



African Cashew Alliance (ACA)

PROMOTING AFRICAN CASHEWS WORLDWIDE

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www.africancashewalliance.org

Newsletter August 2007

Dear Cashew Colleagues,

ACA proudly sent out its first Membership Certificate (below) to Momoudou A. Ceesay of The Gambia Horticultural Enterprises, a dealer and distributor of seeds, fertilizers, gardening tools and equipments. More than 40 members have registered to become a member with ACA in the last month, showcasing the interest of cashew stakeholders in this pan-African body for development of the cashew sector.



At the Fancy Food Show in New York, Richard Jennings

represented ACA and promoted Africa as a source for cashews to food companies. Together with the ACA Secretariat, Executive Committee member Kees Blokland of Global Trading will present ACA at the upcoming food exhibition ANUGA in October in Cologne, Germany to create awareness among retailers about African cashews.

In the mean time, more than 200 cashew stakeholders met in Nigeria at a national cashew conference to discuss how the country can boost its cashew industry and fulfill demand for cashew kernels and improve quality of raw nuts.

The Secretariat is preparing its annual report and 2007/2008 year plan that will be finalized during the Executive Committee & Board of Directors meeting in Accra in September.

Cilia de Cock - ACA Secretariat, Accra Ghana

Upcoming Events

- **EXPONUT & DRIED FRUIT INTERNATIONAL TRADE FAIR, AUGUST 23-25 2007, ISTANBUL TURKEY** WWW.EXPONUT.COM
- **ANUGA, WORLD EXHIBITION OF FOOD AND BEVERAGES, OCTOBER 13-17 2007, COLOGNE GERMANY** WWW.ANUGA.COM
- **PTNPA CONVENTION, JANUARY 19-22 2008 IN TUSCON, ARIZONA, USA** WWW.PTNPA.ORG
- **INC CONVENTION, MAY 9-11 2008 SANTIAGO DE CHILE** WWW.NUTFRUIT.ORG

Join ACA and become a member today! Register at our website

Visit the New 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 cashew news to share with cashew colleagues!

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Global cashew

trade update Shelling costs in local currencies have increased dramatically recently, due to the weak dollar and a decline in available skilled labor in many producing countries, said David Rosenblatt of the Richard Franco Agency (RFA), a large cashew broker in the USA. If the price of kernels remains stable, the portion of the sale proceeds available for raw material procurement declines. "The problem is that world supply of raw cashews continues



to grow rapidly leading to a situation where supply exceeds demand". Promoting consumption is one of the keys to improve the situation, and the primary goal for the Global Cashew Alliance (see page 2), which RFA and ACA are actively supporting.



Regional Cashew Trade grows in West Africa

Like many small cashew processors, GK5 in Benin had difficulty increasing sales of processed cashews. But now the company, which has capacity for 80 MT a year, has boosted employment and production through regular sales to Nigerian cashew processor Mr Tunde Odunuga of Abod Success, following an introduction by the ACA. Abod Success, which specialises in roasting, packaging and distribution to the Nigerian market, processes cashews himself, but buys additional kernels to meet local demand. GK5 has delivered more than 2MT of kernels recently, and scaled up its operations from 10 part-time workers to 50 full time. Other Beninese suppliers -EMS, Afokantan and Echoppe - have also delivered to Abod Success. PeaceCorps Volunteer Brook Adam, who has been working the past 2 years with the processors in Benin says "The impact has been huge. Both of these factories [GK5 and EMS] were basically dormant with no real market when Tunde arrived. GK5 has gone up to full capacity and hired a number of laborers, and EMS has resumed healthy production and

hired back their old staff". Meanwhile, Echoppe, an NGO that buys and markets cashew kernels from small women's groups, has found a buyer in Ghana.



Processing at GK5, Benin

Cashew processors from Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mozambique and Nigeria met during the AGOA Forum in Accra in July, and discussed further ways to collaborate. Together they visited a packaging equipment supplier to investigate new tools and material. Sharing of best practices helps businesses to stand stronger in this young industry. Several Beninese processors visited Abod Success in Nigeria to learn new processing techniques.

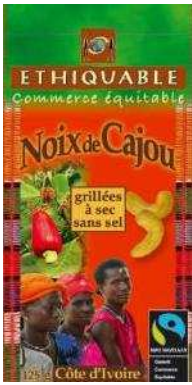
The potential for regional trade was clearly highlighted in WATH & the ACA's recent market study on cashew consumption. Further development of the market for broken kernels will help to improve profitability for the processors.

See our website for the cashew report and processors' directory listing processors by country.



Mr Tunde Odunuga at Abod Success

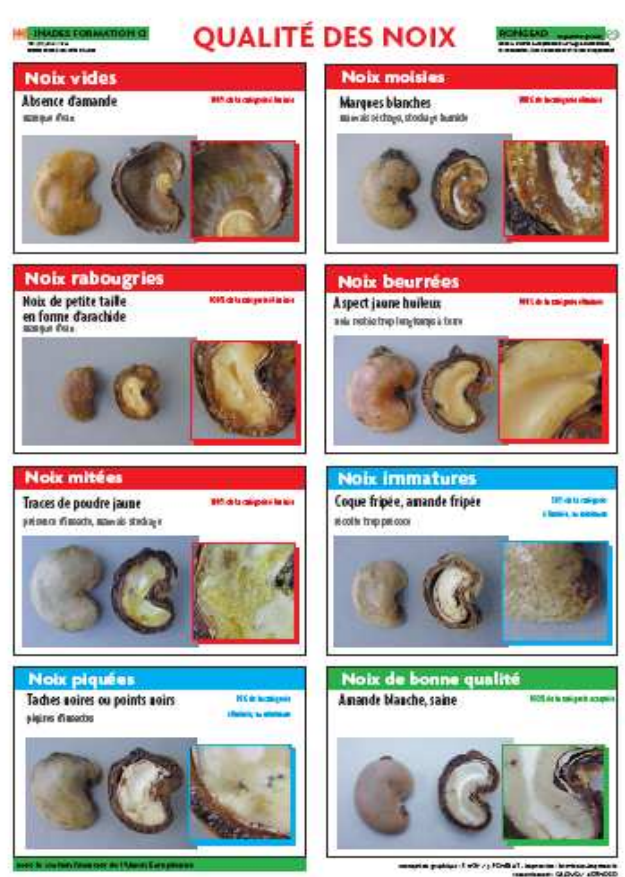




Fair Trade Cashew sales from Cote d'Ivoire to France

Copabo is a cooperative of more than 1 400 small producers in Bondoukou, in northeast Cote d'Ivoire. It has set up a processing facility with the help of French NGO Rongead and local NGO INADES Formation. The small factory has obtained Fair Trade certification and found a market for their product in France. Specially designed packaging tells consumers the story of women in Cote d'Ivoire increasing their income because of this new activity. The 300 women come in on a regular basis, but don't work every day, which allows them to also maintain their small farms. They receive payment once the container has been delivered. Though small, Copabo has received a lot of attention from other producer groups who are eager to set up a similar system.

Quality of Raw Nuts Poster Rongead and INADES Formation are also working with producer groups to improve raw nut quality, development manuals and a poster to distinguish bad nuts from good. The poster (at right) can be downloaded from the ACA website. For more information contact Cedric Rabany of Rongead at cedric.rabany@gmail.com or Mme Kadjidja Kone of INADEZ Formation at konekaridja@yahoo.fr.



Global Cashew Alliance – An update by Mr. Walter D'Souza, chairman of CEPCI

To better promote cashews internationally, cashew-producing countries want to create a Global Cashew Alliance. This year, the Cashew Export Promotion Council of India (CEPCI) took the initiative to form this body by starting exchanges with Vietnamese and Brazilian counterparts, whilst involving major buyers in the European and USA market. A MOU was signed in May, and the alliance will be formally launched in October. Apart from promotion and research of health benefits, the alliance aims to create more exchange of information on crop prospects, production techniques and

quality standards - involving other producing regions like Africa. Walter D'Souza, chairman of CEPCI, (shown here) talks about the need to share research that has led to extraordinary production in Vietnam, which yields 6 MT tons per hectare (most producing countries struggle to generate 1 MT.) D'Souza foresees that mechanized processing will become more common in his own country as labor becomes more expensive in India, increasing the percentage of broken kernels and thus the need to promote cashews as an ingredient. In India nearly 80% of other nuts are used in food, with the remaining 20% as snacks. But with cashews, it's the other way around, indicating huge potential for growth for cashews as a food ingredient. Read the full interview of Cashewinfo.com (www.cashewinfo.com) with D'Souza on the Global Cashew Alliance and developments in the cashew sector at the ACA website.



Cashew Concern Certification – New Concept Can Help African Cashew Industry

The recently formed "Cashew Concern Certification" can help to put African cashews on a level playing field with other origins by offering an inspection and certification program for cashew processing facilities. The majority of cashew kernels imported into the United States are processed in India, Vietnam or Brazil. Roasters and retailers are familiar with these regions and have no hesitation in accepting product from these countries. Africa, however, has long been regarded as solely a supplier of raw cashews, and has had problems winning the trust of American roasters and retailers looking for shelled product.

Certification by Cashew Concern will be based on each processor's adherence to globally accepted labor standards, cleanliness, etc., can provide a means of demonstrating that the cashews and the conditions under which they are processed meet globally recognized criteria. An African company certified by the CCC would be ranked with the best facilities in any cashew processing region.

The CCC was founded by David Rosenthal, who has been involved in cashew importing for the past 16 years. There is also a "Give Back" program which would provide funds for projects to benefit communities who depend on cashew processing. For more information visit www.cashewconcern.com.

Nigeria National Cashew Conference

Nigeria has a processing capacity of 24,400 MT of raw nuts per year - 30% of its estimated 80,000 MT of annual production of raw nuts. This is unique in the West African region, where processing capacity is generally a maximum of 5-10% of domestic production. But only half of Nigeria's processing capacity is utilized: approximately 14,000 MT are processed currently, leaving 10,400 MT of capacity idle. This situation could be improved with better access to capital, technical assistance and links to international kernel buyers.



More than 200 participants gathered July 10-11 for the Nigeria National Cashew Conference to discuss how to improve processing and the price of Nigeria's nuts on the world market. A group of cashew stakeholders, including the National Cashew Association Nigeria (NCAN), the Nigeria Export Promotion Council (NEPC) and the African Cashew Alliance (ACA), collaborated with the Central Bank of Nigeria to organize this meeting in Ikoja, Kogi, Nigeria's largest cashew-producing state. The mix of organizers ensured that public sector (ministries of commerce and agriculture), private sector (producers, processors, traders, commercial banks) and NGOs like GTZ participated - creating a dynamic exchange on what is necessary to create more value in the cashew sector and a tangible action plan.

Several new initiatives have started since the conference. Kogi is setting up a cashew business center. The University of Makurdi in Benue State is proposing to work on raw nut quality and cashew apple juice. Several businesses are planning to start up cashew processing. And Olam is exploring the possibility to open a new cashew processing facility in Kogi State.

