



Building a competitive African cashew industry!

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New Factories Open as Cashew Season Starts in West Africa

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30,000MT Facility Inaugurated in Côte d'Ivoire

A new page has been turned in the short history of West African cashew processing. On 23 February, ACA founding member Olam International Limited inaugurated a fully mechanized plant in Bouake, Côte d'Ivoire with a processing capacity of 30,000 MT, making it the largest cashew processing facility in Africa, and one of the largest globally. With this factory Olam multiplies by six the processing capacity of Côte d'Ivoire, the world's second largest cashew producing country.



President of Côte d'Ivoire H.E. Alassane Ouattara applauds workers at the new Olam factory at its inauguration ceremony (photo copyright Olam)

The factory will employ 2,400 people when running at full capacity, of whom 60% will be women. The company invested US\$ 30 Million in the facility. At the factory's inauguration, Olam CEO Sunny George Verghese announced that Olam plans to invest in two new cashew processing plants in the near future in Côte d'Ivoire, one in Khorogo and one in Bondoukou for a total investment of US\$ 60 Million. In his speech, Mr. Verghese said, "Olam is committing to supporting a sustainable cashew value chain. Through our ongoing farmer linkage program with the African Cashew Initiative and GiZ under the auspices of African Cashew Alliance, the new factory will improve the livelihood of approximately 30,000 cashew farmers." Olam will offer farmers a purchasing guarantee for raw cashew nuts and provide transport, logistics, and storage capabilities, while Olam benefits from a secure supply of high quality, traceable raw cashew nuts.

"Through our ongoing farmer linkage program with ACi, GiZ and ACA, the new factory will improve the livelihood of approximately 30,000 cashew farmers"
- Sunny Verghese, Olam International CEO

Anatrans Opens Largest Processing Plant in Burkina Faso

The largest processing plant in Burkina Faso was also inaugurated at the end of February by ACA member Anatrans. Located in Bobo-Dioulasso, Burkina Faso, the new factory has a processing capacity of 3,500 MT. The facility represents a US\$2 million investment, with support from Trade and Development Group as well as the Dutch government's private sector development fund for developing countries. The factory will employ around 1,000 workers, 85% of whom are women. Anatrans representatives also stated that they will work with 275 farmer groups to source raw nuts for the factory.



Young women grade nuts at the new Anatrans factory in Bobo-Dioulasso, Burkina Faso

Stakeholders Officially Launch Season Throughout West Africa

Throughout West Africa, cashew trees are fruiting, the first nuts are dropping, and harvest is well underway. Stakeholders are consistently optimistic about the coming season, as favorable weather conditions in most countries seem to point to strong production volumes and high quality nuts. While considerable questions remain about how prices will develop throughout the season, cashew players across the value-chain gathered in multiple countries throughout the last month to officially open the season.



IRD Country Director Joanne Yeager-Sallah poses with a billboard promoting cashew consumption in The Gambia to coincide with the start of the cashew harvest

In **Burkina Faso**, the ACA National Committee Burkina Faso organized the launching of the cashew season on 10 March in Bobo-Dioulasso. Fifty people attended, including a representative of the Ministry of Agriculture. An indicative farmgate price for the season was announced at 200 CFA/kg by the ACA National Committee after consultation with industry stakeholders. In a speech, the representative of the Ministry of Agriculture emphasized the strong momentum in the cashew sector in recent years and congratulated the ACA National Committee

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ACA Executive Committee Approves Ambitious Plan for 2012

World's Largest Cashew Processor Iracema Joins ACA Advisory Board

At the end of February, the ACA Executive Committee and ACA Advisory Board met at the ACA Secretariat offices in Accra for their annual meeting. The Executive Committee is ACA's governing body, elected by ACA members, that provides direction, guidance, and oversight to the Secretariat, while the Advisory Board consists of donors contributing at least US\$50,000 to ACA's annual budget. Together, they discussed and approved strategic plans and budgets for 2012.

The meetings were filled with excitement and optimism about the ambitious path ACA has charted for the next few years. With the strong support of the EC and Advisory Board, ACA will continue to transition into a self-financed, sustainable African business association, while continuing to develop services to assist member companies and promote the growth of the African cashew industry. The ACA Executive Committee also participated in the African Cashew Initiative (ACi) Core Partners meeting to discuss ACA's role in the future of that project.

“We see West Africa as very much a part of our future as a supplier of in-shell and as a place we want to set up modern processing plants” - Niel Hyde, Iracema

For the first time, ACA was proud to welcome Niel Hyde of Iracema to the ACA Advisory Board. Iracema, a Brazilian firm that is the largest cashew processor in the world, will bring extensive experience and expertise in the international cashew industry to ACA as they play a key role in shaping the organization's future. This also signals a strong commitment from the company to expanding their presence in Africa, both as a source of raw nuts and a location for future investments in processing, a sentiment which Hyde voiced clearly at the Peanut and Tree Nut Processors Association Convention in the United States in January. In his keynote speech at the cashew workshop, most expected him to speak primarily about Brazil. but instead dedicated almost half of his speaking time to

describing his experience of buying around \$50m worth of raw cashew nuts in West Africa with the help of ACA. He stated that “We see West Africa as very much a part of our future as a supplier of in-shell and as a place we want to set up modern processing plants.” He concluded, ‘You can't but be impressed with the level of professionalism, dedication and investment of the USAID West Africa Trade Hub, the Bill and Melinda Gates Foundation, Kraft (among other international contributors of course) and the African Cashew Alliance that they all support.’ Now, by joining that list of ACA contributors as an Advisory Board member, Hyde has demonstrated he meant what he said.

ACA Discusses African Cashew Industry with H.E. Alassane Ouattara, President of Côte d'Ivoire



ACA Public Relations Manager Xenia Defontaine (second from left) introduces ACA to H.E. Alassane Ouattara as Olam CEO Sunny Verghese (far right) looks on

ACA gained a high-profile new supporter when President of Côte d'Ivoire H.E. Alassane Ouattara spoke with ACA representatives at the opening of the new Olam processing plant in Bouake, Côte d'Ivoire on 23 February. H.E. Ouattara had chaired the official inauguration ceremony of the factory and unveiled the commemorative plaque of the event in front of about 400 guests. The Minister of Industry Dosso Moussa and the Minister of Justice Jeannot Ahoussou Kouadio also attended with other high level personalities from public and private sector. The officials, including H.E. Ouattara, then visited the ACi/ACA booth where Xenia Défontaine, ACA Public Relations Manager, explained the objectives of the African Cashew Alliance and the ACi project. President Ouattara and his ministers stated that a strong Ivorian cashew processing industry is a key component of their vision for Côte d'Ivoire to become an emerging economy that exports predominantly manufactured products by 2020.



ACA Executive Committee (from left): Ram Mohan, Idrissa Kilangi, Minata Kone, Abou-Bakr Adjibade, Kees Blokland



Niel Hyde of Iracema speaking at the 6th ACA Annual Conference in Banjul in September

2012 Cashew Season Launched in West Africa

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for their efforts along with their partners the African Cashew Initiative and the ACA Secretariat. Burkina Faso produces today 25,000MT of cashew, generating income to more than 45,000 households and jobs for more than 2,400 people.

Under new leadership, the National Cashew Association of Nigeria (NCAN) convened more than 500 cashew farmers, traders, processors and exporters to Ilorin, **Nigeria** to launch the cashew season on 1 March. ACA Managing Director Christian Dahm participated in the event, presenting key elements of a sustainable cashew industry in Nigeria. Using ACi materials, Olam conducted a cashew quality testing demonstration for farmers. Nigeria is developing a strategy to greatly expand its production volumes and processing capacity in the next few years.

On 27-29 February, the first Annual Cashew Days were held in **Mali**, organized by the Project CTARS (Marketing and Processing of Cashew in the Sikasso Region). Traders, processors, producers, equipment suppliers, financial partners, state services, civil society, and local elected officials all gathered to discuss problems facing the development of the cashew sector in Mali, propose solutions for its sustainable development, and officially launch the trading season for 2012. An indicative price was announced for the season, and actors participated in Business2Business meetings which led to the negotiation and signing of contracts between partners.

Also to coincide with the start of the season, International Relief and Development (IRD) held two cashew festivals in **The Gambia and Senegal** on February 25 and March 10 respectively. The two events attracted a combined 900 people. The emphasis was on increasing awareness of the nutritional importance of cashew and encouraging creative uses of cashew nut and cashew apple in local dishes. An extensive media campaign of radio programs and billboards also carried these messages.

ACA Facilitates US\$2 Million in Financing for 3 Nigerian Processors in Partnership with Ecobank and NEXIM

A breakthrough in access to finance was announced on March 1st by the ACA, the USAID West Africa Trade Hub, and African Investors Management Services Ltd (AIMS). A Memorandum of Understanding with the Nigerian Export Import Bank (NEXIM) and Ecobank will facilitate access to US\$2 million in financing for three Nigerian processing firms, which could lead to dramatic increases in processing capacity and create hundreds of jobs in the Nigerian cashew sector.

The three processors (ACET, Abod Success, and KD Foods) are members of the Nigerian Cashew Cluster Finance Scheme (NCCFS), a group of processors who operate jointly in specific areas of shared interest, including financing requirements, transaction finance, and raw materials sourcing. Following a successful partnership with NEXIM in 2011 that brought more than \$600,000 of financing to the processors, this MOU will mark the introduction of Ecobank's participation in the financing scheme.

The addition of a commercial bank in the partnership is essential. Ecobank will complement NEXIM's funding by efficiently facilitating transactions including collections, bridging finance facilities, and fund transfers. This will improve the ability of the processors to meet their buyers' quality, quantity and delivery specifications in a timely manner.

The Financing Scheme hopes to enable a 6,000MT increase in processing capacity by 2016

As part of the agreement, ACA will act as Technical Partner, providing technical assistance and business advisory services to the cashew processors. ACA experts train staff in financial management and operational best practices, ensuring the funds received through the financing scheme are used as effectively as possible.

By 2016, the Financing Scheme hopes to enable a 6,000MT increase in processing capacity, representing nearly 1,000 new jobs and \$5 million in additional income in the local economy via the multiplier effect. As a result of the program, around 8,000 farmers have already seen improved livelihoods through increased local procurement of raw nuts.

Country Profile: Nigeria



Although cashew is grown throughout Nigeria, production is centered in Kwara, Oyo, Ekiti, Kogi, and Benue states (in orange on map)

Nigeria processed 20,000MT of raw nuts in 2010, about 28% of its crop. With several new investments, this figure should continue to grow in the next few years. Nigeria's huge population means there is a high potential domestic market. The Raw Materials Research and Development Council have implemented a cashew cluster processing scheme to support medium-sized processors.

INSTITUTIONAL ENVIRONMENT: The Nigerian government has shown strong commitment in recent years to the development of the cashew sector. At a National Cashew Summit held in December 2011, federal and state authorities along with private sector leaders adopted a set of recommendations to grow production volumes and increase processing capacities. The Summit was organized by the Raw Materials Research and Development Council, a federal government agency with the mandate to promote the development and utilization of Nigeria's raw materials, that is in the process of creating a comprehensive strategy for Nigeria's cashew sector with the technical support of ACA (see ACA January 2012 Newsletter). Nigeria currently has in place tax incentives for the export of processed agricultural products. The National Cashew Association of Nigeria is an active private sector association, now under new leadership, that organizes players from throughout the value chain.

First Processing Facility Receives Provisional ACA Seal Approval



ACA Seal Advisor Gillian Epule and Jace Rabe, Tolaro Global CEO, inspect the factory's drying section

After more than a year of development, the ACA Quality and Sustainability Seal is being implemented in the first cashew processing factory in Africa. Tolaro Global, a new facility located in Parakou, Benin, signed a contract with ACA to participate in the Seal program in mid-December in what was a historic moment for ACA.

After a preliminary inspection and training in the food safety, quality, and labor procedures required for ACA Seal approval, the company spent a few months instituting systems to ensure compliance with the Seal standards. When the ACA Seal team visited for a second time in March, an inspection was carried out and the factory was granted provisional approval pending correction of a few outstanding findings.

"Through the assistance of the ACA Seal program, our team has worked hard to create a strong foundation committed to becoming a worldclass cashew processing group in terms of quality and safety," said Jace Rabe, CEO of Tolaro Global. "The ACA Seal program has proved an incredibly valuable partner in achieving our long-term goals and continues to help us set ourselves apart from other cashew operations around the world."

QUICK FACTS:

- Production Volume: 85,000 MT (2011)
- RCN Export Volume: 50,000 MT (2010)
- RCN Processed: 20,000 MT (2010)
- Season: February - May
- Population: 170,100,000
- Official Language: English
- Currency: Naira (160 NGN= 1 USD)
- Time Zone: GMT+1
- GDP: \$247.1 billion (7% growth)
- Main Exports: Petroleum and petroleum products, cocoa, rubber

Success Story: ACi Farmer Training Increases Income for Beninese Cashew Farmers

Ann-Christin Berger, ACi

An ordinary working day of the Beninese farmer starts with an early morning walk of about two hours before reaching the four hectare cashew farm he has owned for more than 20 years. It is harvesting season at the moment, which means his daily activities consist of collecting the ripe cashew apples, separating the nut from the apple and drying the raw cashew nuts (RCN) to ensure good quality. During the harvesting season the farmer mainly consumes the harvested cashew apples instead of bringing meals to the farm. This saves him money and food resources.

ACi has conducted research among 240 cashew farmers in Benin through individual interviews and group discussions. The research determined the success factors of ACi farmer trainings with a focus on the link between increased farmer income from cashew production and household food security. Usi, a cashew farmer from Agbassa Kpa, a small community north of Djidia, was part of the first group of ACi trained farmers in Benin and received trainings on farm management and Good Agricultural Practices for harvesting and post-harvesting for two and a half years.

To ensure food security throughout the whole year, Usi now applies intercropping, whereby he grows yam, maize, and cowpea as well as vegetables such as okra, pepper and garden egg alongside his cashew trees. In order to get an additional source of income, Usi collects tree branches after pruning the farm for producing and selling charcoal. To increase the cashew yield, he uses grafted seedlings from nurseries when planting new trees, since they last longer and increase the quality of the raw cashew nut. In Benin, cashew farmers usually harvest 500kg per hectare. However, through the employment of the Good Agricultural Practices Usi has increased his yield from 500kg per hectare up to 680kg per hectare.



A lively discussion among Beninese farmers on cashew production

His involvement in bulk selling increases bargaining power and boosts the price he receives from selling RCN. Another advantage of collective selling is the regular meetings at the bulk selling stations, as they offer informal knowledge sharing among cashew growers in the community. Some of the money he earns from bulk selling is reinvested in labour to clear the land during the post-harvest season and to collect cashew nuts during the harvest season.

Apart from him and his wife, four external labourers work at the farm twice a week to keep labour costs low. After paying wages the farmer still holds enough money to distribute small loans to other cashew growers, who were not part of the ACi trainings. "Thank to ACi," Usi said, "My income increased last year and I was able to keep my family fed and pay school fees for my children."

The Future is Now!

ACA has announced the official theme for its 7th Annual Conference: The Future is Now! **The Conference and World Cashew Expo will take place at the Palais des Congrès in Cotonou, Benin from 17-20 September 2012.**



ACA's annual conference has become the biggest annual cashew event on the planet with more than 350 cashew stakeholders from 35 countries attending in 2011. In 2012, cashew farmers, processors, traders, exporters, services providers, retailers, equipment manufacturers, bankers, and governments will undoubtedly all gather again under the aegis of the ACA in Cotonou, Benin.

This year the conference will be a unique platform to do business, exchange best practices, and learn from experts from around the world. The World Cashew Expo12 will offer opportunities to meet with equipment manufacturers and service providers. Access to finance will be one of the key topics developed during the event along with market and investment opportunities.

Sponsorship Opportunities

Sponsoring the ACA Conference and exhibiting in our World Cashew Expo12 is an excellent opportunity to promote your company to more than 400 cashew stakeholders from Africa, the United States, Europe, India, Vietnam and Brazil. Please contact aca@africancashewalliance.com for more information about a wide range of sponsorship packages!

Cashew Calendar 2012

Please contact the ACA Secretariat to participate in any events, contribute ideas, or add an event to the cashew calendar.

April

26-29 Association of Food Industries (AFI) Convention
New Orleans, Louisiana, United States

May

18-20 INC World Nut & Dried Fruit Congress
Singapore

22-23 VINACAS Golden Cashew Rendezvous
Nha Trang City, Vietnam

June

17-19 Summer Fancy Food Show
Washington, DC

September

17-20 7th ACA Annual Conference and World Cashew Expo12
Cotonou, Benin



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