



Building a competitive African cashew industry!

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ACA Awards ACA Seal Approval to First Cashew Processing Factory

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The Tolaro Global team displays their ACA Seal Approval

“People say you can’t have quality food producing factories in Africa. And we wanted to prove that wrong,” said Jace Rabe, CEO of Tolaro Global, a cashew processing factory located in Parakou, Benin. Now, having become the first processor to be awarded the ACA Quality and Sustainability Seal, Tolaro Global has done just that.

The ACA Quality and Sustainability Seal is an industry-supported mark signaling compliance with international food safety, quality, and labor standards. During the past five months, Tolaro Global has been implementing the Seal program, working with the ACA Seal team to develop systems to ensure the production of high quality and sustainable cashew. With the support of Technoserve, trainings and exercises focused on issues ranging from HACCP systems to traceability procedures to salary plans. The dedicated management team addressed all recommendations, until, on May 25, a final audit confirmed that Tolaro Global had achieved the necessary standards to be approved for the ACA Seal.

Rabe expressed his huge excitement at being the first processor to receive this distinction. “The ACA Seal has brought us up a whole level to a new playing field,” he said. “We’ve only been processing cashew for a few months now and I can say we can compete with anybody. And I owe that to the motivation the Seal program has put in place.”

“We were so thrilled to partner with Tolaro as our first ACA Seal factory,” said Gillian Epule, ACA Seal Advisor. “The commitment to the program and positive mindset of their entire team have been huge assets throughout the process.” She proclaimed this to be a milestone achievement for the African cashew sector, as it signals the beginning of a defined international quality standard for cashew kernels of African origin.

“The ACA Seal has brought us up a whole level to a new playing field...I can say we can compete with anybody” - Jace Rabe, Tolaro Global CEO



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a sustainable African
cashew sector



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Registration Opens for The Future is Now: The 7th ACA Annual Conference

ACA has announced that registration is now online for the 7th ACA Annual Conference and World Cashew Expo 12, themed “The Future is Now!” The event will be held in Palais de Congrès in Cotonou, Benin from 17 to 20 September, 2012.

The ACA Conference is now the world’s largest annual cashew event. Last year’s conference in Banjul, The Gambia attracted 360 cashew industry stakeholders from 35 countries around the globe. This year, over 400 international cashew farmers, processors, traders, exporters, service providers, retailers, equipment manufacturers, bankers, and government agencies are expected to join ACA in Benin. “The ACA Annual Conference is something we put on our agenda every year. It now attracts members from other origins, so when I’m there I can meet with ten or fifteen major suppliers of cashew around the world, saving me time and effort. As a buyer, you want to be able to come to one place, hold a lot of business meetings and also felt like you have had an opportunity to learn something. That is exactly what this conference offers,” said a major cashew buyer at the 6th ACA Annual Conference in Banjul.

The four day program will offer plenty of opportunities to learn about the latest trends in the world cashew industry, exchange experiences with other stakeholders, and establish lasting business relationships. The plenary session will feature presentations and speeches by experts on pertinent topics ranging from investment schemes in the African cashew industry to new possibilities in cashew by-product processing to the potential effect of climate change on cashew production in Africa. *(Continued on page 3)*

\$14 Million in Investment Financing for Cashew Processors Made Available Through Partnership with West African Development Bank



From left: ACA Managing Director Christian Dahm, USAID West Africa Acting Director Lisa Franchett, and BOAD President Christian Adovelande sign an MOU

On Friday May 11, ACA Managing Director Christian Dahm, USAID West Africa Acting Director Lisa Franchett, and the President of BOAD (Banque Ouest Africaine de Développement, or the West African Development Bank) Christian Adovelande signed a Memorandum of Understanding in Lome, Togo to improve access to finance for investments in cashew processing. In addition to the signatories, ACA National Representative for Benin and cashew processor Georgette Tarraff also participated in the event along with the ECOWAS Bank for Investment and Development (EBID), another ACA partner in its access to finance initiatives.

The agreement will make available CFA 7 billion (US\$14 million) in investment financing to cashew processors supported by ACA in CFA zone countries. These funds will enable an increase of processing capacities, including the acquisition of new equipment and expansion of facilities. Greater access to finance thus leads directly to the creation of new jobs within the cashew sector in West Africa.

The agreement also includes a follow-up training to be held by ACA and the USAID West Africa Trade Hub for bankers on financing cashew processing and the specific needs of the cashew industry.

ACA and IRD Exchange Trip Explores Potential of Cashew Apple Juice Processing

Every year, millions of tons of cashew apples go to waste throughout Africa, as farmers and processors lack the necessary expertise and equipment to take advantage of the opportunity the cashew apple represents.

In late March, ACA experts partnered with International Relief and Development (IRD) to facilitate a trip to Ghana and Benin focused on cashew apple processing. The goal of the trip was to develop understanding of technology options available and food safety management systems in larger-scale processing operations as well as to exchange experiences with cashew apple processors in Benin and Ghana. Seven participants from Senegal, The Gambia, and Guinea-Bissau (six of them women) visited juice co-operatives in Benin, the Mim Cashew Brandy plant in Ghana, the Blue Skies juice factory, and an Italian juice processing equipment manufacturer based in Ghana.



Tour Participants speak with a representative of Mim Cashew



A tour participant tests juice processing equipment in Benin

The participants had the opportunity to ask questions about cashew apple juice processing and packaging and discuss best practices from experienced processors. In particular, participants learned of the importance of advanced food safety and hygiene systems as well as potential strategies for sourcing packaging materials and the cashew fruits themselves. Several pieces of equipment were purchased and brought back to the participants' home countries. This was a valuable opportunity for knowledge sharing across West Africa in a field with significant potential for income generation.

One participant, Kelly Smeets, said the following: "The exchange trip has really encouraged us to venture more in exploring the use of cashew apple and bring it to a higher level. The women groups we visited in Benin were well advanced in the quality aspect and entrepreneurial spirit. We concluded that with the support of basic equipment and packaging material the women of the Gambia River Basin will be able to generate a lot of income through the processing of cashew apple."

Burkinabe Cashew Processors Use Radio to Sensitize Local Farmers to International Market Situation

When confronted with a problematic market situation early this cashew season, cashew processors in Burkina Faso decided to take action via a unique tool: the radio.

In March, RCN prices in Burkina were higher or equivalent to the other countries of the sub-region. However, farmers were still holding nuts, hoping that the prices will increase more. Farmers are typically not aware of current price trend in the international and West African market. In addition, they often do not realize that to be competitive, the Burkinabe nut needs to be cheaper than in other countries due to the transport costs.

This created serious problems for Burkinabe cashew processors, who were not able to procure the necessary stocks of raw nuts at market price. The practice could also be harmful for farmers if prices were to continue to decrease. Thus, the ACA National Committee in Burkina Faso held a meeting to discuss strategies to address this problem. They decided to inform farmers through radio broadcasts on the international price and inventory situation at the regional and international level and sensitize them to the risk they face if they continue to hold their nuts. The messages also stressed that if nuts are stored too long in poor storage conditions, this could result in a deterioration of quality and thus market value. The radio broadcasts, broadcast over 3 days, were in both French and Dioula.

"The radio reports to educate farmers immediately had a very positive effect," said Mohamed Ouedraogo, ACA National Secretary. "There was a quick increase in the stocks of raw cashew nuts on the market, particularly in the regions of Cascades and Haut-Bassins." This example clearly demonstrates the power stakeholders can have if they join together in an innovative fashion to solve industry-wide problems.

Registration Opens for ACA Annual Conference

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A World Cashew Forum includes thematic workshops, demonstrations, and interactive presentations on farming practices, processing techniques, market strategies, and financing options. More than 500 Business2Business meetings between specifically matched partners are expected to be held. Finally, field trips will allow delegates to explore the potential of the Beninese cashew industry first hand, or to learn more about Benin's culture during a leisure trip.

The World Cashew Expo12 will be held alongside the conference. This exhibition will feature equipment manufacturers, national cashew associations, and input and service providers from all around the world. This enables participants to access all they need to grow their cashew business in one convenient location. Describing last year's inaugural exhibition, a cashew processor from Benin said, "I attend the conference to learn about new trends and technologies. At the World Cashew Expo I found new equipment and other solutions for the future of my company."

ACA has made available special early bird rates for those registering before June 15. The ACA Annual Conference also offers significant promotional opportunities, including a range of sponsorship options and the possibility to exhibit in a booth at the World Cashew Expo12. Interested parties should contact aca@afriancashewalliance.com for more information.

Update on West African Season: Production Falls Below Expectations After Late Start to Season

Nearing the mid-point of West Africa's cashew season, much uncertainty remains internationally about this year's RCN crop. A late start to arrivals from West African destinations has already had begun to push international RCN and kernel prices slightly upward. Here, we offer our perspective on trends that have characterized the season so far:

Production Volumes Below Previous Years

Almost all of Africa's cashew producing countries have seen lower than normal production volumes this year. Cote d'Ivoire, by far Africa's largest producer of RCN, is expected to record production up to 40% less than last year. This means Cote d'Ivoire could see a sharp dip in production figures from last year's 400,000MT to a figure more in the range of 250,000MT. The situation is similar but not quite as severe in Ghana, where some farmers have reported collecting only half the volume as last year, although others report more normal levels. A third flowering did not materialize there as usual. In Nigeria, only 70,000MT have arrived in Lagos, in contrast to early projections of 100,000MT. Senegal and The Gambia also experienced a short crop. Cold weather never before experienced in early April and unusual rains severely limited the size of the crop, which has pushed prices high in these two countries. In the region, only Burkina Faso has seen a normal crop.



The harvest of cashew apples and nuts was delayed in West Africa this year

Late Start to the Season

A combination of factors has led to every stage of the season being delayed by a few weeks in all locations. Unfavorable weather patterns led to a slow flowering throughout the region. Confusion over appropriate prices in several locations also delayed the start of trading even once nuts became available. In Cote d'Ivoire, an indicative price was set that was viewed by some to be higher than the market demanded. In Benin, foreign traders drove prices up early, stalling local traders' activity, while in Burkina Faso, some farmers held nuts in the hope that prices would increase later in the season. Finally, logistical problems at several ports have delayed exports, including a shortage of packing materials and severe congestion at the Abidjan port with a lack of both containers and storage space.

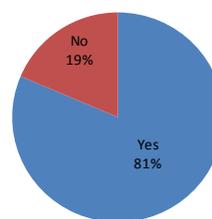
ACA Members' Survey Shows Strong Satisfaction with ACA Services

Membership grows to over 135 members

ACA membership has continued to expand rapidly as more and more stakeholders view ACA as an essential partner for cashew business in Africa. Currently, ACA is proud to count 135 companies and public agencies as members, representing every aspect of the international value chain: producers, processors, traders, exporters, buyers, financial institutions, equipment and service providers, non-governmental organizations, and government agencies.

ACA members come from 23 countries on five continents, creating a true global network of private and public sector players who support ACA's vision of a globally competitive African cashew industry. 77% of ACA members are based in 13 countries in Africa, with the remaining 23% coming from the US, Europe, Brazil, India, and other Asian countries. ACA recently registered its first member from China, representing

the expanding interest in cashew in Africa as well as demonstrating ACA's worldwide reputation as Africa's cashew experts.



In order to learn if ACA services are meeting the needs and expectations of ACA members and possible ways they could be improved, ACA disseminated a survey to all members and received a strong response. The survey found that 81% of ACA members had received services or benefits from ACA which grew their business. The ACA Communications Offer in particular (the provision of market information and industry news) was found to be beneficial to the highest number of members (74%).

Mixing of Quality in Benin, Nigeria, Togo

Nigeria experienced particularly low quality in its crop this year due to excess rains. Outturn averaged around 44 lbs, significantly below the average of between 48 and 50 lb. The low quality caused some exporters to leave the Nigerian market early, leaving primarily Beninese traders buying the Nigerian product to export through Benin. Beninese traders are also active in Togo, which is recording slightly lower prices than in Benin. This has led to the return of the recurring problem of mixture of outturns and quality in Beninese exports.

Cote d'Ivoire/Ghana Border Closed

The Ivorian government announced early in the season that the border with Ghana between Sampa and Bondoukou has been officially closed, as the government wanted to limit the flow of Ivorian nuts into Ghana for export. Although nuts from Cote d'Ivoire continued to come across the border through unofficial routes, Ivorian authorities have improved controls here as well. Ghana's exports of RCN will thus be significantly lower this year. As more nuts now need to be exported out of Cote d'Ivoire, this has contributed to the shipping blockages in the Abidjan port. It has also affected prices in Burkina Faso, as there has been increased demand from Ghanaian traders.

Political Unrest in Guinea-Bissau Stops Exports

A coup in Guinea-Bissau in mid-April has crippled activity in the cashew sector. Banks were closed which made financing unavailable, and traders were afraid to buy nuts due to security concerns. Things have calmed down and trading commenced, but there remains an inability to export from Bissau. There is no active government authority to issue the required export authorization. Many have thus attempted to bring nuts by road across the border into Senegal, although the military administration is trying to control this. This situation is extremely important for the world market as Guinea-Bissau is Africa's second largest producer of RCN.

ACi Holds Workshop to Design Radio Campaign

Ann-Christin Berger, ACi

During a three day workshop in early May organized by the African Cashew Initiative (ACi), participants explored the strength of rural radio programs and their ability to function as an extension tool to support farmer training. Since radio presents the main and sometimes only source of information for rural communities, it can provide cashew farmers with valuable information on cashew production and marketing. An activity-based radio program following the “cashew calendar” covers training modules such as: the installation of new plantations, management practices for cashew plantations including “good agricultural practices”, harvest and post-harvest methods as well as maintenance of the cashew farm.

So far, ACi has provided interactive training sessions for more than 20,000 cashew farmers in Ghana. As farmer income depends on the quality of the cashew kernels, ACi aims at increasing the outreach to farmers, encouraging them to adopt recommended practices and techniques to increase the quality of their produce. Training sessions make use of picture material accompanied by questions and answers and practical demonstrations in the field through extension agents, as well as ICT applications via text messages and a few radio programs.



During the workshop, representatives from the Market-Oriented Agricultural Program (MOAP), the regional directorate of the Ministry of Food and Agriculture (MOFA), and the Grameen Foundation as well as two local radio stations (BAR Radio Sunyani

Presentation of outcomes from group discussions

and Wenchi Royals FM) recognized several radio formats for transferring the various training modules into interesting radio programs targeted at cashew farmers. However, this does not mean simply reading out technical information in local languages, but rather understanding farmer’s challenges, fears and needs to create valuable and relevant information. Apart from interviews and discussions with experts and extension agents, farmers have the opportunity to share experiences and seek advice from so called ‘lead farmers’.

By designing an outline for a 12-month activity-based radio program and developing a script synopsis for the first three radio programs, a first step in the creation of a complementary extension tool for farmer training was made.

Training Material Available on FAO Website

As part of its drive to promote sustainable cashew production in Africa, GIZ and its project the African Cashew Initiative (ACi) have partnered with the Food and Agricultural Organization of the United Nations (FAO).

The FAO’s “Technologies and Practices for Small Agricultural Producers” Knowledge Sharing Platform (TECA) is an avenue through which different partner organizations, ranging from national, regional and international research organizations, to advisory services, universities, NGO’s, development agencies and producer organizations provide agricultural technologies and practices. Available in English, French and Spanish, TECA is multilingual and aims to facilitate the documenting and sharing of practical agricultural information targeting small producers and extension agents across the world.

This partnership between GIZ and FAO allows ACi to publish its extension material on the TECA website and so giving a wider audience access to valuable information about cashew production, whilst facilitating a capacity building beyond ACi’s intervention zones. Training and extension material developed with ACi’s support is already available on the platform and will be continuously updated. Visit <http://teca.fao.org/home> to access it.

ACA Launches New Website, Market Report to Expand Communications Offer

In the African cashew industry, knowledge is power. Many cashew stakeholders have missed out on opportunities or made costly business mistakes due simply to a lack of information about the complex regional and international cashew market in which they operate. To address this, ACA has developed new tools for cashew stakeholders to improve transparency in the value chain and empower all players.

At the end of April, ACA launched a completely redesigned website that will make it easier for interested visitors to access crucial information about ACA services and cashew industry news. The website now features content most useful to cashew businesspeople: currency exchange rates, freight rates, RCN and kernel prices from Africa, India, Vietnam, and Brazil, and market analysis. Much of this information is premium content reserved for ACA members. The new website also includes advertising space, providing a new service to companies interested in promoting their services to a targeted audience of cashew stakeholders.

In addition, at the start of the 2012 cashew season in West Africa, ACA began producing a Weekly Market Report with the latest crop and price information from all African cashew producing countries delivered directly via email. International buyers have often expressed that Africa is largely an unknown territory for many in the trade, so regular and reliable information is highly desired. This report is subscription-based as ACA continues to develop new private sector revenue sources.



Cashew Calendar 2012

Please contact the ACA Secretariat to participate in any events, contribute ideas, or add an event to the cashew calendar.

June

- 17-19 Summer Fancy Food Show
Washington, DC
- 25 - 26 Cracking the Nut Conference
Washington, DC
- 27 - 28 ACA/Technoserve Cashew Processing and
Financing Workshop

September

- 17-20 7th ACA Annual Conference and World
Cashew Expo12
Cotonou, Benin



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