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A DECADE OF TRANSFORMATION

ACA World Cashew Festival & Expo 2016



Bissau, Guinea-Bissau

September 19-22, 2016

**FROM TREE TO TRADE: IMPROVING
CASHEW QUALITY, QUANTITY AND
INVESTMENT PROMOTION**

By

Mr. OLUSEGUN AWOLOWO

Executive Director/CEO

NIGERIAN EXPORT PROMOTION COUNCIL

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**At The 10th Annual ACA World Cashew Festival & Expo, Organised By African
Cashew Alliance(ACA), Bissau, Guinea Bissau.**

19-22 SEPTEMBER, 2016



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About NEPC



The **Nigerian Export Promotion Council (NEPC)** is a Federal Government Agency, was established by an Act to perform the following key functions:

- Promote the development and diversification of Nigeria's export trade.
- Assist in promoting the development of export-oriented industries.
- Play a leading role in the creation of export incentives to support the export sector



About NEPC - cont'd



VISION; To Make The World A Market Place
For Nigerian Non-oil Products .

MISSION; To Spearhead The Diversification Of
The Nigerian Economy By Expanding
And Increasing Non-oil Exports For
Sustainable And Inclusive Economic
Growth



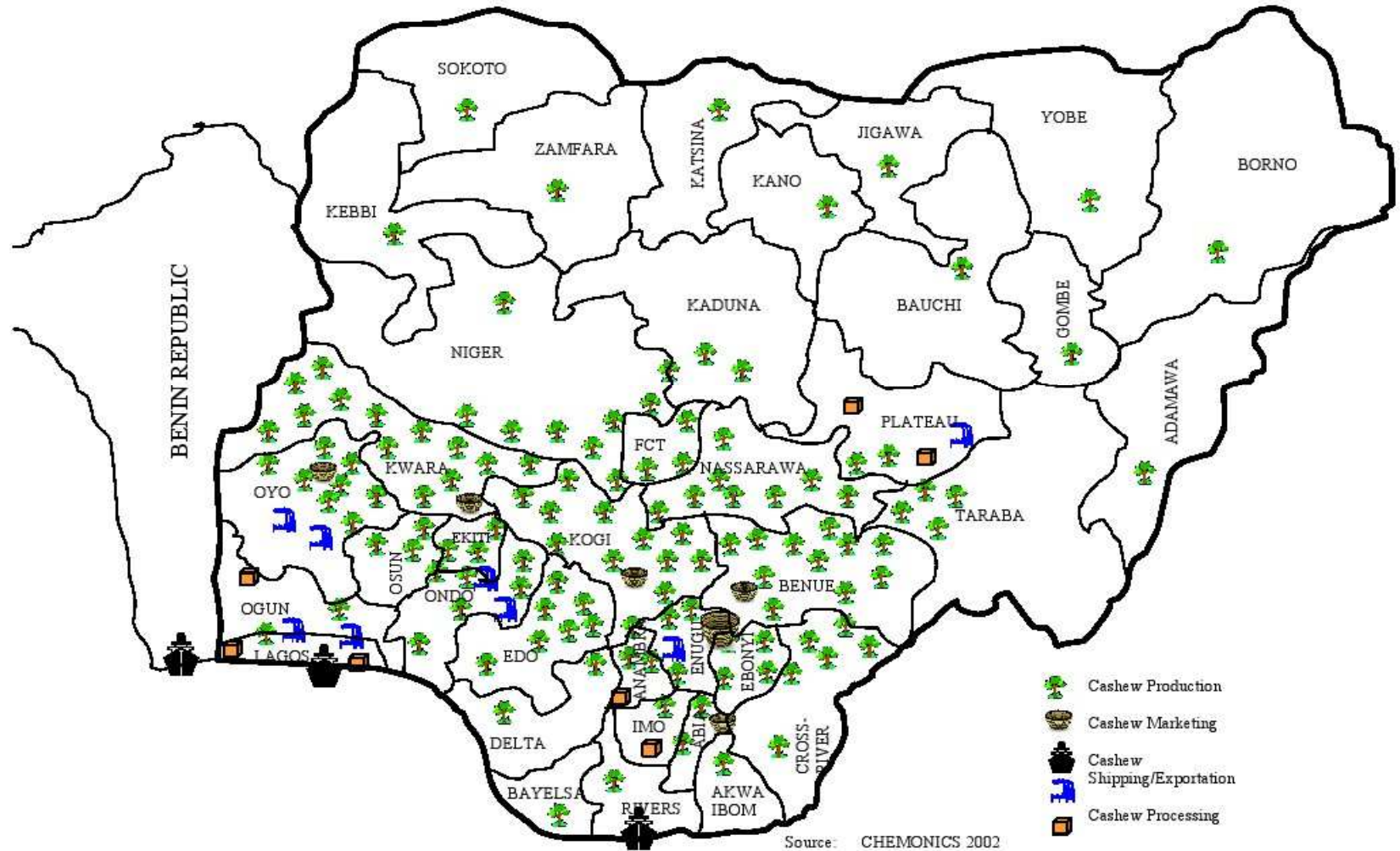
World Market Outlook on the Cashew Sector



- ✓ Market for Cashew has continue to grow over time
- ✓ Emphasis are laid continually on quality specifications
- ✓ Cashew kernel exports is a major opportunity for African Countries
- ✓ Cashew is an important economic security tool for rural farmers which is in line with Sustainable Development Goals(SDGs)

Map of Nigeria showing Cashew activity areas

Figure 8: Map of Nigeria showing cashew activity areas





Cashew Quality Standards in marketing



❖ Quality is the measure of excellence or state of being free from defects, deficiencies and significant variations.

❖ ISO 8402 – 1986 standard defines quality as “totality of features and characteristic of a product or service that bears its ability to satisfy stated or implied needs



Cashew Quality Standards in marketing - cont'd



❖ The quality parameters to be considered are the followings:

- **moisture content:** level of dryness
- **purity:** level of external objects content
- **uniformity:** size, weight and colour
- **Packaging:** baggage specification
- **Traceability:** knowing the producer



Measures for attainment of the quality parameters



- ❖ Application of best farming practices
- ❖ Careful picking and handling.
- ❖ packaging, labelling and correct marking.
- ❖ Putting in place traceability mechanism



Investment Opportunities In the Nigerian Cashew Sector

1. Commercial Plantation of High Yielding Varieties:

- Investment in plantation of high yield cashew varieties for increased production of cashew for local processing, consumption and export.

2. Warehousing:

- Investment in warehousing will ensure effective standardization, help to consolidate product, realize economies of scale, provide value-added services and reduce response time.



3. Processing:

- Nigerian Ministry of Agriculture in collaboration with the AFREXIM Bank is currently developing cluster based processing centres for cashew. Investors will be able to site their plants at the centre with infrastructures already in place.

4. Increased Demand for Cashew:

- Since cashew production is restricted to the tropics, the kernel demand in the temperate markets must be met through imports.
- Cashew Nut Shell Liquid(CNSL) has found many applications in the polymer-based industries -the most important use is in the manufacture of brake linings and clutch facings in the automotive industry. It is also an ingredient in food preparations and as a health food in traditional markets such as US, Asia, EU, Australia thus offering more opportunities for investors to expand their local processing capacity.



Already, Nigeria is exporting to USA and a limited quantity to EU. These markets can be expanded through increased investments in quality standards, production, packaging improvements, market promotion, etc.

5. **Business Support Services:**

- Research and Development
- Quality Assurance/Inspection Services
- Financial Advisory Services
- Seed and Inputs Supply Services



Cashew Tree



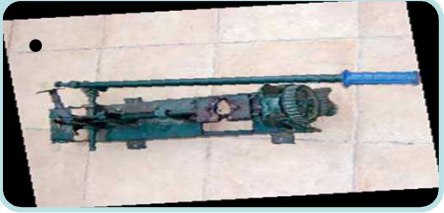
Cashew Picking



Cashew Nuts



Cashew Cracking Machine



Cashew Cracking



Cashew Kernel Sorting



Cashew Nut for retail



Cashew Bulk for Export





Barriers to Investment Promotion in Nigeria



- ✓ Infrastructural barriers
- ✓ Land Tenure system
- ✓ Cost of start-up Capital



Solutions/Incentives for Investment into the Cashew Sector



- *Regulatory Incentives:*

- ✓ These are policies of attracting investment projects by offering derogations from national or sub-national rules and regulations, e.g. Free Economic Zones, Export Proceed retention Scheme.

- *Fiscal Incentives:*

- ✓ This involves easing of the tax burden on the investing companies or their employees. Such incentives include Pioneer status, Capital allowances, Tax relief.

The NIPC has a One Stop Investment Centre (OSIC).



Solutions/Incentives for Investment into the Cashew Sector –cont'd



- **Financial Incentives:**

✓ Consist of out of hand public spending to attract companies or induce them to invest. Financial incentives includes grants e.g. the Export Expansion Grant (EEG) Scheme, loans at single digit interest rate, credit guarantees, etc- to attract and facilitate Foreign Direct Investment in Nigeria



RECOMMENDED INVESTMENT STRATEGY;

To compete with India and Vietnam, the world's leading cashew producers, Investment in Cashew in Africa must revolve around;-

- Development of Cashew plantation
- Quality sampling and pricing
- Skill development and lower interest rates
- Programme on farm to markets
- Develop cluster-based processing
- Introduce land use policies to encourage investment into cashew plantation



Conclusion



- Nigeria's population of 170million makes it the largest market in Africa
- Recent Policies by the Ministry of Agriculture has provided raodmap for attraction of investment into cashew sector in Nigeria
- Nigeria has the largest economy in Africa with GDP of \$500bn making it a solid base and robust market for processed cashew
- Cashew as a national strategic export product is qualified for incentives and support from the federal government



Conclusion



- ✓ The **NEPC** website and e-mail below are for your information please;-
- ✓ Website; www.nepc.gov.ng
- ✓ E-mail: info@nepc.gov.ng

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Export Business... Tomorrow's Business