



Walking the tightrope – balancing government policy and market players interests

Ernest Mintah,
Managing Director,
African Cashew Alliance

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Government Participation in the Sector

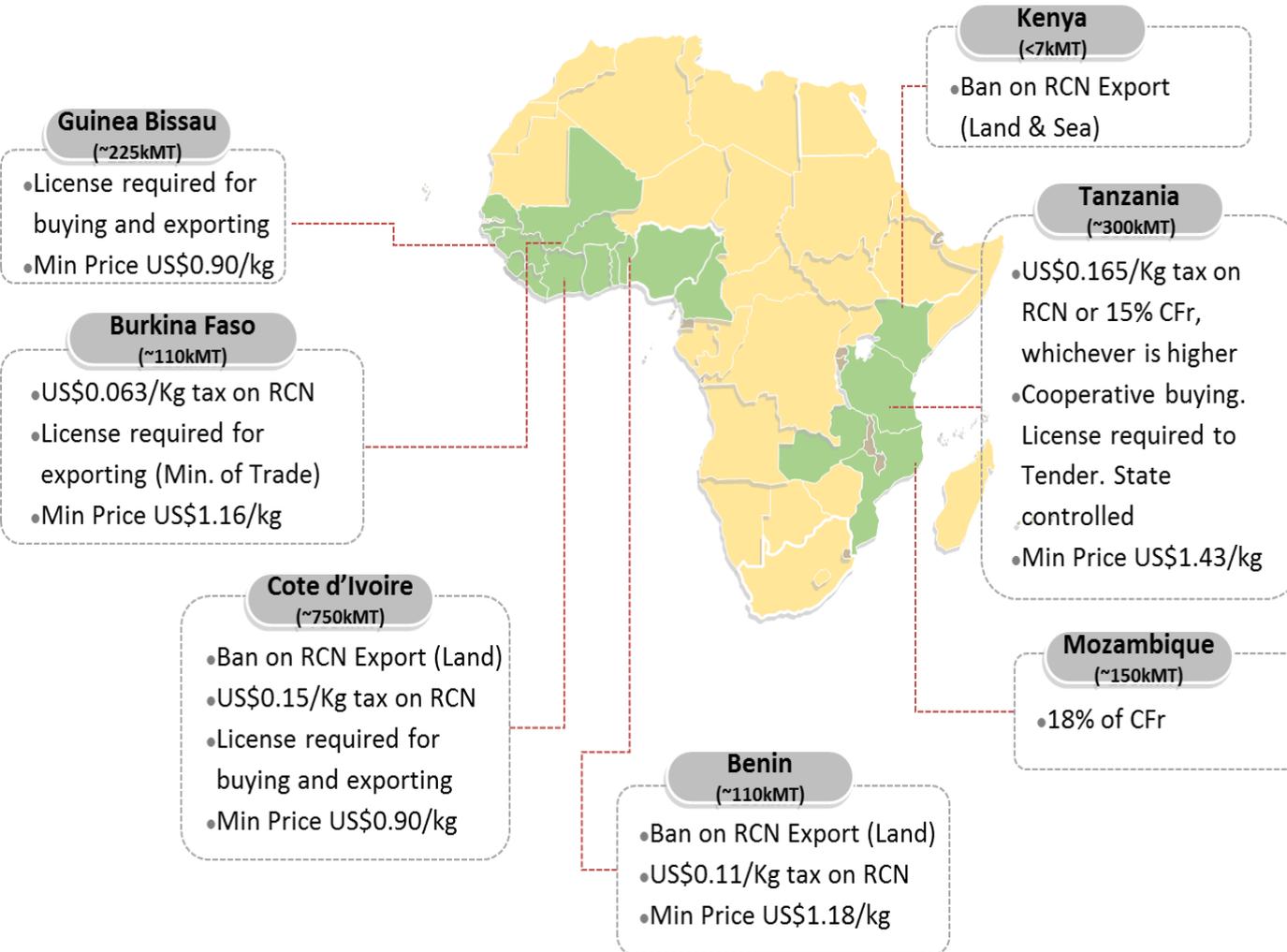


- Governments mainly use a national cashew agency or a cashew desk for regulation and/or promotion of the sector. Usually with consultation of private sector stakeholders.

Examples are:

- **Cote d'Ivoire:** Conseil du Coton et de l'Anacarde (CCA) – responsible for the regulation of minimum pricing, promotion of growing and processing, regulation of export of RCN quality and coordination for the sector as a whole.
- **Tanzania:** Cashew Board of Tanzania (CBT) – responsible for the overseeing of the Warehouse Receipt system and promotion of the sector.
- **Mozambique:** (Instituto de Fomento do Caju) INCAJU – responsible for the development and implementation of cashew policy in Mozambique.
- **Guinea Bissau:** ANCA in quasi regulatory role with main policies determined by the Ministry of Agriculture.
- **Ghana:** Working on a Bill for Tree Crop Authority in 2019: Currently at validation stage

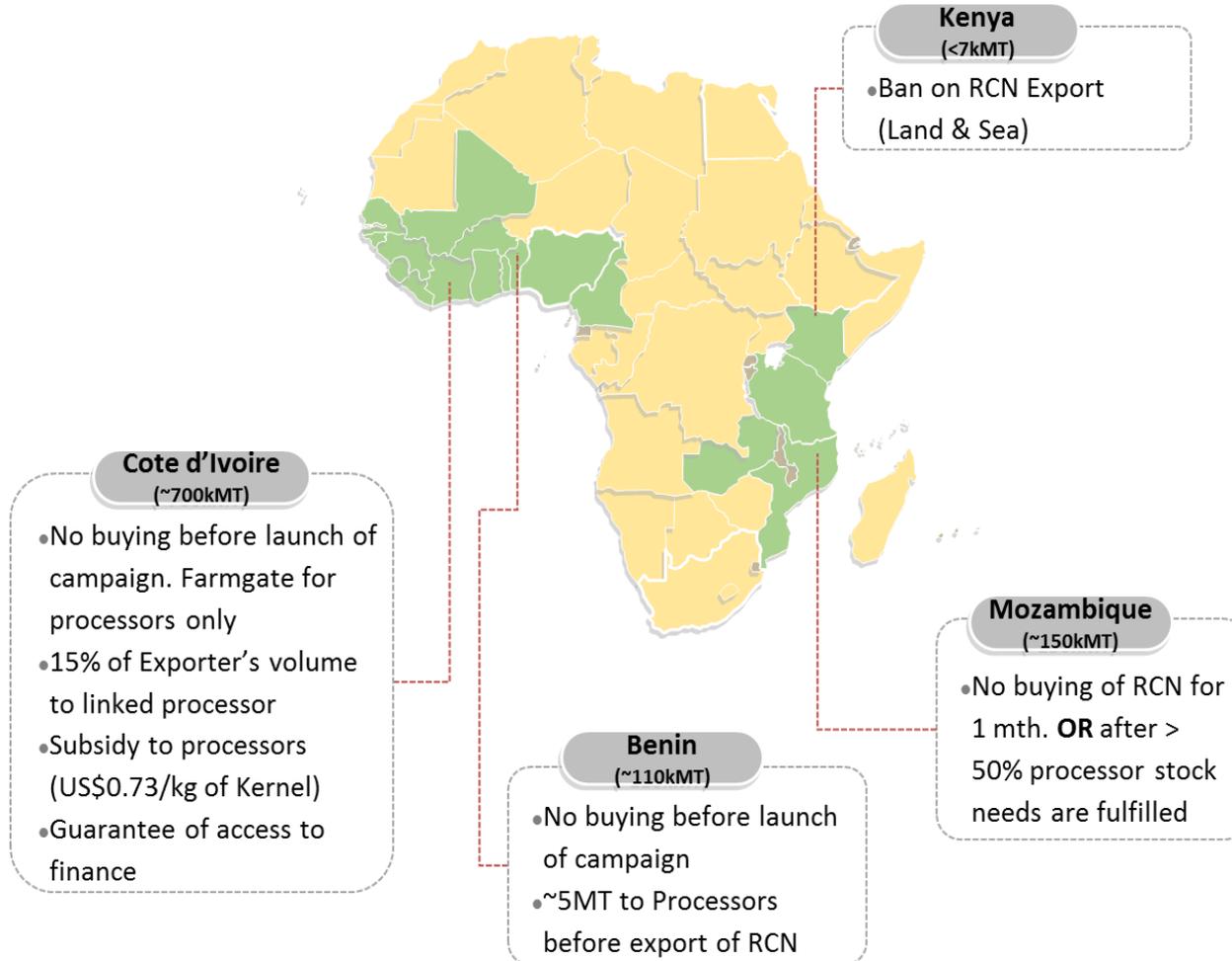
Cashew Sector Policies in Africa- RCN Focused



Key Policies:

- In Cote d'Ivoire and Benin, ban on land export of RCN exists. Kenya, has both Export land and sea ban.
- Tax on RCN Export ranging from US\$0.063 to US\$0.15 per kg (2018) are imposed in BF, BN, CIV, TZ and MZ
- Buyers/Exporters are required to obtain licenses before buying RCN in GB, BF, CIV and TZ
- Minimum Farm-gate price of RCN ranging from US\$0.90 to US\$1.43 per kg (2018) are set annually in GB, BF, CIV, BN and TZ

Cashew Sector Policies in Africa- Processing Focused



Key Policies:

- CIV, BN and MZ have defined buying periods for RCN Traders, to allow processors to fill their stock
- In CIV, RCN exporters are to sell-back 15% of RCN to Processors before exporting. In BN, 5MT must go to Processors before export.
- CIV pays a subsidy to Processors (US\$0.73/kg of kernel exported)
- CIV guarantees 25% of loans to Processors, up to 5billion FCFA

Initial Observations and key questions

Initial Observations (Impacts?)

- Policies not harmonized and some are not implemented at the appropriate levels (eg. sale of RCN to processors before export). Most policies introduced less than 3 years.
- Informal trade across borders from countries with RCN Tax regimes (CIV, GB), with GH and BF becoming major transit countries
- High variation in RCN prices, though prices slumped in 2018 to 2015 levels
- Increase in-country processing in some countries applying regulations (CIV – 26 processing factories, up from <10 in 2015; MZ – >35% processed)

Key Questions remain in medium to long-run

- Are policies supporting non-competitive businesses?
- Will RCN Supply fall, with new RCN price trend??
- Impact of policies on Production, Processing, Price, Quality?
- Role of the Consultative International Cashew Council (CICC)?

How to 'walk the tight rope'

- Undertake impact studies of the policies to deepen advise
- Quicken the implementation of CICC for enhanced policy dialogue with government
- Data, Data, Data (➔strong market intelligence)
- Enforcement of quality control and Traceability measures
- Limit the policy instruments - number, quantum and direction - for effective implementation
- Responsible behavior from the market and governments (we are on the rope together!)



THANK YOU !!!