



# Expectations from UK cashew kernel buyer and opportunities

Amanda Wright – Purchasing Director  
Humdinger Foods  
2<sup>nd</sup> February 2018

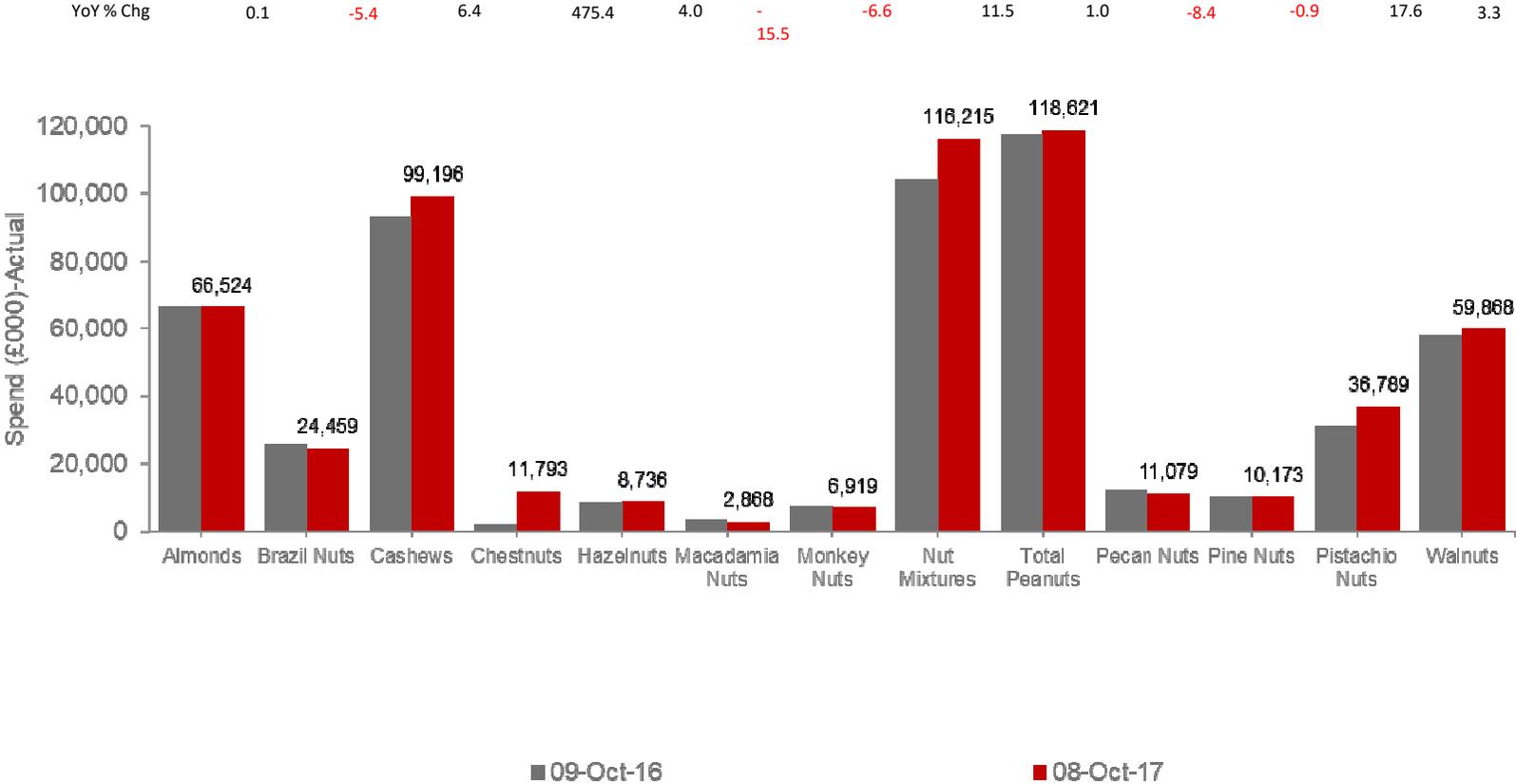
The Humdinger logo, consisting of the word 'Humdinger' in a white, bold, sans-serif font, centered within a red rounded rectangular background.

---

# Cashews are the 3<sup>rd</sup> largest nut type with c.£99.2m in UK sales, whilst growth is strong at +£6m YoY



Spend (£000) | Actual | Total Market | TOTAL MARKET | Total Nuts | 52 w/e

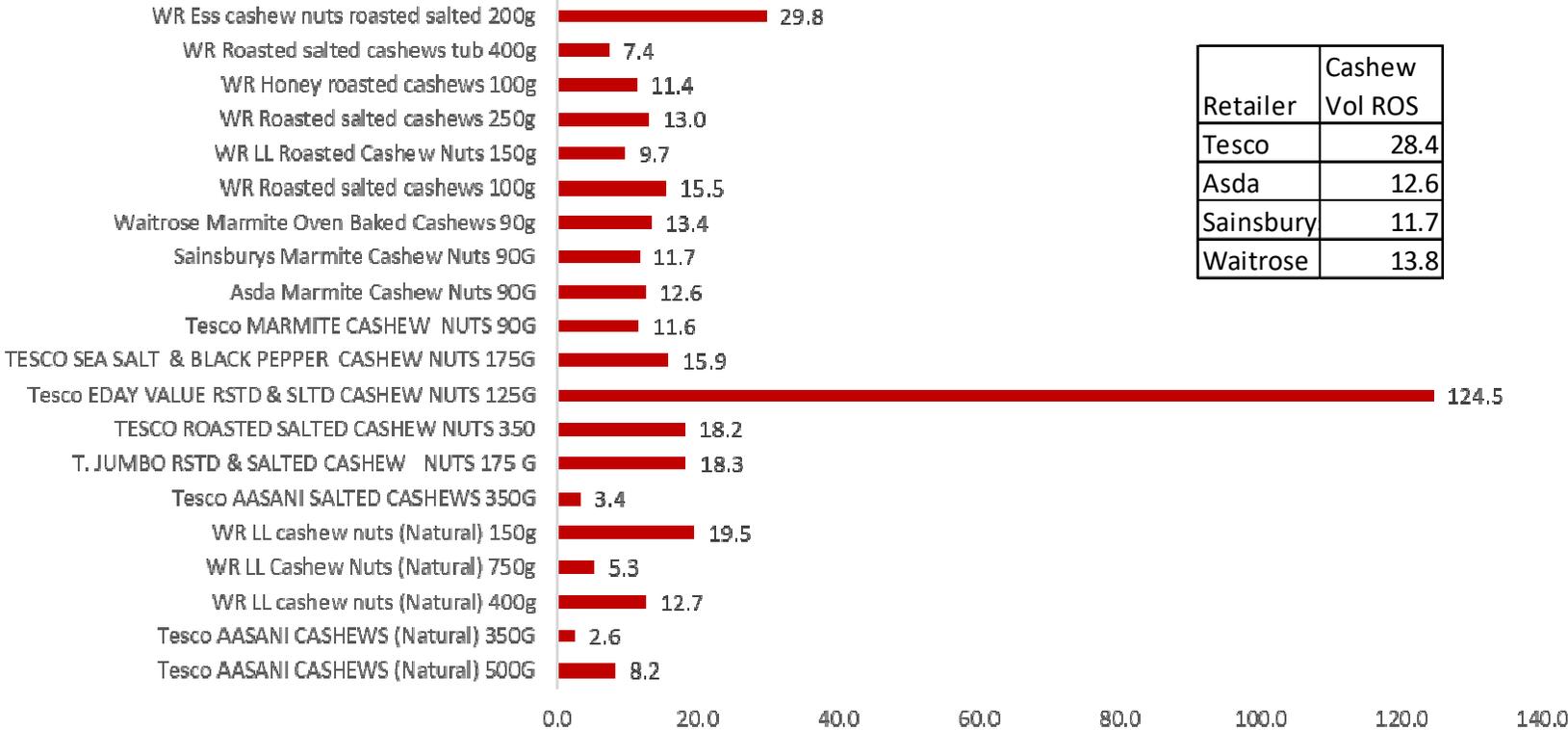


Source: Kantar 52 w/e 08<sup>th</sup> Oct 17

# Everyday Value & Essential Salted Cashew lines drive the volume of repeat purchases per store, per week



Cashews Volume ROS

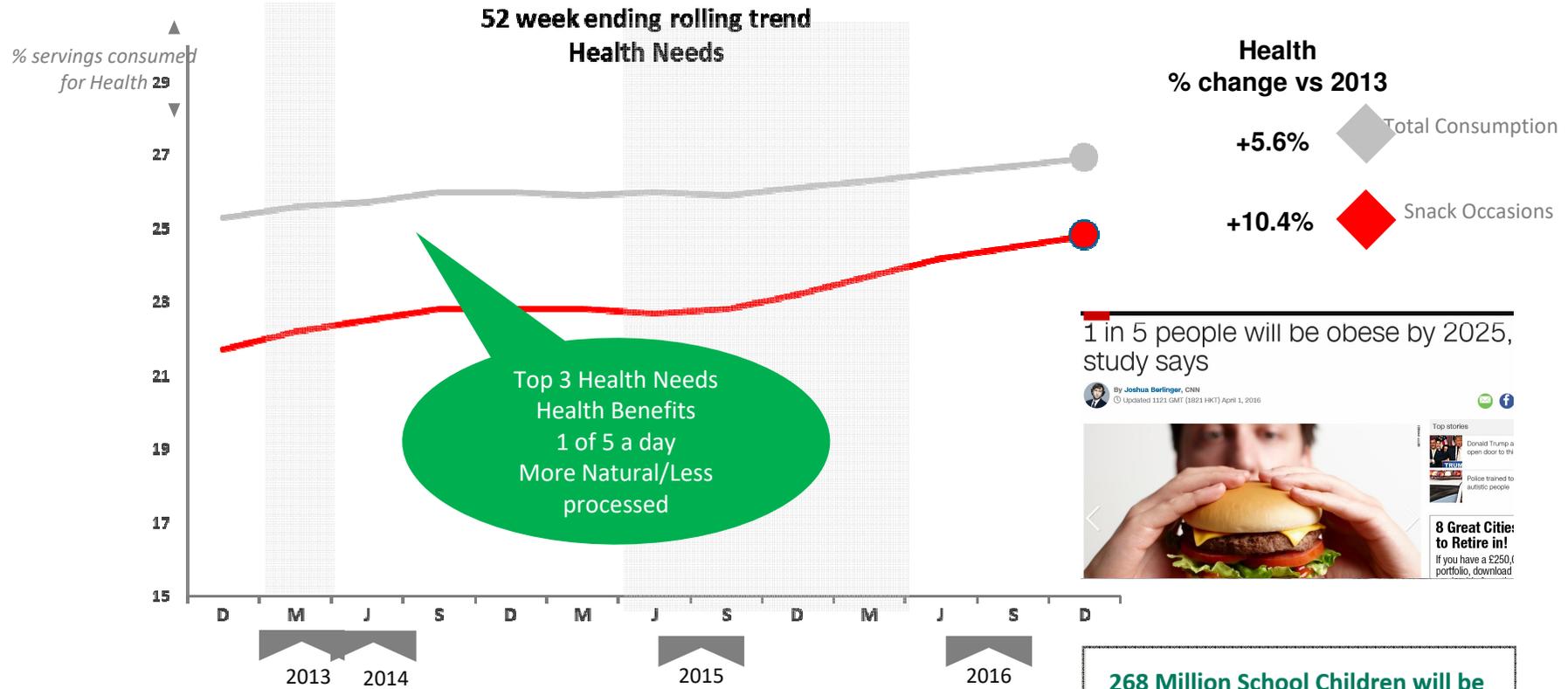


Retailer	Cashew Vol ROS
Tesco	28.4
Asda	12.6
Sainsbury	11.7
Waitrose	13.8

# Health Trends



Health has been steadily gaining importance over time, now accounting for over ¼ of all food choices and it is positive, functional health that is most important to consumers



Source: Kantar Worldpanel Usage – 52 w/e 4<sup>th</sup> December 2016

## Sustainable & Ethical Sourcing

What the future holds:



- The demand for traceable and sustainable food supply chains is growing. Sustainable supply chain improvements can be achieved when parties collaborate.
- There can be no transparency without traceability. In an industry where so much product is grown in one country and then exported and processed in another, this can only be improved with shortening those supply chains.
- By promoting local processing at origin and investing in those communities there is the possibility of increasing local employment as well as improving the environmental impact by reducing the carbon footprint.
- The ability to know the growers and farmers in our supply chain would give us the ability to work with them, through setting codes of conduct and installing confidential grievance reporting procedures. The goal is to create products that an ethically conscious consumer can have faith in.
- Factories should work to become SEDEX approved

## Factory Standards



Row Labels	Non Conformities	% of Total
<b>Equipment</b>	<b>16</b>	<b>17.02%</b>
Wooden Twig Style Brushes	7	7.45%
Wooden Items In Use Against Process	3	3.19%
<b>Fabrication</b>	<b>18</b>	<b>19.15%</b>
Temporary Repairs	6	6.38%
Bulbs Uncovered	3	3.19%
<b>Hygiene</b>	<b>56</b>	<b>59.57%</b>
Insufficient Pest Control	10	10.64%
Hand Wash Basin	9	9.57%
No Jewellery Control	6	6.38%
Smoking Not Controlled	5	5.32%
Protective Clothing Not Sufficient	5	5.32%
Hair Control Not Sufficient	4	4.26%
No Protection Below Sieving Platform	3	3.19%
<b>Other</b>	<b>4</b>	<b>4.26%</b>
External Traffic Routes	3	3.19%
<b>Grand Total</b>	<b>94</b>	

Passing Audits is Key, basic standards are not always followed  
 To work with European buyers, factories should have BRC or equivalent



## Contractual Terms and Compliance

- Payment terms
  - pre-payment concerns all parties involved, as we cannot guarantee product quality before stock arrives
- Shipping to agreed specifications
  - Seed - single origin per container
  - AFI Standards – target mid to the lower end of the specification
  - Pre-shipment sampling and testing
  - Quality of cashews over the last few years has dropped
  - Moisture and softness
- Delivery Performance
  - Reliability of delivery performance
  - Delayed shipment
  - Container utilisation
  - Container stacking
  - Industry standard pack sizes