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2016 Mid-Year Review

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Dear Cashew Stakeholders and Valued Members,

The African Cashew Alliance has implemented a number of activities, changes, and growth throughout the first half of this year. While it was difficult to choose our most significant moments, we have compiled a glimpse into some of the highlights of the past six months:

January: A 'Business Expansion Feasibility Study' of two Nigerian cashew processors was conducted by the Alliance and is expected to enhance their businesses operations. On January 19th, the Cashew Industry Association of Ghana (CIAG), supported by ACA, organized a National Cashew Dialogue, titled "Revitalizing the Cashew Sector: An Opportunity Neglected by the Nation." As part of this advocacy program, CIAG was able to identify four key strategic proposals for discussion and possible implementation.

February: ACA completed the first phase of its Cashew Processing & Market Information Systems Workshop Series, funded by USAID-WAITH. The goal of this ongoing project is to significantly increase the capacity and technical knowledge of cashew processors and market information specialists in West Africa. Since November 2015, ACA has trained approximately 60 participants from 10 West African countries. The second phase of the project commenced in May. From February 2nd to 10th, in preparation for the ACA World Cashew Festival and Expo, a team of ACA led by the Managing Director visited Guinea Bissau to identify the available infrastructure and plan logistics for the event. During the trip, the team met with the Minister of Economy and Finance who assured ACA of the support and assistance of the government of Guinea Bissau for the conference. As part of the activities during the trip, ACA signed a service contract of \$130,950 with the PRSDA for capacity building and market information system technical assistance to selected processing industries in Guinea Bissau. From February 18-20, ACA representatives attended the World Cashew Convention held in Dubai, UAE. The event provided a platform to showcase the services of the Alliance as well as promote and market the ACA World Cashew Festival & Expo 2016.

March: A series of meetings between ACA and major cashew stakeholders in Cote d'Ivoire – including Conseil du Cotton et Anacarde (CCA), the Ministry of Industry & Mines of Cote d'Ivoire, and Olam Cote D'Ivoire – helped to strengthen relationships and highlight CCA role in promoting the Ivorian cashew sector. On March 20th, ACA held its first Executive Committee meeting in Accra, Ghana. On the 21st, the joint Executive Committee and Advisory Board meetings took place to review the activities for the first quarter of 2016. After the meetings, on March 21st, ACA's Executive Committee and Advisory Board paid a courtesy visit to the Ghana Minister of Trade and Industry. This visit was made following an upheaval caused by the policy of the Ministry of Trade and Industry banning the export of raw cashew nuts for about two months during the cashew season to enable processors to procure the needed raw materials to remain

in business. This visit served to reaffirm ACA's commitment to strong public-private partnerships for the development of the African cashew industry.

April: In partnership with Self Help Africa, ACA addressed the issue of gender equality within agriculture through the "Empower Women Cashew Farmers" project in Ghana and Kenya. The project, which started in June 2015 and is funded by the Walmart Foundation, aims to increase the income of smallholder households by training farmers on good farming techniques and agricultural practices. In order to strengthen national cashew platforms in member countries, ACA held a National Stakeholders Dialogue in Guinea-Bissau. The event, which was organized by ACA and co-sponsored by the World Bank PRSDPA Project, sought to facilitate dialogue on the cashew value chain across various stakeholders. The forum served as an important step in promoting strong local institutions and developing action plans for each sector of the cashew industry.

May: Mim Cashew and Agricultural Products Ltd., one the most renowned cashew processors in Ghana, was re-certified by the ACA Quality & Sustainable Seal Program. Along with participants from 12 countries, ACA took part in a master training program, organized by ComCashew, aimed at growing professional expertise within the cashew sector. Under its partnership with USAID West Africa Trade & Investment, ACA commenced the second phase of the Cashew Processing & Market Information Systems Workshop Series in Abidjan, Cote d'Ivoire. The workshops have focused on crucial issues of food safety, product quality, environmental management, and market data collection and dissemination. Two additional workshops are planned for this summer.

June: ACA attended the INC Conference where meetings were held with international partners to consult with them on the next five year strategy. At the event, ACA participated in the meeting of the Global Cashew Council and made a presentation at the Global Inter-Board Cooperation Summit on the promotion of cashew consumption in Africa. The ACA Secretariat bid farewell to Monique St. Jarre, a Princeton-in-Africa fellow, who served over the past year as Communications Officer. Her contributions in the Communications and Project departments remain invaluable. ACA wishes Monique all the best in her future endeavours.

In the second half of the year, we expect that the various efforts to partner and mobilize resources from regional and international institutions, such as the African Export-Import Bank, the African Development Bank, and the OPEC Fund for International Development, to implement some specific capacity building and technical assistance projects that will contribute to the efficiency of the industry and will begin to yield the desired outcomes.

ACA Staff Promotes African Cashew Sector at the INC in San Diego, California

On May 30, 2016, ACA Managing Director Dr. Oyewole Babafemi, MIS Manager Olivier Kabre, and Finance Manager Akwasi Adom-Dankwa attended a three day business convention organized by the International Nut and Dried Fruit Council (INC) in San Diego, California, United States. The INC Convention brought together more than 1,400 key industry players, including global traders and roasters, to discuss topics such as market dynamics, crops and production forecasts, agricultural and water resources, new findings in health and nutrition, and product innovations.



Alongside a Kenyan delegation (which focused primarily on non-cashew nuts), the African Cashew Alliance served as the sole representative of the

African nut industry. The second and third days of the convention focused on various nut value chains, including the cashew. Harry Sinclair of Kraft Heinz Company, a longtime ACA member, chaired the Cashew round table. Panelists raised the issue of sustainability, which is closely linked to farm-gate price stability and fair rewards for cashew farmers, both of which are necessary for the security of continued production. With India's crop still insufficient to satisfy internal consumption and processing demands, and with Vietnam and Brazil facing similar shortages, Africa is perceived to be the next frontier for securing international product demand. Indeed, this could be a great window of opportunity for African producers and processors to position themselves as key players in the industry.

Dr. Oyewole and his team met with a number of global buyers, many of whom were already sourcing their nuts in Africa, but needed more information about the market and potential opportunities in the region. ACA staff seized this opportunity to demonstrate the enormous potential of the African cashew sector, highlighting the benefits that foreign companies, especially roasters and global traders, can gain from supporting the industry. A number of companies expressed strong interest in sourcing directly from Africa or even investing in a factory, with the assistance of ACA as an industry platform. ACA also held an international partners forum to solicit views on ACA's proposed areas for implementation over the next five years. Overall the ACA team found the event both informative and fruitful!

ACA Launches 'Access to Finance' Initiative in Lagos, Nigeria

The African Cashew Alliance kicked off its "Linking the Cashew Value Chain to Financial Institutions Initiative" on July 14th with the flagship "Access to Finance in the Cashew Value Chain" workshop in Lagos, Nigeria at the Ibis Lagos Ikeja Hotel. The workshop, attended by over 60 participants, assembled together cashew producers and processors, financial advisors, cashew market experts, banks and financial institutions, and leading government policy makers to address head on the critical issue of financial access by cashew stakeholders. The workshop – supported by the USAID West Africa Trade & Investment Hub (WAITH) and the USAID Nigerian Expanded Trade and Transport (NEXTT) project – was a great success and ACA looks forward to continuing the initiative in the future.

In his opening ceremony remarks, Dr. Oyewole Babafemi stressed the importance of greater access to finance to the strength and sustainability of a thriving African cashew value chain. He stated, "By ensuring that processors have access to the vital credit and working capital necessary to purchase raw cashew nuts (RCN) and the equipment necessary to process them, ACA is fostering the long-term viability of the African cashew processing industry. As the industry struggles and factories close, a cashew value chain yoked to sustaining financial institutions will enable us to move forward in solidarity".

Similarly, Mr. M.O. Ibrahim, Director of Product Development at the Nigerian Export Promotion Council (NEPC) stressed the significance of investing in cashew processing for Nigerian job creation. He explained, "We need to improve and expand existing incentives for investing in cashews in Nigeria and remove the conditions inhibiting investment. When you process, you create jobs. ... If Nigeria processed 50% of the RCN it exports, it would create 9,000 jobs with a chain of economic multiplier effects".

Through interactive presentations, panel discussions, and business-to-business meetings, participants discussed ways in which they could facilitate linkages between the cashew sector, financial institutions, and financial advisors. In equal measure, the workshop aimed to augment the institutional knowledge of all actors present, with the understanding that capacity building in the cashew sector cannot attain its objectives without opportunities for financial access. During the panel discussion,

Gwen Abiola-Oloke, the West Africa Investment Director at GroFin, spoke of mismatched expectations and the need for greater mutual understanding between the agricultural and banking sectors. Vivian Ani, Financial Advisor for WAITH, developed this idea further in presentation outlining strategies for MSMEs to become more bankable. B2B meeting further solidified concrete connections, providing cashew stakeholders with personalized advice on accessing financial institutions.

The workshop was held following the ACA Cashew Business Management & Market Information Systems workshop, also held in Lagos, on July 12-13th. This ongoing training for processors and market information specialists was hosted by ACA, with support from USAID WAITH and focused on increasing capacity in the West African cashew value chain. Capacity building, training, and technical assistance on global industry practices, business management, quality and food safety regulations, environmental protection, market information and trends has served further boost the competitiveness of African cashew sector actors.

ACA is proud to have hosted such successful events and looks forward to further collaboration with Nigerian cashew stakeholders and financial sector actors. We are just at the cusp of addressing these critical issues of capacity building and financial access in the African cashew value chain and, with increased information and stronger bonds, we will move forward together a stronger cashew sector.



ACA Partners with World Bank on PRSPDA Project

The World Bank has initiated a Private Sector Rehabilitation and Agribusiness Development Project (PRSPDA) in Guinea-Bissau with the goal of supporting inclusive development of the cashew agribusiness sector and promoting entrepreneurship in other sectors of the economy to achieve its goals for the establishment. A contract was signed on the 21st of February 2016 with the African Cashew Alliance (ACA) and industry alliances operating in about 17 African nations for a six month period amounting to \$130,000 to execute the primary diagnosis of pre-selected domestic cashew manufacturing firms in regards to company conditions and capabilities in areas of Entrepreneurship, Technology, Business Management, Food Safety and Hygiene for 15 pre-selected cashew firms across Guinea Bissau.



Under the MIS component of the agreement, ACA is to establish a network of market agents that collect, analyse, and disseminate market information, which will reach about 30,000 cashew stakeholders (farmers, village buyers, exporters, and processors) and help them make well informed decisions in their cashew marketing. In order to deliver results per the contract, ACA MIS manager is to:

- Train ANCA staff and extension service officers on information collection, processing, dissemination, storage, and retrieval of that information as well as provide them with training materials, including posters and image boxes, which will subsequently be used to train up to 20,000 smallholder cashew farmers and members of the Associação Nacional de Agricultores da Guiné (ANAG).
- Support ANCA in developing business models for organizational sustainability. These will involve human resource management, donor funding, commercial strategy design, and more. They will be implemented in collaboration with the public or private cashew sector.

Projeto de Reabilitação do Setor Privado e Desenvolvimento Agro-Industrial, <http://www.worldbank.org/projects/P127209?lang=en>

New Member Highlight: Agro Fronan

This month we are highlighting our new member, Agro Fronan. Agro Fronan is a cashew nut processing plant based in Katiola, Cote d'Ivoire. Although the plant has been functional since 2015, the group started full production at the beginning of the 2016 season. It is their mission to not only contribute to the enhancement of the cashew industry through increasing product value and overall value of exports by processing, but also help their local community through reducing unemployment and improving income. Within the local market, Agro Fronan sells roasted cashews, cashew paste, and cashew-based soap to hotels, restaurants, and individuals. Agro Fronan also has an export contract with Germany and Israel.

Over the past two years, Agro Fronan has truly grown. From 2014 to 2015, the group was started, the plant was built, and the equipment was acquired. From 2015 to 2016, personnel were recruited, the supply of raw materials was organized, manual production was started, commercialization was started, and more. Market disruptions due to fluctuation of the raw materials as well as lack of organization within the cashew sector of the company's region remain the most significant challenges for Agro Fronan. However, the company benefits from its location in the middle of a high RCN production zone as well as high availability of workers. The company's future socio-economic objectives are greater employment of women and young people within the area

and total absorption of local cashew production leading to greater income for producers. Production objectives are to process 2,500 to 3,000 tons of cashews in the upcoming season and to find values for processing waste, such as production of solid fuels through hulls and extraction of CNSL for the manufacture of lubricants.

Agro Fronan was motivated to join the ACA for several reasons. These include the access to regular information about national and international market conditions, interactions with other actors in the sector, knowledge sharing at conferences, access to working capital and investment funds, and technical assistance. For the company, the most important ACA service will be the ACA seal, which will expand exporting abilities and the business' horizons.



The Recipe Room: Spicy Kung Pao Chicken Stir Fry



INGREDIENTS

- 2 lg. boneless skinless chicken breasts (roughly diced)
- 4 dried thai chilies (finely minced)
- 1 ½ tablespoons peanut oil
- ⅓ cup cashews
- 2 tablespoons chicken broth
- 2 tablespoons dry red wine (optional)
- 1 tablespoon soy sauce
- 1 tablespoon chili bean sauce (use hoisin sauce if you don't have any)
- 1 ½ tablespoons minced garlic
- 2 green onions (sliced thinly)
- 1 red bell pepper (diced)
- 1 green bell pepper (diced)
- 1 teaspoon grated ginger
- 2 teaspoons rice wine vinegar
- 1 teaspoon spicy sesame oil

INSTRUCTIONS:

1. Heat the oil in a large wok over medium high and add the garlic and Thai chilies.
2. When it becomes fragrant, lower heat to medium and add the chicken, cashews, peppers, and onions.
3. Cook until the chicken is brown throughout and the veggies are just tender.
4. At this point, add all the remaining ingredients and bring to a boil.
5. Once a boil is reached, immediately remove from heat and serve over white rice, if desired.

Source: <http://chicken.betterrecipes.com/spicy-kung-pao-chicken-stir-fry.html#ixzz4BTaZg99C>

Upcoming ACA Activities

July

- 16-20 ACA & NUTPAK Wal-Mart Project Review Meeting, Nairobi, Kenya
- 20-31 ACA & MIM's Capacity Building Project, Ivory Coast

August

- 10-11 ACA and USAID WATIH Workshop in Banjul, The Gambia

September

- 19-22 ACA World Cashew Festival and Expo, Guinea Bissau



A DECADE OF TRANSFORMATION
 ACA World Cashew Festival & Expo 2016
 **Bissau, Guinea-Bissau**
 September 19-22, 2016

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