

Competitive Cashew initiative (ComCashew)
Experiences and Lessons Learnt in Africa

November 14, 2017, Fortaleza

Implemented by:

Presentation Overview

- Cashew Sector Overview
- The Competitive Cashew initiative (ComCashew) in a Nutshell
- Results of the ACi/ComCashew - Trilateral Cooperation



Overview of the Global Cashew Sector

Production

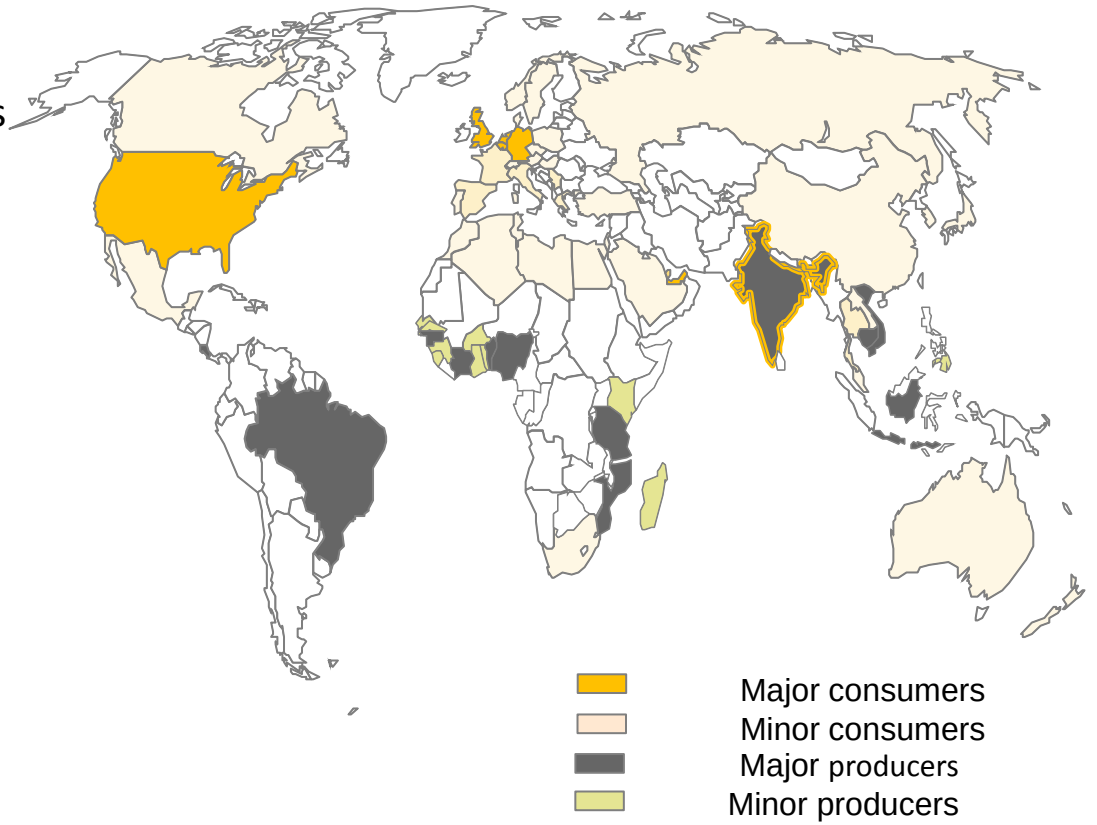
- Africa produces **about 58%** of global cashew production and therefore belongs to the major players in the market.

Processing

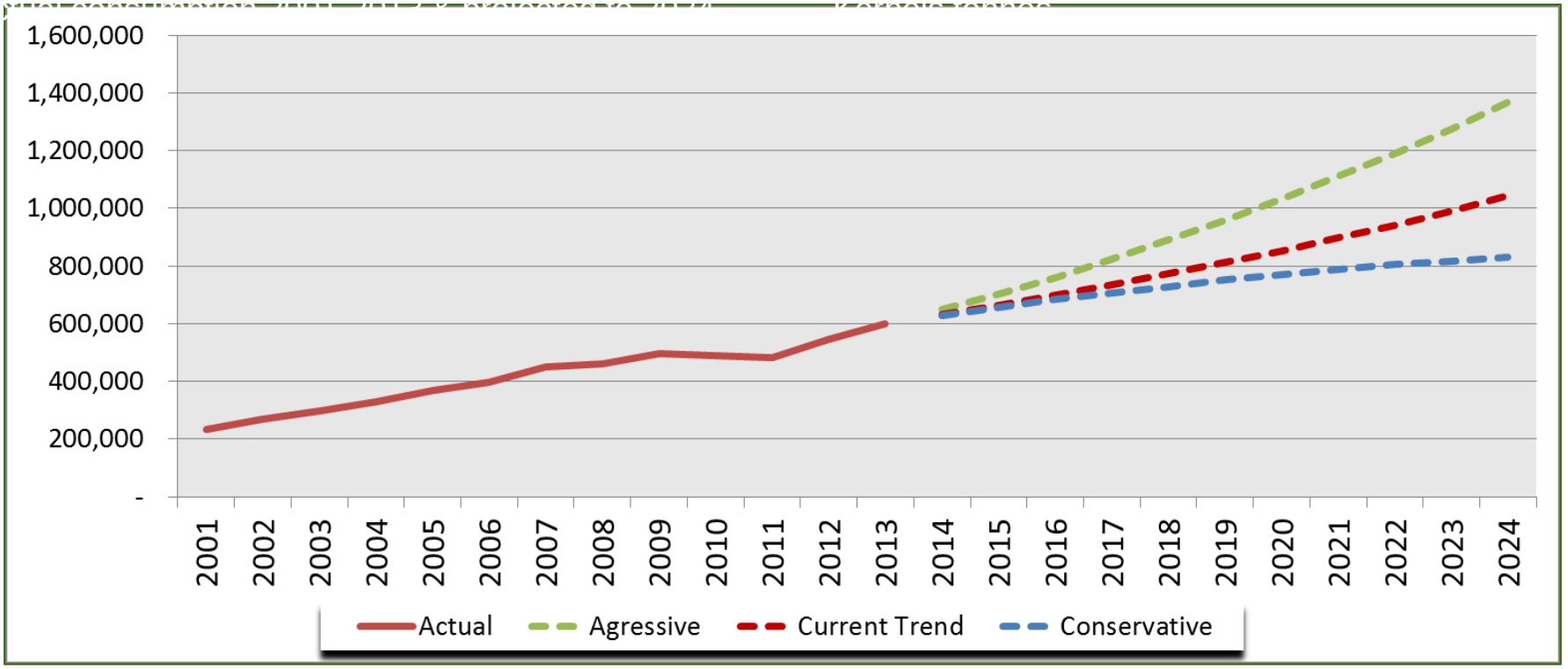
- **Less than 10%** of African raw cashew production undergoes further processing in Africa

Consumption

- **More than 90%** of global cashew is consumed outside Africa – the main consumers are North America, India and the EU.



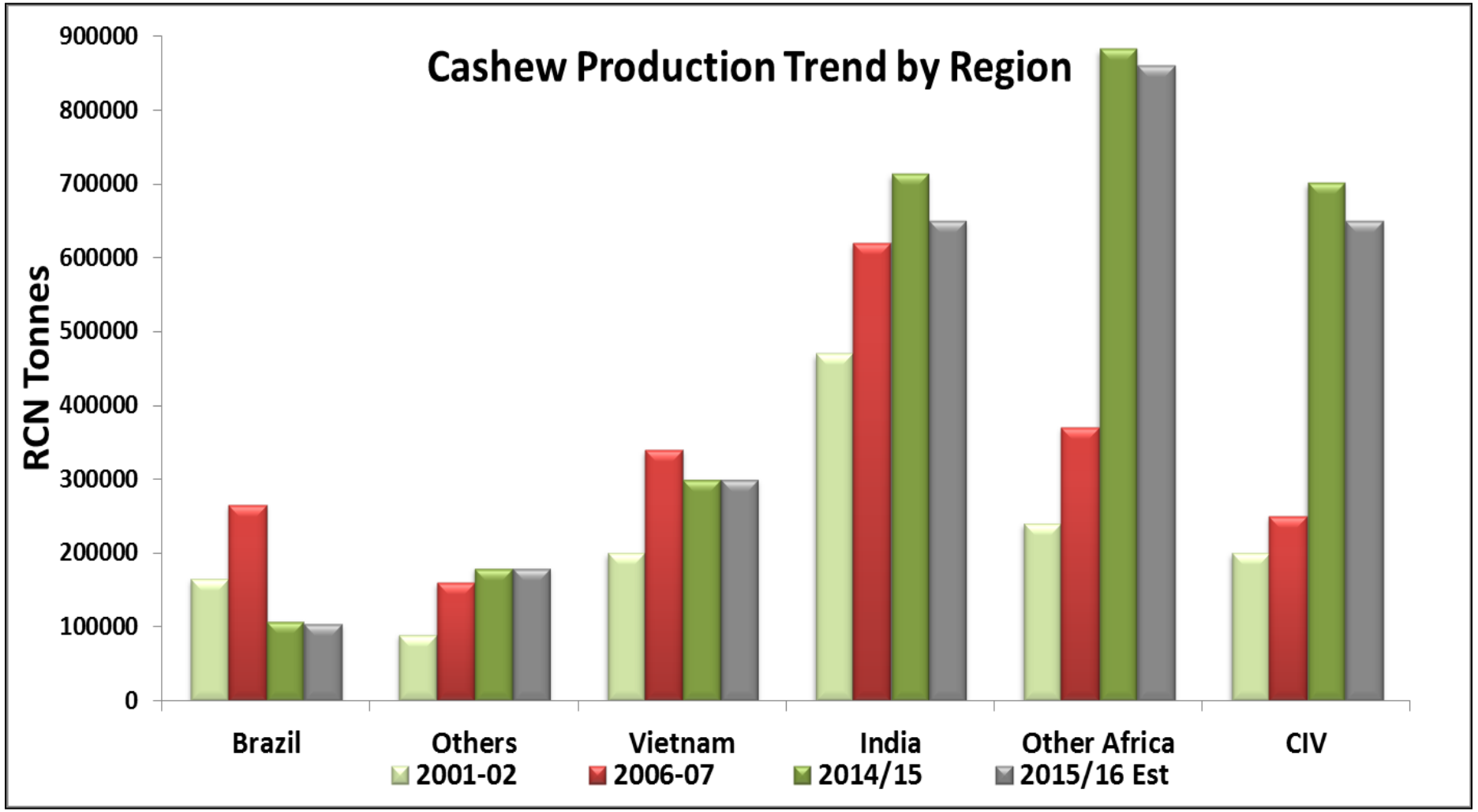
Cashew consumption and demand is continuously growing – Projection to 2024 (in MT kernel)



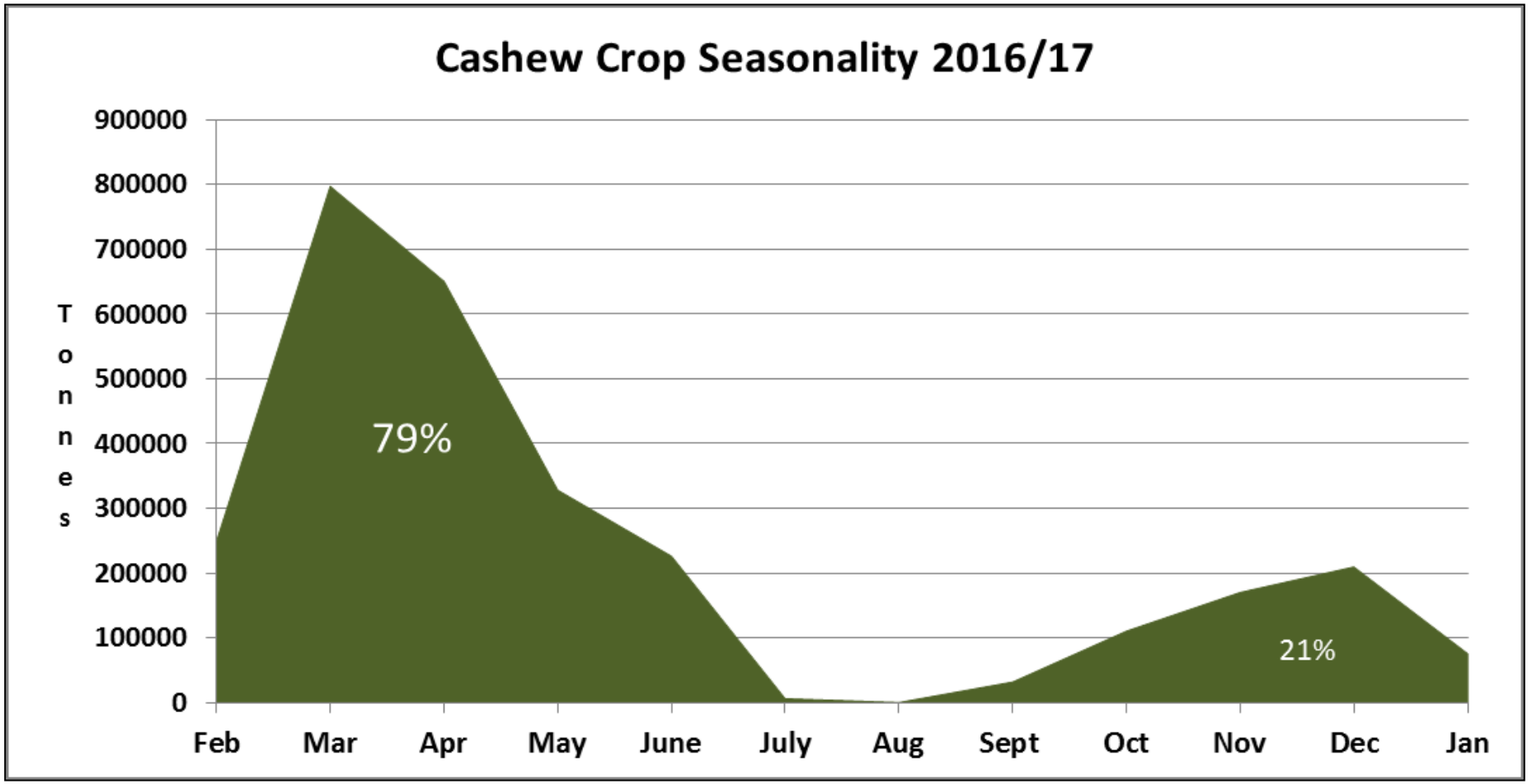
Demand Scenarios

1. **Conservative: demand grows but supply does not : prices rise and markets in US, EU and Middle East respond by slowing growth**
2. **Current Trend: demand continues to grow at the rates of the past 3 years ; India and USA grow moderately, EU , ME and China slowly**
3. **Aggressive: Indian prosperity booms demand, China discovers cashews , US and EU seek to maintain market share.**

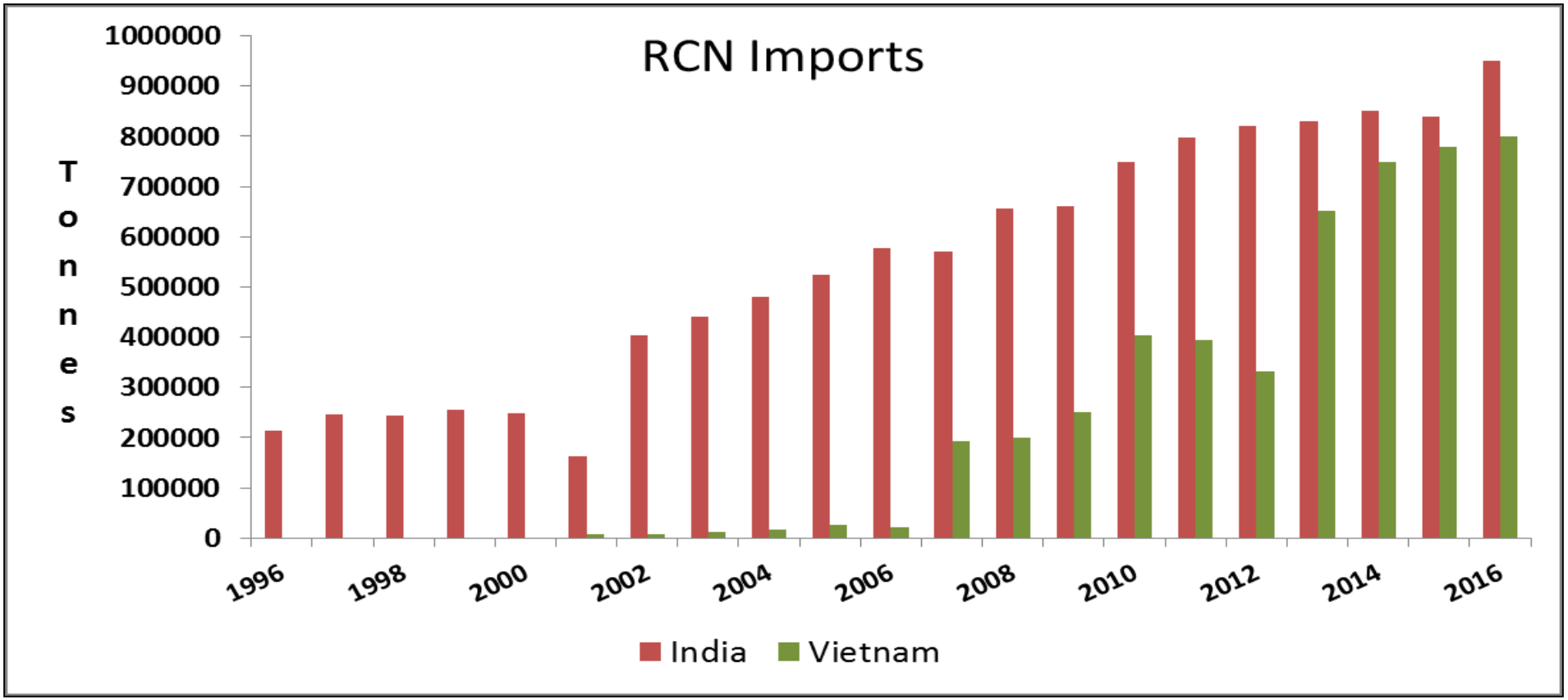
Africa produces almost 60 % of the World Cashew Crop



About 80 % of the Crop is harvested in the Northern Hemisphere



India and Vietnam import RCN mainly from Africa to supply their increasing cashew processing capacity



Competitive Cashew initiative (ComCashew) in a nutshell

ComCashew works in five countries along the Cashew Value Chain: From Farm to Fork, A Win - Win Situation

Production → Picking → Drying → Processing → Roasting → Shipping → Marketing

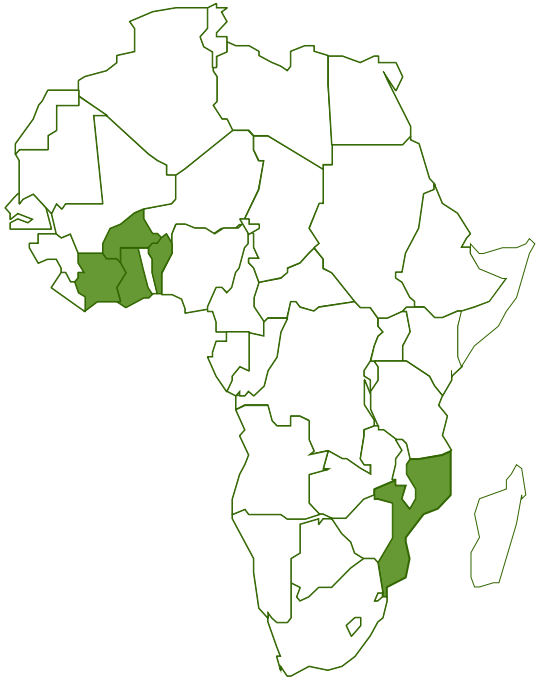








Budget Size	€ 85,8 mio in total € 39,7 mio in cash € 46,1 mio in-kind



ComCashew Vision of Success until December 2018

500.000 farmers increase their annual net income by **at least $110 per farmer per year (equal $600 family income)** from cashew production; creating an additional annual income of over **$80 Million**

Objective
Production
'Increasing raw cashew nut yields and quality'

Objective
Processing
'Increasing quantity and quality of African cashew kernel and cashew by-product processing'

Objective
Supply Chain Linkages
'Establishing and expanding sustainable links to the global market place'

Objective
Sector organization
'Advocating policies in favour of cashew production and processing'









Private-Public Partnership: Currently there are 16 board members of ComCashew, half private and half public and development partners

KraftHeinz

Olam

TDG Trade & Development Group

RED RIVER FOODS INC

Intersnack

Walmart

CARGILL

ACA

Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

MINISTRY OF FOOD & AGRICULTURE REPUBLIC OF GHANA

FRATERNITE JUSTICE TRAVAIL

CINCAJU INSTITUTO DE FOMENTO DO CAJU

idh the sustainable trade initiative



BURKINA FASO

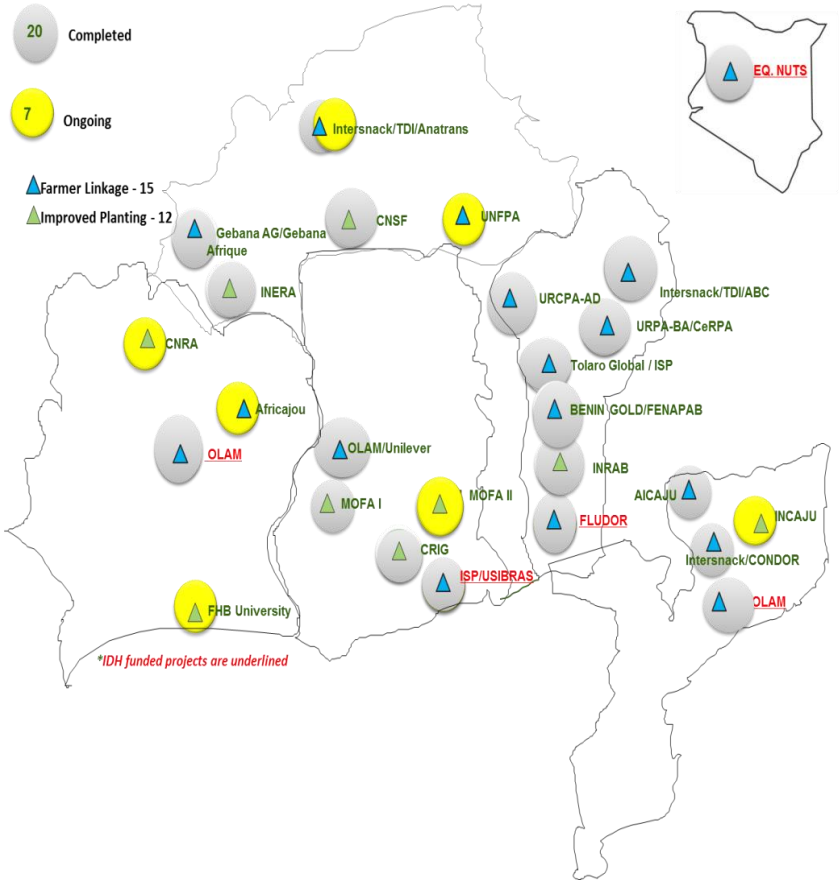
USAID FROM THE AMERICAN PEOPLE

Results so far

Results in a nut shell

- **420.000+ farmers trained**

  (22% women)
- **23 Mio. €** added net **income for farmers** per year
- **20 Mio. €** added **income** through processing per year
- **5.800** new **employments** (75% Women)
- **27 matching grant** projects at **10 Mio. €**
- **30+ Mio €** new **taxes** annually for selected cashew producing countries



Processing: Increasing local value addition and creating jobs, especially for women

Case Ghana:

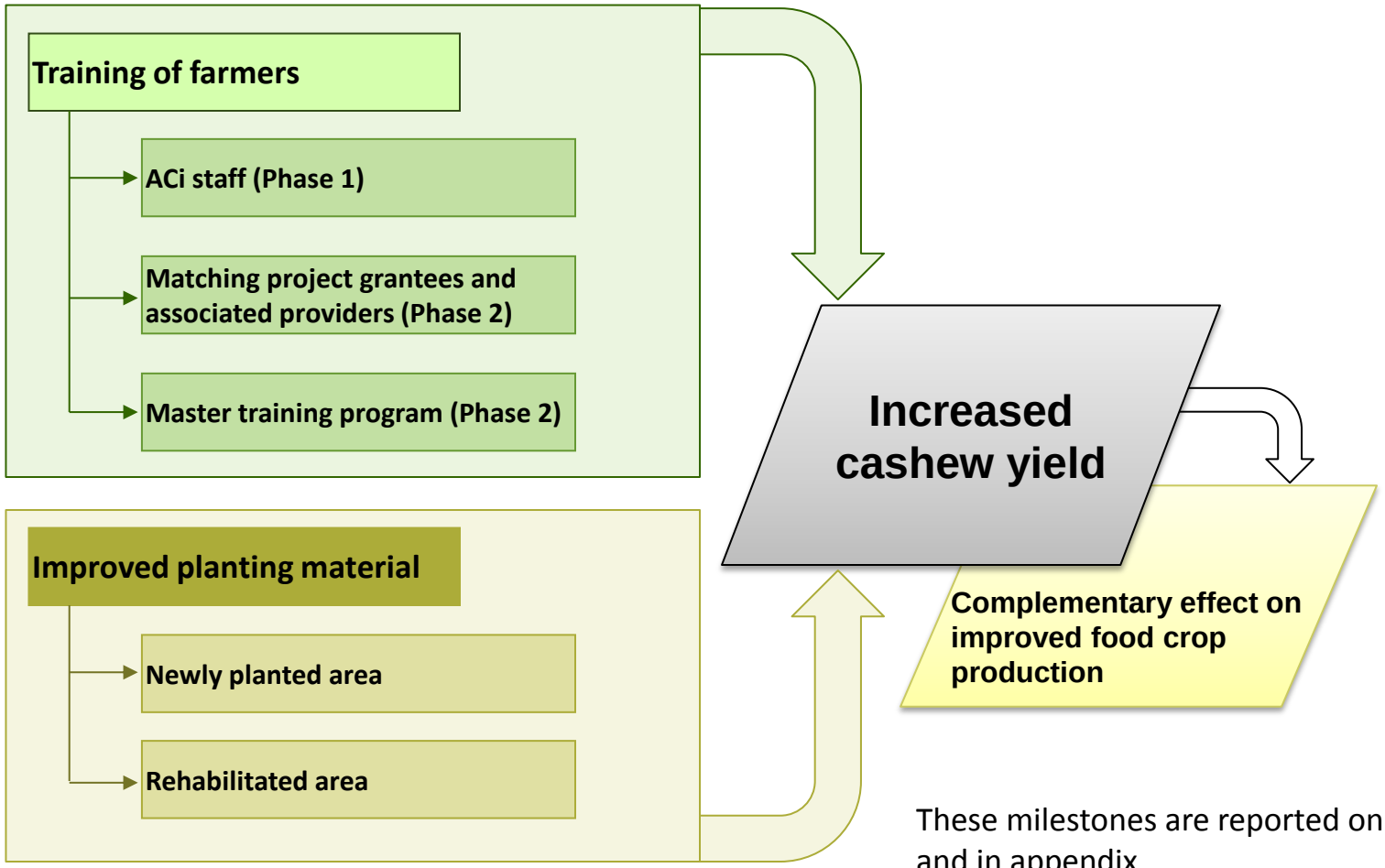
- **12 processing units**
- **60,000 MT installed processing capacity (90% of national production levels)**
- **2,000 jobs** in factories, **75 % women**
- Accumulated wage: **US$ 1,5 million** with a max. wage of **US$ 720 / year**
- Potential of **10.000 direct quality employment in processing**



Production intervention

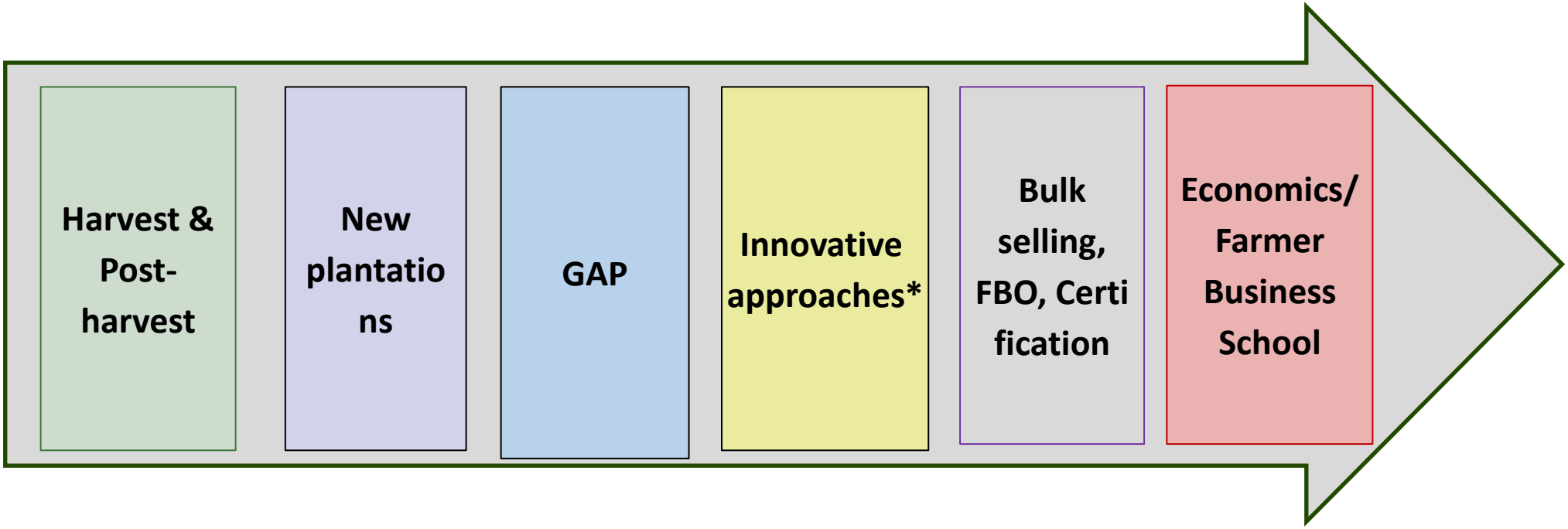
Production interventions of training and planting material drive increased yield

A variety of milestones around farmer training and improved planting material contribute to the production goal of increased cashew yield and impact on food crop production



These milestones are reported on following slides and in appendix

Training for Farmers – according to needs



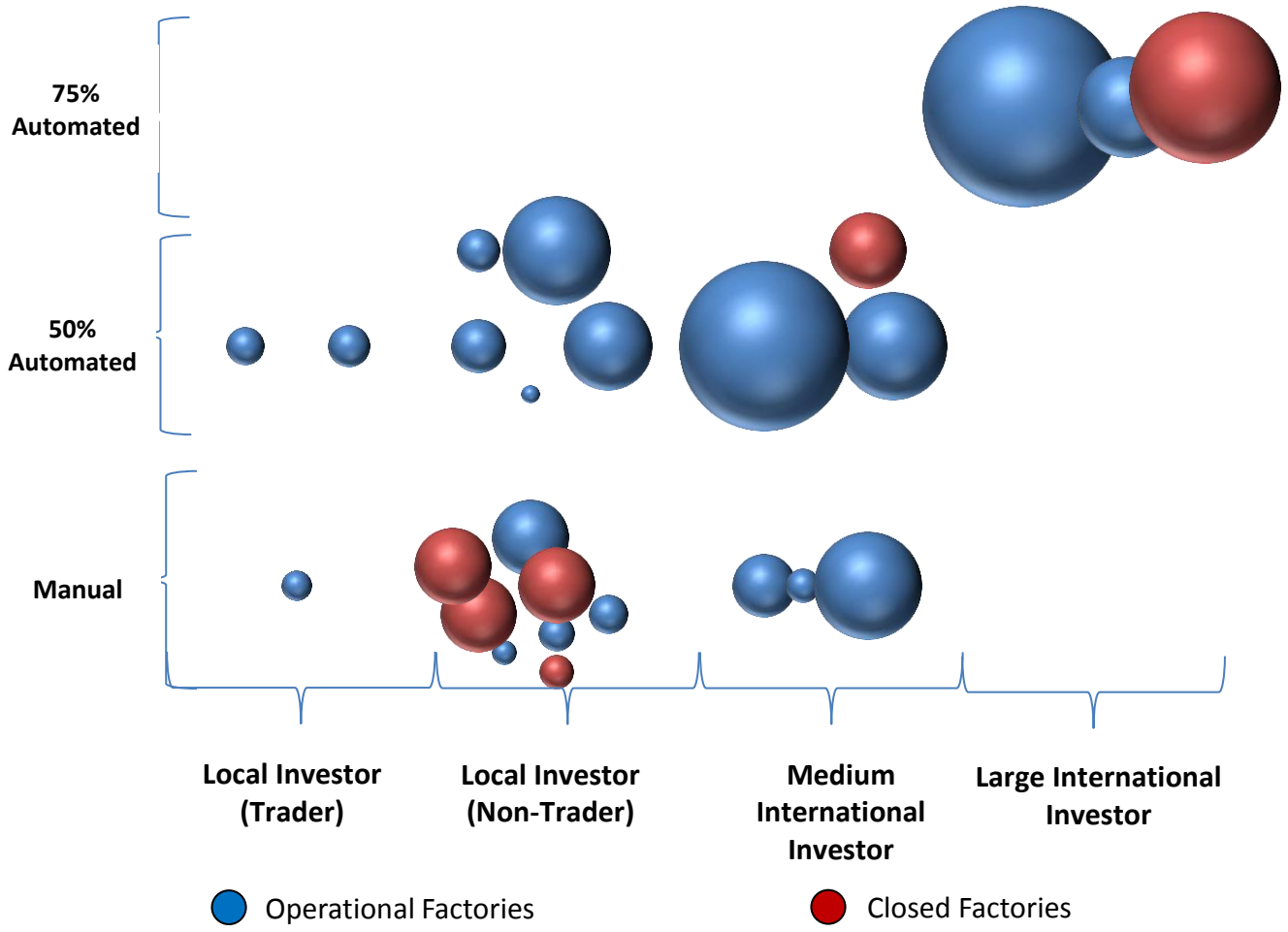
* Innovative approaches:

- Top working
- Bee keeping
- Fruit juice

Processing

Processors in West Africa shows higher potential for local investors with automated medium to large scale factories

Analysis of Processor Type, Capacity Utilization and Technology Use



Note: Size of bubble denotes most recent capacity utilization

Observations:

- Local Investor (Trader) shows slow growth in capacity but strong survival and coping: trading in RCN when RCN price is unfavorable for processing.
- Local Investor (Non-Trader) shows high growth in capacity over the years, but high vulnerability to turbulence in the sector.
- Increased automation appears to guarantee survival for local investors who are non-traders.
- Scale does not necessarily appear a strong driver of survival.
  High survival evident with International Investors able to access financing and deploy the right technologies.
- Closed factories faced challenges with ownership/management systems, lack of processing experience and high cost of capital.

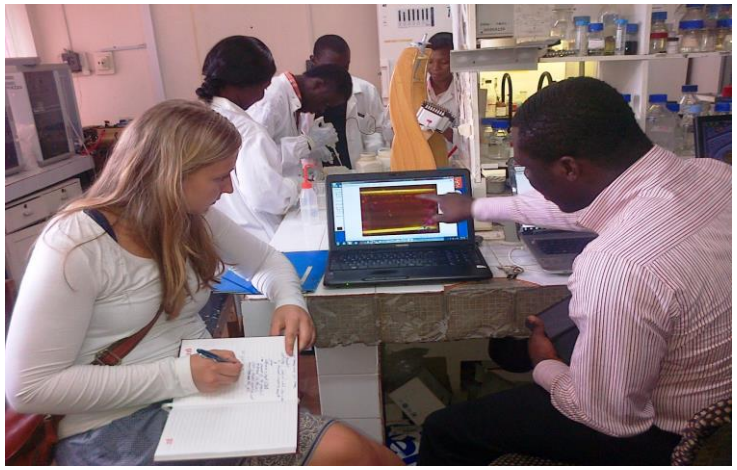
Processors have multiple challenges, on finances and technology, as well as business environment

Finances	• High rate of interest • Untimely disbursal • Cash flow issues
Technology	• Equipment and machinery • Lack of detached pieces
Business environment	• Government involvement • Price of the kernel • Competition with traders • Complexity of customs procedure • Investment in research and development innovation technoloy
Technical knowledge	• Technical expertise • Inadequate training • Poor knowledge in technology
RCN supply	• Poor quality of RCN • Insufficient RCN to supply throughout the year
Product quality	• Need for quality improvement • Lack of certification • Poor quality of raw material
Marketing outlets	• Poor management of by products • Ready market for the product
Labour	• Workers' quality and availability

Supply chain linkage

Matching Fund Projects in Ghana

1. CRIG – Improved Planting Research



DNA from 2000 elite trees extracted for fingerprinting. 28 microsatellite markers tested, three have been found useful to distinguish between the 38 clones.

2. MOFA – Improved Planting Dissemination



436,842 improved cashew grafts distributed to 3,503 trained farmers to newly plant 4,349 ha of cashew farms.

3. OLAM – Farmer Linkage

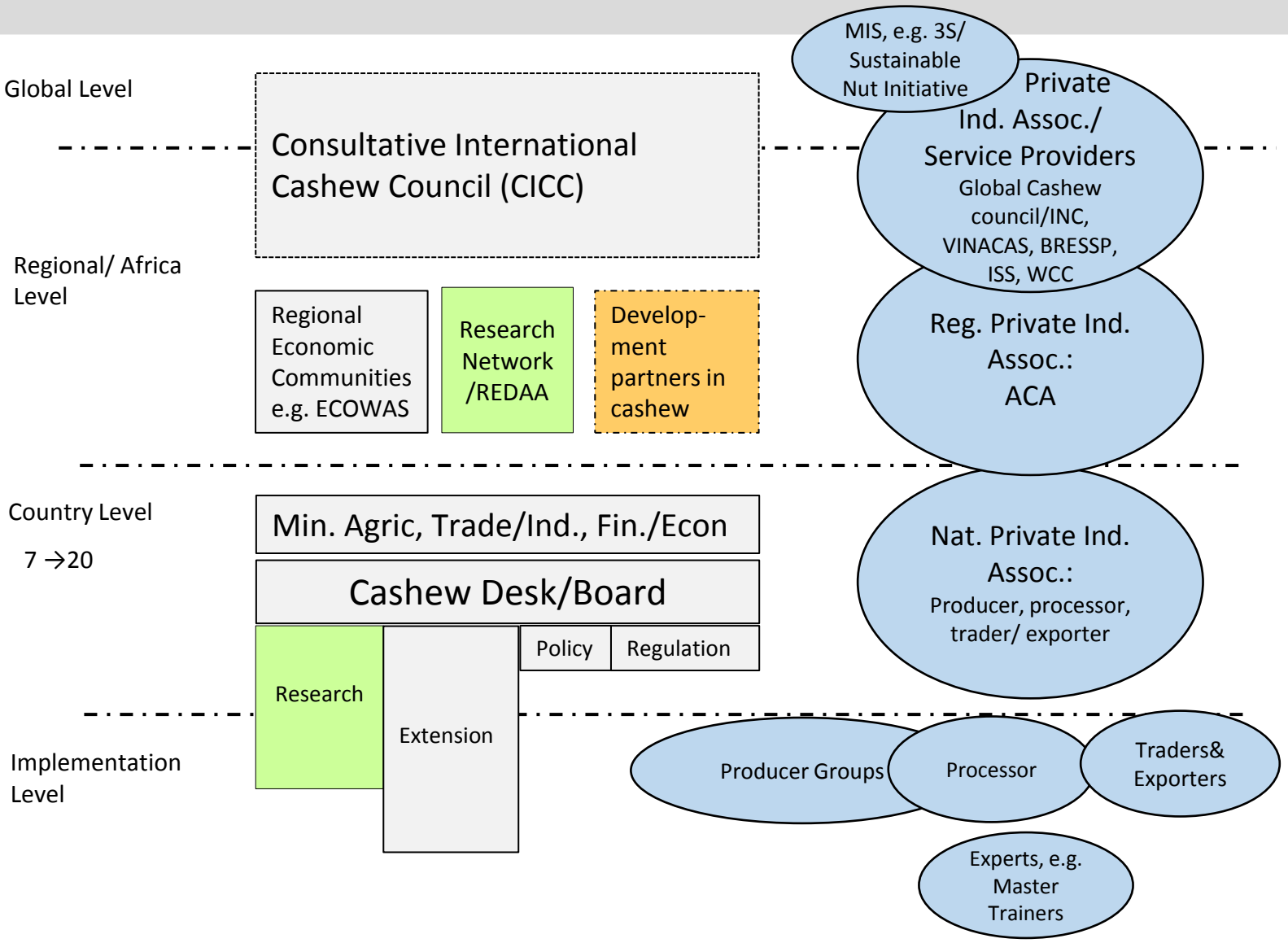


Over 22,000 farmers trained in GAP and linked to OLAM. 94,902,000 improved seedlings distributed to farmers to rehabilitate farms.

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Sector organisation

The changing landscape in the cashew sector require a repositioning of various actors



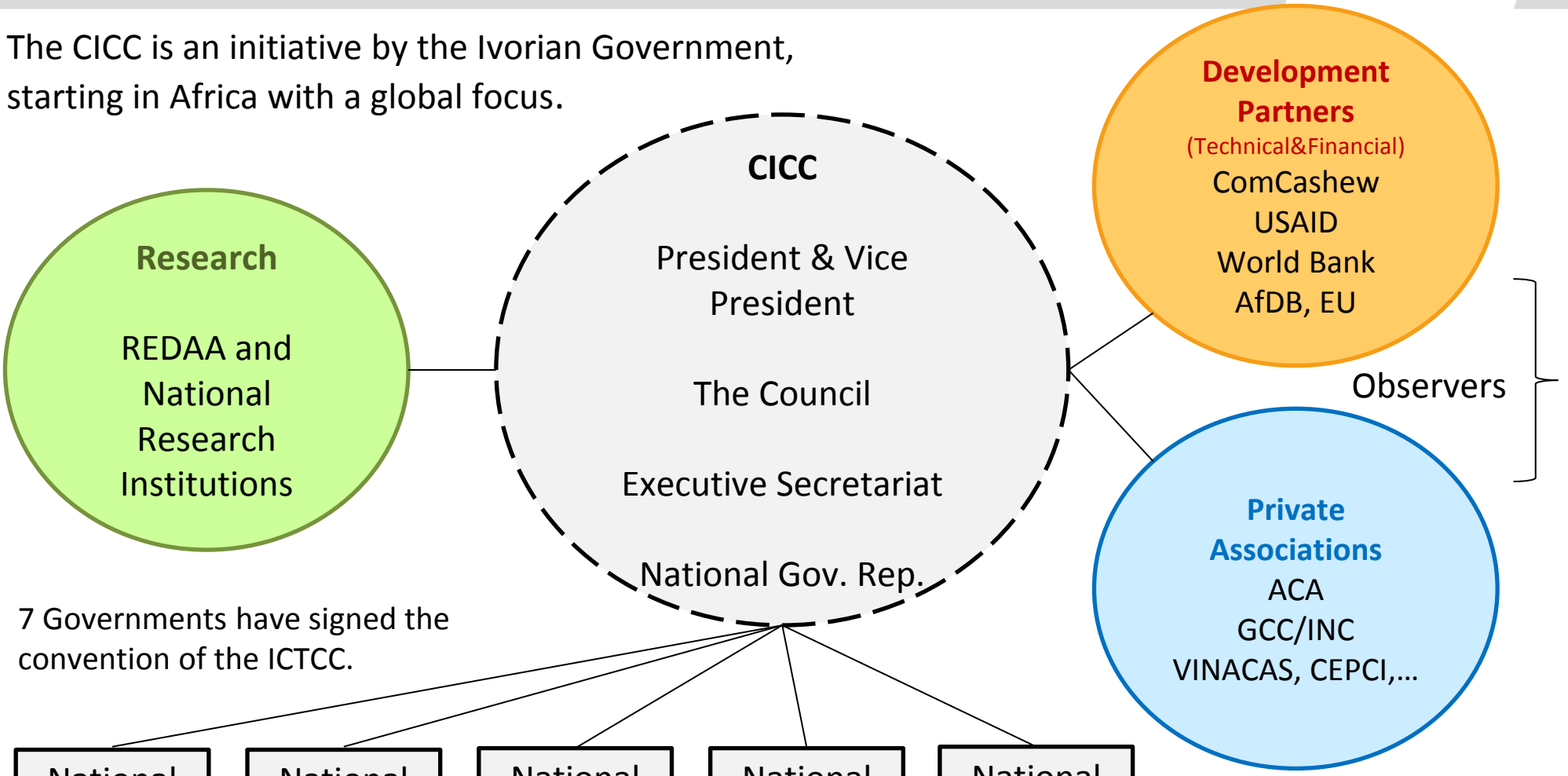
ComCashew

Private Partners	Development Partners	Government Partners

- Market analysis
- Business cases
- Business linkages
- Capacity Development
- Coordination
- Harmonisation & alignment
- Learning
- Matching Grants
- Linking research and extension
- Monitoring & Evaluation
- Data& info consolidation
- Data& info collection, analysis
- Partnering implementation

On 17.11.2016 a convention on the CICC (Consultative International Cashew Council) was signed at SIETTA 2016

The CICC is an initiative by the Ivorian Government, starting in Africa with a global focus.



Trilateral Cooperation with Ghana – Germany – Brazil
Improved cashew planting material and by-product processing technologies for Ghana

Duration: January 2017 to December 2018 (2 years)

Partners in the Trilateral Cooperation:

Project volume: 700,000 EURO
300,000 Euro from Germany
300,000 Euro from Brazil
100,000 Euro from Ghana

Objective:

- To improve the quality of research in the development of cashew clones that are high yielding and tolerant to major diseases and pests and well adapted to local conditions.
- To improve the efficiency and technologies of cashew processing and by-product processing.



The Master Training Program on Value Chain Promotion trained 180 experts, from 15 countries in Africa



https://www.youtube.com/v/llnhHcDbq9A (english)
https://www.youtube.com/v/8lwkzrqwSX4 (french)

Thank you for your attention

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