



The African Cashew initiative (ACi)

ACi's Sustainable Supply Chain Model

Rita Weidinger, Executive Director
World Cashew Convention, Dubai, 5 February 2015



- Africa's role and its potential in a global cashew sector
- What is the African Cashew initiative (ACi)
- ACi Success factors
- ACi Achievements so far
- The cashew way forward

Africa's role and its potential in a global cashew sector



Keeping a balance between global supply and demand, Africa must increase current production level by 20% until 2019



Production

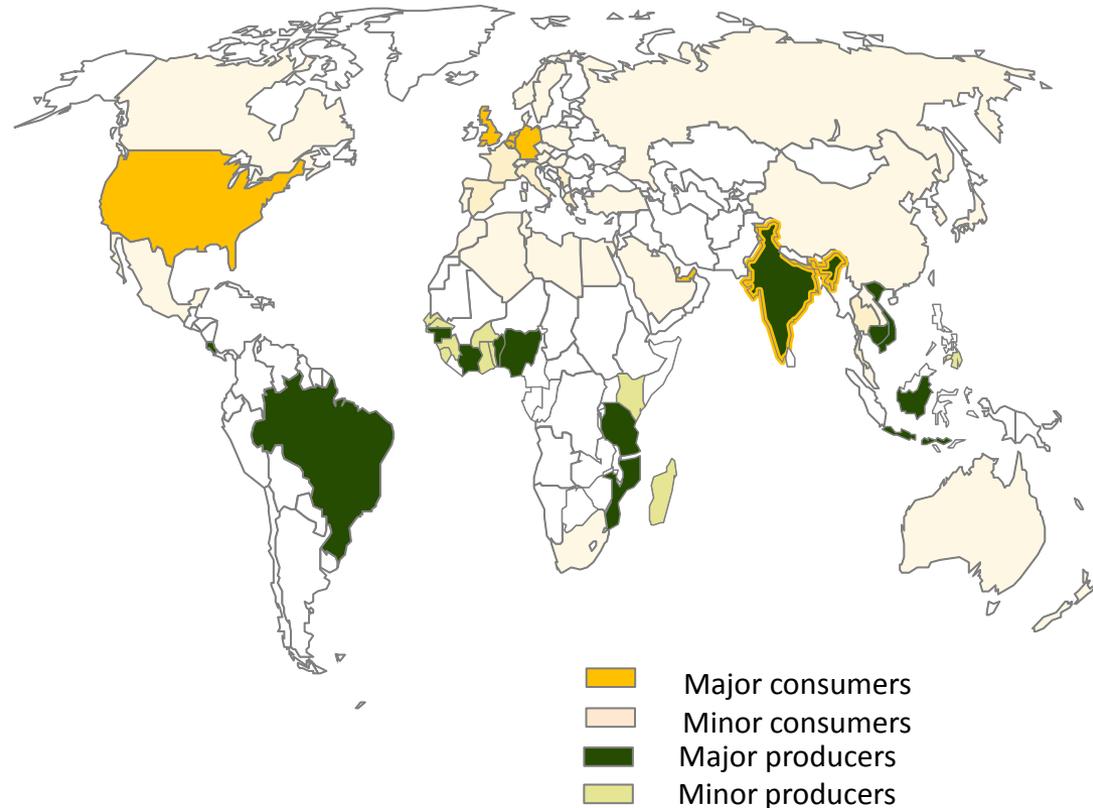
- Africa produces **about 45%** of global cashew production

Processing

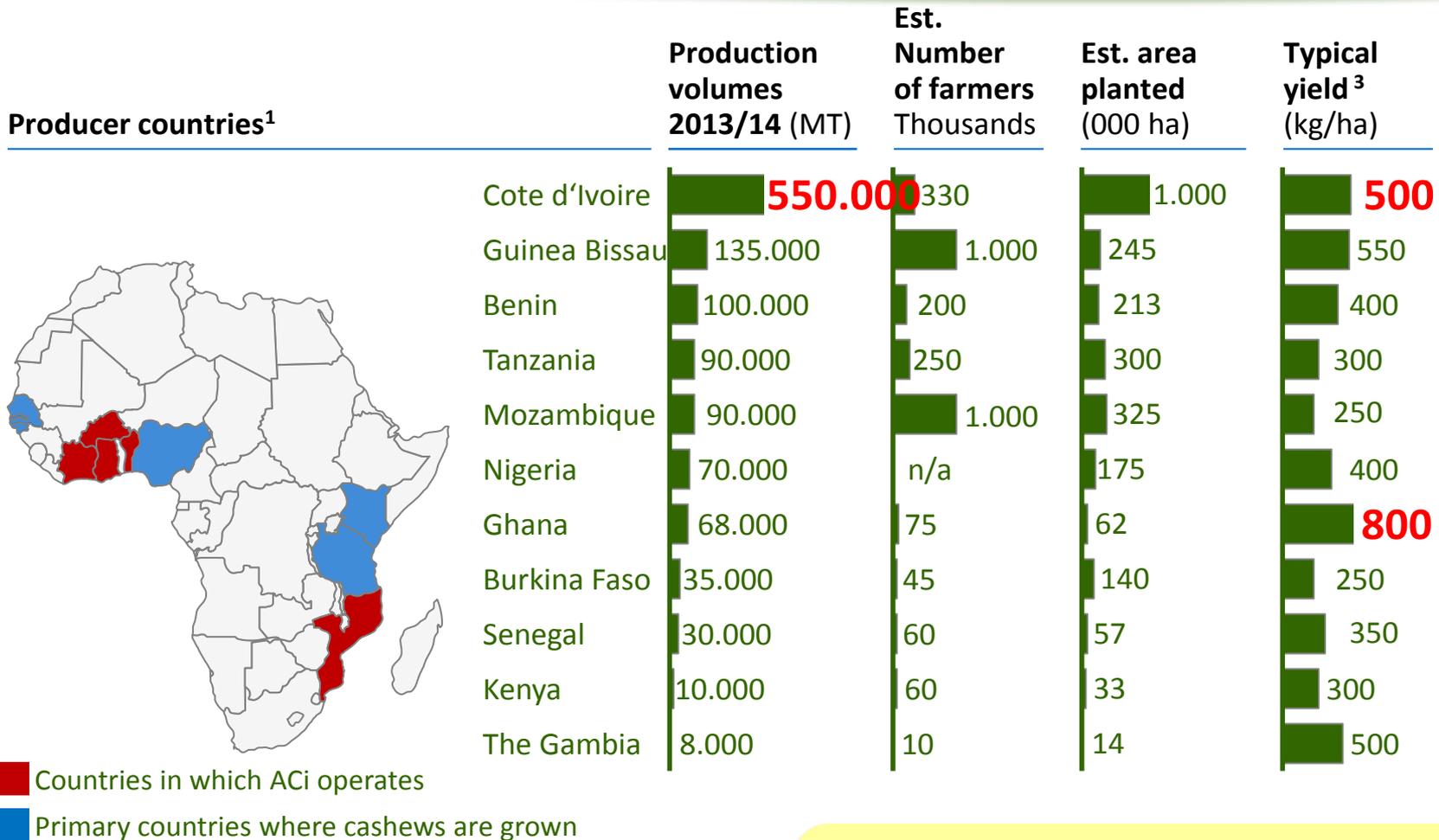
- **Less than 10%** of African raw cashew production undergoes further processing in Africa

Consumption

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



The overview of cashew production shows that yields in Africa vary considerably



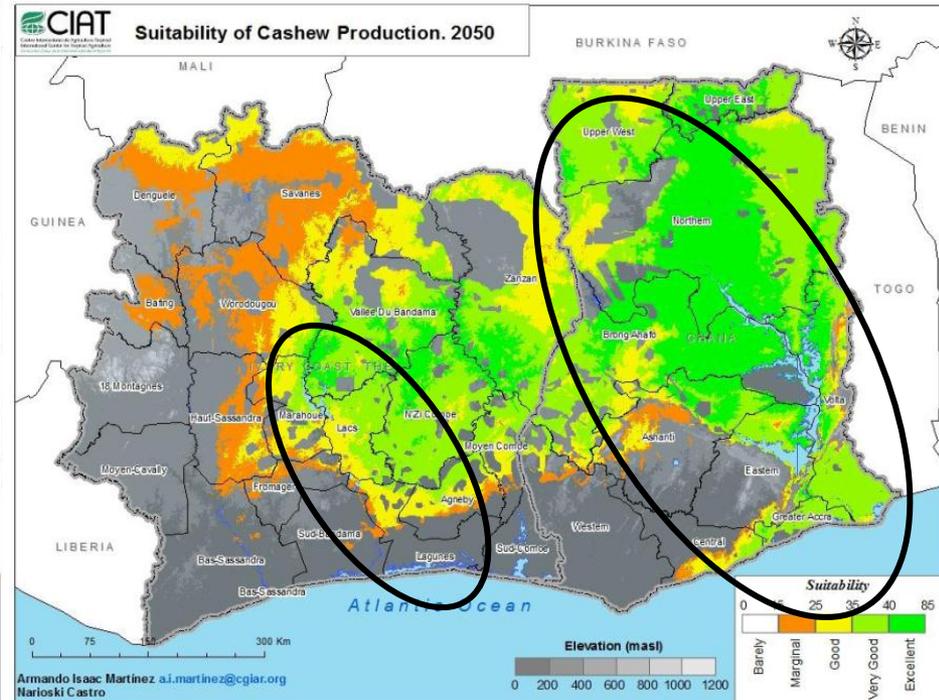
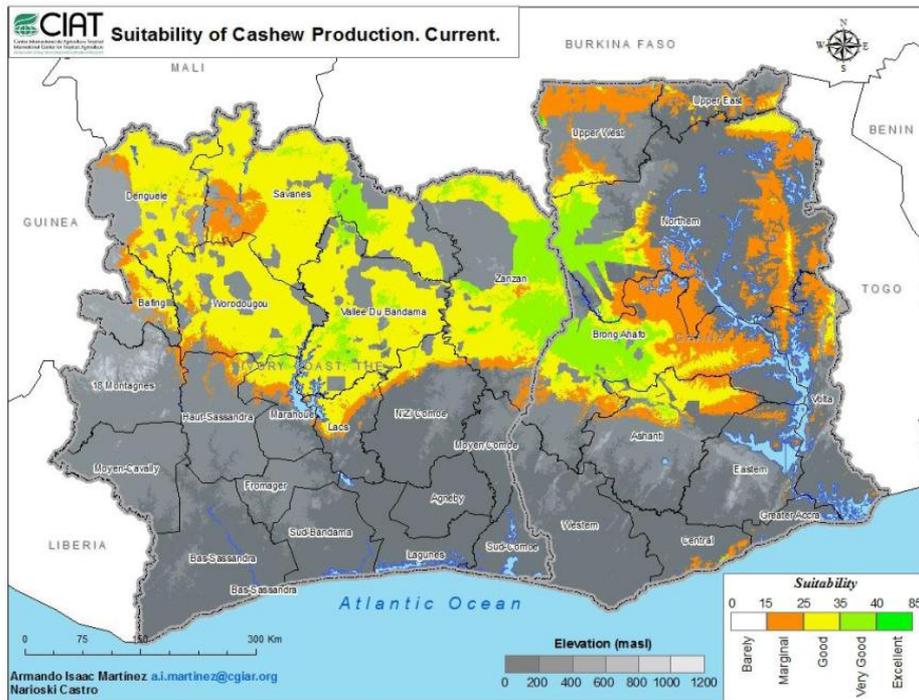
Typical benchmark yields are 1.2 tons/ha in India (Maharastra) or Vietnam (Binh Phuc Province)², suggesting Africa's yield gap is >500 kg/ha

¹ There is some production in Sierra Leone, Liberia, Mali, and likely other African countries too, but no detailed data available
² ISS based on reports from DCCD and Vinacas
³ Typical yields observed during the last 1-5 years, according to experts estimations.

Climate change is expected to increase cashew's importance as an income source in West-Africa



Current Situation in Côte d'Ivoire and Ghana ² Suitability in 2050 in Côte d'Ivoire and Ghana ²



Green areas indicate best suitability for cashew

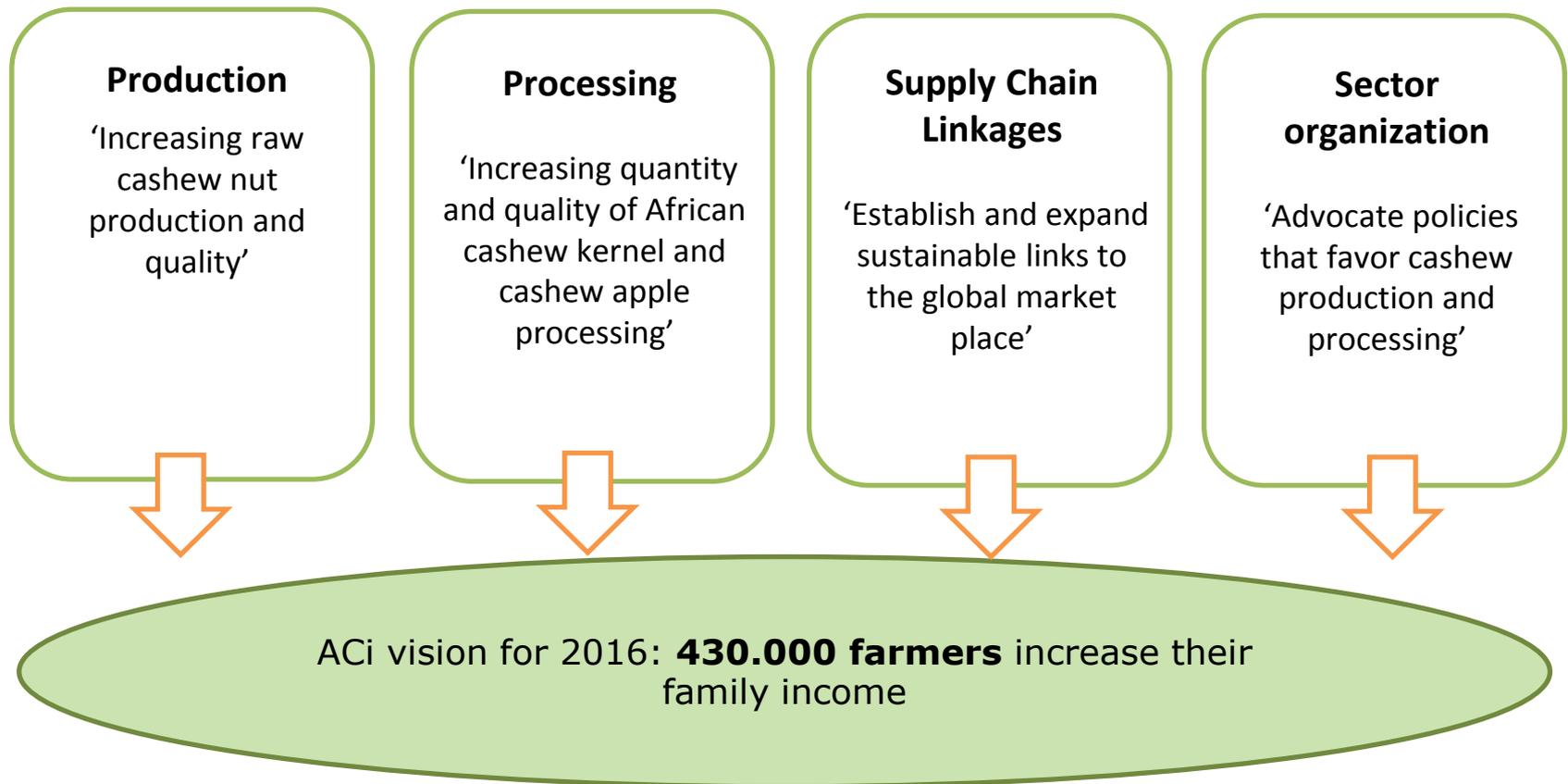
¹Source: Roudier, P. et al., The impact of future climate change on West African crop yields : what does the recent literature say? Global Environ. Change (2011), doi:10.1016/j.gloenvcha.2011.04.007

²Source: "Predicting the impact of climate change on cashew growing regions in Ghana and Ivory Coast", International Center for Tropical Agriculture on behalf of BMGF, 2010.

Introduction to ACi



ACi tackles these challenges and transforms them into business opportunities for all actors along the value chain



A Strategic Alliance of Private and Public Partners ensures sustainable and market-driven implementation of activities



Funding, Contributing and Implementing Partners (16)

Public



Private



CSO / NGO



Other partners (30+)



Matching Fund Partners (30+)

10+ National Research Institutions, Universities and Extension Organisation

10+ Buyers, Traders, Processors, Farmers Organisations

10+ National and International NGO's

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



Budget Size	\$97 mio in total \$52 mio in cash \$45 mio in-kind
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ACi Success factors



Success factor 1: Developing Local Capacities and multistakeholder Partnerships in the Cashew Sector



- **380,000+** farmers; **2,200+** trainers
- **58** Master Trainers from 7 West-African countries
- **5** countries policy advise , **Regional networking, Conferences**
- **Communication**, based on data and facts.
- **Using ICT** for Management Information Systems, traceability, trainings, etc.



Success Factor 2: Changing power relations in agricultural value chains provide high potential for a more inclusive business model

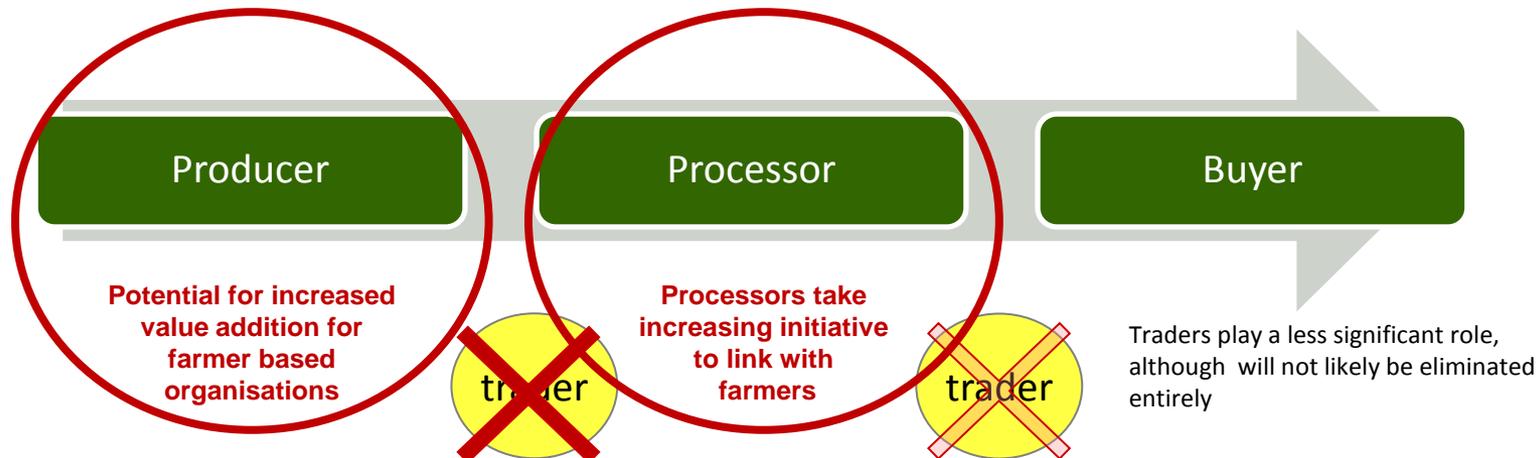


Market Power Future

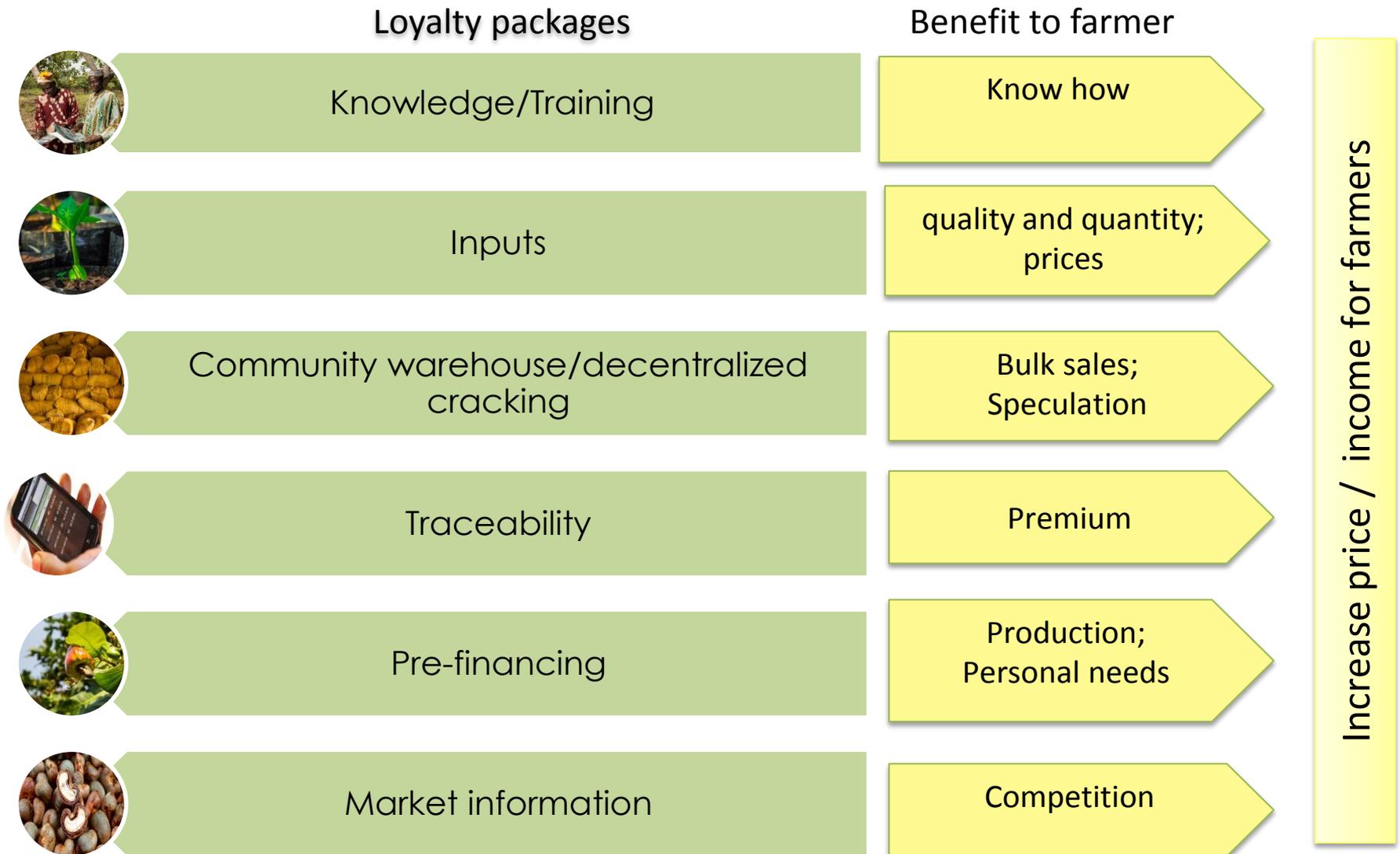
Market Power Past

- **Good** marketing position for farmers
- Traceability
- Good quality
- Cooperation/ joint initiatives

- **Bad** marketing position for farmers
- No traceability
- No incentives for improvement
- Bad quality
- No cooperation/suspicion



Success factor 3: For sustainable inclusive business, processors and others must apply an incentive mechanism for farmers



Success factor 4: Increasing efficiency and viability for processing and farming by reducing costs, increasing ROI and in-country value



- Advise for **Financial Institutions**, facilitating **\$12 mio +** for processing
- **Business Development Services** for processing industry
- **Sector analysis: e.g.**
 - margin distributions, and
 - cost factors for development activities, e.g. cost per ton processed; costs per farmer tra
- ACi internal:
 - Key Cost indicators
 - Return on Investment



ACi Achievements so far



ACi shows visible and remarkable Achievements until today



- **380,000+** cashew farmers trained;
 - 22% of them women
 - **\$120 million** accumulated incomes
 - **Plus \$120 net income** per farmer
-
- Nearly **5,800 jobs created** in new cashew processing industry
 - 75% being women
 - **\$3.6 million** accumulated wage
 - **\$620 annual max. wage** per worker



ACi shows visible and remarkable achievements until today



- **20 processing facilities** receive technical, financial and managerial assistance
 - These increased capacities from 8,150 MT in 2008 to **48,200 MT 2014**.
 - Processing in Africa increased from 5 % to **10 %**.
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- **18 projects** were established to facilitate linkages with farmers
 - 10 new projects in 2015
 - Total investment of **\$15 million**, reaching 200,000 farmers



The Way Forward



The Cashew Way Forward for Africa depends on....



- ... **Which new actors** are joining to build stronger linkages
- ... **How fast will investors** move into processing in Africa
- ... **How innovations in processing equipment** improve labour and capital efficiency
- ... **How financial institutions** and investors will be sharing risks, e.g. participating in equity



... stays engaged

Thank you for your attention!



For more information, please visit:

ACi Website

www.africancashewinitiative.org

ACi Facebook Page

www.facebook.com/africancashewinitiative

ACi on Youtube

www.youtube.com/AfricanCashewIn

