

African Cashew Alliance (ACA)



PROMOTING AFRICAN CASHEWS AT HOME AND ABROAD

2006, Issue 1

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Steps in Development of ACA

Dear ACA members,

After the March meeting in Guinea Bissau, the ACA Secretariat has made an important step forward in effectively organizing its central bureau. Housed at the West Africa Trade Hub in Accra and in collaboration with TechnoServe (Marco Iannone) and active members like Olam, we are working on a sound structure with new activi-

ties for the ACA and its members. With this newsletter, we'll tell you what's going on within ACA and update you on upcoming events and developments in the cashew sector. Any comments? What else would you like us to include in this newsletter? Please send me your feedback by email.

Cilia de Cock.
Coordinating Secretary.

New cashew processor gets cracking in Benin

Afokantan Benin Cashew SA will start processing Beninese cashew nuts this September. This is the first big private project in cashew for the past 3 decades in the country. Mr. Abou Bakr Adjibade, director and shareholder of the company, worked very hard to launch this cashew cracking plant. Benin, with an increasing cashew production will now also house significant cashew processing. This initiative, started with the help of PSOM, an investment program of the Dutch government, will enable future set-up of more factories by other interested parties in Benin, creating numerous jobs, a more positive economic environment and a higher export value on cashew nuts. Furthermore, the anticipated spin-off should enable growers to have better returns and better growing support over the years to come. Afokantan is set to process 1,500 to 2,000 tons of cashew nuts into high-quality cashew nut kernels for the international as well as the domestic market under the brand name: *Pride of Africa, Benin!*

Export of raw cashews in Guinea-Bissau

More than 70% of this country's exports consists of cashew nuts. According to Mama Samba Embalo, President of the National Agriculture Association (ANAG), about 1 million farmers produce 100,000-120,000 tons of cashews a year. Guinea-Bissau cashews are well known for good quality; they have a KOR (kernel output ratio) of 52-54. However, the cashew sector faces some major challenges. Trans-

port is one issue. The harbor needs to be dredged, the fairway marked with buoys, infrastructure and warehousing renovated. Another one is the insufficient competition for Guinea Bissau cashews. Many buyers have not come back this year to source their cashews from Guinea Bissau. Last year many nuts could not be dried properly and had become moldy upon arrival at buyers side. On top of this, worldwide consumer prices of cashew dropped 20% in 2006. Meanwhile cashew production in-

1st ACA Country Level Meeting to be held in Benin

on September 13th in Cotonou. As in most West-African countries, the latest cashew season has revealed some serious challenges in the organization of exports in the sector. This will be one of the topics we'll discuss, as well as financing of cashew production and processing.

Senegal study on cashew value chain

Senegal is estimated to have a cashew production of 10,000-15,000 tons (mainly in the Southern part of the country). It's cashew value chain is currently mapped out by USAID's Economic Growth Program "SAGIC", a partner of ACA, which will focus on better organization of the sector and improvement of the quality of raw nuts. This study will help identify country-wide priorities.

Ship loading raw cashew in Bissau



creased (Cote d'Ivoire doubled its production in the last few years). This all has had its effect on the demand for - and pricing of - the nuts. Government tax has further decreased farm gate prices. Farmers received prices of \$0.20 to \$ 0.30 per kg raw cashews at their gate, compared to +/- \$0,50 per kg last year. The importance of the cashew nut sector in Guinea Bissau, and the numerous, complex challenges it is currently facing, call for an urgent collaborative approach between all stakeholders. The ACA is committed to initiate and facilitate needed action.

Upcoming Events

- **ACA COUNTRY LEVEL MEETING BENIN, SEPTEMBER 13TH**
- **SALON INTERNATIONAL AGRO-ALIMENTAIRE IN PARIS, OCTOBER 22-26 2006, WILL AFRICAN CASHEW EXPORTERS PRESENT THEIR PRODUCT?**

News

- **USAID SIGNS MOU AND CONFIRMS COMMITMENT TO CASHEW SECTOR**
- **CASHEW RETAIL MARKET STUDY TO BE LAUNCHED IN 10 WEST AFRICAN COUNTRIES**
- **MALI, GHANA, SENEGAL AND GUINEA-BISSAU ARE WORKING ON A COMPREHENSIVE STUDY ON THE CASHEW SECTOR**

ACA Objectives

- INCREASE CASHEW FARMER INCOME
- CREATE JOBS IN DOMESTIC CASHEW PROCESSING INDUSTRY
- INCREASE EXPORT EARNINGS & ECONOMIC GROWTH

ACA Approach

- INCREASE FLOW OF FUNDING TO AFRICAN CASHEW SECTOR
- PROMOTE EXCHANGE OF INFORMATION AND SYNERGY AMONG MEMBERS
- LEVERAGE KNOWLEDGE AND CAPACITY
- DEVELOP AND IMPLEMENT INTERVENTIONS TO INCREASE COMPETITIVENESS
- REPRESENT AND PROMOTE AFRICAN CASHEW IN GLOBAL MARKETPLACE

FOR MORE INFORMATION:
AFRICAN CASHEW ALLIANCE
SECRETARIAT:
CILIA DE COCK
WEST AFRICA TRADE HUB
C/O USAID, P.O. BOX 1630,
ACCRA, GHANA.
TEL: +233 (0)21 781 608
CDECOCK@WATRADEHUB.COM



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