

Invest in Africa

CASHEW



AFRICAN CASHEW ALLIANCE

Growing the African Cashew Industry!

2022 edition | Issue No. 8

Contents

| | |
|-----------------------------------|----|
| About the African Cashew Alliance | 3 |
| The Cashew Value Chain | 4 |
| Why Invest in Africa? | 5 |
| Ease of Doing Business | 6 |
| Cashew Investment Models | 10 |
| Cashew Sector Policy Mapping | 11 |
| SeGaBi Region | 12 |
| Côte d'Ivoire | 16 |
| Benin | 18 |
| Burkina Faso | 20 |
| The Gambia | 22 |
| Ghana | 24 |
| Guinea | 26 |
| Guinea-Bissau | 28 |
| Kenya | 30 |
| Mali | 32 |
| Mozambique | 34 |
| Nigeria | 36 |
| Senegal | 38 |
| Tanzania | 40 |
| Togo | 42 |
| Sierra Leone | 44 |

About the African Cashew Alliance

BACKGROUND

The African Cashew Alliance (ACA) 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 100 member companies work under the ACA banner and represent all aspects of the cashew value chain, including producers, processors, traders, and international buyers.

OUR NEW VISION

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

OUR NEW 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

OUR OBJECTIVES

ACA seeks to:

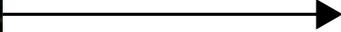
1. Facilitate networking among members and offer timely information on cashew sector
2. Advocate for sector improvements and partnerships
3. Facilitate food safety standards
4. Increase processing in Africa through investment promotion and technical support services



The Cashew Value Chain



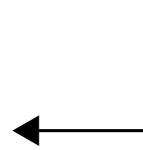
Growing Cashews on Trees



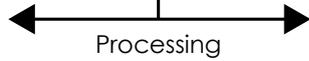
Picking Cashews



Storing & Drying Raw Nuts



In Africa



Elsewhere, After Export



In Africa



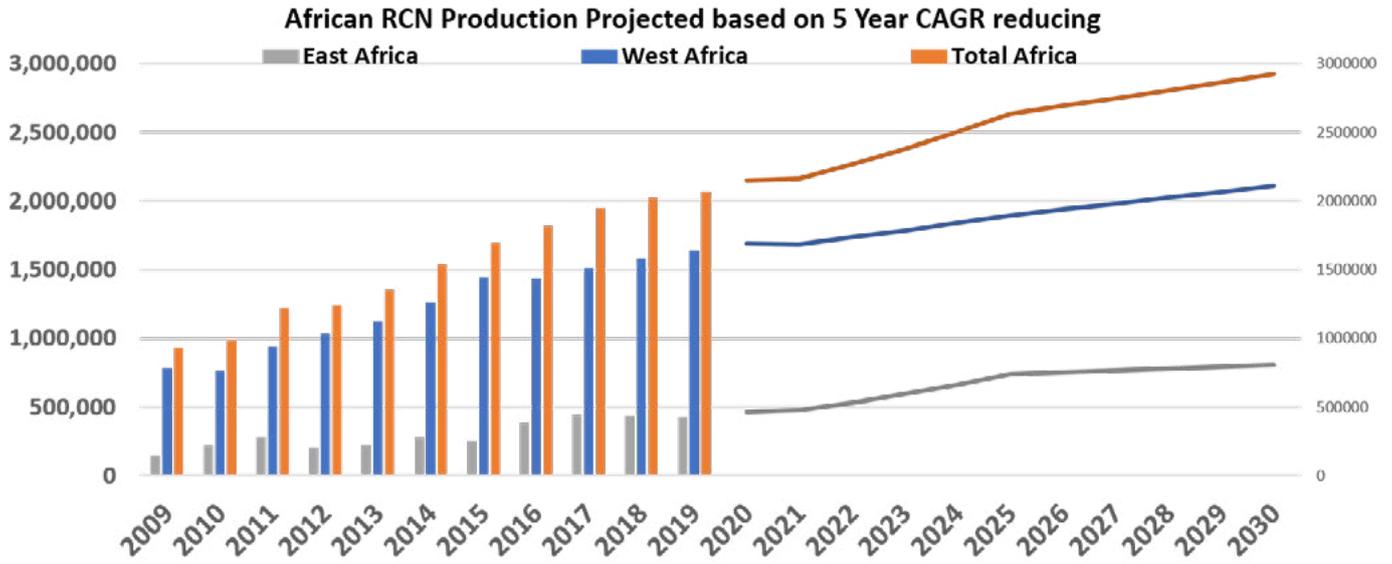
Elsewhere



Purchase in International Markets

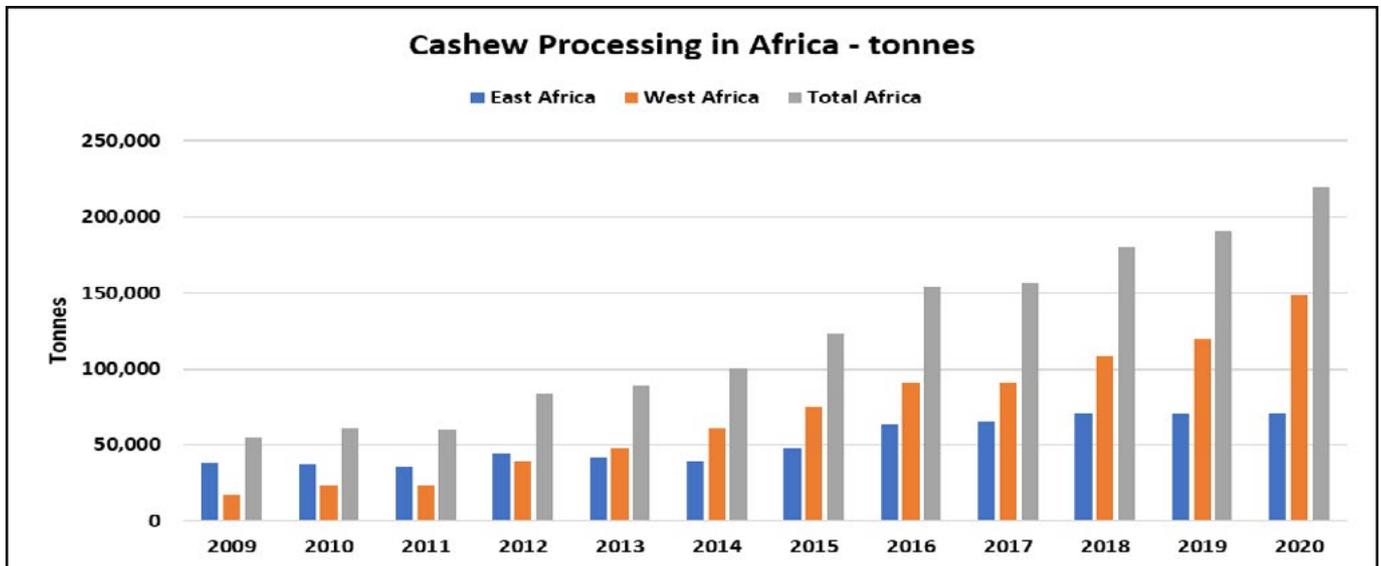
Why Invest in Africa?

Global interest in the African cashew market is growing rapidly. Investors recognize that current industry trends combined with Africa's abundant natural wealth and improving economic and political landscape make the continent a more and more attractive place for investment. In fact, sub-Saharan Africa has notched strong growth for the last decade and is likely still in the early stages of a powerful and transformational surge of economic progress. However, only a small fraction of global private capital is invested in sub-Saharan Africa. As the continent becomes gradually more prosperous, levels of private investment are expected to increase significantly, especially since Africa currently offers the highest returns on foreign direct investment of any region in the world, according to the World Bank. Investing in African cashew makes good economic sense. African raw cashew nut production has been rising at a rate of about 7-8% annually over the last fifteen years. Although prices fluctuate, they are stable over the long-term: the cashew nut is an up-market snack food. Demand for cashew has rapidly increased over the last five years as knowledge about the associated health and nutritional benefits has become more widespread. In addition, there is the rising purchasing power of emerging economies which traditionally use cashew as an ingredient in many foods.



Cashew production in Africa

Changing conditions in the industry make African cashew a good investment choice. While Africa currently grows approximately 60% of the world's cashew supply, nearly 90% of this is exported to Asia and Southern America for further processing. Vietnam and India currently remain first two largest cashew processing and value-added cashews exporting nations. However, India, Europe and USA currently account for most of the world's market for cashews, with rapidly growing domestic consumptions of healthy foods as cashews stands for. Therefore, to increase efficiency, decrease transactional costs, and to support the African cashew stakeholders, investment in the African cashew processing industry would be very necessary. Africa's geographical proximity to the USA and Europe, the world's second largest consumption destinations for processed cashew products is an important advantage. Increasing processing capacity in Africa holds tremendous potential, generating an estimated \$280 million USD in added value and creating more than 250,000 new jobs, particularly benefiting women in rural areas. Improving African business environment, supportive industrial policy reforms and incentive schemes are encouragements for new investments to take place in Africa. International cashew consumers are also demanding frequently the traceable cashews from production origins directly sourced for food safety reasons. Therefore, investing in Africa is a wise decision for ensured sustainable supplies of traceable quality cashews with shortest shipping route with least environmental impact.



Raw cashew nuts processed in Africa

Ease of Doing Business

As outcome of continuous promotion of cashew value-addition in Africa done by African Cashew Alliance for the last decade, most African cashew producing nations are preparing grounds for new investments in cashew sector. These governments are better organized to offer the new investors with favorable conditions of prompt business environment along with incentive schemes to accommodate new investments. This year the World Bank's Doing Business report is out to measure the aspects of business regulation affecting domestic small and medium size firms, based on standardized case scenarios and located in the largest business city of each economy. This survey covers 10 areas of business regulation—starting a business, dealing with construction permits, getting electricity, registering property, getting credit, paying taxes, trading across borders, enforcing contracts, resolving insolvency, as well as some aspects of the labor laws. A good performance in the Doing Business ranking is increasingly becoming a government priority for many African countries.

| Indicator | Reforms |
|---|---|
| Making it easier to start a business | The Gambia made starting a business easier by eliminating the requirement to obtain a company seal. Guinea made starting a business less expensive by reducing the fees for business incorporation. Nigeria made starting a business easier by reducing the time needed to register a company and by improving online platforms. This reform applies to both Kano and Lagos. Nigeria (Kano) also made starting a business easier by no longer requiring on-site inspections for business premises registration. |
| Making it easier to deal with construction permits | Nigeria (Lagos) made dealing with construction permits less costly by eliminating the Infrastructure Development Charge (IDC, the fee for construction permits) for warehouses. Morocco made dealing with construction permits easier by improving its online platform and further streamlining the process, making it possible to apply for and obtain certificates of conformity online. Rwanda made dealing with construction permits faster by reducing the time to obtain a water and sewage connection. Rwanda also improved building quality control by requiring all construction professionals to obtain liability insurance on buildings once in use. |
| Making it easier to get electricity | Ghana made getting electricity faster by improving the review process and increasing the availability of equipment for new electricity connections. Nigeria made getting electricity easier by allowing certified engineers to conduct inspections for new connections. This reform applies to both Kano and Lagos. Rwanda improved the reliability of power supply by upgrading its power grid infrastructure. Togo made getting electricity less costly by further reducing the cost of connection works and the security deposit for new connection. |
| Making it easier to register property | Benin improved the reliability and transparency of the land administration system by publishing official statistics on land transactions and land disputes for the previous calendar year and committing to deliver a legally binding document within a specific time frame. Guinea made property registration less costly by reducing the property transfer registration fee. Nigeria (Lagos) improved its land administration system by implementing a geographic information system. |
| Strengthening the legal rights of borrowers and lenders | Kenya strengthened access to credit by introducing online registration, modification and cancellation of security interests, and public online searches of its collateral registry. Zimbabwe strengthened access to credit by giving secured creditors absolute priority during insolvency proceeding |
| Improving the sharing of credit information | Niger improved access to credit information by expanding the coverage of the credit bureau and beginning to distribute data from utility companies. Togo improved access to credit information by expanding the coverage of the credit bureau and beginning to distribute data from utility companies |
| Making it easier to pay taxes | Côte d'Ivoire made paying taxes easier by implementing an electronic filing and payment system, and by introducing an online case management system to process value added tax cash refunds. Tunisia made paying taxes easier by implementing a risk-based tax audit system. Kenya made paying taxes easier by implementing an online filing and payment system for social security contribution. Ghana made paying taxes easier by implementing an online platform for filing and paying corporate income tax and the standards levy through the country digitalization agenda. |
| Making it easier to trade across borders | Liberia made trading across borders more expensive by requiring traders to obtain Cargo Tracking Note certificates, thereby increasing the cost of documentary compliance for exports and imports. Morocco made trading across borders faster by introducing e-payment of port fees, streamlining paperless customs clearance, and extending port hours of operation. Sierra Leone made trading across borders faster by upgrading its customs electronic data interchange system, thereby reducing the time for import documentary compliance. |
| Making it easier to enforce contracts | Côte d'Ivoire made enforcing contracts easier by publishing reports on commercial court performance and progress of cases. Morocco made enforcing contracts easier by introducing an automated system that randomly assigns cases to judges and by publishing court measurement performance reports. Nigeria made enforcing contracts easier by introducing a pretrial conference as part of the case management techniques used in court. This reform applies to both Kano and Lagos. Nigeria (Kano) also made enforcing contracts easier by issuing new rules of civil procedure for small claims courts, which limit adjournments to unforeseen and exceptional circumstances. |
| Making it easier to resolve insolvency | Kenya made resolving insolvency easier by improving the continuation of the debtor's business during insolvency proceedings. Zambia made resolving insolvency easier by introducing a reorganization procedure and granting debtors the possibility of obtaining post commencement finance. |

Source: *Doing Business, World Bank Group, 2020*

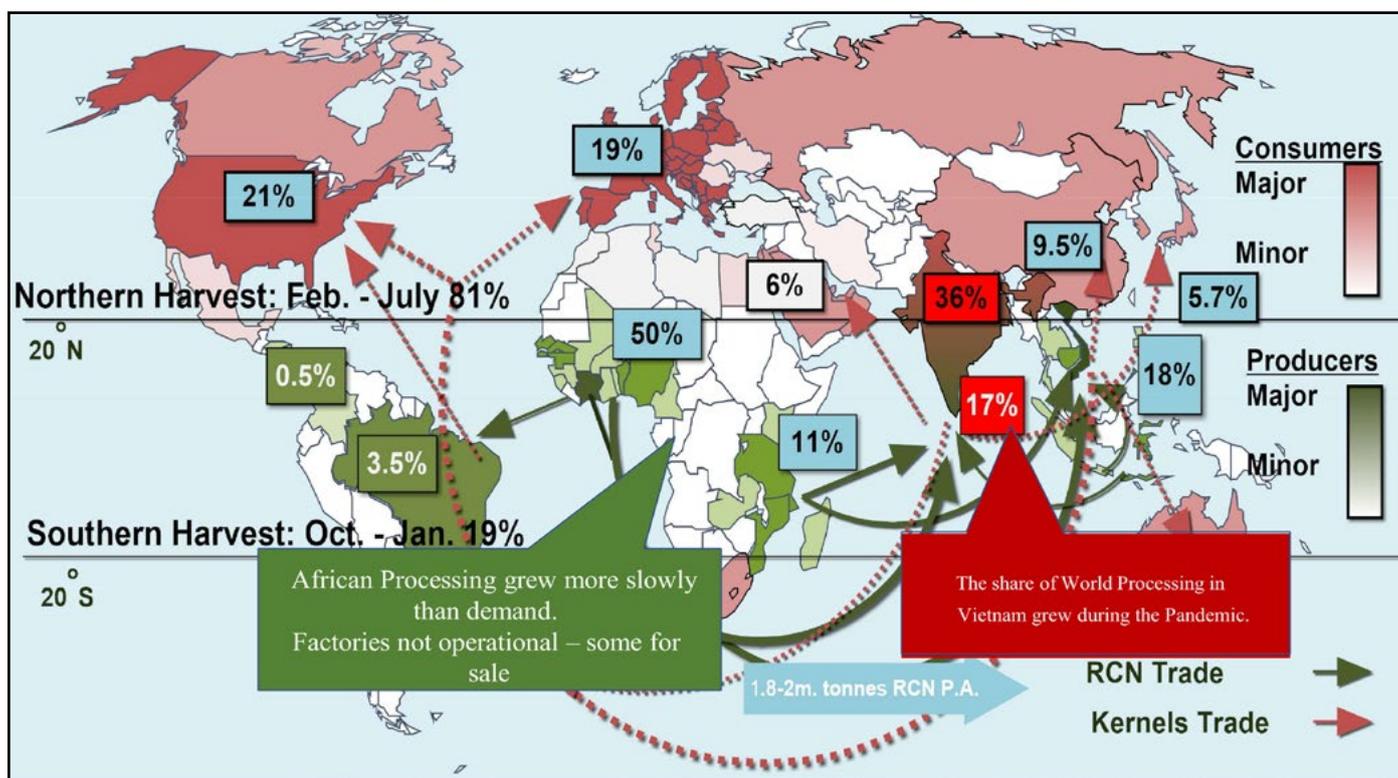
THE COVID-19 PANDEMIC HAS LEFT DEEP SOCIAL SCARS

Sub-Saharan Africa was struggling to create job opportunities for its growing workforce even before the pandemic. But COVID-19 has undermined labor markets further, especially in contact-intensive sectors, which employ relatively more vulnerable groups, including women and low-skilled workers (Aslam and others 2021). Consequently, the long-term trend of decreasing poverty that had previously taken hold in the region has reversed, and 39 million more people fell into extreme poverty in 2020 and 2021 (Lakner and others 2020; World Bank 2022). In parallel, inequality worsened across income groups and subnational regions, increasing the risk of social tension and political instability. The sharp increase in food prices due to the war in Ukraine has the potential to further dramatically increase poverty and inequality across the region. The pandemic has also harmed much-needed human capital accumulation because of prolonged school closures. Schools in sub-Saharan Africa closed for 128 days, on average, between February 2020 and October 2021—much longer than in advanced economies, where closures lasted about 84 days. Longer school closures in Africa will continue to widen the gap in learning outcomes and weigh on medium-term growth. Rapidly rising global food prices reaching the highest levels in more than a decade—have aggravated social tensions. The impact is particularly acute on poorer households that spend a much larger fraction of their income on food. This is prompting growing concerns about food insecurity in several countries (Chad, Eritrea, Democratic Republic of the Congo, Madagascar, South Sudan). In some countries, food insecurity is combining with slow and uneven job prospects to undermine political stability.

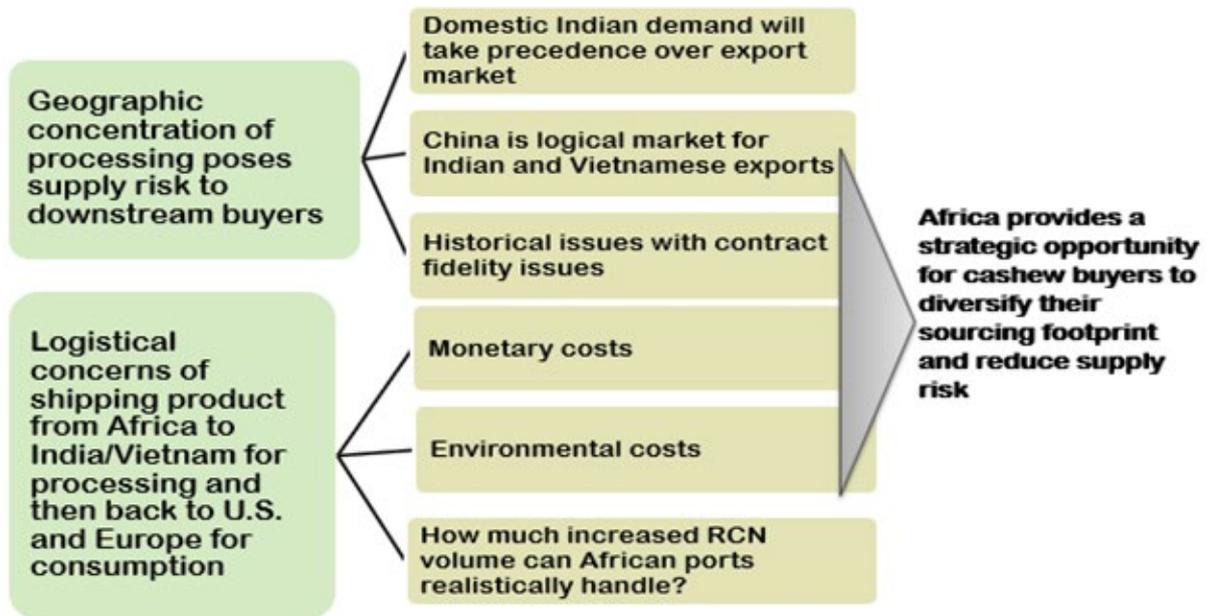
REQUISITE CONDITIONS OF BUSINESS ENVIRONMENT FOR INVESTMENT:

- + Political stability
- + Investment incentive schemes
- + Investment potential (RCN availability, etc.)
- + Presence of solution center for investors
- + Cashew is government's priority sector
- + Competitive access to finance
- + Availability of energetic and skilled labor
- + Local competitive technology innovators
- + Effective transfer of capital and/or profits
- + Protection against nationalization
- + Tax incentives for export-ready companies
- + Proximity to end markets

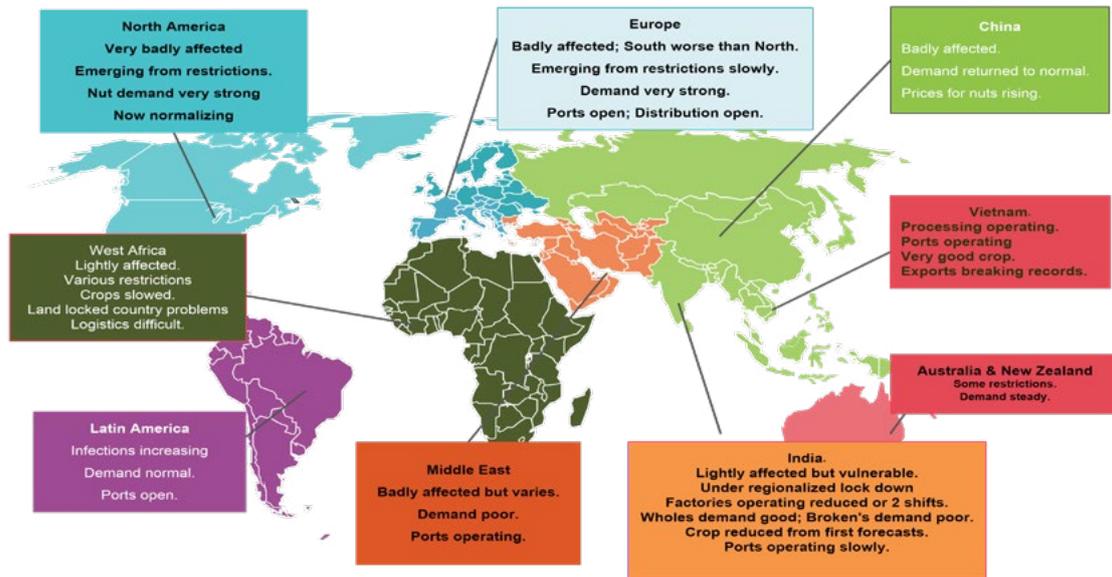
AFRICA ACCOUNTS FOR 61% OF WORLD PRODUCTION AND LESS THAN 10% OF GLOBAL KERNEL PROCESSED:



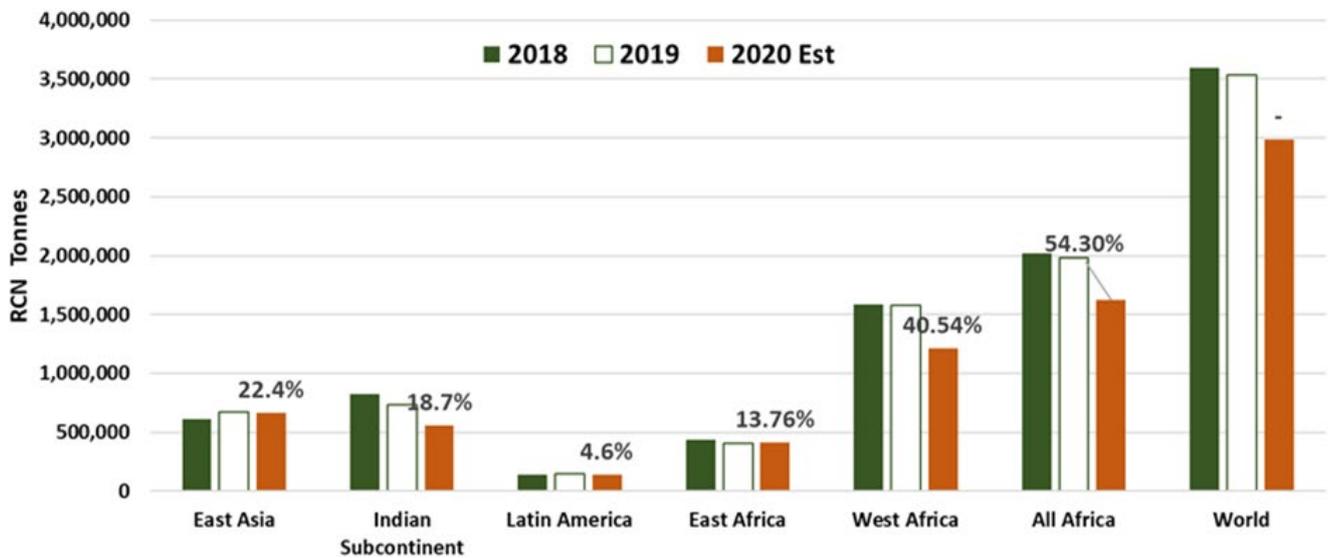
WHY IS AFRICA INTERESTING FOR BUYERS AND INVESTORS?



Cashew World & the Coronavirus Crisis



Corona Impact - Regional Trends in Production 2018-2020



Cashew Investment Models

VARIOUS INVESTMENTS MODELS BASED ON TECHNOLOGY & SCALE

| | Manual Model Small-Scale (<500MT) | Semi-Mechanized Model Medium Scale (>10,000 MT) | Fully-Mechanized Model Large Scale (>30,000 MT) |
|---|---|--|---|
|  | <p>Manual technology based</p> <p>Smallest plant capacity <500 MT/year</p> <p>Machinery used are often locally sourced</p> | <p>Semi-Mechanized technology based</p> <p>Medium plant capacity 5-10,000MT/year</p> <p>Machinery used are often externally sourced from Asia</p> | <p>Fully-Mechanized technology based</p> <p>Large plant capacity >30,000 MT/year</p> <p>Machinery used are often externally sourced from Brazil, Europe & South East Asia</p> |
|  | <p>Very little initial investment required</p> <p>Easy access to RCN</p> <p>No scale to achieve quality and quantity required</p> <p>Equipment sourced domestically</p> | <p>Moderate investment</p> <p>Low operating cost</p> <p>High productivity</p> <p>High product quality with easy food safety certification</p> <p>Fairly balanced machine and human dependency</p> <p>Centralized model</p> | <p>More appropriated for big scale and high capacity utilization</p> <p>Good hygiene & quality and easy certification</p> <p>Cost effective</p> <p>Single grade production for exports and better priced</p> |
|  | <p>Decentralized model</p> <p>High overheads</p> <p>Difficult to obtain food safety certification</p> <p>Labor Intensive</p> <p>Difficult access to international markets</p> | <p>Skilled management required</p> <p>16 mix grade production</p> <p>Extensive technical assistance required</p> | <p>Big investment required</p> <p>High maintenance cost</p> <p>High scorch and low wholes grades production</p> <p>Less direct linkages with farmers</p> <p>Only worked (under capacity) in a protectionist environment in past</p> |

PERFORMANCE INDICATORS

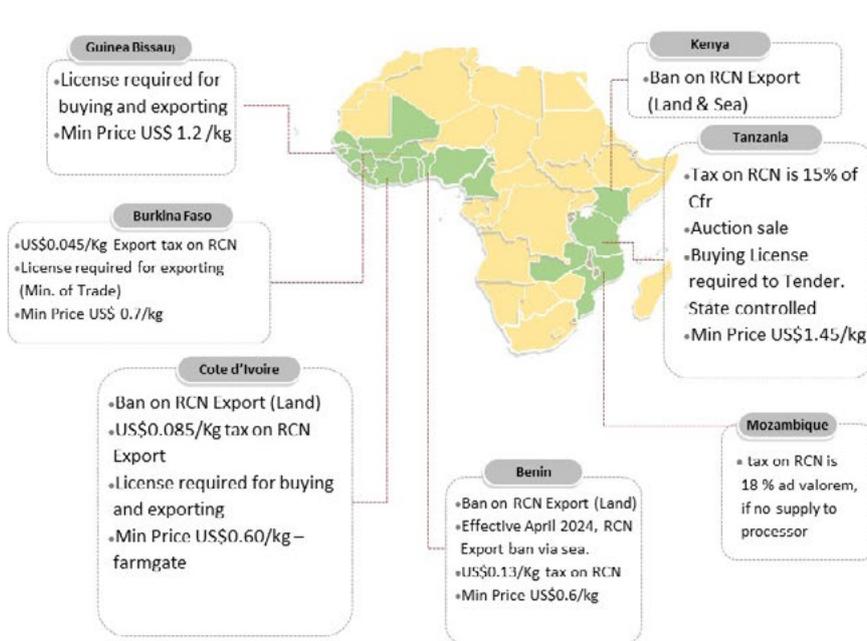
| | | | |
|--|------|------|------|
| Percentage of Whole Kernels | 73% | 66% | 55% |
| Percentage of White Kernels | 75% | 85% | 60% |
| Average Value/kg of Kernels (FOB in USD) | 6.65 | 6.32 | 6.03 |

FINANCIAL INDICATORS

| | | | |
|---------------------------------|-----------------|-----------|-------------|
| Plant & Machinery Capital (USD) | 350,000 | 6.0mio | 18mio |
| Civil Construction Areas (M2) | 1,311 | 16,260 | 42,630 |
| Working Capital (USD) | 370,000-450,000 | 7mio-9mio | 20mio-27mio |
| Return on Investments (%) | <5 | 20-28 | 25-35 |

Cashew Sector Policy Mapping

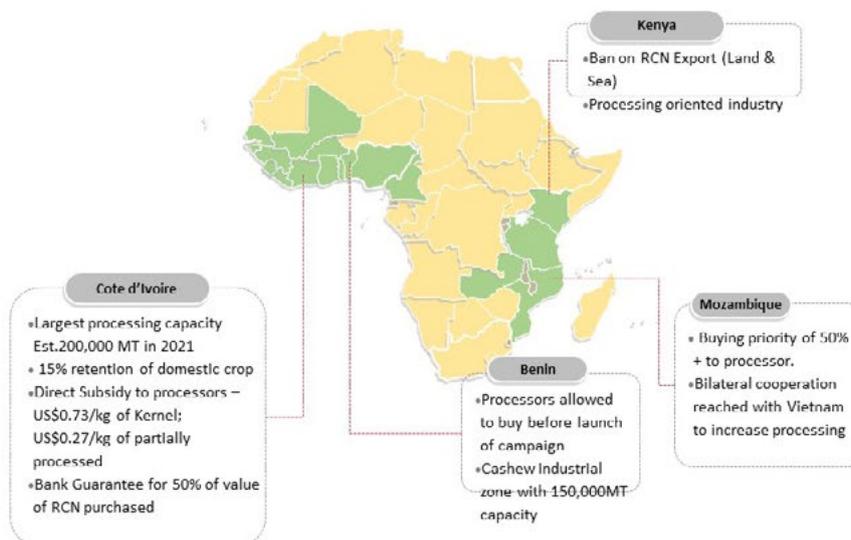
Cashew Sector Policies in Africa – RCN Focused



Key Policies:

1. **Ban on land export** in Cote d'Ivoire and Benin, of RCN exists. Kenya, has both Export land and sea ban. Effective 1st April 2024, Benin bans RCN export (land & sea)
2. **Tax on RCN Export** ranging from US\$0.045 in Burkina Faso to US\$0.085 per kg (2021) in Cote d'Ivoire
3. **Buyer/ Exporter licensing Requirement** before buying RCN in GB, BF, CIV and TZ
4. **Minimum price** of RCN ranging from US\$0.60 to US\$1.45 per kg (2021) are set annually in Civ, BF, BN, Gb and TZ.

Cashew Sector Policies in Africa – Processing Focused



Key Policies:

1. MZ and BN have defined **buying periods** for Processors, to fill their stock before allowing Traders/Exporters
2. CIV pays a **subsidy to local Processors** (US\$0.73/kg of kernel exported; US\$0.27/kg for unpeeled). An action to boost local processing industry
3. CIV through CCA, makes **Bank guarantee** available to processors as a measure to improve access to finance
4. BN to introduce RCN ban in April 2024 to boost local processing capacity.

SeGaBi Region

CASHEW SECTOR IN SEGABI REGION

Senegal, The Gambia, and Guinea-Bissau (SeGaBi) region produces 250,000 metric tons of RCN, which accounts for 17% of West African production. Because planting and grafting of improved varieties, the LIFFT-Cashew project has enabled a growth in production of RCN in SeGaBi Region. These improved varieties, as well as existing trees, have begun to reach the height of their yield.

RCN PRODUCTION

In 2021, the estimated production volume in Senegal was 40,000 MT, in The Gambia 15,000 MT, and in Guinea-Bissau 250,000 MT. Even though cashews' successful history in Guinea Bissau only goes back twenty years¹ today the country is one of the largest exporters in Africa, where RCN accounts for approximately 90% of its exports.

| Production and processing (2021 est.) | Senegal | The Gambia | Guinea Bissau |
|---------------------------------------|----------------|----------------|---------------|
| RCN Production | 40,000 MT | 15,000 MT | 250,000 MT |
| Quality KOR | 51 - 52 | 51 - 52 | 52 - 53 |
| FG Price (2022) | US\$ 1.0 – 1.3 | US\$ 1.0 – 1.3 | US\$ 0.8 -1.0 |
| Processing | < 3000 MT | < 500 MT | < 10000 MT |

Senegal has increased its production by 7% a year², doubling its production in about a decade. Because of the global demand for cashews, investment in processing, and growth in production volume, the crop is becoming an important part of the country's economy. The Casamance region of Senegal has available land and an ideal climate for cashew cultivation. Because cashews only accounts for less than 1% of land, there is much room to grow and expand. The Gambia produces the least amount of RCN³. But, according to the International Trade Center,⁴ over the last 20 years cashew-planting has shown potential as an alternative crop to replace groundnut, as cashews are more resilient to changing climate, and RCN production increased by nearly 700% during the period 2005 to 2011.

The demand for organic and conventional cashews continue to grow in American and European markets, and their associated buyers; a trend that didn't stop because of the market lockdowns due to the spread of COVID-19. As the international demand for organic cashew nuts grows, the volume and quality of organic cashew nuts production in SeGaBi continues to go up, as farmers and processors aim to capitalize on the growing demand for certified organic nuts, offering an unprecedented opportunity for buyers and processors to engage in, and source cashew nuts from, the SeGaBi region.



LIFFT-Cashew is engaging with international companies HACCP certification, georeferencing farms, building farmer capacity, implementation of good agricultural practices, and purchase and export of organic cashew. In the next 5-10 years SeGaBi countries are expecting construction and the start of a minimum of 40-60.000 MT of processing capacity in their countries and creating an attractive investment environment for foreign direct investment. This is planned by developing special economic zones (Agropoles in Senegal), improving

port operations efficiency or expansion, developing new mechanisms to minimize risks for investors (warehouse receipt system, improving cross-border trade, governmental support for the implementation of food safety standards, organic certification, etc.). In addition they are improving existing cashew varieties, replacing old plantations, providing machinery and technical support, and improving quality with research institutions with support from development partners.

COOPERATIVE MOVEMENT

With support from SeGaBi the governments cooperative movement is growing. In the past associations and producer organizations were listed "on paper" and were not providing services or products to their members. Today through LIFFT-Cashew support they are now in the development phase going through the official registration according to the OHADA

1 Mendes, H. and Pacheco de Carvalho, B. R. (2014). *Cashew Chain Value in Guiné-Bissau: Challenges and Contributions for Food Security: A Case Study for Guiné-Bissau*. *Journal on Food Systems Dynamics*. Volume 7, Number 1. Retrieved from: <http://centmapress.ilb.uni-bonn.de/ojs/index.php/jfd/article/view/711>

2 TechnoServe. (2 February 2018). *USDA/FAS Food for Progress LIFFT Cashew: SeGaBi Cashew Value Chain Study*. TechnoServe.

3 TechnoServe. (2 February 2018). *USDA/FAS Food for Progress LIFFT Cashew: SeGaBi Cashew Value Chain Study*. TechnoServe.

4 The International Trade Centre. *The Gambia Cashew Sector Development and Export Strategy 2014-2019*. Geneva. Retrieved from: http://www.gambiatradinginfo.org/sites/default/files/Gambia-Cashew_Strategy.pdf

requirements, establishing management boards, and involving skilled staff to bring value to their members and generate income as business entities. Though it is a long process to establish a strong system of cooperative development and management, in all three countries you can find now cooperative societies who are playing the role of the intermediaries and assisting local and international buyers, processing companies, and investors with a secure supply of RCN.



In Guinea-Bissau and The Gambia cooperatives joined their intentions to create an economy of scale, increase impact and area, and established Federations of cooperatives. They act as a union of producer organizations working towards collective RCN sales, joint purchasing of agriculture inputs, coordination of activities, advocacy, and support of farmers. These joint efforts allow them to overcome many challenges including access to finance, lack of skilled staff, farmer trust, and competition with local intermediaries. Annual improvements in cooperative operations as a collectors, regulators, and facilitators of large RCN volumes is reducing the risk of losses, while standardizing the quality of a bulk-RCN source. Through governmental and development partner support, cooperatives are rehabilitating or constructing new storages, therefore allowing them to stock high quality RCN through collateral management or the warehouse receipt system which provides access to financing and reliable buyers.

POLICY DEVELOPMENTS

The creation of a single market for RCN in the SeGaBi region is important to realize the synergy effect of inter- state trade. This is heralded to improve production, processing, and regulatory standards in the region, thus, giving the block access to international markets. The Governments established cashew nut sector steering committees and started working together at regional level to improve exchange and learning on good practices that can catalyze regional integration. These policy interventions are warehouse receipt system, cooperative movements, and institutional setup. The effective functioning of RCN market through stable supply line and low-price volatility can effectively entice banks and financial institution to intervene and provide credit to RCN producers.

KERNELS AND BY-PRODUCTS PROCESSING AND EXPORT



Less than 5% of SeGaBi's cashews are deshelled on its soil, with the rest going to Vietnam and India where most of their value is captured. Governments are engaging in efforts to create an attractive investment climate for construction of new processing facilities and are actively collaborating with investment funds, trade associations, unions, organizing international and regional business-to-business (B2B) forums, and facilitating participation of companies in international expos and exhibitions. As of August 2022, investment is made to increase new processing capacity in Senegal by 12,000 MT and, in The Gambia by 3,000 MT, and in Guinea Bissau by 15,000 MT, demonstrating interest in the promise of local processing capacity. Additionally, because of the involvement of cooperatives and associations, sourcing bulk RCN has become more feasible, and far less risky than before, reducing the cost of small-scale sourcing from local farms. There is increased cooperation between processing companies and cooperatives which is guaranteeing long-term partnership based on mutual trust. In the last three years 18 cooperatives

in SeGaBi collected and sold more than 122,000 MT of RCN to buyers in bulk (LIFFT-Cashew project).

Countries are undergoing positive developments in their processing capacities. There has been an artisanal cashew processing activity and local/ tourist demand for many years, which is turning into a commercial activity with new units established. Given the availability of high-quality RCN, the location close to European markets and some existing examples of food processing successes, there is room for optimism. Several companies are interested in purchasing from the region due to the well-known high quality of the nuts, the potential for organic production, and the reduced shipping times to the US and Europe.

The US has emerged in the past two years as a market for cashew kernels from the region too.

Cashew apple juice is now produced and marketed directly from Senegal and Guinea-Bissau and sold locally. As per estimation of LIFFT-Cashew



SeGaBi Region

project team total production of cashew apple in Senegal, The Gambia and Guinea-Bissau is 2.700.000 metric tons of a worth \$4.6 billion if processed to apple juice – 1.687.500 tons, cajuina – 27.000 tons, candy – 87.750 tons, fresh fruit – 270.000 tons, animal feed – 607.500 tons. That could benefit approximately half a million households (>4 million people), providing income to women and youth, creating jobs, nutrition, fodder for improving dairy production and export to EU and US.

PROGRAMME IN THE SEGABI REGION

Shelter for Life International (SFL) is implementing the Linking Infrastructure, Finance, and Farms to Cashew (LIFFT-Cashew), a six-year United States Department of Agriculture (USDA)-funded Food for Progress Program (FFPr) in Senegal, The Gambia, and Guinea-Bissau. The program is addressing multiple aspects of the Cashew Value Chain by upgrading existing linkages and building new ones to create a more integrated and durable regional network that will enhance cashew cultivation and the processing and selling of cashew products. The LIFFT-Cashew project addresses the development of a regional and integrated Cashew Value Chain by increasing cashew production, processing, and trade in local and international markets. The project is creating durable trade infrastructure, increasing access to financial services, organizing and training smallholder farmers to increase production and bargaining power, and building the capacity of local processors to add value to kernels in the SeGaBi cashew production zone.



STRENGTHS AND OPPORTUNITIES IN THE REGION

| | SENEGAL | THE GAMBIA | GUINEA BISSAU |
|---------------|---|---|---|
| STRENGTHS | <ul style="list-style-type: none"> • Very diverse range of processed products • Good quality raw cashews nuts • Availability of low-cost labor • Proximity to EU & US | <ul style="list-style-type: none"> • Existence of clear strategies and policies for the sector • Proximity to kernel consumption markets in the EU and US | <ul style="list-style-type: none"> • Good quality raw cashew nuts • Availability of low-cost labor • Close to EU and US markets • Availability of the fertile |
| OPPORTUNITIES | <ul style="list-style-type: none"> • Improved post-harvest handling • Growth in demand • Easier product traceability • Increase in value addition • The Emerging Senegal Plan programme encourages the development of the sector | <ul style="list-style-type: none"> • Promotion of domestic consumption through Value added processing into cashew kernels, cashew apple juice and alcohol (ethanol) • Improved planting development and research to enhance productivity and expand in-country production • Growing global demand for raw cashew nuts and cashew kernels | <ul style="list-style-type: none"> • Growing global demand for cashews and raw cashew kernels • National demand for apple juice and alcohol (ethanol) |

CONTACT PERSONS IN THE REGION

Acting COP/Market Access Project Manager of LIFFT-Cashew Project, Davronjon Okhunjonov,

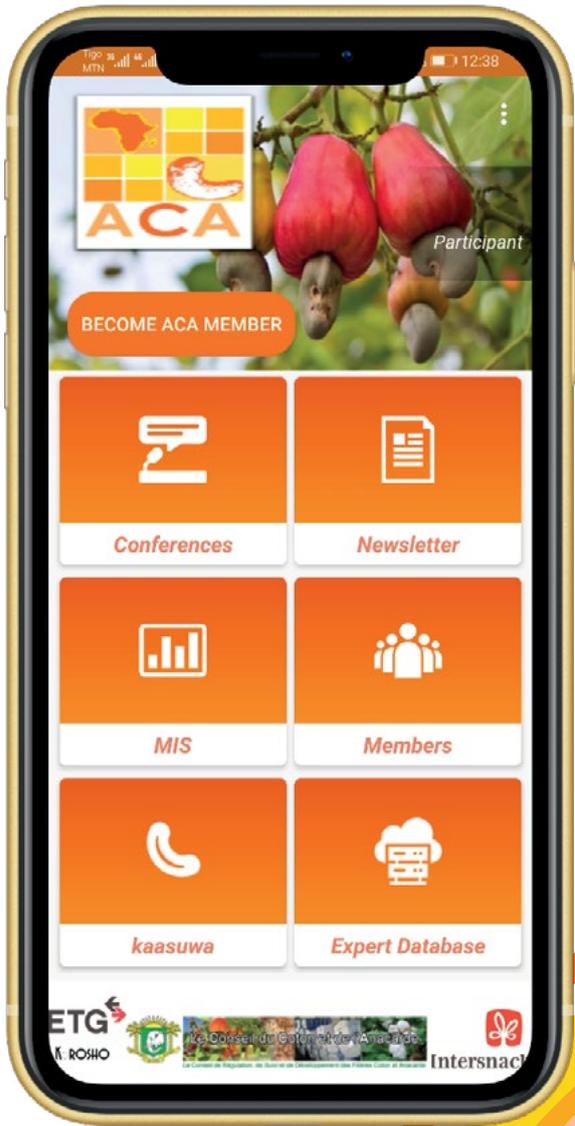
davron@shelter.org p: +221 78 5892699

Deputy Chief of Party, Mamadou Yero Pira Balde of LIFFT-Cashew Project, mamadou@shelter.org, p: +221 78 5892627

LIFFT-Cashew Project. (www.lifftproject.com) 178, quartier Néma Complémentaire, Ziguinchor, Senegal

lifftcashewinfo@shelter.org p: +221 33 991 94 55

DOWNLOAD THE ACA CASHEW APP



Get information on the conference and ACA services on your mobile device



Benin

COUNTRY OVERVIEW^I

Political Context: French Dahomey achieved independence in 1960; it changed its name to the Republic of Benin in 1975. A succession of military governments ended in 1972 with the rise to power of Mathieu KEREKOU and the establishment of a government based on Marxist-Leninist principles. A move to representative government began in 1989. Two years later, free elections ushered in former Prime Minister Nicephore SOGLO as president, marking the first successful transfer of power in Africa from a dictatorship to a democracy. KEREKOU was returned to power by elections held in 1996 and 2001, though some irregularities were alleged. KEREKOU stepped down at the end of his second term in 2006 and was succeeded by Thomas YAYI Boni, a political outsider and independent, who won a second five-year term in March 2011. Patrice TALON, a wealthy businessman, took office in 2016 after campaigning to restore public confidence in the government.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

STANDARD
& POOR'S

Local Currency: B+
Foreign Currency: B

Fitch

FitchRatings

Local Currency: B+
Foreign Currency (long term/short term): B/B

ECONOMIC TRENDS^I

Current Account Balance: -\$1.8 billion USD (2020 est.)
Reserves: \$14.585 million USD (2020)
GDP: \$17.79 billion USD (2021)
Currency: Franc CFA
Inflation: 1.7% (2021)
Growth Rate: 6.6% (2021)
Export Commodities: Cotton, cashews, shea butter, textiles, palm products, seafood

ENVIRONMENT^I

Area: 112,620 sq km; land: 110,620 sq km; water: 2,000 sq km
Climate: Tropical; hot, humid in south; semiarid in north
Terrain: Mostly flat to undulating plain; some hills and low mountains
Land Use: Arable land: 23.94%; permanent crops: 3.99%; other: 72.06% (2012 est.)
Natural Hazards: Hot, dry, dusty harmattan wind may affect north from December to March
Environmental Issues: Inadequate supplies of potable water; poaching threatens wildlife populations; deforestation; desertification

LABOR^{II}

Labor Force (age 15+): 4.7 million (2018)
Labor Force (by Occupation): Agriculture: 43.19%
Industry: 18.48%
Services: 38.31%
Unemployment Rate: 1.6% (2021 est.)
Minimum Monthly Wage: \$70 USD
Legal Working Hours: 40 hours/week

BENIN'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

160,000 MT RCN Production
180,000 MT RCN Exports (approx.)
19.09 % RCN Production Growth
<10 % % of Production Processed

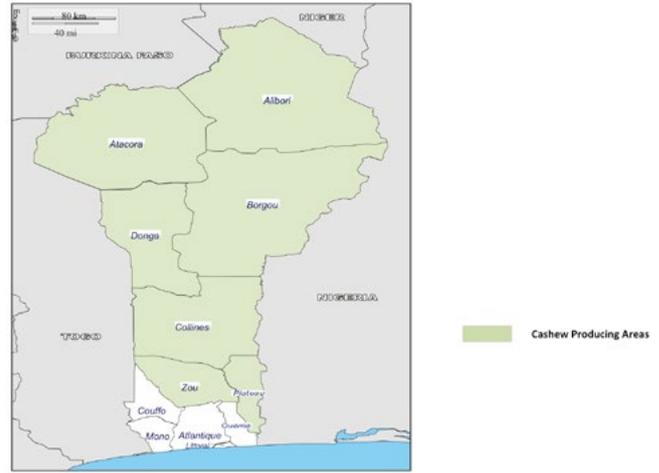
| PROCESSING ORGANISATION | LOCATION |
|-------------------------|-------------------|
| Tolaro Global | Parakou |
| Fludor Benin SA | Cotonou / Bohicon |
| AGROTEC Benin SARL | Glazoue |
| ARISE DGIZ | Glodzigbe |
| Donga Treasure S.A | Djougou |

Cashew is a strategically important sector for Benin Republic, as it brings significant export revenues and creates huge social and economic impact in country. Benin's annual cashew production crop size is approximately 160,000 MT. Designated as one of 12 priority industries, the government of Benin has conceived as strategic plan to develop cashew sector as part of its overall agricultural sector strategy (PSRA, 2006- 2011). Benin cashew ranks second

on quality scale among other African nations and this fact is well recognized by local and external cashew processors.

SECTOR REGULATIONS & POLICY UPDATE

At the beginning of each cashew harvest, the Ministry of Trade sets a minimum farm gate price. The raw cashew nut season calendar is fixed by the Ministries of Trade and Agriculture. The government levies export taxes of FCFA 70/kg on raw cashew nuts, however there is no tax on kernel exports. A road tax is levied at 0.85% of the value of transported goods. Benin grants tax and duty exemptions on imports of agricultural processing equipment. Free zone regulations provide many more tax and duty reductions and exemptions to export-oriented businesses investing in Benin. (See www.a-zfibenin.com and www.cpiibenin.com). Domestic goods transportation costs to Cotonou Port is in the range of 15-20 CFA/kg depending on point of origin, while for exports sea freight cost ranges between \$900 and 1,100 US\$ for a 20 feet container for European destinations. Following are policy and regulatory updates:



- IFA – Interprofession de la Filière Anacarde and BEA-Bureau d'étude et d'Appui au secteur Agricole, are private sector representative recognized by Beninese Government and now strongly involved in cashew sector promotion. New executives took over on 10th October 2019 and will be on board for 3 years.
- Government investing in massive forest management and rehabilitation programs in cashew cultivation zones.
- Export Window is available to benefit locally established cashew processors with additional access of 5 MT/truck load of RCN delivered by exporters prior to exportation parallel to their own RCN procurement efforts.
- Export tax on RCN has been increased from 10 CFA to 70 CFA in 2019 harvest season.
- Minimum farm gate price was announced at 3 5 0 CFA (US\$ 0.65)/kg by Beninese government in 2022 harvest season. KOR also dropped to an average of 45.
- Benin is facilitating local processors access to RCN, Price stabilization, and raising funding for value chain development as well as support for production.
- Benin signed on to the Consultative International Cashew Council (CICC)
- Ban of RCN export over land borders imposed in 2017 after start of season and currently there is a new executive decree that will ban export of RCN over sea from 1st April 2024.

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal Committee – For publication of company registration in National bulletin.
- Business Administration Center (Le Centre de Formalités des Entreprises (CFE)): The CFE is a single window agency for the creation of companies. It is based in the Chambre de Commerce et d'Industrie du Bénin (CCIB, www.ccib.bj) and provides information on legal implications and documentation required according to company structure. Every regional department of the CCIB has a CFE outreach office.
- The Investment Promotion Center of Benin (CPI) is an institution of the Ministry of Economy, Development and Public Action Evaluation (MEPDEAP). It advises and facilitates investment projects in Benin Republic.

Private/Non-Governmental Agencies in the Cashew sector:

- MOVE formally Competitive Cashew (ComCashew)
- African Cashew Alliance (ACA)
- National Institute of Agricultural Research of Benin (INRAB) funded by GIZ, DANIDA
- Vegetal Protection Service (SPV/DAGRI)
- Center of Vegetal Quality Products Promotion and Packaging (DPQC)
- Regional Centers of Agricultural Promotion (CeRPA)
- National Society for Agricultural Promotion (SONAPRA)
- Agronomic science Department of Abomey-Calavi University (FSA/UAC)
- Agronomic Department of Parakou University (FA/UP)
- Development Fund for professional formation and training (FODEFCA)
- International Institute of Tropical Agriculture (IITA-Bénin)
- Netherlands Development Organization (SNV)
- Benin Caju
- Technoserve
- FENAPAB
- National Chamber of Agriculture (CNA)



Burkina Faso

COUNTRY OVERVIEW^I

Political Context: Burkina Faso is a former French colony which gained independence as Upper Volta in 1960 with Maurice Yameogo as first President. In 1984, Upper Volta was renamed to Burkina Faso which means "land of honest men". Burkina Faso has significant reserves of gold, but the country has faced domestic and external concern over the state of its economy and repeated coup d'Etat. In 1983 Captain Thomas Sankara seized power and adopted radical left-wing policies but was ousted by Blaise Compaore, who went on to rule for 27 years before being ousted in a popular uprising in 2014 against his plans to extend his Presidential tenure in contravention to the Constitution's two-term presidential limit. A transitional government takes charge and organized elections for a return to a democratic rule that ushered in President Marc Christian Kabore. In January 2022 the Army led by Lieutenant-General Damiba ousted President Marc Kabore over the government's failure to halt an insurgency by jihadist groups gripping the north of the country.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Local Currency: CCC+
Foreign Currency: B/Positive

STANDARD & POOR'S

Fitch

Not available.

Fitch Ratings

ECONOMIC TRENDS^I

Current Account Balance: \$4.1 billion USD (2020)
Reserves: -\$258 million USD (2020)
GDP: \$19.74 billion USD (2021)
Currency: Franc CFA
Inflation: 3.7% (2021)
Growth Rate: 6.9% (2021)
Export Commodities: Gold, cotton, livestock, cashew



ENVIRONMENT^I

Total Area: 274,200 sq km; land: 273,800 sq km; water: 400 sq km
Climate: Tropical; warm, dry winters; hot, wet summers
Terrain: Mostly flat to dissected, undulating plains; hills in west and southeast
Land Use: Arable land: 21.93%; permanent crops: 0.26%; other: 77.81% (2012 est.)
Natural Hazards: Recurring droughts
Environmental Issues: Recent draughts and desertification severely affecting agricultural activities, population distribution, and the economy; overgrazing; soil degradation; deforestation

LABOR^{II}

Labor Force (age 15+): 7.25 million (2018)
Labor Force (by Occupation): Agriculture: 90%
Industry and Services: 10%
Unemployment Rate: 4.8% (2021 est.)
Minimum Monthly Wage: \$40 USD
Legal Working Hours: 40 hours/week

BURKINA FASO'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

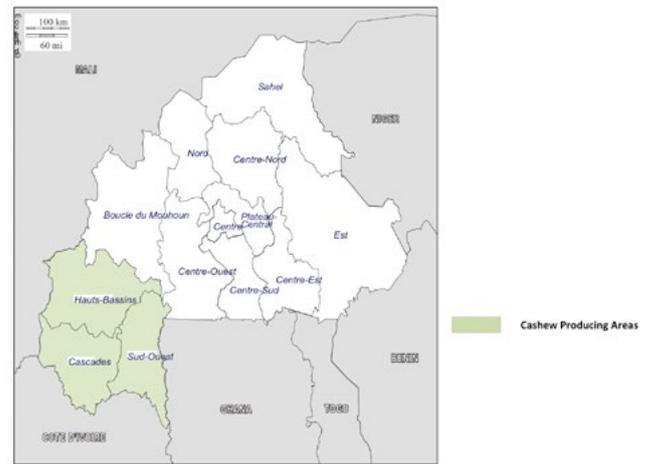
110,000 MT RCN Production
80,000 MT RCN Exports
14.3 % RCN Production Growth
7.5 % % of Production Processed

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|----------------|
| ANATRANS SARL | bobo Dioulasso |
| SOTRIA-B SARL | Banfora |
| GEBANA | bobo Dioulasso |

Burkina Faso is seventh largest cashew nuts producer in African. Burkina Faso is known for big cashews with natural resistance against common farm diseases. The country also offers industrially skilled and dedicated work force to serve the agro-industries. In 2016 cashew harvest season, the country registered its bumper crop reaching 75,000 MT of annual raw cashew production.

SECTOR REGULATIONS & POLICY UPDATE

At the beginning of each cashew harvest, the Ministry of Trade sets a minimum farm gate price. The raw cashew nut season calendar is fixed by the Ministry of Commerce, Industry and Handicrafts. In 2015, the economy remained dynamic with the continuation of investment in infrastructure as part of the government's Strategy for Growth and Sustainable Development (SCADD). Investment expenditure remained almost unchanged at 11.2% in 2013, compared to 11.1% in 2012. Investment was maintained because of the start of Ouagadougou-Donsin airport work, the Bagré growth pole project, and road and electricity infrastructure projects. The 2004 Investment Code demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The Code contains six investment and operations preference options, which are equally applicable to all Greenfield investments, mergers, and acquisitions. All investment-specific incentives are outlined in the 2004 Investment Code. Additionally, companies that use at least 50% locally-supplied raw materials are exempted from trading taxes, and also receive a 50% reduction in customs taxes. Such companies are also exempt from excise duties on production equipment and spare parts. The government of Burkina Faso, which hopes to take advantage of its central location in West Africa, has recently announced the development of a foreign trade zone or "free port" in Samandéni, in the western region of Burkina Faso (see picture above). Burkina Faso has adopted the Free Zones policy to provide tax and duty reductions and exemptions to businesses investing in the country (see www.tradepoint.bf). Domestic goods transportation costs to the capital of the country range between 12 and 18 CFA/kg depending on point of origin while, for exports, road freight to Abidjan, Tema, and Cotonou is also possible. Abidjan is also served via rail. Quotations are done once every three months and are available through known shippers,



i.e. Maersk, SNTB, Africa Logistic; who are all represented in Burkina Faso. Following are new policy and regulatory updates:

- CIAB liaise with public sector and advocate for measures to facilitate access to raw material and improve cashew production.
- Export Window is available to benefit locally established cashew processors with additional access of RCN and to also regulate price fluctuation and trade flows.
- Burkina Faso benefited from \$ 4m for cashew production as loan from African Development Bank (AfDB).
- 2022 cashew harvest season launched with indicative farm gate price of 350 CFA (US\$ 0.65/kg).
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce, Industry and Handicrafts – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture, and Water resource – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice, Human Rights and Civic Promotion Keeper of the Seals—for legal registration of company.
- Municipal committee—for publication of company registration in National bulletin.
- The agencies which are active in the sector with regards to food safety and regulations, physical and chemical analysis, are ONAC, DTA, National Public Health Laboratory (LNSP), INERA.

Private/Non-Governmental Agencies:

- African Cashew Alliance (ACA)
- Oxfam International
- Fairmatch Support (FMS)
- INADES – Training/ RONGEAD
- SNV
- Specialized service providers: Biological and equitable structures (ECOCERT. SA, FLO-cert), Bureau d'études et de formation and L'ONAC, The national public health laboratory



Côte d'Ivoire

COUNTRY OVERVIEW^I

Political Context: The Republic of Côte d'Ivoire is a country on the southern coast of West Africa. Its political capital is Yamoussoukro, in the center of the country; while its largest city and economic center is the port city of Abidjan. It gains its independence on the 7th August 1960 with Félix Houphouët-Boigny, the son of a Baoulé chief, who became Ivory Coast's father of independence. In October 1995, Bédié overwhelmingly won re-election against a fragmented and disorganized opposition. He tightened his hold over political life, jailing several hundred opposition supporters. In contrast, the economic outlook improved, at least superficially, with decreasing inflation and an attempt to remove foreign debt. A presidential election was held in October 2000 in which Laurent Gbagbo swiftly replaced Guéi, but it was not peaceful. The lead-up to the election was marked by military and civil unrest. Alassane Ouattara was disqualified by the country's Supreme Court, due to his alleged Burkinabé nationality. Alassane Ouattara, the current President of Cote d'Ivoire has ruled the country since 2010 when he unseated his predecessor Laurent Gbagbo. President Ouattara was re-elected in 2015 presidential election. In November 2020, he won third term in office in elections boycotted by the opposition. His opponents argued it was illegal for president Ouattara to run for a third term. Ivory Coast's Constitutional Council formally ratified President Alassane Ouattara's re-election to a third term in November 2020.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Local Currency: BB-
Foreign Currency: B

Fitch

Local Currency: BB-
Foreign Currency (long term/short term): B/B

ECONOMIC TRENDS^I

Current Account Balance: -\$ 1.97 Billion (2020)
Reserves: \$199.662 Million (2020)
GDP: \$69.76 Billion (2021)
Currency: Franc CFA
Inflation: 4.1% (2021)
Growth Rate: 7.0% (2021)
Export Commodities: Cotton, cashews, textiles, palm products

ENVIRONMENT^I

Area: 322,462 sq km, Forest area 28367sq km, Land 318,003sq km, water 4460 sq km
Climate: humid in south; dry tropical in north
Terrain: Mostly flat to undulating plains; mountains in northwest
Land Use: Permanent crop 13.7%, Arable land 9%, other use 77.4%
Natural Hazards: Coast has heavy surf and no natural harbors; during the rainy season torrential flooding is possible
Environmental Issues: Deforestation (most of the country's forests - once the largest in West Africa - have been heavily logged); water pollution from sewage and industrial and agricultural effluents

LABOR^{II}

Labor Force (age 15+): 64.7%
Labor Force (by Occupation): Agriculture: 44.7%
Industry: 10.2%
Services: 42.4%
Unemployment Rate: 3.5% (2021)
Minimum Monthly Wage: \$108 USD
Legal Working Hours: 40 hours/week

COTE D'IVOIRE'S CASHEW SECTOR OVERVIEW

NO.1 IN THE WORLD

Cashew Sector Growth - 2021

1,000,000 MT RCN Production
880,000 MT RCN Exports (approx.)
... % RCN Production Growth
<10 % % of Production Processed



Over the years, taking stock of the increasing demand for cashew, farmers in Côte d'Ivoire have expanded their production and enhanced their farming techniques with support from government, development partners and non-governmental organizations. Public investment in research and development has resulted in use of high yield polyclonal seeds while farmers were provided training on better farm management practices.

In less than a decade, Côte d'Ivoire has doubled its production of raw cashew nuts to become the global leader with a production of 1 Million metric tonnes in 2021, which accounts for 47% of the global trade of raw cashew nuts. It is no small feat and a testimony of what can be achieved with the right focus, policies and market incentives. What had started as a sturdy plant introduced to fight desertification in the 1960s is now a central pillar of the economy. And this is just the beginning. The ambition of Côte d'Ivoire is to locally process 50% of its raw cashew nuts – and it is on the right track to do it. Today, about 350,000 small holder farmers have invested in cashew production on 1,400,000 hectares in the central and northern regions of the country. Yield has increased from 300kg to 500kg over the last years and quality of Ivorian raw cashew nuts stands on average between 46 and 48 KOR (Kernel Output Return). Those combined efforts are poised to pay off as global cashew consumption is on the rise.



SECTOR REGULATIONS & POLICY UPDATE

Government's policy desire is to locally process at least 50% of national cashew produce.

In view of energized and accelerate the local processing sector of cashew nuts, through the optimal utilization of installed units and capacity, and the entry of new investors in the sector, government has adopted new incentives measures that will be complementing the existing ones through the adoption of Ordinance n° 2019-587 of 3 July 2019. This policy essentially targets the processing of cashew nuts in Ivory coast in order to ameliorate the purchase competitiveness and create jobs.

The measures and actions taken are as follows:

- Establishment of a subsidy of 400cfa per kg of cashew/almond produced
- Support the supply of raw cashew nut to the processors
- Establishment of capacity training programs to processors of cashew nuts
- Development of finance tools
- Organizing every 2 years an international fair for the equipment needed in the processing cashew nuts, of which the last edition saw the exhibition of more than 29 equipment and over 12000 visitors. And measures guaranteeing supply
- Establishment of a unit of processing for experiment at Yamoussokro, one bioplastic factory and 12 processing factories.

Since 2014, Ivory Coast has embarked on rationalizing industrial zones which consist of identifying, abandoned lots, insufficiently built ones, in order to withdraw and resend new management. Also in 2017, the decree n°2017-145 is in relation to the condition of establishing factories on areas outside the industrial zones in order to avoid installation with potential damage to the environment.

In 2020, in view of the policy of processing cashew nuts, through the project of Promotion of competitive value-added chain of cashew in Ivory coast, cabinet has adopted a decree declaring a 64-hectare parcel as industrial zone at the Bondoukou community for public utility.

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Agriculture and rural development
- Ministry of trade and industry for the processing aspect.
- National Center for Agronomic Research: with the mandate of undertaken agricultural research in Ivory Coast.
- National Agency for Rural Development, under the responsibility of Ministry of Agriculture and Rural Development, and which is in charge of the implementation agricultural policies.
- Rural Land Agency, an execution agency, in charge of the implementation of policy on rural land accessibility
- Conseil du Coton et de l'Anacarde (CCA)

Private/Non-Governmental Agencies:

- African Cashew Alliance (ACA)
- GIZ/MOVE formerly comcashew
- Groupement des Industriels du Cajou de Côte d'Ivoire (GIC-CI)
- Association of cashew industries in Ivory coast.

The Gambia

COUNTRY OVERVIEW^I

Political Context: The Gambia gained its independence from the UK in 1965. Geographically surrounded by Senegal, it formed a short-lived federation of Senegambia between 1982 and 1989. In 1991 the two nations signed a friendship and cooperation treaty; tensions have flared up intermittently since. Yahya A. J. Jammeh led a military coup in 1994 that overthrew the president. A new constitution and presidential elections took place in 2017, followed by parliamentary balloting, and completed a nominal return to civilian rule. Adama Barrow has been newly elected president most recently in early 2017 with political stability in place.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|---|
| Current Account Balance: | -\$86 million USD (2020) |
| Reserves: | -\$7.535 million USD (2020) |
| GDP: | \$2.08 billion USD (2021) |
| Currency: | Dalasi (GmD) |
| Inflation: | 7.4% (2021) |
| Growth Rate: | 5.6% (2021) |
| Export Commodities: | Peanut products, fish, cotton lint, palm kernels, cashew. |



ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 11,295 sq km; land: 10,000 sq km; water: 1,295 sq km |
| Climate: | Tropical; hot, rainy season (Jun. to Nov.); cooler, dry season (Nov. to May) |
| Terrain: | Flood plain of the Gambia River flanked by some low hills |
| Land Use: | Arable land: 43.48%; permanent crops: 0.49%; other: 56.03% (2012 est.) |
| Natural Hazards: | Draught (rainfall has dropped by 30% in the last 30 years) |
| Environmental Issues: | Deforestation; desertification; water-borne diseases prevalent |

LABOR^{II}

| | |
|-------------------------------------|------------------|
| Labor Force: (age 15+): | 756,130 (2018) |
| Labor Force (by Occupation): | Agriculture: 75% |
| | Industry: 19% |
| | Services: 6% |
| Unemployment Rate: | 11.2% (2021) |
| Minimum Monthly Wage: | \$33.75 USD |
| Legal Working Hours: | 48 hours/week |

THE GAMBIA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

| | |
|------------------|---------------------------|
| 15,000 MT | RCN Production |
| 25,000 MT | RCN Exports |
| 0 % | RCN Production Growth |
| 1.67 % | % of Production Processed |

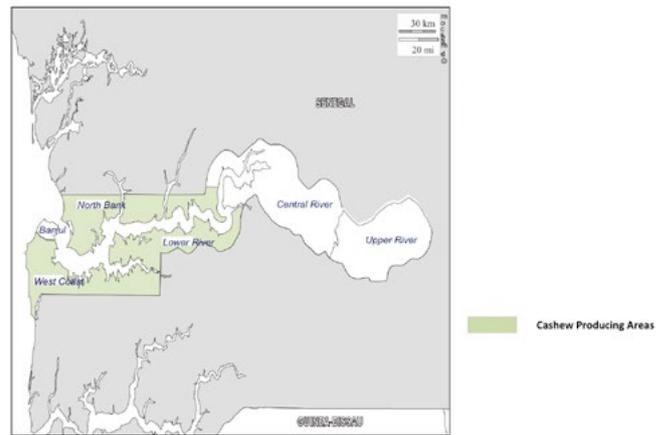
| PROCESSING ORGANISATION | LOCATION |
|---------------------------------------|------------------|
| Cashew Gam Co. Ltd. | Brikama Kabafita |
| Gambia Horticultural Enterprises(GHE) | Banjul |

The Gambia produces 10,000 MT of cashew annually. Production is concentrated in the zones indicated on the map below. The production zones are close to the processing locations, allowing for an abundance of cheap and locally-available labor.

SECTOR REGULATIONS & POLICY UPDATE

The Gambia produces only 10,000 MT of RCN but exports more than 50,000 MT, due to RCN inflows from Senegal. During the first five years of a new investment, the investor is exempt from industrial taxes. Furthermore, facilities for agro-industrial equipment are exempt from import taxes and there is no tax on the export of cashew kernels. Domestic goods transportation costs to Banjul port in range of GMD 25/kg depending on point of origin while sea exports freight of 20 feet container to USA/Europe International port costs US\$4,000. Following are policy and regulatory updates:

- Initial 5 years for new investment free from industrial tax
- Import tax exemption facilities for agro-industrial equipment
- No tax on cashew kernel export
- Price increased by \$US 2.13/kg at farm gate due to cross border trade ban by Guinea Bissau at the end of the season.
- Gambia has one of the best equipped port in the SEGABI region.
- High tax imposed to trucks from Senegal.
- The Gambia invested heavily in GAP this year and production is expected to be high. Good Port facilities encourage exports of the region through the port.
- Enforcement of the Guinea Bissau cross border trade ban created huge demand in Gambia.
-



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce– To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Industry, SMEs and Private Sector promotion
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice and Seal keeper– for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Gambia Investment & Export Promotion Agency (GIEPA) – To obtain Investment code, information about requirements, facilities and benefits of investment in Gambia, and to submit a proposed project.

Private/Non-Governmental Agencies:

- USDA/LIFFT Project
- Cashew Alliance of Gambia – Local private sector alliance of Gambia.



Ghana

COUNTRY OVERVIEW

Formed from the merger of the British colony of the Gold Coast and the Togoland trust territory, Ghana in 1957 became the first sub-Saharan country in colonial Africa to gain its independence. Ghana endured a series of coups before Lt. Jerry RAWLINGS took power in 1981. After approving a new constitution and restoring multiparty politics in 1992, RAWLINGS won presidential elections in 1992 and 1996. John KUFUOR of the opposition New Patriotic Party (NPP) succeeded him and was reelected in 2004. John Atta MILLS of the National Democratic Congress won the 2008 presidential election and took over as head of state, but he died in July 2012 and was constitutionally succeeded by his vice president, John Dramani MAHAMA, who subsequently won the December 2012 presidential election. In 2016, however, Nana Addo Dankwa AKUFO-ADDO of the NPP defeated MAHAMA to become the 4th President of Ghana under its 4th Republic. Ghana prides itself as the Black star of Africa with an enviable political stability and economic growth. The 2019 Global pandemic (Covid19 virus) did not spare the country of its devastating economic effect even though the country was ranked best among Nations that best managed the pandemic. The post pandemic event that was most welcome was the vaccination of about 5 millions people in an attempt to protect the country against the virus deadly effect.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

FitchRatings

Standard & Poor's

Local Currency: CCC+
Foreign Currency: B/Stable
Country Ceiling: B-

Fitch

Local Currency: B-
Foreign Currency (long term/short term): B
Country Ceiling: B-

ECONOMIC TRENDS^I

| | |
|--------------------------|--|
| Current Account Balance: | -\$2.13billion USD (2021) |
| Reserves: | -\$549 million USD (2020) |
| GDP: | \$77.59 billion (2021) |
| Currency: | Ghana Cedi (GHS) |
| Inflation: | 10% (2021) |
| Growth Rate: | 5.4% (2021) |
| Export Commodities: | Oil, gold, cocoa, timber, tuna, bauxite, aluminum, manganese ore, diamonds, horticultural products. Cashew is the highest earning nontraditional export. |

ENVIRONMENT^I

| | |
|-----------------------|---|
| Total Area: | 238,533 sq km; land: 227,533 sq km; water: 11,000 sq km |
| Climate: | Tropical; warm and comparatively dry along southeast coast; hot and humid in southwest; hot and dry in north |
| Terrain: | Mostly low plains with dissected plateau in south-central area |
| Land Use: | Arable land: 20.66%; permanent crops: 11.87%; other: 67.48% (2012 est.) |
| Natural hazards: | Dry, dusty, northeastern harmattan winds occur from Jan. to Mar.; droughts |
| Environmental Issues: | Recurrent drought in north severely affects agricultural activities; deforestation; overgrazing; soil erosion; poaching and habitat destruction threatens wildlife populations; water pollution; inadequate supplies of potable water |

LABOR^{II}

| | |
|------------------------------|--|
| Labor Force (age 15+): | 12.53 million (2018) |
| Labor Force (by Occupation): | Agriculture: 44.7% Industry: 14.4% Services: 40.9% |
| Unemployment Rate: | 4.7% (2021) |
| Minimum Monthly Wages: | \$60 USD |
| Legal Working Hours: | 40 hours/week |

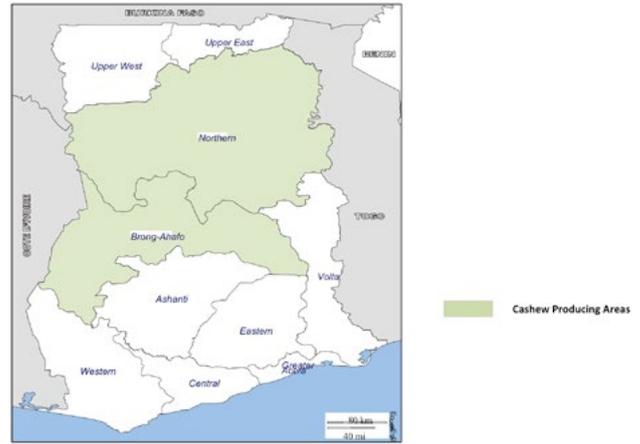
Cashew Sector Growth - 2021

| | |
|-------------------|---------------------------|
| 120,000 MT | RCN Production |
| 230,000 MT | RCN Exports |
| 26.7 % | RCN Production Growth |
| 10.53 % | % of Production Processed |

| PROCESSING ORGANISATION | LOCATION |
|-------------------------------------|----------|
| Nimdee Hyeren Foods Limited | Sampa |
| Kabile Co-operative Farmers Limited | Kabile |
| Mim Agro processing | Mim |
| Usibras Ghana Limited | Prampram |
| Winker Investments Limited | Afienya |

GHANA'S CASHEW SECTOR OVERVIEW

Ghana produces crop ranging 120-130,000 MT of raw cashew nuts and exports up to 220,000 MT of RCN. Production is concentrated in the Brong-Ahafo region. Due to continuous political stability and suitable business environment, Ghana has attracted many investments in the Cashew processing sector including both local and foreign. Due to strong competition for raw cashew nuts, and poor capitalization, most of the processors have folded up, and are looking for additional capital injection to take advantage of recent ease on the ban on land exports of RCN from Cote d'Ivoire.



SECTOR REGULATIONS & POLICY UPDATE

Ghana has Free Zones which are overseen by the Ghana Free Zones Board (GFZB), providing tax and duty reductions and exemptions for businesses that invest in Ghana. The Ghana Investment Promotion Council also offers additional incentives to businesses (see www.gfzb.com and www.gipc.org.gh). Domestic goods transportation costs to Tema port is about US\$ 0.0333, while sea exports freight to European and Asian destinations range from US\$ 850 to US\$1,500 range for a 20 feet container load. Following are new policy and regulatory updates:

This year the minimum price set for RCN purchase by the government was Ghc 5/Kg and this for a quality as low as 44 KOR.

TAX AND REGULATORY REGIME IN GHANA

- Corporate Tax to all companies is set at 25%
- Income from nontraditional exports attracts income tax of 8%, though no export tax is levied on cashew Kernels
- Tax holidays (from start of operation) for a period of 3 years
- Location incentives: Ghana has Free Zones, providing tax and duty reductions and exemptions for businesses that invest in Ghana.
- Beginning 2018, all RCN exporters are required to register with the Ghana Export Promotion Authority (GEPA) and the Plant Protection and Regulatory Services Directorate (PPRSD). The registration process involves payment of various fees.
- Signed on to the Consultative International Cashew Council (CICC)
- The government has passed a tree crop development Act in 2019 to set up an authority to regulate the cashew sector. They are other crop to be regulated under this Act un include shea, oil palm and rubber.

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Trade & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance and Economic Planning – To register the company for tax control.
- Ministry of Food and Agriculture – To obtain the phytosanitary certificate for export purpose.
- Registrar Generals Department – for legal registration of company.
- Ghana Export Promotion Agency (GEPA)
- Ghana Revenue Authority
- Environmental Protection Agency (EPA.)

Private/Non-Governmental Agencies:

- African Cashew Alliance.
- MOVE formerly Competitive Cashew (ComCashew).
- GIZ.
- USAID – WA.
- SECO.
- SNV.

NOTICE FOR THE EXPORTATION OF RAW CASHEW NUTS

NOTICE is hereby given to Exporters and the General Public that the Regulations as set out in the Ghana Investment Promotion Centre Act, 2013 (Act 856) and the Plants and Fertilizer Act, 2010 (Act 803), are to be strictly complied with for the exportation of Raw Cashew Nuts (RCN).

Consequently, any Entity/Individual seeking to export RCN, should comply with the following instructions as set forth below:

1. Register with the Registrar General's Department
2. Register with the Ghana Investment Promotion Centre (GIPC) (For Foreigners)
3. Register with the Ghana Export Promotion Authority (GEPA)
4. Register with the Plant Protection and Regulatory Services Directorate (PPRSD)

The above instructions take effect from the First Publication of this notice.

It is an offence to export Raw Cashew Nuts without adherence to these instructions.

Any raw cashew nuts that are brought to ports or borders of Ghana without the proper documentations shall be confiscated to the State.

The Public is hereby obliged to take note and comply with accordingly.

Thank you.



Guinea

COUNTRY OVERVIEW^I

Political Context: Guinea gained its independence in 1958, after the Guinean leader, Sekou Touré, organized a referendum on September 28 rejecting the proposed Franco-African community issued by General De Gaulle. Touré remained President for 26 years, until his death in 1984, at which point Colonel Lansana Conté became president following a bloodless coup. June 1995 saw the first multi-party elections since independence. Since December 2010, the chief of state is the President, Alpha Conde; the head of government. On 5 September 2021, Lieutenant Colonel Mamady Doumbouya seized control of state television and declared that President Alpha Conde's government had been dissolved and the nation's borders closed, an announcement that came after hours of gunfire erupted near the presidential palace. Since then, Colonel Mamady Doumbouya remains in charge of the country governance.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|---|
| Current Account Balance: | \$2.68 billion USD (2020) |
| Reserves: | -\$40 million USD (2020) |
| GDP: | \$15.85 billion (2021) |
| Currency: | Guinean Francs |
| Inflation: | 12.6% (2021) |
| Growth Rate: | 3.1% (2021) |
| Export Commodities: | Bauxite, alumina, gold, diamonds, coffee, fish, agricultural products |

ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 245,857 sq km; land: 245,717 sq km; water: 140 sq km |
| Climate: | Generally hot and humid; monsoonal-type rainy season (Jun. to Nov.) with southwesterly winds; dry season (Dec. to May) with northeasterly winds |
| Terrain: | Generally flat coastal plain, hilly to mountainous interior |
| Land Use: | Arable land: 12.21%; permanent crops: 2.85%; other: 84.94% (2012 est.) |
| Natural Hazards: | Hot, dry, dusty harmattan haze may reduce visibility during dry season |
| Environmental Issues: | Deforestation; inadequate potable water; desertification; soil contamination and erosion; overfishing, overpopulation in forest region; poor mining practices have led to environmental damage |

LABOR^{II}

| | |
|-------------------------------------|----------------------------|
| Labor Force (age 15+): | 4.5 million (2018) |
| Labor Force (by Occupation): | Agriculture: 76% |
| | Industry and Services: 24% |
| Unemployment Rate: | 6.3% (2021.) |
| Minimum Monthly Wages: | \$58.23 USD (2012 est.) |
| Legal Working Hours: | 35 hours/week |

GUINEA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

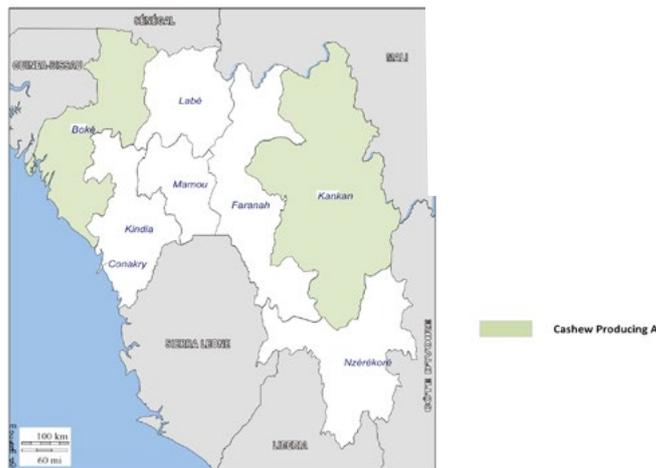
| | |
|------------------|---------------------------|
| 30,000 MT | RCN Production |
| 86,000 MT | RCN Exports |
| 0 % | RCN Production Growth |
| 1.4 % | % of Production Processed |

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|----------|
| Diaoune Agro Industrie | Kankan |

Historically, Guinea has been the main agricultural producer among the French colonies in West Africa. The sector has subsequently collapsed, making the country a net importer of food, despite many small landowners with its huge agricultural potential. The increase of foreign direct investment mainly to mining, have discouraged other foreign companies seeking to invest in agricultural projects in Guinea, such as the production of rice in the northern region of Boké. Total cashew production in Guinea is estimated at 30,000 MT, almost 70% of which is exported.

SECTOR REGULATIONS & POLICY UPDATE

The national cashew stakeholders' platform, the Guinean Cashew Alliance (l'Alliance Guinéenne de l'Anacarde - AGA) was launched in 2013 with government support. With a growing production and processing industry, cashew contributes to the incomes of 50,000-80,000 people in rural Guinea. A Private Investment Promotion Agency (APIP) was set up along with a one-stop shop for registering new companies (operational since December 2011). The technical process of starting a business in Guinea is simple. According to regulations of Guinea, the process is centralized at the Agency for the promotion of private investment (APIP), the office of central business registration. However, the largest investments have recently started directly via the Office of the President. The current military rulers are eager to attract foreign investment to change the fortune of the country and has made efforts to improve the process. Domestic goods transportation costs to Conakry port is about US\$ 321/MT depending on point of origin while sea exports freight to European and Asian destinations range from US\$ 800 to 1,600 range for a 20 feet container load.



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Industry, SMEs and Private Sector Promotion
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice and Seal keeper – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Export Promotion Council.
- Agency for the promotion of private investment (APIP)

Private/Non-Governmental Agencies:

- L'Alliance Guinéenne de l'Anacarde (AGA).
- ONG SAPE "Synergie d'Action pour la Protection de l'Environnement"
- USAID – GC.



Guinea-Bissau

COUNTRY OVERVIEW¹

Political Context: Guinea-Bissau achieved independence from Portugal in 1974. Joao Bernardo Vieira, who has been in power during most of the country's existence, first came to power in 1980 through a military coup, and was later elected in the country's first open elections in 1994. Vieira, was removed from power in 1999 during the country's civil war. In 2000, the country once again held open elections, and Kumba Yala was elected president. In 2003, a bloodless military coup brought Henrique Rosa to power. Vieira was once again elected in 2005, but was assassinated in March 2009. Malam Bacai Sanha was elected in an emergency election held in June 2009. A military coup in April 2012 prevented Guinea-Bissau's second-round presidential election - to determine SANHA's successor - from taking place. The Economic Community of Western African States, a civilian transitional government assumed power in 2012 and remained until Jose Mario VAZ won a free and fair election in 2014 and has successfully served a full five-year term. The current president is Umaro Sissoco Embaló, who was elected on 29 December 2019.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS¹

| | |
|---------------------------------|---|
| Current Account Balance: | -\$38 million USD (2020) |
| Reserves: | -\$48 million USD (2020) |
| GDP: | \$1.64 billion USD (2021) |
| Currency: | Franc CFA |
| Inflation: | 0.2% (2019) |
| Growth Rate: | 3.8% (2021) |
| Export Commodities: | Fish, shrimp, cashews, peanuts, palm kernels, sawn lumber |



ENVIRONMENT¹

| | |
|------------------------------|---|
| Total Area: | 36,125 sq km; land: 28,120 sq km; water: 8,005 sq km |
| Climate: | Tropical; generally hot and humid; monsoonal-type rainy season (Jun. to Nov.) with southwesterly winds; dry season (Dec. to May) with northeasterly harmattan winds |
| Terrain: | Mostly low-lying coastal plain with a deeply indented estuarine coastline rising to savanna in east; numerous off-shore islands including the Arquipelago Dos Bijagos consisting of 18 main islands and many small islets |
| Land Use: | Arable land: 10.67%; permanent crops: 8.89%; other: 80.44% (2012 est.) |
| Natural hazards: | Hot, dry, dusty harmattan haze may reduce visibility during dry season; brush fires |
| Environmental Issues: | Deforestation; soil erosion; overgrazing; overfishing |

LABOR¹¹

| | |
|-------------------------------------|----------------------------|
| Labor Force (age 15+): | 788,430 (2018) |
| Labor Force (by Occupation): | Agriculture: 82% |
| | Industry and Services: 18% |
| Unemployment Rate: | 6.09% (2017 est.) |
| Minimum Monthly Wages: | \$37.25 USD |
| Legal Working Hours: | 45 hours/week |



Cashew Sector Growth - 2021

| | |
|-------------------|---------------------------|
| 250,000 MT | RCN Production |
| 76,277 MT | RCN Exports |
| 6.6 % | RCN Production Growth |
| 1.76 % | % of Production Processed |

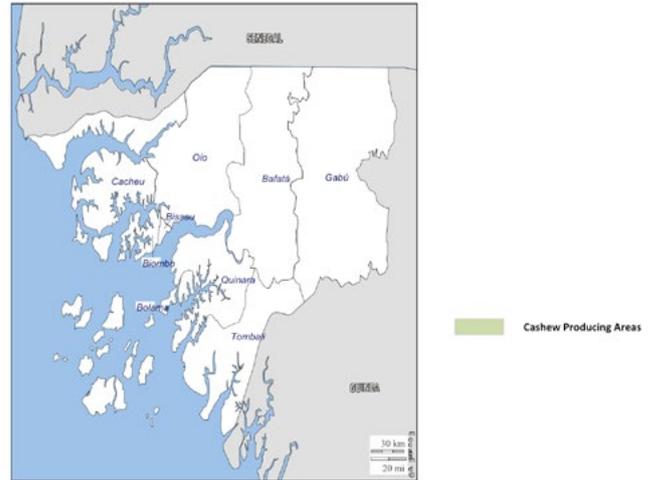
| PROCESSING ORGANISATION | LOCATION |
|-------------------------|---------------|
| Licaju LDA | Bissau |
| Arrey Africa SA | Bula - Bissau |
| Cucaju | Bissau |
| Quade & Quade | Bissau |
| Emicor Lda | Bissau |

GUINEA BISSAU'S CASHEW SECTOR OVERVIEW

Guinea-Bissau is the second-largest cashew producer in West Africa, and ranks fourth in the world among cashew-producing countries. The annual production is about 210,000 MT. The production zones are close to the processing locations, allowing for an abundance of cheap and locally-available labor.

SECTOR REGULATIONS & POLICY UPDATE

Guinean Cashew Sector is regulated via national stakeholder agency, National Cashew Stakeholder Agency (ANCA) while producers, traders and processors are represented by respective national associations. There are four commercial banks and one central bank which lend funds for trade and processing. During the first five years of a new investment, the investor is exempt from industrial taxes. Furthermore, facilities for agro-industrial equipment are exempt from import taxes and there is no tax on the export of cashew kernels. Domestic goods transportation costs to Bissau port range from CFA 20 to 50/kg depending on point of origin while sea exports freight European and Asian destinations range from US\$1,200 to US\$2,500 for a 20 feet container load. Following are policy and regulatory updates:



- Government appealed for a fair price to farmers, price increase from 500 CFA to Max 1.000 CFA/kg (1.2 USD) /kg in 2021 harvest season. The government sets up a minimum price of 500 CFA/Kg and the exports tax on RCN has been reduced from 20 CFA to 15 CFA/Kg
- New Exports regulation agency set the Ministry of Finance to monitor trade licenses.
- Obligation to deliver letters of credit, confirming bank transfers by SWIFT
- All cashew traders and exporter should be licensed
- Easy land facilitation – long term leasing for abandoned locations.
- 4 commercial banks & 1 central bank lend for trade & processing.
- Stable currency – generally.
- Initial 5 years for new investment free from industrial tax of 25%
- Import tax exemption facilities for agro–industrial equipment.
- 0% export tax on cashew kernel export.
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Entrepreneurship Promotion – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture, and Forest – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Investment promotion council Bissau – To obtain Investment code, information about requirements, facilities & benefits of investment in Bissau, and to submit an investment project.
- ANCA – To obtain operational advisory regarding licensing.
- CNC – National Cashew Commission – To have better access of cashew production & procurement information.

Private/Non-Governmental Agencies:

- African Cashew Alliance (ACA)
- ANCA – National Cashew Stakeholder Agency.
- ATCCAJU – National Cashew Processors Association.
- SNV– Providing assistance to cashew value chain – producers & processors small scale capacity buildings
- USDA/LIFFT Project



Kenya

COUNTRY OVERVIEW^I

Political Context: Kenya gained independence in 1963. Jomo Kenyatta served as President from 1963 until 1978, when he was succeeded by Daniel Arap Moi. From 1969 to 1982, the Kenya African National Union was the only legal political party in Kenya; responding to outside pressures, the country held its first open elections in 1992. President Moi was elected in 1992 and 1997, finally stepping down in 2002. Mwai Kibaki was elected in 2002 and was reelected in 2007. However, the opposition candidate, Raila Odinga, alleged that the elections had been rigged, and substantial violence followed. UN-led negotiations in February 2008 resulted in a power-sharing agreement between Kibaki and Odinga, who was subsequently installed as prime minister. Uhuru Kenyatta, son of founding president Jomo Kenyatta, assumed office in 2013 after the new constitution was put into place. Uhuru Kenyatta is re-elected president recently for another term of office.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's
Rating: B⁺



Fitch
Local Currency: B⁺
Foreign Currency: B⁺



ECONOMIC TRENDS^I

Current Account Balance: -\$4.8 billion USD (2020)
Reserves: -\$1.53 billion USD (2020)
GDP: \$110.35 billion USD (2021)
Currency: Kenyan Shilling
Inflation: 6.1% (2021)
Growth Rate: 7.5% (2021)
Export Commodities: Tea, horticultural products, coffee, petroleum products, fish, and cement

ENVIRONMENT^I

Total Area: 580,367 sq km; land: 569,140 sq km; water: 11,227 sq km
Climate: Varies from tropical along coast to arid in interior
Terrain: Low plains rise to central highlands bisected by Great Rift Valley; fertile plateau in west
Land Use: Arable land: 9.84%; permanent crops: 0.93%; other: 89.23% (2012 est.)
Natural Hazards: Recurring drought; flooding during rainy seasons
Environmental Issues: Water pollution from urban and industrial wastes; degradation of water quality from increased use of pesticides and fertilizers; water hyacinth infestation in Lake Victoria; deforestation; soil erosion; desertification; poaching

LABOR^{II}

Labor Force (age 15+): 20.52 million (2018)
Labor Force (by Occupation): Agriculture: 61.1%
 Industry and Services: 38.9%
Unemployment Rate: 5.7% (2021 est.)
Minimum Monthly Wages: \$53.03 USD
Legal Working Hours: 52 hours/week

KENYA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

| | |
|------------------|---------------------------|
| 10,000 MT | RCN Production |
| - | RCN Exports |
| 20 % | RCN Production Growth |
| 83.33 % | % of Production Processed |

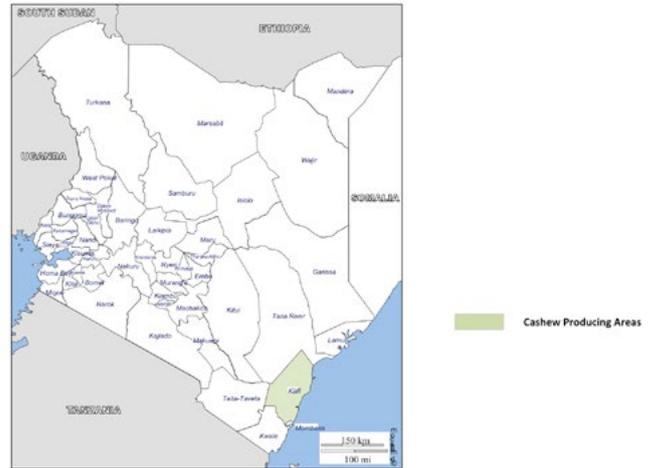
| PROCESSING ORGANISATION | LOCATION |
|-------------------------------|--------------------|
| Afrimac Nut Comapany Ltd | Maragua |
| Equatorial Nut Processors Ltd | Maragua, Murang'a, |
| Jungle Nuts - Macadamia | Thika |
| Kenya Nut Company Limited | nairobi |
| Wondernuts Ltd. | Mombasa |

Kenya has an installed processing capacity of 15,000 MT/year of raw cashew. After having reached the highest peak of 36,000 MT in 1978, production of cashew dropped sharply. Over the 25 years period, 1981 -2004, the output fluctuated around an annual average 6,000 MT, obliging processors to heavily rely on cashew imports from Tanzania to operate their plants. Cashew is largely grown in three Coast counties - Kilifi, Kwale and Lamu.

SECTOR REGULATIONS & POLICY UPDATE

Kenya has export processing zones managed by EPZA, the national authority to promote domestically value-added exports. NUTPAK is nationally recognized cashew and other nuts processors association active in sector. Domestic goods transportation costs to Nairobi port is in range of KSH 7 to 10/kg depending on point of origin while sea exports freight to European and Asian destinations is in range of US\$ 1,800 to 2,400 for a 20 feet container load. Following are policy and regulatory updates:

- RCN importation from neighboring countries is allowed; RCN export banned 15 years ago.
- Kenya offers the lowest RCN price in Africa.
- Kilifi County the main production region of cashew is promoting cashew production to overcome the lack of raw material in the country.
- The following incentives are granted to EPZ companies Tax benefits:-
 - 10 year corporate income tax holiday and a 25% tax rate for a further 10 years thereafter (except for EPZ commercial enterprises)
 - 10 year withholding tax holiday on dividends and other remittances to non-resident parties (except for EPZ commercial licence enterprises)
 - perpetual exemption from VAT and customs import duty on inputs – raw materials, machinery, office equipment, certain petroleum fuel for boilers and generators, building materials, other supplies. VAT exemption also applies on local purchases of goods and services supplied by companies in the Kenyan customs territory or domestic market. Motor vehicles which do not remain within the zone are not eligible for tax exemption.
 - Perpetual exemption from payment of stamp duty on legal instruments
 - 100% investment deduction on new investment in EPZ buildings and machinery, applicable over 20 years



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance and National Treasury– To register the company for tax control.
- Ministry of Agriculture, Livestock and Fisheries– To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Investment promotion council Kenya – To obtain Investment code, information about requirements, facilities & benefits of investment in Bissau, and to submit an investment project.
- NUTPAK – To obtain operational advisory regarding licensing.

Private/Non-Governmental Agencies:

- NUTPAK – Nut Processor’s Association of Kenya.
- Promethean Power Systems
- World Concern International
- ACORD International



Mali

COUNTRY OVERVIEW^I

Political Context: Rule by dictatorship was brought to a close in 1991 by a military coup that ushered in a period of democratic rule. President Alpha Konare won Mali's first two democratic presidential elections in 1992 and 1997. In 2002, he was succeeded by Amadou Toumani Toure, who was elected to a second term in 2007 - elections which were widely judged to be free and fair. Malian returnees from Libya in 2011 exacerbated tensions in northern Mali, and Tuareg ethnic militias started a rebellion in January 2012. Low- and mid-level soldiers, frustrated with the poor handling of the rebellion, overthrew Toure. Intensive mediation efforts led by the Economic Community of West African States (ECOWAS) returned power to a civilian administration in April 2012 with the appointment of interim President Dioncounda Traore. An international military intervention to retake the northern regions began in January 2013 and within a month; most of the north had been retaken. In a democratic presidential election conducted in July and August of 2013, Ibrahim Boubacar KEITA was elected president. The Malian Government and northern armed groups signed an internationally-mediated peace accord in June 2015.

CREDIT RATING (LONG TERM RATING)

Not available.

ECONOMIC TRENDS^I

| | |
|---------------------------------|---------------------------------|
| Current Account Balance: | -\$379 million USD (2020) |
| Reserves: | \$156 million USD (2020) |
| GDP: | \$19.14 billion USD (2021) |
| Currency: | Franc CFA |
| Inflation: | 3.9% (2021) |
| Growth Rate: | 3.1% (2021) |
| Export Commodities: | Cotton, gold, livestock, cashew |



ENVIRONMENT^I

| | |
|------------------------------|---|
| Total Area: | 1,240,192 sq km; land: 1,220,190 sq km; water: 20,002 sq km |
| Climate: | Subtropical to arid; hot and dry (Feb. to Jun.); rainy, humid, and mild (Jun. to Nov.); cool and dry (Nov. to Feb.) |
| Terrain: | Mostly flat to rolling northern plains covered by sand; savanna in south, rugged hills in northeast |
| Land Use: | Arable land: 5.62%; permanent crops: 0.12%; other: 94.25% (2012 est.) |
| Natural Hazards: | Hot, dust-laden harmattan haze common during dry seasons; recurring droughts; occasional Niger River flooding |
| Environmental Issues: | Deforestation; soil erosion; desertification; inadequate supplies of potable water; poaching |

LABOR^{II}

| | |
|-------------------------------------|----------------------------|
| Labor Force: (age 15+): | 7.2million (2018) |
| Labor Force (by Occupation): | Agriculture: 80% |
| | Industry and Services: 20% |
| Unemployment Rate: | 7.7% (2021) |
| Minimum Monthly Wages: | \$55.43 USD |
| Legal Working Hours: | 40 hours/week |

MALI'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

| | |
|------------------|---------------------------|
| 42,000 MT | RCN Production |
| 2,027 MT | RCN Exports |
| 10.5 % | RCN Production Growth |
| 4 % | % of Production Processed |

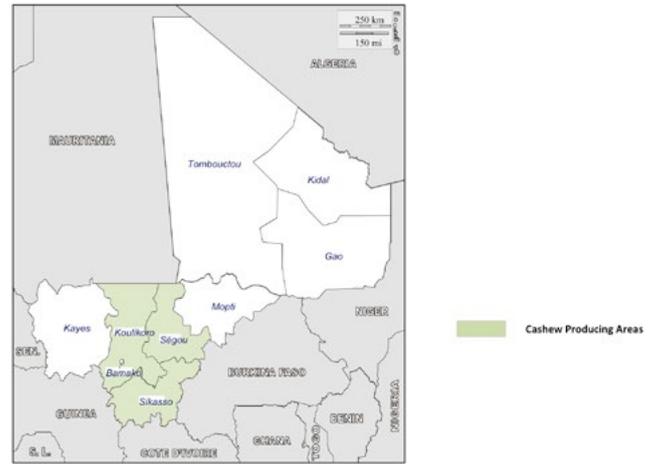
| PROCESSING ORGANISATION | LOCATION |
|---|------------------------|
| Malian Cashew Corporation SARL | Djatoula Senou, Bamako |
| Agro-plateforme | Bamako |
| GEMCI-SARL | Bamako |
| UTK (Unite de Transformation de Kolondieba) | Bamako |

The domestic cashew production was estimated at 35,000 to 40,000 MT in 2014 cashew harvest season with good quality (outturn 46 - 48 lbs. /80 kg bag). On the assumption of a normal rainfall pattern in 2015, in line with local sources, the raw cashew output should exceed last season's level, as a result of an increase of production in Sikasso and Bougouni areas neighboring Côte d'Ivoire and Guinea Conakry. The marketing season starts by end-February and ends by May each year. The National Agriculture Directorate coordinates with the Rural Economy Institute in developing new, high yielding cashew varieties adapted to local growing conditions. Meanwhile, several members of the Malian Cashew Exporters Association envisage acquired their own plantations in 2015. As a result, in 2016 Mali produced 80,000 MT of raw cashew nuts with continuous growth, majority of which are mostly exported to Asia via West African neighboring countries.

SECTOR REGULATIONS & POLICY UPDATE

The Government of Mali is supporting the organization of the cashew sector through the Committee of Initiative consisting of the cashew producers, processors and exporters. The Committee of Initiative is the only authority entitled to decide on sectorial policies to be adopted. The Malian Association of Cashew Exporters is acting to obtain governmental support for cashew export financing by local banks. Without the financial assistance of the banks, Malian cashew exporters can hardly face the international market competition and promote the “Mali” origin label. Trucking charges in Mali average 60 FCFA/ton/kilometer. In addition, truckers’ clients are responsible for paying road use tolls, which average 200 CFA per 100 km. Rail charges between Dakar and Bamako vary according to the type of cargo and packaging (container, bulk, or loose). The cost for goods in bulk pack is 30,000 FCFA/ton from Dakar to Bamako (up to 30 tons, then the rate drops slightly). Following are policy and regulatory updates:

- Quality issues affects cashew price in Mali; slight increase this year compare to other countries in Africa.
- However, Mali produces as much as Ghana and Burkina Faso.
- Government is yet to recognize Cashew nut as strategic export crop.
- Signed on to the Consultative International Cashew Council (CICC)



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy, Finance and Budget – To register the company for tax control.
- Ministry for the promotion of the Investment and private Sector
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice, Human Rights and keeper of the Seals – for legal registration of company.
- Ministry of Rural Development

Private/Non-Governmental Agencies:

- International Trade Centre (ITC)
- FAO
- IFAD
- CARE International
- WEP EU (PAFAM)
- FENACOPAM



Mozambique

COUNTRY OVERVIEW^I



Political Context: Mozambique achieved independence from Portugal in 1975. The country was ruled by the Marxist Front for the Liberation of Mozambique (FRELIMO), and in 1989 the party adopted a new constitution and held multi-party elections. In 1992, FRELIMO and rebel Mozambique National Resistance (RENAMO) forces signed a peace agreement to end fighting. Armando Guebuza, President from 2005-2015, continued to focus on economic policies that promote foreign direct investment. Economic growth has been very strong in the country since the end of the civil war.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Local Currency: B
Foreign Currency: SD



Fitch

Local Currency: CC
Foreign Currency: RD



ECONOMIC TRENDS^I

Current Account Balance: -\$3.62 billion USD (2020)
Reserves: -\$358 million USD (2020)
GDP: \$16.1 billion USD (2021)
Currency: Meticaís (MZN)
Inflation: 3.1% (2020 est.)
Growth Rate: 2.2% (2021)
Export Commodities: Aluminum, prawns, cashews, cotton, sugar, citrus, timber; bulk electricity



ENVIRONMENT^I

Total Area: 799,380 sq km; land: 786,380 sq km; water: 13,000 sq km
Climate: Tropical to subtropical
Terrain: Mostly coastal lowlands, uplands in center, high plateaus in northwest, mountains in west
Land Use: Arable land: 7.18%; permanent crops: 0.38%; other: 92.43% (2012 est.)
Natural Hazards: Severe droughts; devastating cyclones and floods in central and southern provinces
Environmental Issues: A long civil war and recurrent drought in the hinterlands have resulted in increased migration of the population to urban and coastal areas with adverse environmental consequences; desertification; pollution of surface and coastal waters; elephant poaching for ivory is a problem

LABOR^{II}

Labor Force (age 15+): 12.82 million (2019)
Labor Force (by Occupation): Agriculture: 81%
Industry: 6%
Services: 13%
Unemployment Rate: 4% (2021)
Minimum Monthly Wages: \$88.51 USD
Legal Working Hours: 50 hours/week



MOZAMBIQUE'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

122,000 MT RCN Production
17,980 MT RCN Exports
6.1 % RCN Production Growth
49.18 % % of Production Processed

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|------------------|
| Cabo Caju | Cabo Delgado |
| Caju Ilha, Lda | Nampula |
| Condor Caju | Nampula province |
| Condor Nuts | Nampula province |
| Korosho Mozambique Lda | Nampula province |

In 1970s, Mozambique produced over 200,000 T as annual cashew crop and processed over 90% of the production. Later the civil war caused big damage to the industry resulting in a drastic decline in production and processing. By early 2004, Techno Serve an North American NGO, supported the revamping of the sector along with INCAJU by supporting production and processing enhancement. Over 9 years of developed work with high dedication of private sector, both the industry and production has revived. Today the country produces around 130,000 MT of raw cashew nuts and processes most of it.

Production is concentrated in the northern part of the country.

SECTOR REGULATIONS & POLICY UPDATE

Investment legislation offers customs and fiscal benefits to eligible projects according to the value, geographical area and sector of activity, including exemptions on import duties on equipment of class “K” of the customs tariff schedule (the exemption is extensive to value added tax), as well as the reduction of 50% on the real property transfer tax (SISA) on acquisition of capital goods for industry, agro-industry, and hotels, provided they are acquired within three years of the investment authorization date. Trucking charges in Mozambique range from 25 to 35 MZ/kg while sea exports freight to European and Asian destinations range from US\$2,500 to US\$3,000 for a 20 feet container load. Following are policy and regulatory updates:

- Customs and fiscal benefits to eligible projects, namely Generic Benefits with its:
 - Exemptions on Import Duties on equipment of class “K” of the Customs Tariff Schedule (the exemption is extensive to Value Added Tax).
 - Reduction of 50% on the real property transfer tax (SISA) on acquisition of capital goods for Industry.
- Fiscal Credit per Investment (CFI) during 5 fiscal exercises:
- Tax Credits per provinces: Nampula, Manica, Maputo City and Maputo Province: 5%,
- Gaza, Sofala, Tete and Zambézia: 10%, Niassa, Cabo Delgado and Inhambane: 10%
- The minimal FOB price of 1,600 per MT.
- Authorization to RCN export is given around December.
- Export tax of 18% FOB price for companies supplying local processing or \$US 75 per ton extra applies.
- Bilateral cooperation reached with Vietnam to increase processing and production in Mozambique and expands trade relation with Vietnam.



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Industry and Commerce – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Export Promotion Council.
- INCAJU – National Cashew Regulatory Body

Private/Non-Governmental Agencies:

- AICAJU – National Cashew Processors Association
- African Cashew Alliance
- Technoserve – NGO
- CARE International
- World Vision



Nigeria

COUNTRY OVERVIEW^I

Political Context: Nigeria gained independence from Britain in 1960. The country adopted a new constitution in 1999 and transitioned to civilian government after almost two decades of military rule. Although both the 2003 and 2007 presidential elections were not without irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. The general elections of April 2007 marked the first civilian-to-civilian transfer of power in the country's history. The most recent elections, which were held in March 2015, were considered quite successful due to the peaceful handover of power from the incumbent party to the opposition, led by Mr. Buhari who eventually was elected president.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Local Currency: B
Foreign Currency: B/Stable



Moody's

Local Currency: Caa2/Stable
Foreign Currency: Caa2



Fitch

Local Currency: B+
Foreign Currency: B+



ECONOMIC TRENDS^I

Current Account Balance: -\$16.98 billion USD (2020)
Reserves: -\$5.05 billion USD (2020)
GDP: \$440.78 billion USD (2021)
Currency: Naira (NGN)
Inflation: 17% (2021)
Growth Rate: 3.6% (2021)
Export Commodities: Petroleum and petroleum products (95%), cocoa, rubber, cashew



ENVIRONMENT^I

Total Area: 923,768 sq km; land: 910,768 sq km; water: 13,000 sq km
Climate: Varies; equatorial in south, tropical in center, arid in north
Terrain: Southern lowlands merge into central hills and plateaus; mountains in southeast, plains in north
Land Use: Arable land: 38.43%; permanent crops: 7.36%; other: 54.21% (2012 est.)
Natural Hazards: Periodic droughts; flooding
Environmental Issues: Current issues: soil degradation; rapid deforestation; urban air and water pollution; desertification; oil pollution - water, air, and soil; has suffered serious damage from oil spills; loss of arable land; rapid urbanization

LABOR^{II}

Labor Force (age 15+): 60.7 million (2018)
Labor Force (by Occupation): Agriculture: 70%
Industry: 10%
Services: 20%
Unemployment Rate: 9.8% (2021 est.)
Minimum Monthly Wages: \$123 USD legal
Legal Working Hours: 40 hours/week

NIGERIA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

240,000 MT RCN Production
188,344 MT RCN Exports
6.7 % RCN Production Growth
3.13 % % of Production Processed

| PROCESSING ORGANISATION | LOCATION |
|--|-------------------|
| Abod Success Investment Ltd. | Ogijo, Ogun state |
| Olam Nigeria | Lagos |
| Esteema Diamonds Global Investments Ltd. | Lagos |
| FoodPro Ltd | Kwara |
| Valency International | Lagos |

Producing on average 220,000MT of raw cashew nuts per year, Nigeria is Africa's fifth-largest cashew producer after Côte d'Ivoire, Guinea-Bissau, Benin and Tanzania.

SECTOR REGULATIONS & POLICY UPDATE

Nigeria offers Free Zones, which provide tax and duty reductions and exemptions to businesses that invest in the country. The Nigerian Investment Promotion Council has been set up by the government to help investors. It offers a number of incentives, including tax relief for projects that involve significant job creation. Such incentives include five years tax holiday if granted pioneer status, import tax exemptions for agro-industrial equipment, export tax exemption on cashew kernel, and 30% repatriation of export proceeds of processed products ((www.nipc.gov.ng). Trucking charges in Nigeria range from 170-200 Naira/kg while sea exports freight to European and Asian destinations range from US\$ 2,200-3,500 for a 20 feet container load. Following are policy and regulatory updates:



- Nigeria targets 840,000 MT of the RCN production by 2024.
- High yielding seeds are given to farmers for free.
- The Federal Ministry of Food and Rural Development launched the Cashew Expansion Program.
- Nigeria lifts Ban on Export Expansion Grant to boost non-oil exports
- Cashew nut already been recognized as strategic nontraditional export commodity in 2016.
- Five years tax holiday if granted pioneer status, i.e. located in a rural area.
- Import tax exemption facilities for agro–industrial equipment.
- 0% export tax on cashew kernel export.
- Easy Land facilitation – long term leasing for abandoned locations.

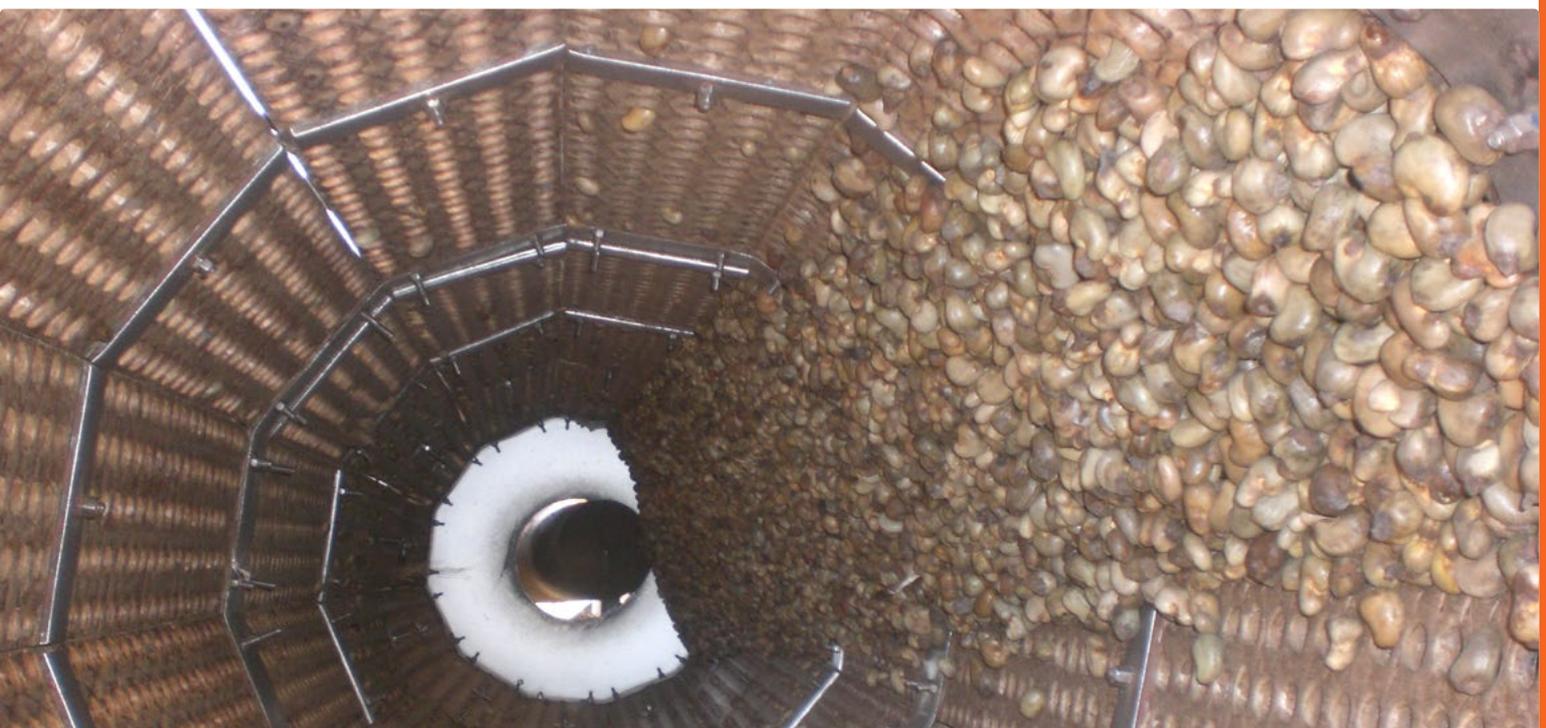
IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Industry, Trade and Investment – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture and Rural development– To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice Attorney General– for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- NIPC – Nigerian Investment promotion council – To obtain Investment code, information about requirements, facilities & benefits of investment in Nigeria, and to submit your project of your investment.
- CAC– Cooperate Affairs Commission – To insure the follow up with Nigerian cooperate sector laws.
- IITA – For Agricultural research information.
- NEPC-Nigeria Export Promotion council

Private/Non-Governmental Agencies:

- NCAN – National Cashew Association of Nigeria
- NCPAN – National Cashew Processors Association of Nigeria
- African Cashew Alliance
- MOVE formerly Comcashew
- TechnoServe



Senegal

COUNTRY OVERVIEW^I

Political Context: The French colonies of Senegal and French Sudan were merged in 1959 and granted independence in 1960 as the Mali Federation. Senegal joined with The Gambia to form the nominal confederation of Senegambia in 1982. The envisaged integration of the two countries was never implemented, and the union was dissolved in 1989. Several peace deals have failed to resolve the conflict of Casamance region, but an unofficial cease-fire has remained largely in effect since 2012. Senegal remains one of the most stable democracies in Africa. Senegal was ruled by a Socialist Party for 40 years until Abdoulaye WADE was elected president in 2000. He was reelected in 2007 and, during his two terms, amended Senegal's constitution over a dozen times to increase executive power and weaken the opposition. His decision to run for a third presidential term sparked a large public backlash that led to his defeat in a March 2012 runoff by Macky SALL, whose term runs until now after being reelected for his second term.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Rating: B⁺



Moody's

Local Currency: Ba3

Foreign Currency: Ba3/Stable



ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -\$2.22 billion USD (2018) |
| Reserves: | \$691 Million USD (2018) |
| GDP: | \$27.63 billion USD (2021 est.) |
| Currency: | Franc CFA |
| Inflation: | 2.5% (2021) |
| Growth Rate: | 6.1% (2021) |
| Export Commodities: | Fish, groundnuts (peanuts), petroleum products, phosphates, cotton |

ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 196,722 sq km; land: 192,530 sq km; water: 4,192 sq km |
| Climate: | Tropical; hot, humid; rainy season (May to Nov.) has strong southeast winds; dry season (Dec. to Apr.) dominated by hot, dry, harmattan wind |
| Terrain: | Generally low, rolling, plains rising to foothills in southeast |
| Land Use: | Arable land: 17.4%; permanent crops: 0.34%; other: 82.26% (2012 est.) |
| Natural Hazards: | L owlands seasonally flooded; periodic droughts |
| Environmental Issues: | Wildlife populations threatened by poaching; deforestation; overgrazing; soil erosion; desertification; overfishing |

LABOR^{II}

| | |
|-------------------------------------|------------------------------|
| Labor Force (age 15+): | 4.2 million (2018) |
| Labor Force (by Occupation): | Agriculture: 77.5% |
| | Industry and Services: 22.5% |
| Unemployment Rate: | 3.7% (2021.) |
| Minimum Monthly Wages: | \$57.29 USD |
| Legal Working Hours: | 40 hours/week |



SENEGAL'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

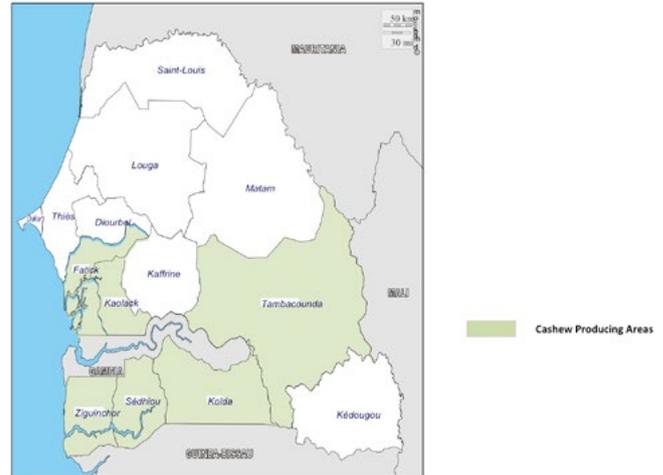
| | |
|------------------|---------------------------|
| 40,000 MT | RCN Production |
| 23,534 MT | RCN Exports |
| 11.1 % | RCN Production Growth |
| 1.67 % | % of Production Processed |

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|------------|
| SCPL Sarl | Ziguinchor |
| Cajou Casamance | Casamance |
| Gie Balanta Kunta | Sedhiou |
| Ethicajou | Kolda |
| Gie Fass Diom | Thies |

Senegal produced 35,000 MT of raw cashew nut. Production is concentrated in the zones indicated on the map below. Senegal's economy remains dominated by service industries, which account for 60% to the GDP. The primary and secondary activities each contribute to 20%.

SECTOR REGULATIONS & POLICY UPDATE

Senegal is the first country to have been rated B+ / Stable / B in West Africa by the prestigious international rating agency Standard & Poor's International, for three consecutive years. The CFA franc is pegged to the Euro at a rate of 1 € = 655,957 FCFA (100 FCFA = 1 FF). Senegal shares a common currency with the eight UEMOA countries. A Central Bank (BCEAO), is responsible for monetary policy formulation and reforms. Senegal has Free Zones which provide many tax and duty reductions and exemptions to export-oriented businesses that invest in Senegal (www.investinsenegal.com). Trucking charges in Senegal average 300-350 CFA/kg while sea exports freight to European and Asian destinations is in the range of US\$ 2,500 for a 20 feet container load. Following are policy and regulatory updates:



- Establishing a system of tax credits for investments in an amount equal to 40% of capital investments over a period of five years and capped for each fiscal year, 50% of taxable income for new businesses and 25% for extensions.
- Demarcation between the investment phase and the operational, allowing the investor to enjoy fully the benefits of holding for the duration of (05) years and the administration to collect any information regarding the achievement of the agreed program and start-up activities.
- Compliance with the Code of the Environment.
- The abolition of minimum capital payable. In fact, tax cuts have been initiated through the reform of the patent, reducing the rate of corporation tax (from 35% to 33%) and extending the system of accelerated depreciation.
- Senegal registered the second highest price at farm gate this season.
- Farmers in the SEGABI region are producing the high quality nuts (min KOR 52 at the beginning of the year).
- Private and public sector are setting up the Value Chain National Association to develop the cashew development framework in consultation with Technical partners.
- Senegal advocates against Indian regulation to reject RCN without Methyl Bromid chemical.
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce the Informal Sector, Consumption, promotion of Local products and SMEs – To get the Import & export commercial license for the company commercial activities and to secure the industry license.
- Ministry of Economy, Finance and Planning, Budget office – To register the company for tax control.
- Ministry of Agriculture and Rural Equipment – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- APIX – To obtain Investment code, information about requirements, facilities and benefits of investment in Senegal, and to submit your project of your investment

Private/Non-Governmental Agencies:

- Oxfam International
- African Cashew Alliance (ACA)
- USDA/LIFFT Project
- PADEC – Canadian Government joint project with Senegalese Government



Tanzania

COUNTRY OVERVIEW^I

Political Context: Shortly after achieving independence from Britain in the early 1960s, Tanganyika and Zanzibar merged to form the United Republic of Tanzania in 1964. One-party rule ended in 1995, with the first democratic elections held in the country since the 1970s. The formation of a government of national unity between Zanzibar's two leading parties succeeded in minimizing electoral tension in 2010. John Magufuli was voted into power in 2015 and has been undertaking initiatives to propel the Tanzanian economy. Samia Suluhu Hassan, sworn in on 19 March 2021, is the first female president of the United Republic of Tanzania. She succeeded John Magufuli following his death on 17 March 2021.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|-----------------------------------|
| Current Account Balance: | -\$1.12 billion USD (2020) |
| Reserves: | -\$756 million USD (2020) |
| GDP: | \$67.78 billion USD (2021.) |
| Currency: | Tanzanian Shilling (TSH) |
| Inflation: | 3.3% (2020) |
| Growth Rate: | 4.3% (2021) |
| Export Commodities: | Gold, coffee, cashew nuts, cotton |



ENVIRONMENT^I

| | |
|------------------------------|---|
| Total Area: | 947,300 sq km; land: 885,800 sq km; water: 61,500 sq km |
| Climate: | Varies from tropical along coast to temperate in highlands |
| Terrain: | Plains along coast; central plateau; highlands in north, south |
| Land Use: | Arable land: 16.37%; permanent crops: 2.43%; other: 81.2% (2012 est.) |
| Natural Hazards: | Flooding on the central plateau during the rainy season; drought |
| Environmental issues: | Soil degradation; deforestation; desertification; destruction of coral reefs threatens marine habitats; recent droughts affected marginal agriculture; wildlife threatened by illegal hunting and trade, especially for ivory |

LABOR^{II}

| | |
|-------------------------------------|--|
| Labor Force (age 15+): | 26.3 million (2017 est.) |
| Labor Force (by Occupation): | Agriculture: 66.9% |
| | Industry and Services: 30.1% (2004 est.) |
| Unemployment Rate: | 2.6% (2021) |
| Minimum Monthly Wages: | \$25.25 USD |
| Legal Working Hours: | 45 hours/week |

TANZANIA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

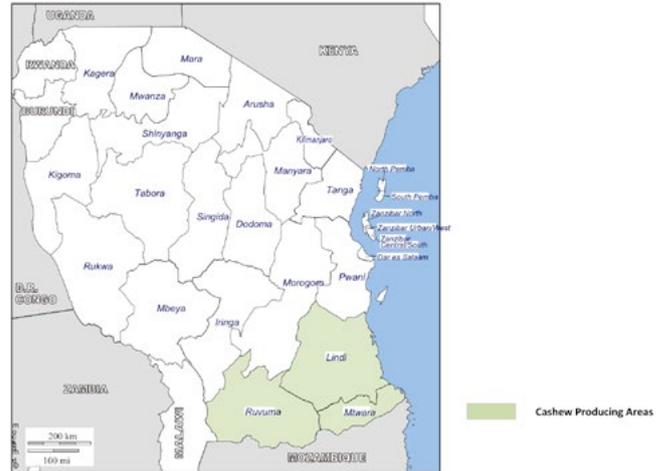
| | |
|-------------------|---------------------------|
| 240,000 MT | RCN Production |
| 220,749 MT | RCN Exports |
| -4.4 % | RCN Production Growth |
| 4 % | % of Production Processed |

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|------------|
| YYTZ Agro-Processing | zanzibar |
| JABARI Limited | Tandahimba |
| Sabayi Agro Processing | Mkuranga |
| Akros Limited | Mtwara |

Tanzania produces around 230,000 MT of raw cashew nuts per year. The Cashew Board of Tanzania (CBT) has recently committed to revive the Tanzanian cashew processing industry in order to bolster the domestic sector, making the time ripe for investment. Cashew procurement is heavily regulated by government with practice of Warehouse Receipt System) where raw nuts are collected from farmers and sold via international auction system. Tanzania has significantly active domestic cashew processing industry.

SECTOR REGULATIONS & POLICY UPDATE

Tanzania offers a well-balanced package of incentives for investors, including favorable investment allowances and 100% tax deductions on industrial buildings, plant & machinery, and agricultural expenditures; deferment of VAT payment on project capital assets; import duty drawback on raw materials; zero-rated VAT on manufactured exports; straight-line accelerated depreciation allowance on capital goods; five-year carry-over on all business losses against future profits; a reasonable corporate tax rate (30%) and low withholding tax rates on dividends (10%) and on loan interest (0%); the right to transfer outside the country of foreign exchange earned, profits, and capital; automatic permit to employ five foreign nationals on a project holding a certificate of incentives; reduced import tariffs on project capital terms; and investment guarantees and settlement of disputes. Trucking charges in Tanzania average 100 US\$/MT while sea exports freight to European and Asian destinations is in the range of US\$ 2,000-2,800 for a 20 feet container load. Following are policy and regulatory updates:



- The recognition of private property and protection against any non-commercial risks. Tanzania is an active member of MIGA (Multilateral Investment Guarantees Agency), and also a member of The International Centre for Settlement of Investment Disputes (ICSID) so investors have unrestricted rights to International arbitration in case of dispute with government.
- Reduced import tariff on project capital items (5% import duty for investments in priority sectors and 0% for investment in Lead Sectors).
- Favorable investment allowances and deductions i.e. capital allowance (100%) on industrial buildings, plant and machinery and on agricultural expenditure.
- Deferment of VAT payment on project capital goods as defined in the tariff book and its relevant annexes deferred VAT to be shown on monthly return after which it will be extinguished unless it is discovered otherwise after audit.
- Imports Duty drawback on raw materials.
- Zero-rated VAT on mining inputs, Agriculture inputs, goods manufactured for exports, foodstuff and tourism.
- Straight line accelerated depreciation allowance on capital goods.
- Up to five years carryover of all business losses against future profits.
- A reasonable corporate tax rate of 30% and low withholding tax on loan interest payments.
- The unrestricted right to transfer outside the country 100% of foreign exchange earned profits and capital.
- The ease of obtaining other permits such as Residence/Work Permits, industrial license, trading license etc. through one-stop-shop operation of TIC.
- Automatic permits for employing an initial quota of 5 foreign nationals on the project holding Certificates of Incentives.
- CBT played a key role to increase production through GAP and HPH technics to reach 72% growth.
- Government plan to reach up to 600,000 MT of domestic cashew production in the next 5 years.
- RCN export tax: 160 USD/MT - 15% of FOB price in addition for no proof of delivery to processors.

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Industry, trade and Investment – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance and Planning – To register the company for tax control.
- Ministry of Agriculture, Livestock and Fisheries – To obtain the phytosanitary certificate for export purpose.
- Ministry of Constitutional Affairs and Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- The Cashew nut Board of Tanzania (CBT) – For export licensing.
- Tanzania Chamber of Commerce Industry and Agriculture
- Tanzania Investment Centre (TIC) – One stop solution for new investor for licensing and authorizations.
- Naliendele Agriculture Research Institute – For planting research information.
- Cooperatives Union: TANECU and MAMCU/ILULU/ CORECU/DARECU/ and TAMCU.
- AMCOS– Agricultural Marketing Co–Operative Societies.

Private/Non-Governmental Agencies:

- African Cashew Alliance (ACA)
- Oxfam International
- Tanzania Association of Cashew Processors (TACP)



Togo

COUNTRY OVERVIEW^I

Political Context: Togo gained independence in 1960 and was ruled by General Gnassingbe Eyadema for most of its existence. Gen. Eyadema came to power in 1967 as a military ruler and remained in power, even though elections which were instituted in the 1990s. Eyadema's son, Faure Gnassingbe, was given power first through military installation and then through elections after Eyadema's death in 2005. In 2007, Togo held its first round of free and fair legislative elections after years of difficulties, and another round of elections were held in April 2015.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -\$20.7 million USD (2020) |
| Reserves: | \$74.8 million USD (2020) |
| GDP: | \$8.41 billion USD (2021) |
| Currency: | Franc CFA |
| Inflation: | 1.8% (2021) |
| Growth Rate: | 5.3% (2021) |
| Export Commodities: | Reexports, cotton, phosphates, coffee, cocoa |



ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 56,785 sq km; land: 54,385 sq km; water: 2,400 sq km |
| Climate: | Tropical; hot, humid in south; semiarid in north |
| Terrain: | Gently rolling savanna in north; central hills; southern plateau; low coastal plain with extensive lagoons and marshes |
| Land Use: | Arable land: 48.72%; permanent crops: 3.68%; other: 47.6% (2012 est.) |
| Natural Hazards: | Hot, dry harmattan wind can reduce visibility in north during winter; periodic droughts |
| Environmental issues: | Deforestation attributable to slash-and-burn agriculture and the use of wood for fuel; water pollution presents health hazards and hinders the fishing industry; air pollution increasing in urban areas |

LABOR^{II}

| | |
|-------------------------------------|--------------------|
| Labor Force (age 15+): | 3.6 million (2018) |
| Labor Force (by Occupation): | Agriculture: 65% |
| | Industry: 5% |
| | Services: 30% |
| Unemployment Rate: | 4% (2021) |
| Minimum Monthly Wages: | \$63 USD |
| Legal Working Hours: | 40 hours/week |

TOGO'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

| | |
|------------------|---------------------------|
| 20,000 MT | RCN Production |
| 23,415 MT | RCN Exports |
| - % | RCN Production Growth |
| 13.33 % | % of Production Processed |

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|--------------------|
| Cajou Espoir | Tchamba and Blitta |
| Cajou du Centre | Sokodé |

Togo produces approximately 24,000 MT of raw cashew nut and the cashew sector is now evolving with the existence of only a national association of cashew growers (ANCPA). The Inteprofession is now set up and made up of five associations (COPAT, Nursery Operators, FNCPA (Producers), AAAT (Buyers), ATTA (Processors), CEFA (exporters)). The main objective of the interprofession is to coordinate activities of members and industries relations with government. The interprofession is supported by technical and financial partners and international actors such as ACA.

- The area cashew is growing are the following:
 1. Plateau
 2. Central
 3. Kara
 4. Savane
- The price set by government is 15 CFA/Kg with a good quality of KOR 52



SECTOR REGULATIONS & POLICY UPDATE

Togo has Free Zones, providing tax and duty reductions and exemptions to businesses that invest in the country. Incentives include import tax exemption on facilities for agro-industrial equipment and tax exemption on cashew kernel export.

Check on www.zonefranchetogo.tg for more information on Togo free zone incentives. Trucking charges in Togo average 180-200 CFA/kg while sea exports freight to European and Asian destinations are in the range of US\$ 2,000-4,500 for a 20 feet container load. Following are new policy and regulatory updates:

- Import tax exemption facilities for agro-industrial equipment.
- 0% Export tax on cashew kernel export.
- Signed on to the Consultative International Cashew Council (CICC)

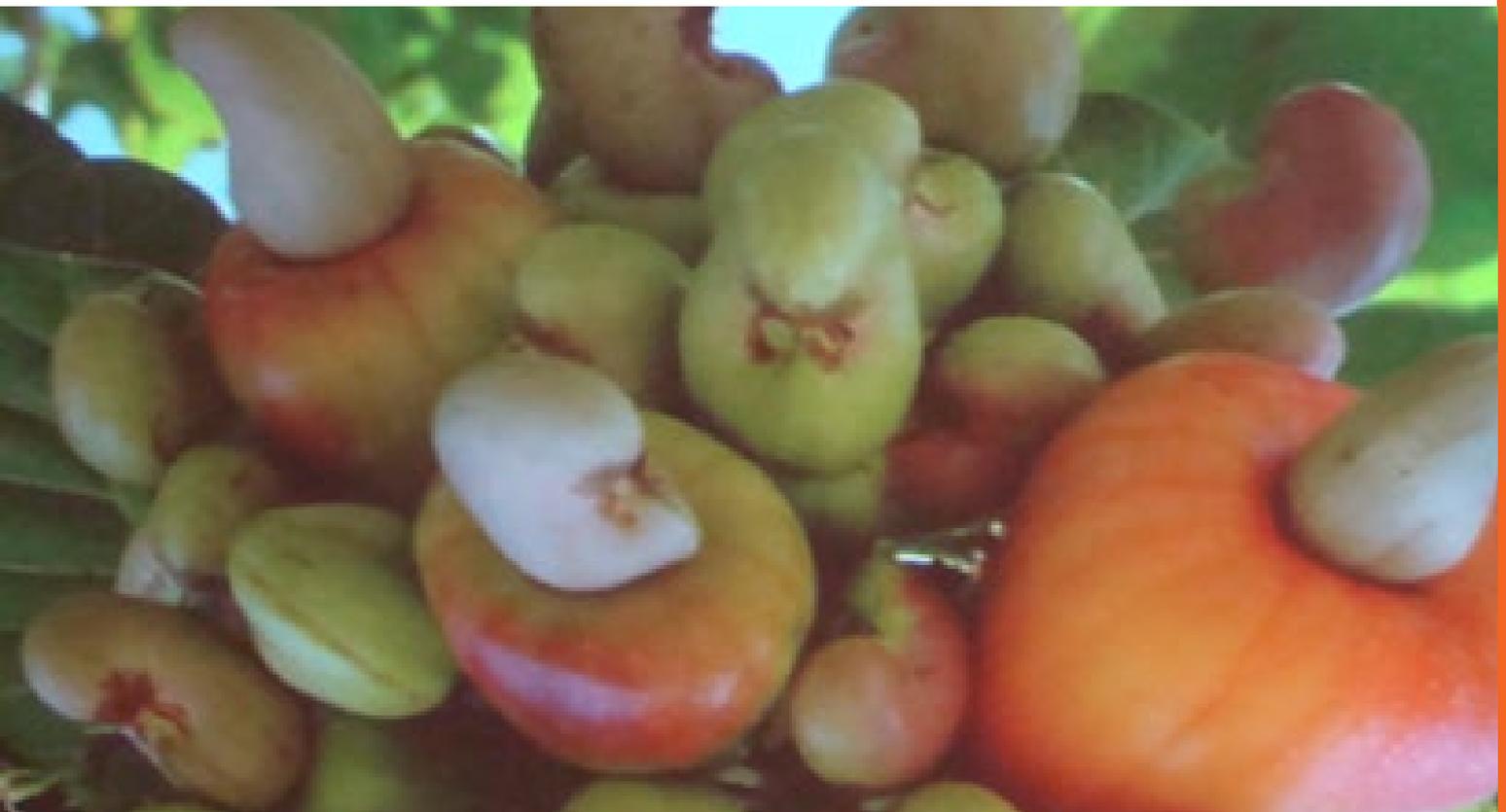
IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Trade, Industry, Private Sector Development and Tourism – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture Livestock and Water – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice and Human Rights for legal registration of company.
- Investment promotion council Lome – To obtain Investment code, information about requirements, facilities & benefits of investment in Lome, and to submit the project of new investment by investor.

Private/Non-Governmental Agencies:

- EBID – Regional Investment Bank
- GAFSP – NGO assisting small scale food producers



Sierra Leone

COUNTRY OVERVIEW^I

Political Context: On 27 April 1961, Sir Milton Margai led Sierra Leone to independence from Great Britain and became the country's first Prime Minister. In May 1962, Sierra Leone held its first general election as an independent nation. The Sierra Leone People's Party (SLPP) won a plurality of seats in parliament, and Milton Margai was re-elected as prime minister. In October 1990, owing to mounting pressure from both within and outside the country for political and economic reforms, president Momoh set up a constitutional review commission to assess the 1978 one-party constitution. Based on the commission's recommendations, a constitution re-establishing a multi-party system was approved by the exclusive APC Parliament by a 60% majority vote, becoming effective on 1 October 1991. In August 2007, Sierra Leone held presidential and parliamentary elections. However, no presidential candidate won the 50% plus one vote majority stipulated in the constitution on the first round of voting. A runoff election was held in September 2007, and Ernest Bai Koroma, the candidate of the main opposition APC, was elected president. Koroma was re-elected president for a second (and final) term in November 2012. In 2018, Sierra Leone held a general election. The presidential election, in which neither candidate reached the required threshold of 55%, went to a second round of voting, in which Julius Maada Bio was elected with 51% of the vote

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -US\$ 275.637 Million (2020) |
| Reserves: | US\$28.402 Million (2020) |
| GDP: | US\$ 4.2 billion (2021) |
| Currency: | Leone (SLL) |
| Inflation: | 11.9% (2021) |
| Growth Rate: | 3.1% (2021) |
| Export Commodities: | diamonds, titanium ore, bauxite, iron ore, gold, chromite, rice, coffee, cocoa, palm kernels, palm oil |



ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | Total land area 71,740 Sq km, land area 71,740 Sq km, Water 120 sq km |
| Climate: | The tropical climate has rainy and dry seasons, high temperatures, and almost constant humidity |
| Terrain: | Coastal belt of mangrove swamps, wooded hill country, upland plateau, mountains in east |
| Land Use: | Arable land: 15.3%; permanent crops: 1.9%; other: 82.8% (2021 est.) |
| Natural Hazards: | Dry, sand-laden harmattan winds blow from the Sahara (December to February); sandstorms, dust storms |
| Environmental issues: | Rapid population growth pressuring the environment; overharvesting of timber, expansion of cattle grazing, and slash-and-burn agriculture have resulted in deforestation and soil exhaustion; civil war depleting natural resources; overfishing |

LABOR^{II}

| | |
|-------------------------------------|------------------|
| Labor Force (age 15+): | 53.9% |
| Labor Force (by Occupation): | Agriculture: 46% |
| | Industry: 10.5% |
| | Services: 43% |
| Unemployment Rate: | 5.3% (2021) |
| Minimum Monthly Wages: | US\$ 55.5 |
| Legal Working Hours: | 42.3 hours/week |

SIERRA LEONE'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2021

| | |
|-----------------|---------------------------|
| 4,300 MT | RCN Production |
| MT | RCN Exports |
| - % | RCN Production Growth |
| <5 % | % of Production Processed |

| PROCESSING ORGANISATION | LOCATION |
|-------------------------|-----------------|
| Kamcashew | Kambia District |

SECTOR REGULATIONS & POLICY UPDATE

Cashew has been identified as a non-traditional tree crop and the present policy is in line with the National Sustainable Agricultural Development Plan (NSADP) and reflects the will of Ministry of Agriculture and Forestry (MAF) to promote and support the emerging cashew sector in Sierra Leone. The following policy guidelines shall serve as framework for the Ministry, its affiliated public agencies and other Ministries concerned by the value chain to design policy action plan and implement favorable activities for the sector. The overall vision of this policy is to develop a sustainable and competitive cashew sector in Sierra Leone by 2030, covering all suitable production areas and exploiting the full potential of this tree crop, by providing income and employment in rural areas, addressing food security issues, and contributing to a climate-smart diversification of the agricultural sector. In this regard, the Ministry of Agriculture and Forestry will include cashew as one of its priority crops and will therefore:



- Adopt a value chain approach and ensure inter-ministerial exchange
- Encourage nationwide a sustainable and competitive cashew production
- Support cashew related agricultural research
- Encourage local processing and value addition
- Provide market information
- Promote cashew trade and export
- Contribute to a strong and sustainable sector organization
- Exchange and learn with other cashew producing countries
- Promote local consumption of cashew nuts and apples
- Collaborate with technical and financial partners
- Advocate for a gender-sensitive cashew sector

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Agriculture and Forestry (MAF)
- Ministry of Trade and Industry (MTI)
- Sierra Leone Investment and Export Promotion Agency (SLIEPA)
- Produce Monitoring Board (PMB)
- Sierra Leone Agricultural Research Institute (SLARI)
- Sierra Leone Chamber of Agriculture (SLCAD)
- Sierra Leone Chamber of Commerce Industry and Agriculture
- Chiefdom Authorities

Private/Non-Governmental Agencies:

- Cooperazione Internazionale (COOPI)
- GIZ / ComCashew



EDITORS

Reine Dehode, rdehode@africancashewalliance.com

Fadel Karimou, fkarimou@africancashewalliance.com

REFERENCES

ⁱ CIA World Factbook

ⁱⁱ International Labour Organization

ⁱⁱⁱ World Bank Development Indicators

^{iv} IMF Regional Economic Outlook 2022

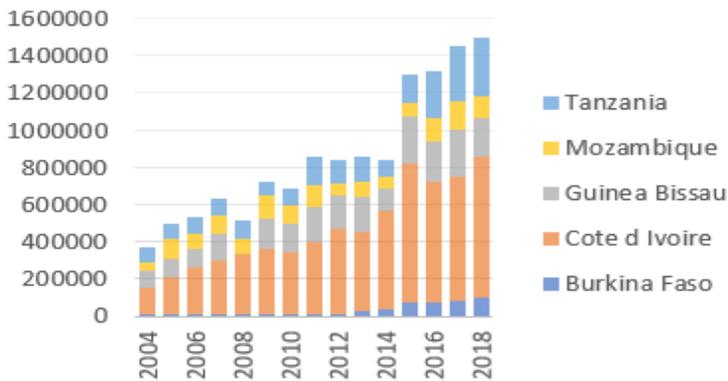
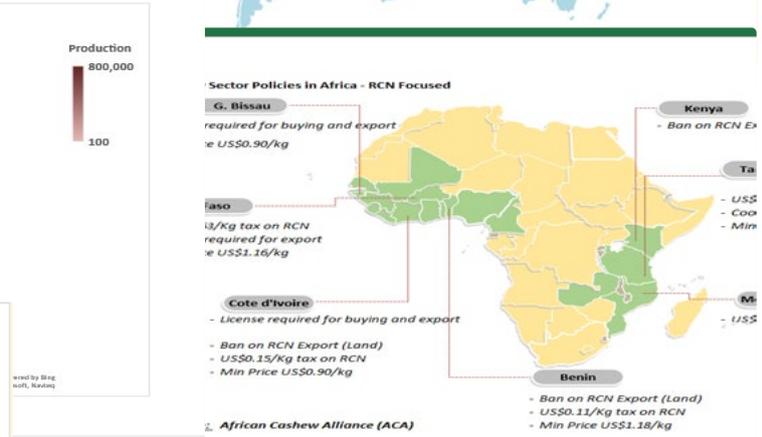
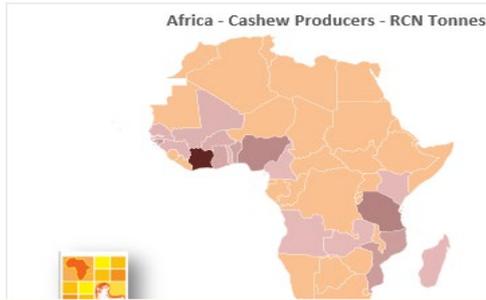
^v <https://www.countryreports.org/>

Cashew Barometer

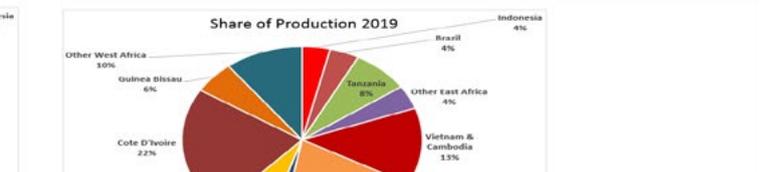
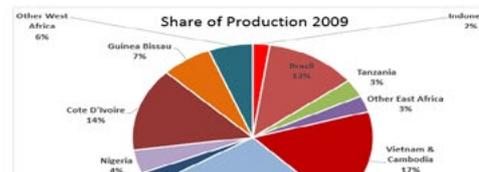
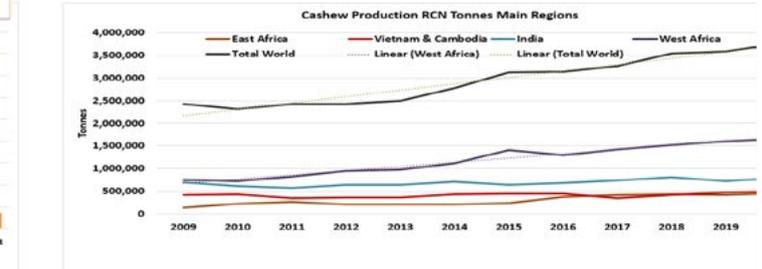
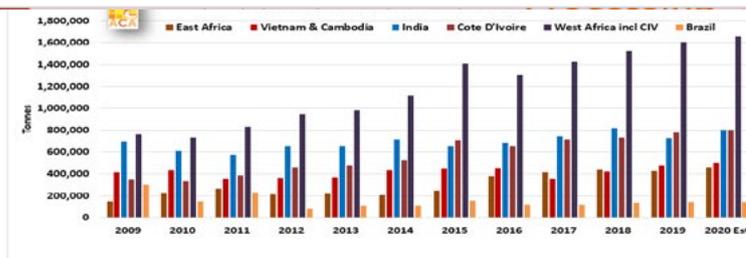


More than 10 years Global & Country-level Cashew Data and Analysis

| Country | Production (RCN Tonnes) |
|---------------|-------------------------|
| Kenya | 5,000 |
| Madagascar | 7,000 |
| Mozambique | 150,000 |
| Tanzania | 300,000 |
| Zambia | 700 |
| Cameroon | 100 |
| Nigeria | 260,000 |
| Benin | 120,000 |
| Togo | 10,000 |
| Ghana | 100,000 |
| Cote D'Ivoire | 800,000 |
| Burkina Faso | 60,000 |
| Mali | 40,000 |
| Guinea Bissau | 200,000 |
| Senegal | 30,000 |
| Gambia | 7,000 |
| Guinea | 25,000 |
| Angola | 400 |



| Region | Policy |
|---------------|--|
| Guinea Bissau | License required for buying and export |
| Kenya | Ban on RCN Export |



Register as ACA Member or Subscribe For more than 10 years Global & Country-level Cashew Data and Analysis, covering:

- Production Area, Volumes and Quality
- Processing Volumes, Utilized Capacities
- Price Data (RCN, Kernel)
- Export Trade Volumes
- Import Trade Volumes
- Sector Organization and Regulation Information