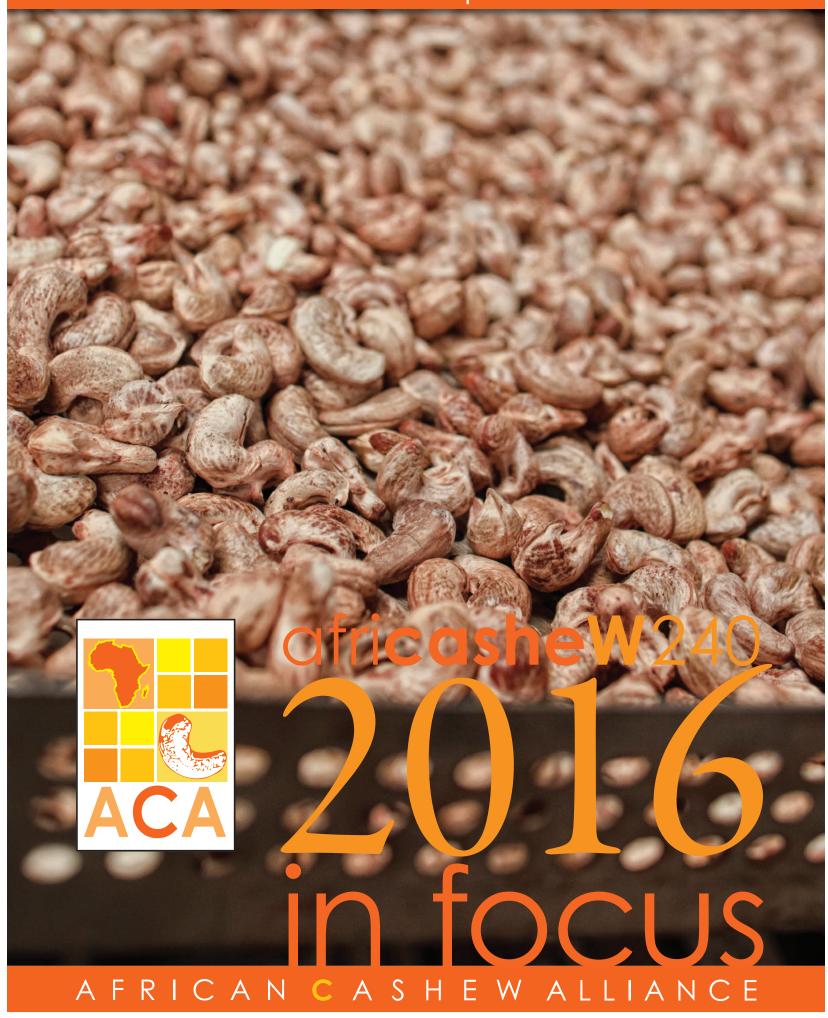
Annual Report



Growing the African Cashew Industry!

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Message from the President

Dear Cashew Colleagues,

Over the past ten years, the African Cashew Alliance has grown and evolved as a beacon for the growth of the African cashew industry. Through new interventions in the field, ACA has been at the forefront of tackling the issues faced by the African cashew industry. With support from USAID, USAID West Africa Trade and Investment Hub, the Walmart Foundation, and the African Development Bank, ACA is implementing interventions targeting processors across Africa. The ACA Quality and Sustainability Seal continues to strengthen businesses throughout Africa. ACA's Annual World Cashew Festival and Expo is an important platform for cashew dialogue, networking, and information sharing. These services, amongst others, offered by ACA, are important supports for the cashew industry. I am honored to now serve as President of such an important alliance. During ACA's 2016 World Cashew Festival and Expo in Bissau, Guinea Bissau, Alliance members elected four new members to the Executive Committee. These new members are Mrs. Minata Kone, Mr. Charles Muigai, Mrs Kata Kamba, and myself, Mr. Florentino Nanque. The Executive Committee also officially welcomed Ms. Johanna Adotevi who will serve the remaining tenure of Mr. Ashak from CASA Côte d'Ivoire. A new initiative was adopted by the new Executive Committee to have three vice presidents and those voted in for these positions were Mrs. Kate

Kamba as the first vice president, Mrs. Minata Kone as the second vice president, and Mr. Lars Wallevik as the third vice president to represent the international partners.

2016 was a highly unpredictable year for most actors of the value chain in Africa. The industry here witnessed purchasing competition from Asian buyers and constant disruption of prices. Despite these circumstances, farmers in certain regions predominantly recorded good prices. Not only this, but also 2016 saw an unprecedented amount of interest from African governments in the cashew industry leading to the introduction of many different policies and trade regulations and the creation of the Consultative International Cashew Council (CICC), were eventually implemented, while others were withdrawn outrightly. Undoubtedly, cashews are gradually becoming a highly sought after commodity and nearly half of the world's cashews are grown by smallholder farmers in Africa, making the continent the world's largest producer of raw cashew nut!

The industry is evolving and it is important that ACA evolves with it and today, ACA has a new direction which aligns with the evolution of the cashew industry. Under a vision which aims to create a sustainable African cashew industry that delivers globally competitive, value added

products and secures profitability for all actors, the alliance will create a platform for accelerating growth and investments in the African cashew industry through partnerships, advocacy, market linkages, technical support and global networking.

And thus the beginning of this year 2017 has been spent evaluating the current situation of the Alliance, realigning ACA activities with the needs and demands of the new direction as well celebrating successes, and learning from failures. ACA has been re-envisioned into an even stronger and more effective organization to the benefit of all members and a new Strategy Plan has been developped

On behalf of the African Cashew Alliance, I ask for your continuous support to the Alliance and the entire cashew industry as we embark on another decade of partnerships and investment. We are looking forward to a successful 2017 and beyond!

Sincerely,

Florentino Nangue

ACA President 2016





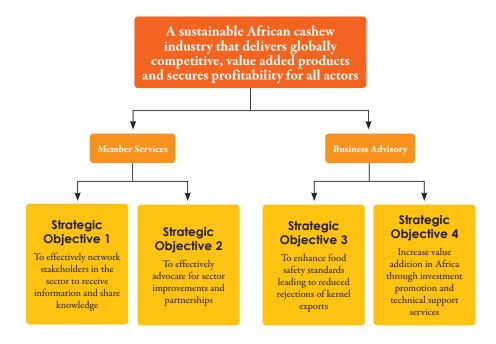
The African Cashew Alliance was established in 2006 as an alliance of African and international businesses with an interest in promoting a globally competitive African cashew industry. Today, more than 150 member companies work under the ACA banner and represent all aspects of the cashew value chain, including producers, processors, traders, and international buyers.

OUR VISION

A sustainable African cashew industry that delivers globally competitive, value added products and secures profitability for all actors.

Our mission

To create a platform for accelerating growth and investments in the African cashew industry through partnerships, advocacy, market linkages, technical support and global networking.





Organizational Structure as of 2016

The Executive Committee (EC) is ACA's governing body, providing strategic direction, general guidance, and oversight to the ACA Secretariat. The EC is elected for two-year terms by the core ACA members and consists of seven members who convene twice a year.

The Advisory Board consists of delegates from organizations providing more than \$50,000 USD of funding per year. The Board has a veto right regarding the use of ACA funds and provides advice on ACA programming.

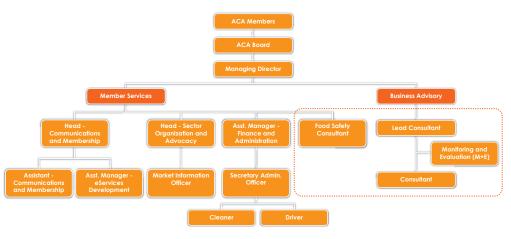
The Secretariat manages program development and implementation, and is responsible for daily ACA operations including event management, marketing and promotion, project management, technical assistance, membership, monitoring and evaluation, and fundraising.

The Steering Committee provides input and is responsible for presenting proposals and country-specific information to the Executive Committee and the Secretariat. Its participants are appointed by national private cashew business associations, or by ACA national committees.

The National Committees or National Private Cashew Business Associations, partner with ACA to disseminate information, promote and advocate for cashew business, and represent ACA at the national level.

ACA Members are individuals or institutions (both private and public) involved in the cashew sector. Members pay an annual membership fee based on their status and are in charge of electing the Executive Committee every two years.

To find out more information about the benefits of being a member visit our membership page: www.africancashewalliance.com/member



ACA Today and Beyond

President

Florentino Nanque, Djonde Empreendimentos SARL, Bissau, Guinea Bissau

First Vice President

Kate Kamba

Second Vice President

Minata Kone, SOTRIA B, Banfora, Burkina Faso *Third Vice President*

Lars Wallevik, Mim Cashew & Agricultural Products Ltd, Brong Ahafo Region, Ghana

Executive Committee Members

Charles Muigai, Nutpak, Nairobi, Kenya

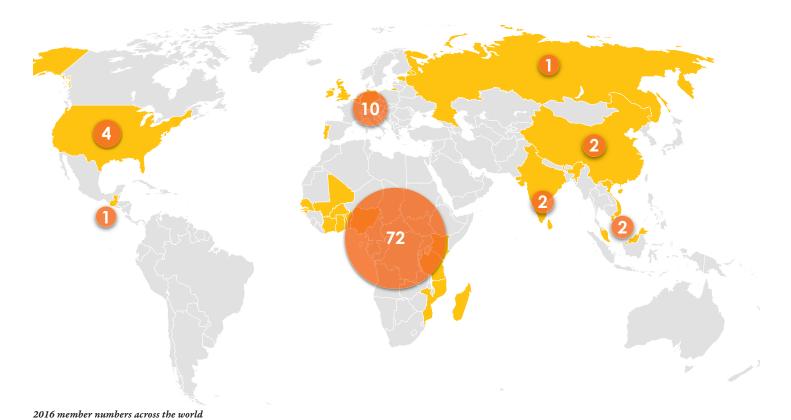
Johanna Adotevi, Cajou des Savanes (CASA), Bouake, Côte d'Ivoire

Ronald Zaal, Trade and Development Group B.V., The Netherlands

Corporate sponsors



Membership

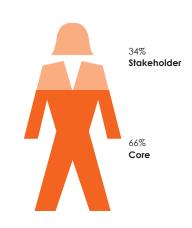


In 2016, ACA welcomed 94 members from all aspects of the international cashew value chain.

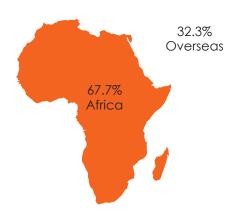
- 51 renewed members
- 43 new members

ACA distinguishes between **Core** and **Stakeholder Members**:

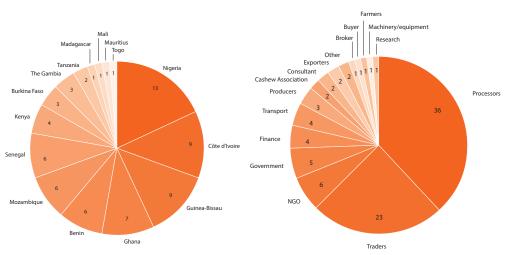
- Core Members are private companies registered in Africa–66% of the membership base in 2016
- Stakeholder Members are private companies registered overseas along with public agencies in Africa and overseas–34% of the membership base in 2016



Core vs Stakeholder membership



Members from Africa vs Overseas



Member representation in Africa

Members by field

Conferences

The African Cashew Alliance organizes meetings, workshops, forums and conferences in major African cashew producing countries to allow cashew stakeholders to share information, learn about best practices, promote investments and business linkages, and develop strategies for a conducive business environment in the African cashew industry and the world at large. One of such is the Annual Cashew Conference & Expo. This takes place every year in the month of September.

2016 CONFERENCE



ACA World Cashew Festival & Expo 2016



Bissau, Guinea-Bissau September 19-22, 2016

A DECADE OF TRANSFORMATION

From September 19th to 22nd diverse actors of the cashew value chain came together for the 10th Annual ACA World Cashew Festival & Expo in Bissau, Guinea Bissau, which was themed "A Decade of Transformation". The conference welcomed 240 participants from 28 countries. For the first time, this year's conference recorded over 360 official Business-to-Business Meetings.

Plenary Session: 21 plenary speakers discussed the latest trends and best practices in the cashew industry

World Cashew Expo: 12 exhibitors from 10 countries displayed equipment and industry services

World Cashew Forum: 16 panelists in six sessions: Invest in African cashew, Food Safety and International Standard, Understanding and using

Market Information in the cashew industry, Innovative techniques for Cashew farm upgrading, Innovations in the Cashew

Processing Industry, Risk Management and decision Making in the Cashew industry

Field Trips: Participants had the option to either visit processing factories whose highlight was the use of Brazilian technology or a tour

at the beautiful and historic town of Cacheu.



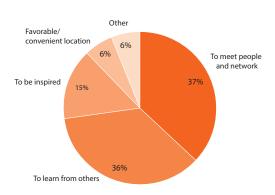




Participant Attendance by Region



Participant Reasons for Attending





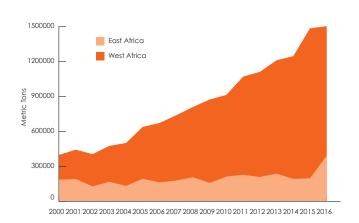
From Seed to Snack:

Components of the Cashew Value Chain

Currently, Africa produces approximately 49% of the world's cashew supply; however, the industry's great potential remains largely untapped – East Africa processes around 22% of the raw nuts produced in the region, and West Africa processes only 10%. Increased processing in Africa would add tens of thousands of jobs and generate hundreds of millions of dollars in revenue for the continent.

PRODUCTION

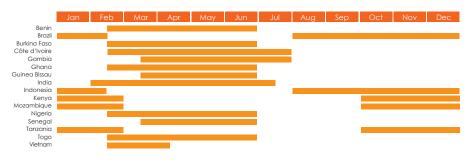
Originally hailing from the northern region of South America, cashew trees are now abundant in tropical regions throughout the world, with the largest concentrations found in Brazil, India, Vietnam, Indonesia, and several countries in West and East Africa. In fact, as stated above, Africa has now taken over as the world's greatest producer of RCN. Between 2000 and 2016, production of cashews in Africa has grown by a factor of 4.5 from around 400,000 MT to an estimated 1,800,000 MT in 2016. Côte d'Ivoire and Tanzania are currently the continent's top producers. While Côte d'Ivoire seems to have cemented the top production position in Africa for the past few years, seeing Tanzania in the number two spot is a change from last year when it was Guinea Bissau. Production during the 2015-2016 season in West Africa was generally below expectations with countries such as Benin, Côte d'Ivoire, and Ghana producing 15% below their previous season.



Cashew produced in East and West Africa

HARVEST

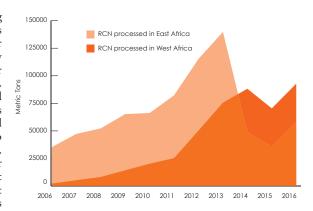
Throughout most of the year, there are African smallholder farmers collecting cashew nuts. The African harvest begins in West Africa where, across the region, the harvest season runs from February to June. There is a brief hiatus during the summer months in which most nuts have been harvested, but the East African season begins in mid-September and lasts through late January. The average West African farmer household collects between 500-1,200 kg of raw cashew nuts per year. The 2015-2016 season saw harvests in West Africa starting a month later, while in East Africa harvests lasted longer than usual.



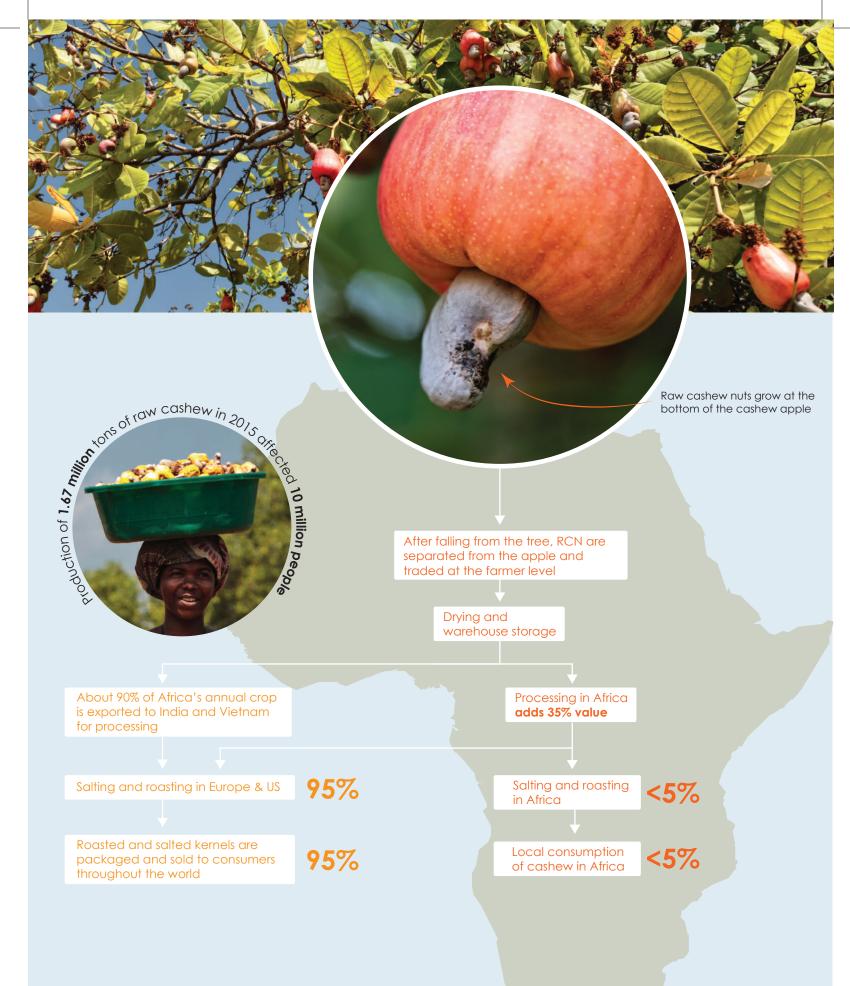
Cashew harvesting seasons

PROCESSING

Processing cashew is labor-intensive, so it has the capacity to generate employment for large numbers of people for shelling, peeling, and grading the nuts. Small-Medium scale export oriented cashew factory of 3, 000 TPA capacity daily processes 10MT of RCN with over 600 employers considered using semi-mechanized technology suitable to this scale. The process of transforming the raw cashew nut into a consumable commodity entails a myriad of steps. The raw nuts must be sorted and cleared of any foreign material. Then they undergo the process of shelling, which can either be done manually or mechanically. After shelling, the testa (a thin skin) of the kernel must be removed through peeling. Kernels are then classified into one of 26 grades according to size, color and condition. Access to finance is a major constraint to the growth of the processing industry in Africa and this trend has continued through 2016. Another constraint this year was the quality of RCN especially due to poor drying and post-harvest handling. Many instances of improperly dried nuts causing problems for processors and ultimately kernel roasters and packers occurred. This will have to be addressed in the 2017 season. Government support is another concern. Effective change will not happen without government support and it is important that governments link their interventions and policies to the realities of the market or risk barriers to trade and damaging effects.



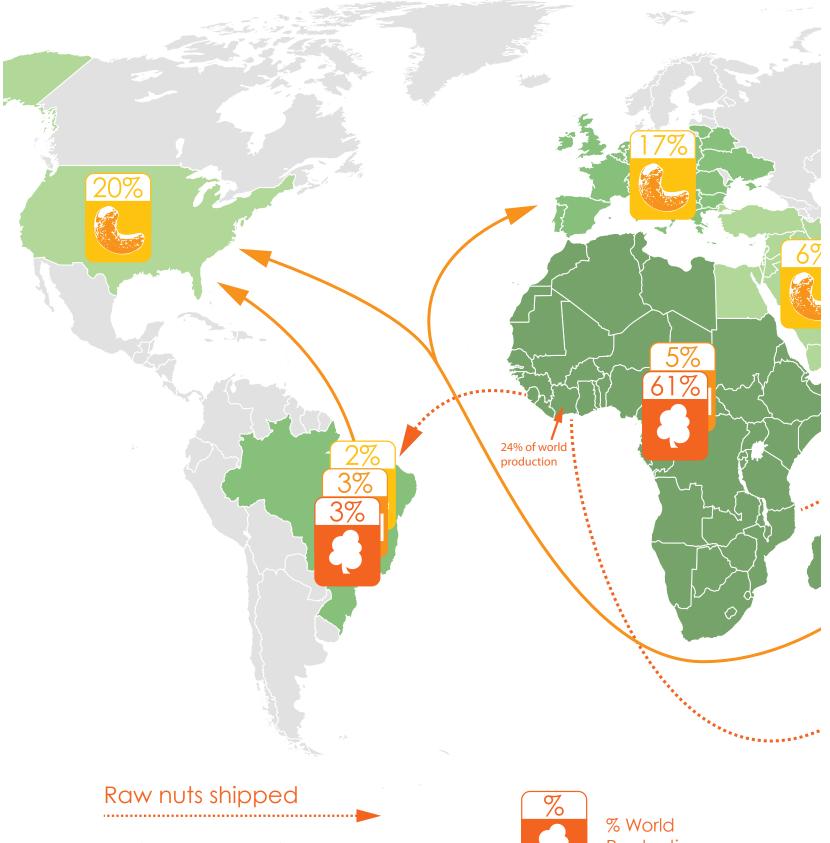
Cashew processed in East and West Africa







2016 World Cashew Mar



White kernels shipped



Conference Sponsors Benin Cajù TO Consultation of the Paragraphic CMACGM ETG 5 K**⊕**ROS**H**O giz Section Section Section Section Sections Sections Sections Section Intersnack MEYER DPTOELECTRONIC Olam Edible Nuts TECHNOSERVE TDG Trade & Develo USAID TRADE & INVESTMENT HUB Source: African Cashew Alliance % World % World Consumption

Processing

2017

ACA Interventions (2016)

COMMUNICATIONS

The ACA Communications department works closely with the Market Information System, project management, and technical teams to provide timely and accurate information to all of ACA's members and constituents and to ensure that members receive exclusive market intelligence to help them plan their business activities

Website Statistics

Page views

145,850

Number of Visits

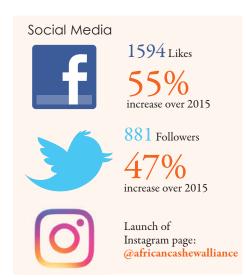
48,153

New visitors

29,510

Returning visitors

18,643



Conference Figures 2016

Total number of participants

240 from 28 countries

LOCAL HOST



SPONSORS













9



















Silve









MIS

The ACA's Market Information System (MIS) collects, analyzes and disseminates up-to-date information on market conditions in Africa and worldwide, providing stakeholders with the best means to make informed and effective business decisions.

Communications & MIS Publications

Throughout the year, ACA disseminates a range of publications, providing regular reports on market conditions and the latest news on ACA's activities. These publications are:

• AfricasheW450

Monthly market analysis reports with both global and African perspectives

• AfricasheW320

Bi-monthly newsletter highlighting ACA's latest successes

• AfricasheW240

Annual report that details all of ACA's activities throughout the year

Weekly market updates on the production, processing, and trade of cashews in Africa

AfricashewBits

Twice a week market sms updates on kernel prices from India and Vietnam and RCN farm gate prices in Africa. Announce its launch!





Processing Support and Business Advisory

2016 Status: 144,459 MT of cashew processed in Africa

We offer

Business Advisory Services

- Advice and training on financial and operations management
- Assistance in hiring and training workers in specialized skills
- Trainings to processors for scale and capacity improvement

Investment Facilitation

- Advice on choosing suitable processing equipment and technology
- Support in selecting site, installing equipment, and designing operations
- Information on regulations and incentive schemes
- Linkages to government agencies, service and raw material suppliers

Access to Finance

- Support in submitting credit-worthy business plans and loan applications
- Banker trainings in specifics of cashew financing
- Partnerships with financial institutions for cashew financing

2016 Results

- 144,459 MT of RCN processed in 2016
- Installed capacity of ACA members reached 299,540 tons in 2016
- \$216,063,254 facilitated in kernel export by African cashew processors in 2016

SECTOR ORGANIZATION

ACA continues to contribute to the cashew value chain in Africa by partnering with national and international institutions to promote cashew business by advocating for favorable policies for cashew business, promoting cashew consumption, facilitating regional trade, supporting investments and mobilizing resources for the industry. In 2016, ACA welcomed two other partners: NCBA Clusa and IRD raising the total to 13 signed MOUs.

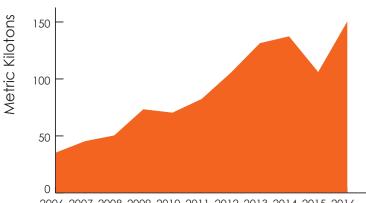
The ACA Partnership Development is gradually becoming the one platform for sharing experiences and knowledge as well as a reservoir of

Highlights

- In January 2016, ACA participated in the National Cashew Dialogue held in partnership with the Cashew Industry Association of Ghana-CIAG.
- ACA currently has 13 country representatives' members in the ACA steering committee. In the future, these representatives will become cashew ambassadors and would liaise the Alliance to the government of their respective countries.
- Out of the 13 countries in the ACA steering committee, ACA has established 8 inter-profession/National platform.
- ACA is excited to be expanding its partnership and currently has five underdeveloped partnerships which are expected to be signed in 2017.



- \$49 million in new investments and working capital facilitated by ACA member countries in 2016
- \$4.7 million loans facilitated by ACA to new processors in 2016
- US\$ 62,315.50 raised as Business Advisory revenues from consulting services delivered to various companies in 2016
- 26 companies assisted via technical assistance in 2016



2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Raw Cashew Nuts processed





ACA QUALITY AND SUSTAINABILITY SEAL

2016 was another landmark year for the ACA Quality and Sustainability Seal. Two

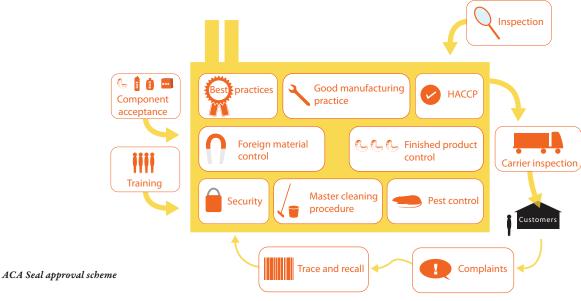
more processors joined the ranks of African companies who have achieved Seal certification, raising the total to eleven processors across the continent.

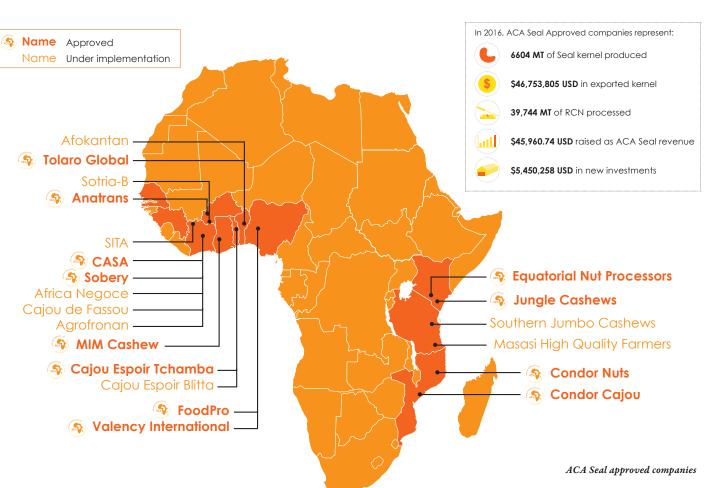
The ACA Quality & Sustainability Seal is an industry-supported mark that signals the processor's compliance with international food safety, quality, and social standards. The expanding implementation of the ACA Seal in

East and West Africa indicates the Program's success across ACA member countries. During 2016, 6.604 MT of Seal approved kernels were produced for a total sale of USD 46,753,805. At the end of 2016, five processors in Benin, Burkina Faso, and Côte d'Ivoire were in the implementation phase of the program. A total of 26 processors from Ghana, Togo, Côte d'Ivoire, and Guinea Bissau had also been visited and provided with technical assistance.

Many large-scale buyers are excited about the credibility that the ACA Seal provides to cashew kernels processed in Africa and have committed

to introducing these kernels to consumers. On the other hand, the processors who have received the Seal, or who are in the process of obtaining it, have expressed their appreciation for its attractiveness to buyers and the advantage it provides in achieving other international standards, such as HACCP and ISO 22000. Currently Mim Cashew in Ghana is preparing with ACA's assistance to go for HACCP certification, while Cajou de Savannes (CASA) in Côte d'Ivoire is preparing to go for BRC certification by the end of 2017.





Funded Projects

During 2016, ACA had four ongoing projects across East and West Africa, two of which were completed during the year. Through the support of a variety of donors, these projects work to strengthen the capacity of cashew processing companies, improve the livelihoods of cashew farmers, and link African cashew stakeholders to the international market.

ONGOING PROJECTS

USAID Global Development Alliance II

April 2015 - March 2018 | Countries: Benin, Burkina Faso, Côte d'Ivoire, The Gambia, Ghana, Nigeria, Senegal, and Togo

Involving: 15 processing factories with estimated 3,500 jobs to be created over project life

Objectives:

- 1. Increase ACA's internal capacity to improve service provision to the cashew industry
- 2. Upgrade and expand ACA's MIS platform for information collection and dissemination
- 3. Strengthen the West African cashew value chain through a dynamic workshop series for local stakeholders

Walmart Foundation

"Empowering Women Cashew Farmers"

January 2015-December 2017 | Countries: Ghana and Kenya | Implementing Partner: Self Help Africa

Involving: 35,000 farmers

Objective:

- 1. Train farmer communities on farming techniques, harvest and post harvest techniques as well as intercropping best practices
- 2. Develop village savings schemes
- 3. Develop capacity of farmers associations to conduct business
- 4. Increase linkages between farmers and processors



COMPLETED PROJECTS

USAID West Africa Trade & Investment Hub "Trade Hub and African Partners Network"

June 2015-January 2017 | Countries: Benin, Burkina Faso, Côte d'Ivoire, The Gambia, Ghana, Guinea-Bissau, Mali, Nigeria, Senegal, and Togo

USAID Towards Inclusive Markets Everywhere (TIME)

December 2013-December 2016 | Implementing Partners: Borderless Alliance, Global Shea Alliance | Countries: Benin, Burkina Faso, Côte d'Ivoire, Nigeria, and Togo

Involving: 60,000 cashew farmers and dependents and created 1,000 jobs in two cashew processing companies

Objectives:

- 1. Train farmer communities on farming techniques, harvest and post harvest techniques as well as intercropping best practices
- 2. Develop capacity of farmers associations to conduct business
- 3. Increase linkages between farmers and processors



2016 Financial Highlights

BUDGET 2016

REVENUE	
Core Activity	766,781.91
USAID GDA Project	327,180.00
USAID TIME Project	291,429.00
USAID WATHI Project	278,484.11
WAL-MART FDN Project	351,996.05
TOTAL	2,015,871.07

EXPENDITURE	
Staff Cost-Personnel	622,168.04
Staff Cost-Fringe	204,097.03
Travels	442,087.43
Consultancy	224,865.48
Contracted Services	553,726.52
Supplies	69,392.63
Equipment	12,723.33
TOTAL	2,129,060.46

ACA new strategic objectives and financial outlook

ONGOING PROJECTS	RUNNING PERIOD	VALUE (US\$)
USAID GDA II	April 2015-March 2018	1,201,449.00
AFDB-AFTRA	May 2017 to April 2019	451,466.00
TOTAL CASH REVENUE (A)		1,652,915.00

Projected Financial Statement of Core* Activities for 2017

REVENUE	2017 (PROJECTED)	2016 (ACTUAL)
Conference	303,600.00	256,897.00
Membership	74,250.00	67,131.00
Adverts	2,000.00	-
TA and Seal Fees	44,500.00	41,079.00
Programme Funders	25,000.00	50,000.00
TOTAL	449,350.00	415,107.00

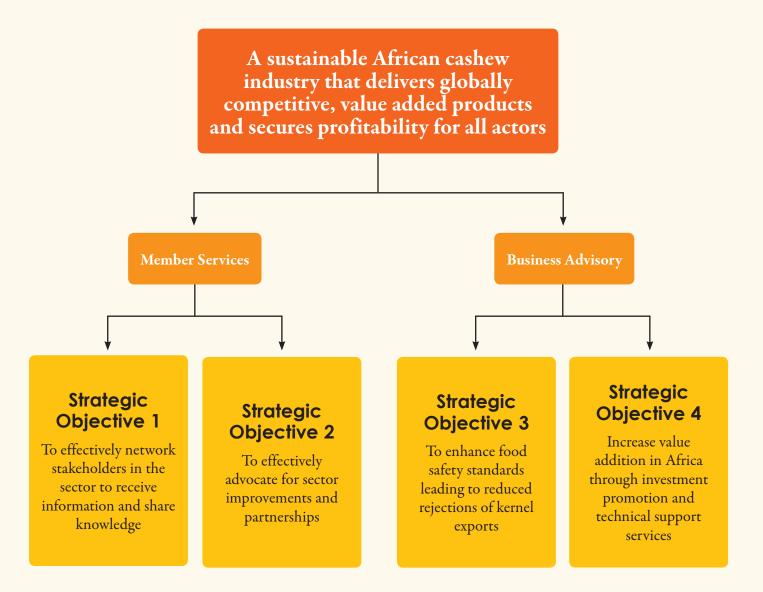
EXPENDITURE		
Conference	295,736.00	289,634.16
Communications and Membership	181,333.00	177,591.60
Seal	117,542.00	115,116.79
Sector Organisation	178,614.00	174,928.70
ACA Governance	47,500.00	46,519.95
TOTAL	820,725.00	803,791.20

NET	(371,375.00)	(388,684.00)

Funded by contracts from the following projects: USAID GDA project; AFDB AFTRA project; WALMART Foundation project; Côte d'Ivoire MIM Cashew Project (unrestricted); Guinea Bissau/IFC PRSPDA project (unrestricted)

^{*} Core Denotes member services and ACA SEAL activities, as well as private sector contribution to project activities

ACA's New Strategic Goals 2022





2016 ACA Members

BENIN Afokantan Benin Cashew(Subsidiaries) BPS Industrie Benin Fludor Benin Nad & Co Sodexmap Sarl TechnoServe **BURKINA FASO** Anatrans(Subsidiaries) CIA-B Sotria B **CHINA** Ningbo Cashew Nut Co., Ltd **COTE D'IVOIRE AFRECO AGROFRONAN** Cajou des Savanes FMA INDUSTRY SAS Ivory Cocoa Products (ICP) Olam Group Root Capital SGS CDI Sobery Sarl Sotraci Sarl **ESTONIA** OÜ ESTEA Consult THE GAMBIA Cashew Alliance of Gambia ComAfrique Maersk Gambia **GERMANY** Cashew4U Der Auditor **GHANA** Atlantis Global Ent. Ltd ComCashew Mennonite Economic Development **Associates** Mim Cashew TREE GLOBAL GHANA LTD

USAID

New Body Products

GUATEMALA

Liurio Agricultura Investimentos THE NETHERLANDS Fairmatch Global Trading &

Agency(Subsidiaries)

Group(mother)

NIGERIA

Trade & Development

Grupo Industrial Alimenticio Ejima Ogbadu Strategic Farms **GUINEA-BISSAU** Fugard Agric Dev Co Ltd ADPP Glorious Trading Pvt Ltd **ANCA NEPC** Arrey Africa Selibintu Farms Ltd Djonde Empreendimentos Flonan & Sosega Esposa SARL Starlink General Trading Topwide Ventures GV Bissau Sarl TRIPPLESEA LIMITED Laimco Universal Quest RUMU Guinea Bissau Valency International - 2016 Star Shipping Vital Squares **HONG-KONG** Marquis & Waters Ltd Wung Fung **PORTUGAL INDIA DESAI GROUP IRELAND** Self Help Africa **KENYA** Agriculture, Fisheries And Food Authority - Nuts Kenya Nut Company Limited ResponsAbility Investments, **MADAGASCAR** VERAMA Groupe Unima **MALASIA** Marfi Sdn bhd MALI **Projet CTARS MAURITIUS** Kalyan Agrovet Investments Limited **MOZAMBIQUE** AGA Khan FDN AICAJU Caju Ila Condor Nuts **USA** Incaju

Cajuarte Lda **RUSSIA** Shelf Ltd **SENEGAL** Cajou Casamance Sarl CMA CGM Sénégal Mery Logistiques **SENAR** Tree Nursery **URSY Senegal SRI LANKA** Buddhi Industry **TANZANIA** Hawte Investments Itd Cashew Processors Association of Tanzania **TOGO** Cajou Espoir UK Mintec Ltd Tesolco Industries - 2016

Caro Nut - 2016

Shelter For Life

LONG SON JOINT STOCK COMPANY

IMS Foods

WAMO Inc

VIETNAM



















Tifle Sponsors

Kerosho





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www.africancashewalliance.com