



AFRICAN CASHEW ALLIANCE

Issue 12
April 2010

PROMOTING AFRICAN CASHEWS WORLDWIDE

www.africancashewalliance.org

Stakeholders of the Nigeria Cashew Industry gathered in Ibadan from 2-5 March 2010 for the first Nigeria Cashew Week.

New Resolutions for the Cashew Alliance in Nigeria

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The first national cashew week in Nigeria took place in Ibadan, March 2-5, 2010. Organized by the ACA in collaboration with the Nigeria Export Promotion Council, the National Cashew Association of Nigeria and OLAM, the event brought together stakeholders to promote the sector, discuss all of the issues affecting the value chain and identify and develop new ways to promote best practices and unify the industry.

Organized by theme, each day allowed participants to address different subjects in depth. Access to finance, for example, was the focus of one day with a workshop presented by Judson Welsh and Roger Brou of USAID's West Africa Trade Hub. Targeting bankers, the workshop also was of interest to processors, roasters and buyers because finance questions are key to every enterprise.

A field trip to the OLAM facility at Ilorin was a highlight of the event. The facility is the largest in West Africa, processing 5,000 tonnes annually and employing over 700 people, the majority of which are women. Participants saw firsthand the many steps in processing. Interest in processing was high among participants, who filled to capacity a workshop on the subject presented by Sunil Dahiya, the new ACA Business Advisor and a specialist on the topic.

The plenary session, inaugurated by the High Commissioner for business in Oyo State and by a representative of the Governor was also a highlight of the week. Speakers shared their expertise on cashew cultivation, cashew nut marketing and processing. The session drew great public attention because of its focus on how the sector adds value

to the country – financial value was appreciated, of course, as the potential of processing 80,000 tonnes of cashew could add US\$285 million to the economy. Social value was noted, too: development of the sector would create thousands of jobs. « No other sector can create as many jobs for people of limited literacy as processing can, » said Ranjeet Pradeep, Director of OLAM Nigeria. He underlined that the viability of the sector can only be achieved through this understanding, limiting dependence on Asian buyers. « What we are selling today are not simply cashew kernels. We must build this new history of Africa, » he added.

“No other sector can create as many jobs for people of limited literacy as processing can”

The obstacles to developing an industry capable of processing a large proportion of raw cashew locally were also discussed: lack of infrastructure, high labor costs and low yields compared to those seen in India and Vietnam, access to finance were among those addressed.

At the same time, the country has undeniable strengths and the challenges are balanced by a public policy favorable to the sector and the involvement of stakeholders to improve various aspects of the value chain. By the end of the plenary session, stakeholders had defined priorities and recommendations for the sector's development and elected new representatives to the ACA National Committee in order to put it in place.



More than 50 participants attended Nigeria Cashew Week

“The most important thing is that we do not finalize the conference today. We have to continue to work together”

Ranjeet Pradeep, Olam Nigeria



The ACA Executive Committee Sets an Ambitious Cashew Agenda



Executive committee and ACA team

In March 2010, the Executive Committee met in Accra to review activities and discuss future strategies. The EC developed a mission statement, defined objectives and targets for the industry in Africa and funding projections for the ACA over the coming ten years.

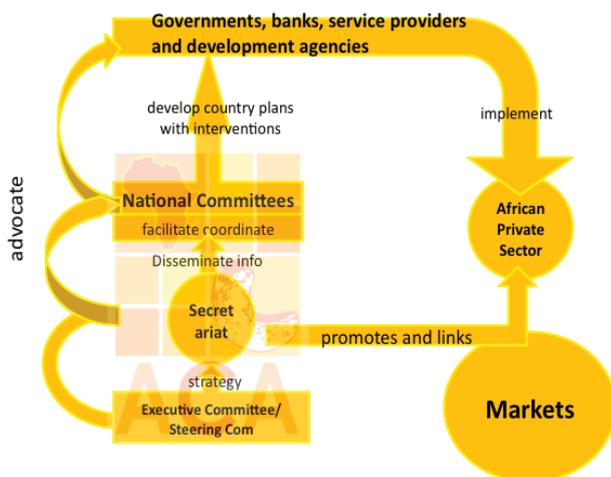
The EC confirmed ACA's mission as the African cashew's platform and facilitator for advocacy, information, exchange, investment promotion and market linkages. In line with the Memorandum of Understanding signed by the ACA's 23 founding members in 2005, the Executive Committee established four strategic ACA pillars:

1. Develop and advocate country-specific cashew policy agendas.
2. Facilitate exchange of information, best practices, benchmarks on cashew processing, production innovations, post-harvest handling and local trade facilitation
3. Develop and implement interventions in support of the competitiveness of the African cashew industry
4. Promote the African cashew industry to national and international markets.

The Executive Committee members also set the following objectives and targets for the African cashew industry:

1. Increased processing of cashew in Africa
 - a. 10-year target: 35% of RCN processed in Africa
2. Increased farmer income through yield and quality improvements
 - a. 10 year target: double average yield/tree (2.5-3kg average today)
 - b. 10 year target: average outturn improvements per country
3. Increased African cashew consumption in Africa and worldwide
 - a. 10 year target: quadruple domestic consumption of cashew products in Africa
 - b. 10-year target: increased market share for African cashew.

The EC also resolved to develop a more detailed and long-term strategic plan for growing the African cashew sector and the ACA as a private sector-funded organization and service provider. Below is a flow-chart, the Executive Committee developed to clarify the roles of the different organs of the ACA, in particular that of the National Committees in each of Africa's cashew countries.



ACA Flowchart

New House for the ACA Secretariat Team

Since 2005, the ACA was hosted by the West Africa Trade Hub in Accra. The organization is growing and has added 6 new staff to the already existing one. The new staff moved last February to the Cashew house and joined there all the implementing partners of the ACi: GTZ, Technoserve and Fair Match Support.



Christian Dahm, Managing director



Frank Gyabaah, Office Manager



Xénia Défontaine, Communications Officer



Sunil Dahiya, Business Advisor



Marian Asiedu, Communications Assistant



Aseye Nani, Intern



Awudu Ayuba, driver



The Cashew House

National Committees Update

A New National Committee in Benin

On December 22th, almost 100 cashew producers, buyers, processors, exporters and service providers gathered in Cotonou for a workshop organized by ACA in collaboration with the African Cashew Initiative and the Benin Ministry of Agriculture. The stakeholders elected the ACA National Committee for Benin and formulated priorities for the 2010 cashew season and recommendations on improving the industry. The new elected national committee held a meeting on February 19th. They elected Mrs. Georgette Taraf of Nad and Co and Mr. Nicolas Avoce of Ets La Vaillance as National Representatives and designed an activity plan for 2010. Composition of ACA National Committee Benin

First Name	Second Name	Organization
Georgette*	Taraf	NAD & CO Industry
Nicolas*	Avoce	Ets. La Vaillance
P. Alain	Trov Rov	DEDRAS ONG
K. Pierre	Atropo	PADFA/DPP/MAEP
Moumonim	Sali Fou	URPA/ZC
Moubarak	Gado	Chambre d'Agriculture du Benin
Rigobert	Oura	President CCIB Collines
Sylvanus	Odjo	FSA/VAC
Y. Denis	Tognissou	URPA/ZC
Pierre	Godonou	Représentant Exportateurs
Worovcovbov	Habibou	DGCI/MC
Jean	KPETERE	DEDRAS

*National Representative

Composition of ACA National Committee Nigeria

A new National Committee has been elected in Nigeria during the Nigeria Cashew week, Chris Ekwueme and Tola Fasero has been elected has National Representatives for Nigeria.

First Name	Second Name	Organization
Chris*	EKWUEME	ACET NIG LTD
Tola*	FASERU	Colossus Investment Limited
Edwin T.	ANYADUBA	Tree Crops Development and marketing company PLC
Dr. Aliyu, Olawale	MASHOOD	Cocoa Research Institute of Nigeria
Tunji	OWOEYE	President of NCAN
Raphael	EZEIKE	Bank of Industry, Akura
William	EZEAEGU	Nigerian Export Promotion Council
Dr. Edwin	IDU	Rossland Consulting

*National Representative

ACA ACTIVITIES (CONTINUED)

Composition of ACA National Committee Ghana

A new National Committee has been elected in Ghana during the Ghana Cashew day, on December 22th.

Eleanor Swatson and Yayra Amedzro has been elected as National representatives.

First Name	Second Name	Organization
Eleanor*	Swatson	CDP/ Ministry of Agriculture
Yayra*	AMEDZRO	WALM
Yaw	ASASRE-ATTRAMS	DAMATA FARMS
Adam	TAMPURI	Bole Cashew Farm Association
Jamila	EASAH	Delmas Shipping Gh Ltd
Seth	OSEI AKOTO	CDP/ Ministry of Agriculture
Twene	BAFFOUR MENSAH	Cashnut Food Ltd
Yayra	AMEDZRO	WALM
Emmanuel	GOODHEAD	Unibank Gh Ltd
Prabhat C.	DAS	Maviga Ghana Ltd

*National Representative

PTNPA: 300 Participants, One Issue: Food Safety

The US nut industry's prime concern clearly is food safety. The issue dominated the agenda of this year's annual convention of the Peanut and Tree Nut Processors Association (PTNPA), held in Wesley Chapel, US (23-25 January 2010). After two major salmonella contaminations of peanut butter and pistachios in the US in 2009, industry and regulators are stepping up prevention, testing and enforcement.

During the convention's cashew workshop, Amit Khirbat of Olam, the world's largest cashew trader, referred to food safety as 'a growing concern' for cashews. 85 per cent of the world's cashews are processed manually, mostly in small-scale units. The many different handling steps in cashew processing and along the cashew value chain increase the risk, particularly of foreign material being introduced. Traceability is the exception rather than the rule. The vast majority of cashew is consumed roasted and most consider the roasting a 'kill step' of dangerous contamination. However, the bottom line is that all nut processors will face new and more requirements in the future, according to Jenny Scott from the US government's Food and Drug Administration (FDA). She presented evidence demonstrating that the risks associated with low prevalence of salmonella in certain environments are still insufficiently understood. New food safety legislation is underway in the US Congress (Food Safety Enhancement Act and Food Safety Modernization Act).

The Association of Food, Beverage and Consumer Goods (GMA) together with Kraft Foods held a workshop on the industry's reaction to the issue. Food companies have set up task forces on salmonella control and nut safety. An industry coalition of food processing and marketing companies has developed an Industry Handbook for Safe Processing of Nuts. The handbook includes guidelines on food safety programs, such as HACCP and other process validations, preventive measures as well as a chapter focused on shelling of nuts (for an Executive Summary, see http://www.gmaonline.org/science/Executive_Summary_NutIndustryHandbook_22Feb10.pdf). The ACA Executive Committee at its meeting in March 2010, resolved to make food safety a most prominent part of its strategy for the development of the cashew sector in Africa.

A Fruitful Exchange Between Beninese and Ghanaian Producers



The Beninese delegation learned how to graft

Mr. Mounouni Salifou remarked that, when it comes to production and processing, Ghana is far ahead of Benin. Consequently, they visited the nursery and were given a practical demonstration on how "grafting" and "top working is done"- practices that appear to be very rare in Benin. The most interesting thing to them was the fact that this practice increases tree yield and quality of nuts. They finally had the opportunity to visit a cashew apple processing facility which was of great concern to them. Cashew apples are rarely processed in Benin. They are most of the time thrown away due to its fragility and short lifespan. On their return to Cotonou, they would send a report to the ministry of agriculture which will propose ideas for the improvement of the sector.

Bankers in Bissau Receive Training in Cashew Processing Financing

22 participants from Ecobank, Banco da União, Banco do Africa Ocidental, and Banque Régionale de Solidarité, SNV (Stichting Nederlandse Vrijwilligers, Netherlands Development Organisation, ANAG (Association Nationale des Agriculteurs de la Guinée-Bissau) and "No Fiança" participated in a cashew financing training organized in Bissau on January 6 and 7 2010.



22 bankers got an overview of processing financing needs

Presentations on trade finance tools and successful processing companies helped the stakeholders appreciate the potential of the cashew sector, creating positive perspectives and opening up opportunities for the bankers and stakeholders.

The two-day session ended with the bankers interacting with processors and setting the goals necessary to open doors to financing the sector. They agreed that the improved understanding of the sector resulting from the event would reduce the perception of risk and lead the way to financing trade in the sector.

First Golden Cashew festival in Vietnam

A Strategy for a Sustainable Industry 2020 in Vietnam...and the World?



The opening ceremony gathered thousand of people and included Vietnam's president participation

Vietnamese cashew stakeholders gathered in Binh Phuoc province, the epicentre of the cashew industry in Vietnam, for the first Golden Cashew festival from 20-23 March 2010. It brought together buyers, exporters, processors, government officials, etc., all in the cashew industry to define policies and design strategies to develop Vietnamese cashew for the next ten years. Since 2006, Vietnam has become the world's largest cashew kernel exporter, with 177,000MT exported in 2009.

One of the main preoccupations for the Vietnamese Cashew Industry is the shortage of raw material. Farmers tend to favor

other tree crops, such as rubber, over cashew. Supporting the farmers' incomes is a key priority for the government to maintain the industry. Farm gate prices in Vietnam have gone as high as \$1000/MT this year. The government plans to support farmers by introducing a new variety of cashew with high yield and high quality results. It will encourage farmers to enhance areas to plant cashew trees together with cocoa trees to increase their profit.

On the processing side, mechanization is a top priority of the Vietnamese industry in a bid to improve productivity, food safety and to capture the value of by-products such as cashew apple and shell.

Promoting consumption of cashew to Vietnam's 90 million inhabitants and neighboring China would open up a huge potential for the sector. The Vietnamese Cashew Association (VINACAS), organizer of the festival, is recommending the development of a Vietnamese cashew standard and brand to its government.

VINACAS had invited ACA to attend the festival and in particular a session with India's Cashew Export Promotion Council (CEPC) to follow-up on discussions held at the ACA Abidjan Conference in September 2009 on the creation of the World Cashew Organization. ACA Communications Officer Xénia Défontaine presented the position of the ACA Executive Committee to the Indian and Vietnamese officials. It was agreed to step up work in the coming weeks so as to arrive at a result at the Convention of the International Nut and Dried Fruit Council in Beijing in May 2010. To be continued...

SAVE THE DATE: Fifth ACA Annual Conference 2010: 14-16 September 2010, Maputo, Mozambique

In January 2010, the ACA Executive Committee decided that ACA will go to Mozambique for its annual event. The decision came after the Committee examined and rated three excellent proposals according to criteria published on the ACA website in November 2009.

On its way to becoming a global cashew powerhouse, Mozambique has seen a sharp increase in the processing of cashews over the past five years. Today, the country's industry processes the highest amount of cashew nuts in Africa. The ACA Conference will showcase how strategic alliances between farmers, processors, government and development agencies can realize quick wins for the African cashew sector. Business2business meetings will match potential partners in individual meetings, including investors, buyers, service suppliers and traders of raw and processed cashew. The Conference program will feature visits to world-class processing facilities as well as offers for trips to beautiful beach resorts and safari excursions in one of the many breathtaking National Parks in the region (Mozambique has a number of National Parks and the world-famous Kruger National Park is a 90 minute drive from Maputo).

Registration will be available on our website on May 15th. SAVE THE DATE NOW!



The programme will feature visits to world-class facilities

Cashew Business for People and Profit - A Success from Brazil



"Cashew helps combat poverty and where there is cashew, there is no hunger."

Jaime Tomás de Aquino

At 85 years, Jaime Tomás de Aquino is in charge, not only of a cashew processing business in the Fortaleza region, Brazil's center of cashew. 'City and countryside' is the motto of his company Cione, which today employs more than 2000 people. He started in 1962 as a truck driver transporting cashew from Brazil's Northeast to its urban centers. Today he is the most renowned Brazilian cashew processor and exporter of cashew kernel. He is building his second processing factory near Fortaleza using state of the art mechanized processing technology. He is planning to process more than 50,000 MT by the end of 2010. But he takes most of his pride in his plantations that produce the raw material for his operations, also renowned for its supreme quality.

At 140,000ha distributed over five estates, Mr Aquino owns the world's largest cashew 'farm'. In reality it consists of several little cashew towns surrounded by vast fields of cashew trees. They are proof of the impact cashew business can have on people's lives. Cione has built housing for its farm workers as well as churches, schools, clinics and sports facilities within each of the cashew plantations. A banner describes Mr Aquino's mission to improve lives with his business: 'Cashew helps combat poverty and where there is cashew, there is no hunger. Cashew is the most tasty and beautiful tree fruit in the world. Nothing of it is wasted, everything is used.'

Indeed, the Cione cashew processing factory provides a meal per day to its workers, of course made out of cashew products. Mr Aquino is particularly fond of his latest invention, the McCaju (see picture), a meat substitute made of the cashew apple. His farms also produce the increasingly popular cashew apple juice and sell cashew apples to the fresh fruit markets in São Paulo and Rio de Janeiro. 'Smell it', Aquino says holding up a cashew apple with a nut. 'Doesn't it smell delicious? I eat cashew at least once a day every day, it is the best fruit in the world.'



The African Cashew Initiative – Status Quo in April 2010 – A Review After the ACi Steering Committee Meeting in Ghana

by Claudia Schuelein



The African Cashew initiative (ACi) invited the members of its Steering Committee – the private and public funding partners and the implementing team - to Accra, Ghana on March 25 and 26, 2010, for a report back on the initiative after one year of implementation. It was the first time in ACi's young history, that the entire ACi team met. The country coordinators of all five project countries—Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique—were present and gave a snapshot of the achievements and challenges of ACi in their country. The managers of the five main ACi components—production, processing, marketing, enabling environment, and learning and innovation—completed the picture by offering overall observations and lessons learned from ACi's activities.

ACi has achieved its milestones for the first year, despite the challenges of dealing with a relatively underdeveloped African cashew sector as well as the varying socio-economic and political environments of the five different project countries. Training materials on harvest and post-harvest techniques and hand outs for farmers were developed and disseminated. The trainings have reached more than 50,000 farmers in all five countries.

One challenge of the project is the participation of women farmers – not only on the side of trainers but also on the side of participants in the training sessions. After a lively discussion, ACi concluded that in addition to addressing the urgent need of strengthening the organization of farmers, which is a well-known challenge in African agricultural sectors, we also must tackle the gender issue. Participants in the ACi Steering Committee Meeting agreed that one of the main targets in the framework of production and farmers' education will be to increase training on the calculation of the kernel outturn ratio (KOR), as was done in Benin. To strengthen the business potential and bargaining position of the farmers, as a first step it is extremely important to raise awareness of quality increment issues of raw cashew nuts (RCNs) and the fact that higher quality goes along with a higher income. The second step is to teach them techniques on how to measure the quality, i.e., the calculation of the KOR.

The overall finding here is: the ACi approach works. Aiming for a large number of farmers is possible. ACi has refurbished four processing factories that are now producing fully exportable kernels, and the support for six newly selected processors is in progress. ACi's specialists trained 35 processors on the fundamentals of cashew processing and carried out technology evaluations in the factories.

Regarding the two ACi components of marketing linkages and enabling environment, ACi's implementing partner ACA reported a profound success: The number of ACA members who are paying a membership fee has almost doubled. Within the organization and at various cashew events, the awareness of the cashew sector in Africa is increasingly raised and an already strong network has been established.

ACA has established ACA National Committees in all project countries. Whereas influencing government policies (e. g., an import tax) seems to remain a difficult topic, the ACA National Committees have formulated policy recommendations and will work on advocating for the cashew sector in their respective governmental bodies.

A summary of the feedback survey shows that a large majority of the ACi Steering Committee members were fully satisfied with the reporting and the discussions at this first 2010 ACi Steering Committee Meeting. Richard Rogers, the representative of the Bill & Melinda Gates Foundation, said he was impressed by the meeting and looked forward to continuing work on the African cashew value chain with the whole ACi team and the whole range of public and private financing partners.

COUNTRY UPDATES

Benin

Georgette Tarraf, NAD & co., ACA National Representative

The cashew season was officially launched in Benin on the 1st of March 2010. The beginning has been difficult because the farm gate prices were much higher than what buyers had previously agreed on with exporters. Negotiations and adjustments were conducted so that the delivery could continue. The harvest was very late this year and a lower volume of production is expected. On the processing side, maintaining supply is very difficult for processors, because of the very high farm gate prices. Bank financing, in order to commence processing, is under discussion with the three start-up processing companies.

On April 8th, GTZ organized a session to handover 30 000 jute bags to the producers. Each Regional Union of Producers (URPA) received 10 000 bags followed by a workshop on the management of the bags. In

addition, GTZ organized a public sensitization and information campaign on post harvest handling through local radio stations. The producers were grateful of this initiative.

Côte d'Ivoire

Cherif Hibraïma, Agribusiness Company, ACA National Representative

As in all West African countries, the fruits delayed in attaining maturity. In Ivory Coast, the deficit in yield will be compensated by the new plantations. Thus, the estimated production for 2010 should aim 370 000 MT versus 350 000MT in 2009.

Intercajou has fixed a minimum farm gate price at 170 CFA/kg. Current farm gate prices are between 180 CFA and 190CFA with the exception of Bondoukou where the prices are negotiated around 220 CFA. This region provides a better quality with an outturn of 49-52lb and 195-200

Gambia

Ram Mohan, ACA Focal Point

In the Gambia the season has not yet started and remarkably, the delay is similar to most of the West Africa countries. Current price offers for Gambia are between 700-850 USD CNF/Mt, but there is no confirmed business yet. The National Committee of Gambia is preparing a conference for the third week of May. More details will follow on our website.

Ghana

Eleanor Swatson, Ghana Cashew Dev. Project, ACA National Representative

The cashew season in Ghana started in February with the farm gate price for RCN at GH¢ 0.50/kg. By the end of March, farm gate prices had increased to GH¢ 0.55 – GH¢ 0.70/kg. It is estimated that Ghana's production for 2010 will be lower than that of 2009 due to the very harsh climatic conditions experienced during flowering and fruit set. Currently, there are more than 20 buying companies with agencies all over the country engaged in active purchases of RCN. This situation has built up pressure on prices at the farm gate. Nut quality is good with outturn ranging between 48lbs and 52lbs and nut count of about 180.

As part of planned activities for the season, the Cashew Development Project, under the Ministry of Food and Agriculture will be meeting with the Executives of all the registered Cashew Farmers' Unions in the Districts in April to discuss pertinent issues relating to strategies needed to strengthen the Unions and further enhance the incomes of cashew farmers in the country.

Guinea-Bissau

In Guinea Bissau the season is at least 20 days late and thus there is a lot of speculation. The Government has not declared a price like the past to years and therefore the farmers are holding what little they have or desperately selling at 150/200 CFA at the farm or exchanging against rice but small quantities. The recent political problems increase the speculative trend.

Nigeria

Chris Ekwueme, ACET Nigeria, ACA National Representative

There is no significant change from last year's production figure however, there was a bumper harvest. Collating the production figures from all the cashew zones, it is estimated at a total of 110,000 MT for 2010. Generally, the quality is very good with an average outturn of 48lb/kg. The size of the nut recorded an improvement with the nut count per 1 kg of sample between 160 - 180 nuts. The farmers and the major stakeholders are fast responding to the wake-up call on quality improvement as the quality this year is better off due to proper drying as compared to previous seasons. However, the early rain so far recorded might likely deteriorate the quality especially the no harvested ones. The farmers enjoy premium price due to the good quality of the nuts this season. The offer price at the farm level is between US\$ 400 - US\$450, taking into consideration the out-turn, size and dryness of the nuts. The Export price also edged up. The price FOB, from Lagos port is between US\$550 - US\$600.

Senegal

Lamine Sene ACA National Representative

The Senegalese campaign has just started. In 2009, the estimated crop production was 68 000 Mt and this year the estimate crop production is 55 000 Mt. The first production is not abundant and in many areas flowers are dry. This explains the drop in the production. The quality of the nuts is generally good with 52-53lb outturn and 210-230 nut count per kg. Export price is currently 690 USD/ Mt FOB. The number of exporter is increasing significantly with fourteen companies last year and eighteen in 2010.



Cashew Calendar 2010

Here is an indicative cashew calendar for ACA activities for the coming season. Please contact the ACA Secretariat (aca@africancashewalliance.org) if you wish to participate, have any input in preparation for any of the following events or would like to add to the cashew calendar.

March 2010

Training for cashew processors and finance institutions in Gambia, Guinea-Bissau and Senegal

Executive Committee Meeting (23-24 Mar)

Technical Assistance Visits to Processors in Senegal, Gambia and Guinea-Bissau

April 2010

2nd International Cashew Conference in Kampala, Ouganda, (26-29 April)

Association of Food Industries Annual Convention in Delray, FL, USA (29 Apr-1 May)

May 2010

Gambia Cashew Week (18-21 May)

Technical Assistance Visits to Processors in Togo and Nigeria

International Nut and Dried Fruit Convention in Beijing, China (21-23 May)

Sial China in Shanghai (19-21 May)

June 2010

New York Fancy Food Show (27-29 Jun)

September 2010

ACA annual conference – Maputo, Mozambique (14-16 September)



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