development will not only benefit producers but our economies overall. I look forward to sharing my knowledge and the experiences I have gained in my country's cashew sector and to developing new ideas at ACA. And I will endeavor to use my network of experts and supporters for ACA's benefit. I hope that ACA will keep stakeholders in Benin better informed on progress, developments and opportunities in the African cashew sector. I will open official communication channels for ACA members, including the Chamber of Agriculture and the National Coordination Mechanism for the Development of Value Added Chains.

Mario Mendonca (Guinea-Bissau): I have been involved with the sector since 1994 through the USAID-financed Trade and Investment Promotion Project (TIPS). As coordinator of EnterpriseWorks I participated in the creation of ACA in Bissau in 2006, and helped organize the first meeting of the ACA national committee. I will promote ACA on the national level and mobilize funding for the Alliance from among our partners. Our country, Guinea-Bissau, hopes that ACA will help attract business partners and investment.

Idrisa Kilangi (Tanzania): I am a cashew processor with 15 years experience in the sector. I am also the Chairman of the Cashewnut Processors Association of Tanzania, so I bring a wide range of contacts and experiences to ACA. My main interest is in improving processing efficiencies and cashew quality. Through my activities in the ACA I will work to expand international markets for African cashews and achieve benefits for small-scale processors and producers. The ACA Conference in Tanzania already made a contribution to this: now the whole world knows that Tanzania produces very tasty cashews!

Parthiban Theodore (Olam): Cashews have been a core part of Olam's worldwide operations since its inception. It is our goal to bring our cashew experience from various parts of the world to make the sector sustainable in Africa. To this end, we have taken the lead by setting up processing facilities in Mozambique, Tanzania, Nigeria and Côte d'Ivoire. Olam has also been active in organizing road shows, poster and radio campaigns and local capacity-building measures to improve raw nut quality and post-harvest practices. Olam is a founding member of the ACA and we remain committed to making it a pan-African cashew organization that can steer the sector to a globally competitive position. I trust our presence and experience will stand us in good stead to contribute to this end. As a General Manager at Olam, I oversee the cashew business in Africa and I have been intimately involved with the various parts of the value chain of this sector since 2001.

Ram Mohan explaining the Gambian situation to Mario Mendonca

ACA at the Fancy Food Show in New York: On behalf of ACA mr. Carlos Costa and mr. Kees Blokland, members of the ACA Executive Committee, represented ACA at the Fancy Food Show in New York from the 29 June until 01 July, 2008.

This exhibition was in downtown Manhattan, New York and buyers from all various industries were visiting. The customers were mainly coming from USA but also we have met a couple of interested persons from the rest of the world.

The ACA had a booth showing African cashew nut kernels and giving away brochures of the African Cashew Alliance. Mr. Carlos Costa and mr. Kees Blokland with the excellent assistance of mr. Jennings were explaining the re-erection of the African processing industry and showing/telling them about the processing facilities in operation in the various cashew producing countries. In total approx. 200-250 persons visited the booth and showing great interest. They realize more and more that Africa will be the continent to get the cashew nut kernels from in the future. On the one hand as most processing facilities are newly built and be according international food standards, also because the quality of most African producing quality is excellent (nice and white with big kernels) and lastly as they would appreciate to help the development of Africa by economic incentive instead of donating money.

It became clear again that it is very important for the ACA and its members to stimulate private entrepreneurs (and also stimulate the local African governments for their support) to expand processing in the various countries so that more volume will become available as this becomes very important to fill in demand in the near future.

It was a good show and the ACA have very well represented and advertised on the African cashew industry. For more information please contact Mr Carlos Costa, ccosta@moz.gmail.com or Mr Kees Blokland, kblokland@globaltrading.nl



The Gambia's raw cashew nut production has risen more than 20-fold in a period of less than 10 years. By 2010, it is expected to reach 5,000 metric tons per year.

"The Gambia has an ideal climate for cashews, very good drying conditions, infrastructure and a high quality cashew nut with a low nut count (190 -210) an outturn of 52-56lb kernels per 80kg raw cashew nuts", explains Ram Mohan, head of the ACA National Committee Gambia.

The sector is now taking first steps to towards processing cashews. For example, a USAID-trained processor has recently started operations again. Mohan's company's, ComAfrique (Gambia) and Senecomex (Senegal), along with SAGIC/USAID, have been engaged in distribution of planting material and technical support, as well as the creation of training manuals for post harvest of raw nuts. However, he is quick to point out that while local processing is the way forward and is an immediate solution to adding value to farmers, value addition in the cashew chain should happen at every stage.

Processors from India, including Western India Cashew, have provided technical assistance, and will soon commence local processing ventures. In this model, NGOs will train rural communities and encourage cashew processing. In PPP models, the private sector will emphasize finishing and quality control.

"With good inputs, we are confident that raw material production will continue to grow. Access to good quality raw material at affordable prices is our advantage and we need to sustain it", Mohan continues. "For the future, if the right steps are taken, the potential is huge. The port of Banjul is cost-effective and geographically close to growing markets in North Africa, to Europe and the US market."

Mohan highlights the lack of local consumption, lack of ancillary industries (that could use the kernels, especially splits and broken, and the raw nut shells for firing furnaces/boilers), and the flouting of ECOWAS free trade commitments as playing a major role in the limited success of local processing in West Africa. Investments need to be made and infrastructure has to grow with the growth in production of raw material.

And now, Mohan explains, "Private companies, governments, and development organizations are beginning to realize the potential and the opportunities cashew presents in Gambia." Surely, no one wants to miss out on this. For more information, please contact mr. Ram Mohan, rammohan@gamtel.gm



Ram Mohan explaining the Gambian situation to Mario Mendonca

Updated Processors Directory: Following the ACA Annual Conference the Cashew Processors Directory was updated. Now the Directory contains more than 50 African cashew processors. You can download the latest version at:

www.africancashewalliance.org



High Level Forum in Accra: The U.S. Director of Foreign Assistance and Administrator of USAID, Henrietta H. Fore, heard how the African Cashew Alliance is working during her recent visit to the Ghana. Administrator Fore attended the Third High Level Forum on Aid Effectiveness to address how donors can achieve the best outcomes through development assistance. Administrator Fore hosted "Partnering with the private sector for development," a U.S. Government side event at the meeting that featured a panel of representatives from Intel, Greylock Capital Management, Olam and the African Cashew Alliance. The ACA was represented by Carlos Costa who talked about how the Alliance is striving to achieve competitive conditions for the African cashew sector and how value can be added to the African continent by processing the crop in Africa. Also taking part in the panel discussions was Ranveer Chauhan, Managing Director and Regional Head of OLAM. Mr. Chauhan did not only discuss OLAM's role in West Africa, but also underlined OLAM's commitment both to the African Cashew Alliance and other public-private partnerships.



Carlos Costa presenting ACA to Administrator H. H. Fore, R. Chauhan (OLAM) and S. A. Adjei (ECOBANK)

National cashew conference in Guinea-Bissau: More than 50 cashew stakeholders came to Bissau from October 7-9, 2008 for Guinea-Bissau's second National Cashew Conference, hosted by the National Cashew Commission (CNC).

At an estimated annual production of 130,000 metric tons (MT), Guinea-Bissau is the fifth largest producer of raw cashew nuts in the world. The growth potential is huge but so are the challenges for this small West African country. The area under cashew cultivation is rising by four percent a year and exports are expected to reach 105,000 MT in 2008, according to André Nanque, President of the CNC.

"More than 70 percent of Bissau-Guineans depend on cashew. Producers can capture more of the value they produce if they are better organized", said Bien Amie from SNV, a Dutch non-governmental organization (NGO) and co-host supporting the sector. Indeed, cashew nuts from Guinea-Bissau are highly disease resistant, yet free from any chemical treatment, thus qualifying for organic certification. The quality of cashew nuts is also outstanding but this is not reflected in the market: Mr Daouda Coulibaly from Audit Expertise Control (ACE) compared prices and outturn rates between Guinea-Bissau (50-53lb yield of kernels from 80kg of raw nuts) and other countries. "Cashew nuts from Guinea-Bissau should receive a price premium based on their excellent quality", he said.

During the conference, the benefits of raising processing capacity were widely acknowledged. At present, only 2-3 percent of national production is processed locally by micro- and small-scale processors. The most commonly cited obstacles for cashew processing were lack of finance for raw material purchases, price competition from buyers, and a non-business-friendly policy environment. In spite of this, processing is expected to begin shortly: two processors of medium capacity are re-launching operations and a Libyan investment group is investing US\$4 million to establish three plants with 2,500MT processing capacity each.

Conference participants drafted a number of recommendations, in particular on the terms of reference for a new national cashew institute and a processing law to be proposed to government through the CNC. An important concern for all participants was to ensure financial sustainability and political independence of the institute in the long-term. The terms of reference and the draft law are being revised following the recommendations of the Conference.

Producers made their concerns heard by insisting on the need for more extension and training work — for example on intercropping techniques. The government was urged to reform customs laws and capacity. A one-stop single window for tax payments would facilitate trade and help ensure that tax revenues are invested back into the sector. Another recommendation was the establishment of a guarantee fund for cashew production and processing, to ease access to finance. The Mozambican cashew processors association (INCAJU) presented lessons learned from their experience with such a fund. For more information, please contact Mr. Mario Mendonca:

ew_gbmendonca@hotmail.com



Cashew value chain meets in Accra:

In early October, the whole cashew value chain was represented during a meeting in the ACA office in Accra. Among the participants, were West African Markets Link (WAML), cashew farmers from the Jamman South District Ghana (representing more than 1000 cashew farmers), District Assembly Representatives, representatives from the Ghanaian Ministry of Food and Agriculture and other representatives out of the cashew chain (also involved in the BMGF project) working on an increasing awareness in production, processing and export/import for African cashewnutkernels.

The objective for the meeting was to sign a MoU between WAML and the farmers, assuring WAML cashew nuts for their new processing site in Ghana and assuring the farmers market for the coming year, and hopefully many beyond that. Both WAML and Jamman South Farmers signed the MoU, as did the witnesses present who will provide technical assistance to both parties.

We wish them good luck with their co-operation in the coming years. For more information please contact the ACA secretariat: info@africancashewalliance.org

Cashews in Guinea-Bissau: At the ACA Steering Committee meeting in Dar es Salaam Tanzania (September 16, 2008), the Director of the NGO No Fiança, Mr Mario Mendonça, updated country representatives on progress made by Guinea-Bissau's cashew sector. Comparing the 2007 to the 2008 campaign, he noted that prices were no



longer fixed by the government but determined by the market. Export and trade licensing procedures were simplified and financing from banks had soared to unseen levels. "As a result the entire value chain has benefited: prices went up from the farm gate via the intermediaries to the FOB price". "Part of this success is due to the public-private partnership approach we pursue in Guinea-Bissau", Mendonça said. No Fiança joined forces with Heriot, a South African Trade Finance Fund, ATE Finance Bissau, a cashew trading company, the national agriculture association, regional and local cooperatives, the government, and Dutch NGO SNV. While Heriot provided finance to ATE to purchase the raw nuts, No Fiança assisted and mobilized cooperatives and farmer associations who negotiated prices with the buyers.

"To build on such success stories", Mendonça said, "We are working to develop structures for a more systematic application of the PPP approach in Guinea-Bissau with the support of our partners from SNV". For more information, please contact mr. Mario Mendonca, ew_gbmendonca@hotmail.com

The ACA Executive Committee (EC) convened in Dar es Salaam, Tanzania, on September 16, a day before the ACA Annual Conference began.

EC members who attended the meeting were: Carlos Costa, ACA President
Massogbe Touré Diabaté, ACA Vice-President
Mr Parthiban Theodore (Olam)
Mr Kees Blokland (Global Trading)

In addition, Rüdiger Behrens (GTZ) participated as an observer and the ACA Secretariat was represented by its head Vanessa Adams, Pernille Isaksson and Christian Dahm.

EC members reviewed the ACA Annual Report 2007-2008 and assessed priorities for the Work Plan 2008-2009. They also discussed the role of national ACA Committee heads, the role of the EC members as well as the structure of the EC. After a constructive debate, the EC members decided to enlarge the body by adding two more seats for cashew country representatives to the EC. The new EC was elected the following day (page 1).



ACA Conference: Visit to Premier Cashew, Dar es Salaam

Herman uit de Bosch talks marketing cashew

ACA Conference Group Photo



U.S. – Africa Agribusiness Forum:

In June 2008 Carlos Costa represented the ACA at the U.S.-Africa Agribusiness Forum. The forum, which took place in Chicago, was hosted by the Corporate Council on Africa (CCA).

More than 300 leaders from the private and public sectors in the U.S. and Africa discussed and exchanged ideas regarding investing in agricultural production, processing and marketing of food, and fuel and climate change commodities.



The two-day forum included industry-specific sessions, networking opportunities, and panels that addressed a variety of cross-cutting issues, including financing, commodity trading markets and food security, investing in infrastructure to connect African markets, improving market information systems, product innovation, cash crop and livestock production and investment, pharmaceutical and bio-fuel industry growth, carbon trading, and production technology. Mr. Costa gave a presentation of ACA including the Alliance’s objectives and how it is working on developing and improving the African Cashew Sector. The presentation was well received by the audience as a good example how to market African agricultural products. For more information, please contact Carlos Costa ccosta@moz.gmail.com or visit www.africacashewalliance.org



In January 2008, Lars Wallevik and Kristine Munk of Denmark visited Ghana intent on investing in the country in order to help spur economic growth and create jobs. Although they originally thought they would start a company in the lumber industry, by July they had opened up Mim Cashew and Agricultural Products Ltd. in central Ghana.

“My Father, Paul Wallevik, lived in Ghana for 17 years from 1957 to 1974, and has been in the furniture industry,” explains Lars Wallevik in an email. “He is very fond of Ghana and wanted to help Ghana improve its export earnings and establish good employment opportunities.

“We visited a company he started in the late 1960’s - Scanstyle Mim, Ltd., - and found out that a cashew plantation and factory were for sale on the other side of the road. We realized that the property would be an ideal base to get established in Ghana and create employment and export revenues.”

A membership in the African Cashew Alliance has helped Mim Cashew come quickly up to speed on issues in the industry and connect with others for technical assistance.

“The main thing is creating a network and being able to get in touch with other processors and buyers,” Lars Wallevik said. “That’s a big value. The ACA has put us in touch with technical people. That’s been a big help.”

In September, Mim Cashew’s founders participated in the ACA’s third annual conference in Tanzania.

“Hearing buyers’ perspectives was very valuable as a processor,” Lars Wallevik says. “And then hearing the challenges of other processors was very valuable as well. We met with technical consultants who were there and manufacturers of processing equipment.

“We had a chance to discuss the challenges you have when you are processing. And got general good advice on meeting growth targets.”

The existing plantation and processing factory that Wallevik purchased had been closed down for many years. They are still in the process of refurbishing the factory and the plantations, but had the good fortune to rehire many of its former employees, Wallevik explains.

“The biggest challenge in Ghana is probably logistics - getting parts, equipment, etc. delivered in a remote location,” Wallevik says. “The technical challenges of running a factory are also significant in Ghana. Things take time to get established here and that is also challenging.”

But Wallevik says the founders are optimistic.

“We plan to increase processing capacity next year and to start the Mim Cashew Fruit Brandy distillery again,” he says.

For more information about MIM Cashews, please contact Kristine Munk at kristine@mimcashew.com

