Risk in the African Cashew Sector

Jim Fitzpatrick

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Risk Assessment Cashew sector

Identify risks in the African cashew sector.
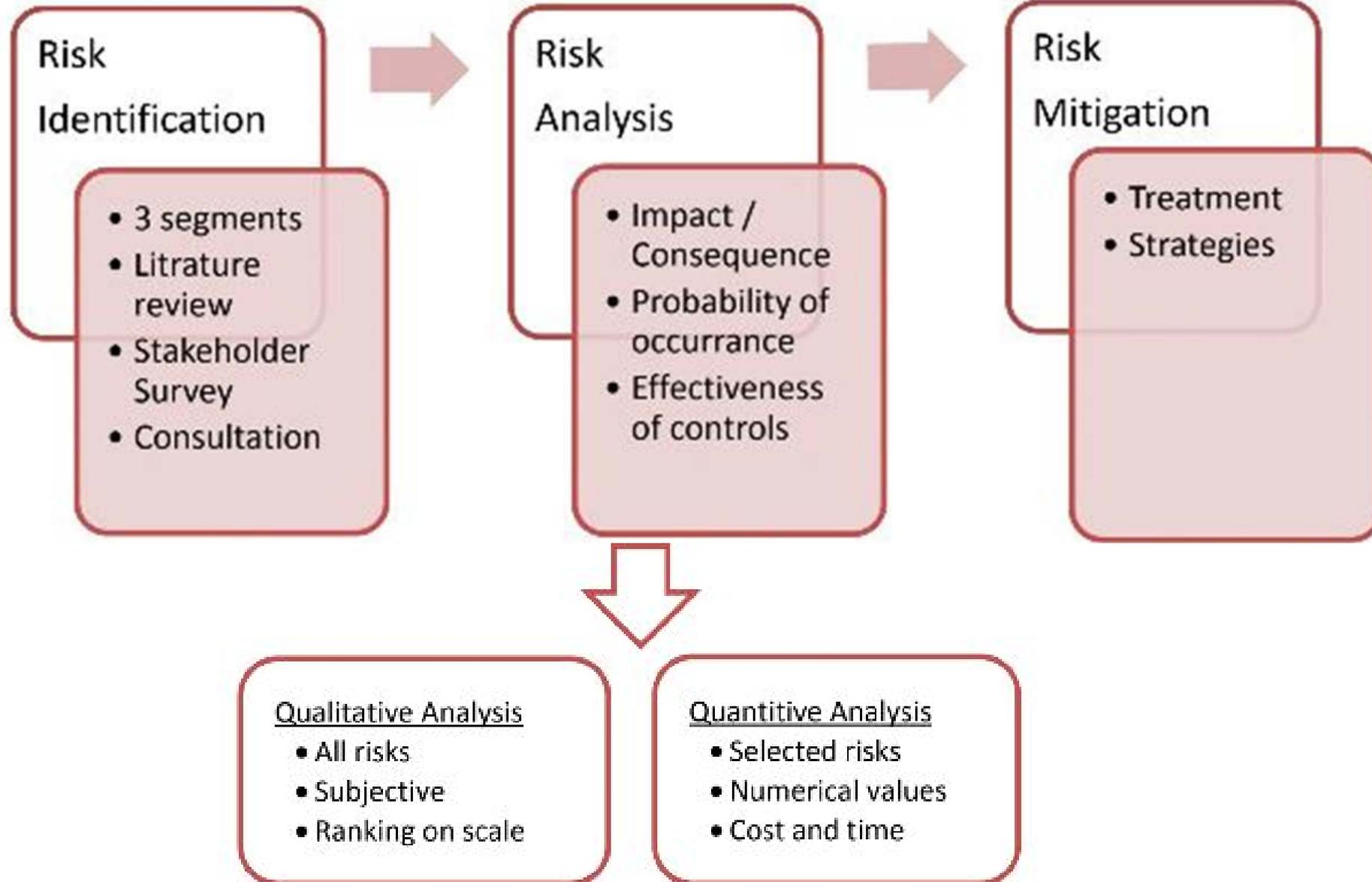
Scoring, categorisation and testing of results by survey.

Emphasis Sustainability, Product Quality and Food Safety.

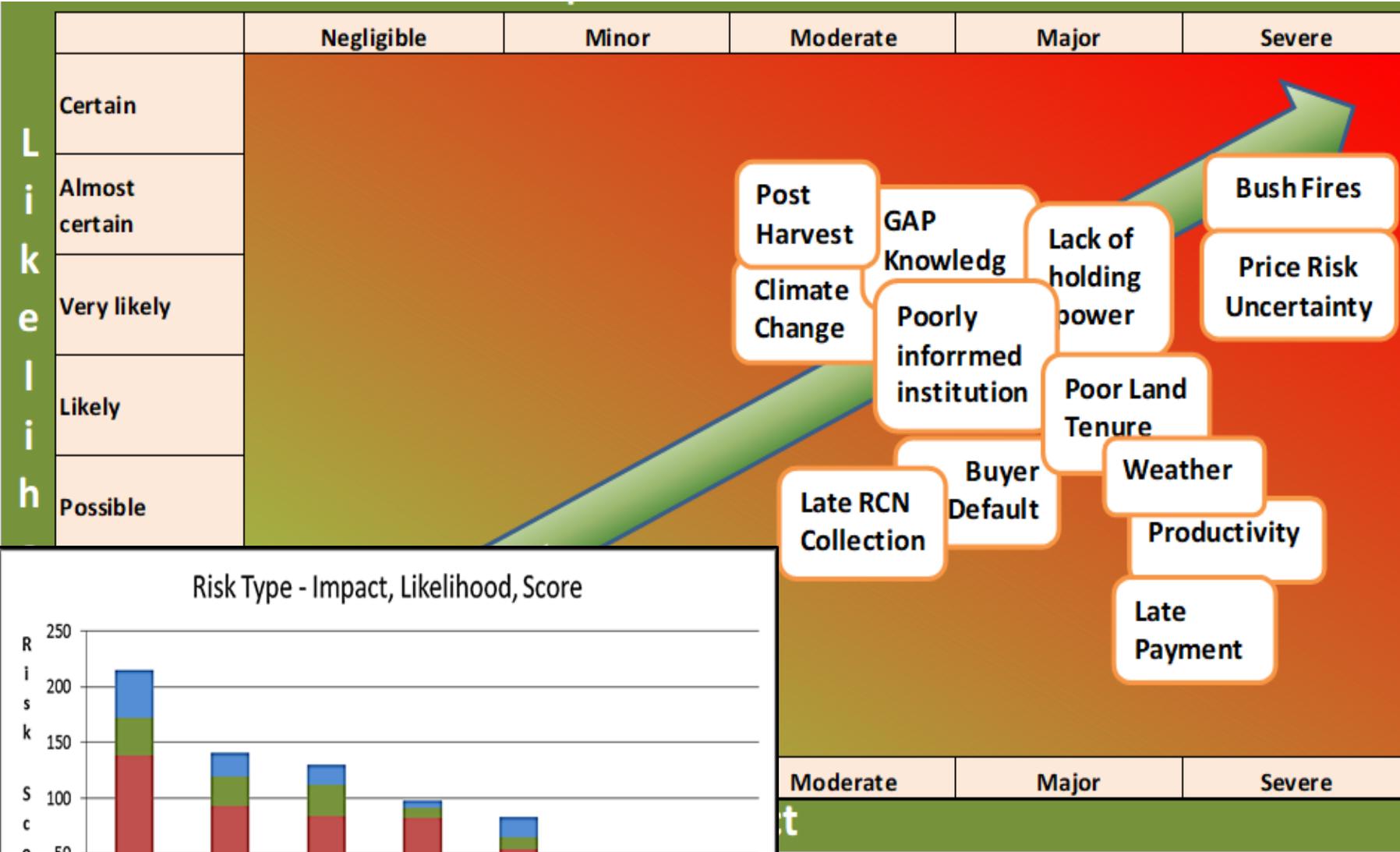Suggest risk mitigation strategies.

Develop pointers toward competitiveness
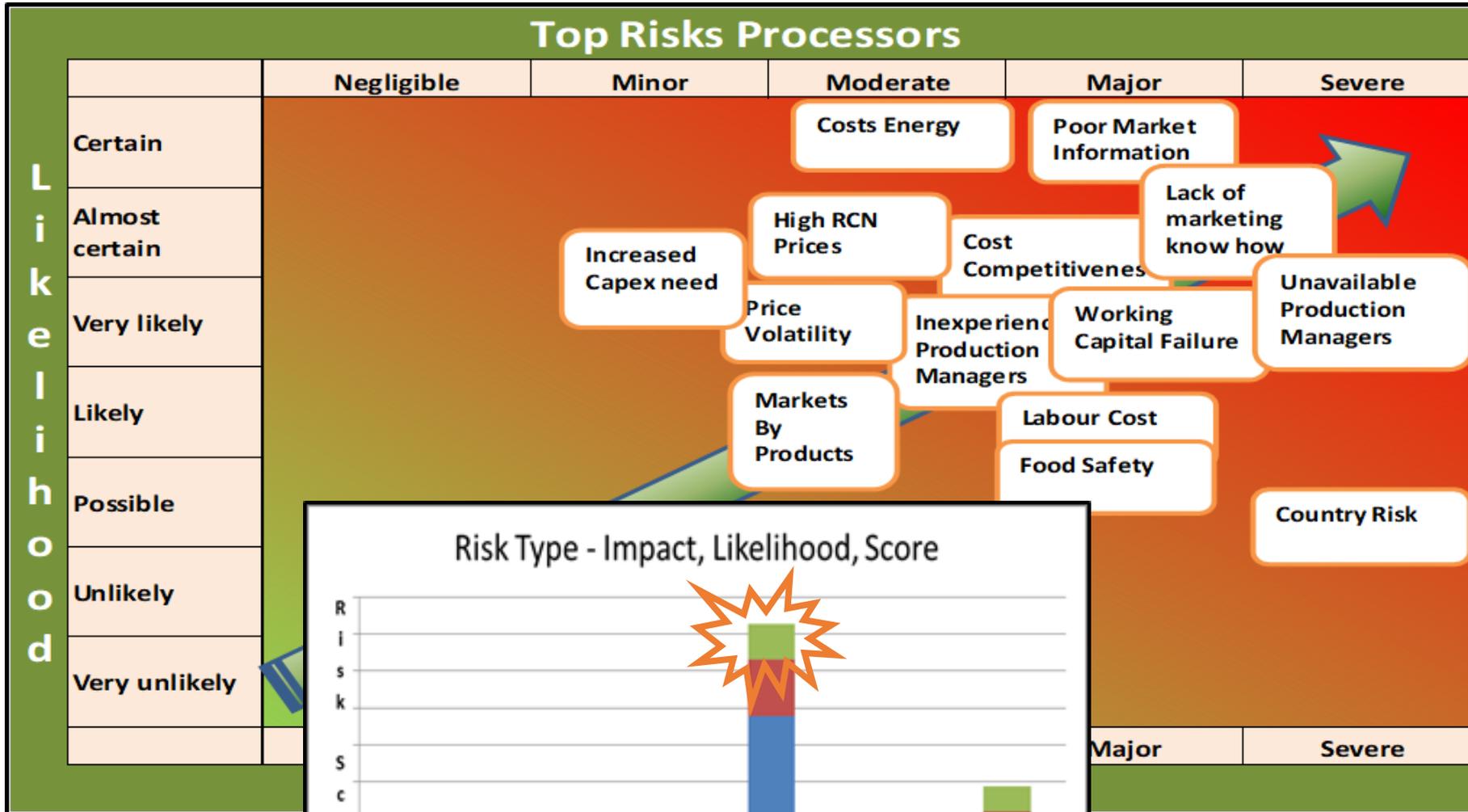
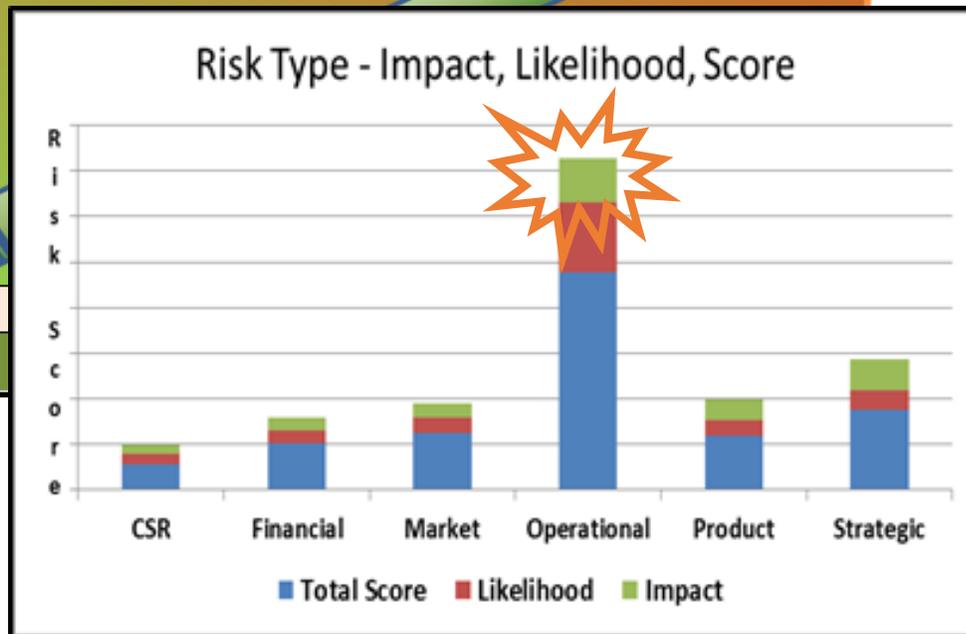# Risk Assessment Method

Risk Assessment Producers

Key Risks for Producers
1. Price Risk.
2. Lack of holding power.
3. Buyer behaviour – default, late payment , late collection.
4. Lack of knowledge
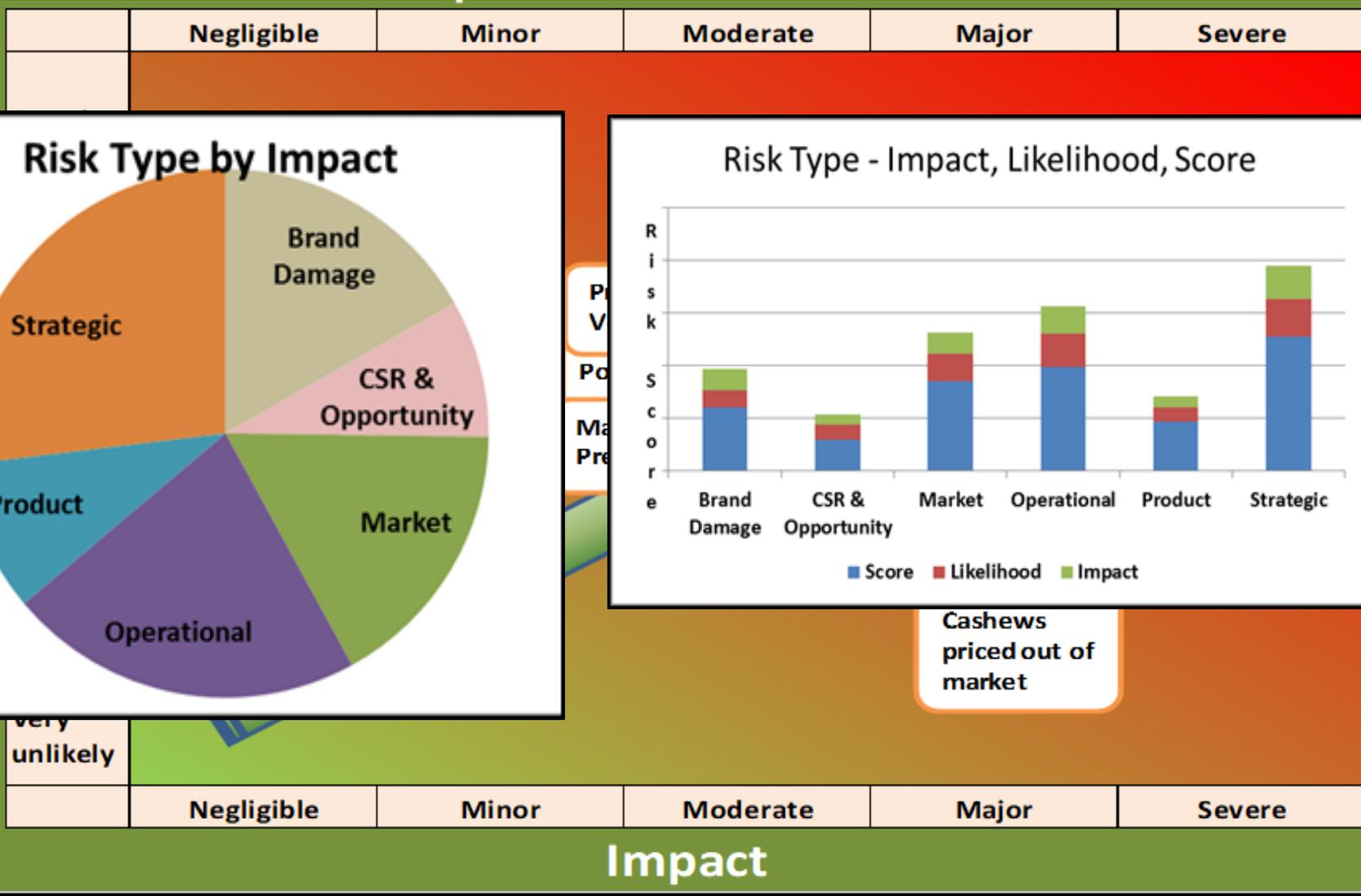5. Lack of tenure

Risk Assessment Processors

Key Risks for Processors
1. Lack of Management Skills.
2. Low competitiveness on costs.
3. High raw material prices.
4. High energy costs.
5. Working capital failure.
6. Supply chain development failure.

Risk Assessment Buyers/Roasters

Negligible	Minor	Moderate	Major	Severe

Risk Type by Impact

Brand Damage

Strategic

CSR & Opportunity

Product

Market

Operational

Risk Type - Impact, Likelihood, Score

Risk Score

Brand Damage | CSR & Opportunity | Market | Operational | Product | Strategic

■ Score ■ Likelihood ■ Impact

Cashews priced out of market

very unlikely

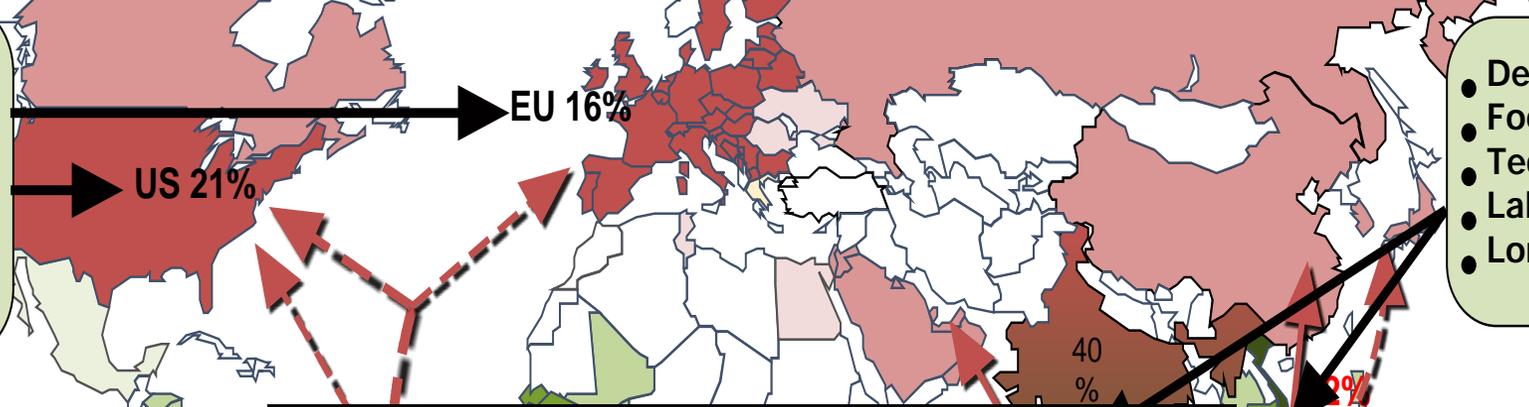| Negligible	Minor	Moderate	Major	Severe

Impact

Key Risks
1. Supplier contract fidelity
2. Food Safety / Foreign Matter
3. Not enough certified or audited suppliers.
4. Concentration of supply

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Cashew World - Key Risks

Thank you

Food Safety failure.
- Lack of certified suppliers
- Increased CSR demands from consumer
- High dependence on Vietnam

EU 16%

US 21%

- Dependence on imports
- Food safety non compliance
- Technology improving
- Labour practices
- Long voyage to export

- Production fall due to droughts.
- Reduced processing capacity

40 %

- Organized processing declining in favor of small processors.
- Low food safety practice
- Fast consumer growth outpacing supply

4.5%

1.8 m t p.a.

- High processing costs
- Poor financial services
- Poor awareness of buyers needs
- Can infrastructure cope with increasing volumes?
- Political/Country Risk

- RCN Trade loss of Trace ability
- Speculation/manipulation
- Loss of quality
- Carbon footprint/Environmental risk.

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KEY

Small Producers

Kernels Trade