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Organised By

CashewInfo.com



The 5th Edition of the World Cashew Convention & Exhibition 2019 was held in Abu Dhabi between 24 to 26 January, 2019.

CONFERENCE SUMMARY

Inaugural session



Keynote address by Hon. Japhet N. Hasunga, Minister for Agriculture, United Republic of Tanzania

"After a record RCN production of 315,000 tons in 2017/18, Tanzania produced 250,000 tons in 2018/19. The drop-in production is mainly due to bad weather in 2018. Tanzania is set to increase production to more than

350,000 tons in 2019/2020. In each year, the government is planning to plant more than 10,000,000 new cashewnut trees.

Cashew nuts sub sector is one among the main contributors in export earnings, ranked the first among the export crops from Tanzania. That contribution is mainly from exports of RCN. The contribution will be higher in the course of expanding interests in establishing local processing facilities, which will bring paradigm shift in terms of food quality, safety and hygiene, as well as market orientations. **Currently, less than 20% of raw cashewnuts are processed locally and very little value addition in cashew and by-products are done within the country.**

The government is continuously providing more incentives to

investors who have shown interest in establishing factories in agro processing with particular emphasis to cashewnut sub sector from which already the country is losing a lot of economic gains by exporting raw cashewnuts to the world markets. The Government of Tanzania invites all interested companies and individuals wishing to invest in Tanzania to utilize this noble opportunity which aims at benefiting all parties on win-win bases."



Special address by Mr Vasudev Barkur, Executive Director, ETG

Year 2018 has been one of eventful years, not so much on the positive sense for the cashew fraternity. **The price volatility that we had seen in 2018, a sharp fall of more than 40 percent from USD 2300 per ton levels, had nearly wiped off the entire**

network of many cashew players. With the kind of resilience shown by the cashew fraternity, definitely the industry will come back strongly going forward. We should aim at bringing structural changes in the global raw cashew industry in the manner in which the businesses are conducted today. We need to adopt best **processes and practices of international standards in the raw cashew trade through a formal global body.** Hope we make a beginning in this direction.



Special address by Dr. R K Bhodes, Chairman, Cashew Export Promotion Council of India (CEPCI)

The current crisis in the cashew industry is mainly due to heavy fluctuations in kernel as well as raw nuts prices. Unethical practices, shipment delays and quality variations

increased number of disputes. In 2018, the CEPCI delegation went to the East and West African countries and presented specific cases with the officials and at the level of honorable ministers of their respective countries. A solution is yet to be reached. I request the government officials to initiate probe into specific complaints submitted by CEPCI and take appropriate action. This would definitely send a right message and help in gaining confidence.

At the time of crisis, CEPCI was able to convince the government of India to reduce the import duty and taxes on the cashews to protect the industry. Now we are expecting the full withdrawal of duties in the coming budget. We appreciate the reciprocal action taken by Cote d'Ivoire on reduction of export duty.

The Indian cashew processing industry is adopting mechanization and automation. In India, cashew processing is a heritage industry with social commitment. More than one million workers, majority of them are women, find gainful employment in the Indian cashew industry. We envisage the domestic raw cashew production to go up to 1.5 million by 2025. Simultaneously, cashew processing is expected to go up to 2.5 million by 2025. The balance of one million metric ton is to be imported from other producing countries. **The domestic kernel consumption is growing by 8 % annually**, which can be very well met by the domestic production. The Indian cashew has always maintained a high quality and taste and is backed by more than three generation of heritage in cashew processing.

Mr William Ezeagu, NEPC (Message of Mr Segun Awolowo, CEO, NEPC)

2018 sharp price fall in RCN has affected all the producing countries. I appreciate the initiative of Cashewinfo for organizing the key cashew stakeholders meeting in Dubai in August-2018 to discuss and resolve the crisis in the RCN sector. Some of the proposed solutions were implemented.



Structural changes in terms of contract, commodity exchange, in the long run will do wonders for the market.

Nigeria's RCN production has increased over the years and the same is the case with exports. We have faced lot of challenges in 2018 while exporting RCN. We need to add value to our produce through processing. We welcome expertise and investments into Nigeria.



Special Address by Mr Pankaj Aggarwal, Bikanervala Foods Pvt. Ltd,

Consumers demand and consumption for cashew has taken off in recent years. From being a 'luxury' product, dry fruit demand and consumption has shifted to a 'health and necessity' category over the last few years.



RCN Trade Forum: How to get two million tonnes of RCN from origin to processing in good quality and reliably?



Mr Rajiv Kumar, Radson Exports
 “There are countless challenges in raw cashew trade. With every day, complexities of the business are increasing. The best way forward is to choose your business partners wisely.”

Problems facing the RCN trade

- Climate variations
- Pre-harvest care
- Premature harvesting
- Farm storage conditions
- Post-harvest handling
- Road transport infrastructure
- Warehousing
- Pre-finance risks
- Moisture control
- Quality variations
- Mixing of origins
- Mixing of old and new crop
- Port Infrastructure
- Vessel schedules
- Duties, Levies, Taxes, Statutory compliances
- Empty container availability
- Container shutouts
- Vessel cancellations
- Exchange rate risks
- Political interference
- Quality deterioration
- Contract performance
- Claim settlements
- Survey Disputes
- Transit damage
- Market fluctuations
- Kernel colour and taste
- Pesticide residue
- Halogen taints
- Certificates and Document discrepancies



Mr Murthada Adeyemi Adeniji, Starlink Global & Ideal Ltd: “Cashew production is increasing in Nigeria and in all other West African Countries. To get the two million tons of RCN to processors, we must consider three things i.e. Consumption of the nuts, Quality assurance from the origin and Market Structure.

- Consumption Concerns: If this does not improve, there will always be problem of glut and will lead to discouragement of the producers.

Quality Assurance: Farmers education should be intensified at origins on harvesting and post harvesting handling; Discouraging the encroachment by foreigners especially in Nigeria, as it leads to plucking of immature nuts, inadequate sun-drying and also put pressure on the price; and Shipping lines should work on reducing transit period of the delivery.

Market Structure: Commodity exchange is one of the ways to ensure terms and conditions specified in Contract are strictly adhered to and fulfilled.”



Mr B N Balodi, Valency International Trading Pte Ltd “Sun drying soon after harvesting the nuts for three days is the best and the only way to ensure good quality raw cashews.”



Mr R Balasubramanian, RBS Maritime Services “Farmers are the best people to sun dry raw cashews, enabling them can improve quality of raw cashews.”

**ORIGIN WISE MOISTURE CARGO (CONTAINERISED) PROFILE-Number of containers
(20' & 40') Inspected by RBS**

ORIGIN	2017-2018			2018-2019			DIFFERENCE IN %
	Total Containers	Moisture affected		Total containers	Moisture affected		
		CTRS	%		CTRS	%	
BENIN	2604	43	1.65	5741	258	4.49	2.84
BURKINA FASO	967	51	5.27	2019	212	10.50	5.23
GAMBIA	746	145	19.44	655	33	5.04	-14.40
GHANA	1999	221	11.06	3451	399	11.56	0.50
GUINEA	309	112	36.25	609	167	27.42	-8.83
G.BISSAU	1606	245	15.26	1492	86	5.76	-9.50
INDONESIA	442	59	13.35	187	3	1.60	-11.75
IVORY COAST	5277	774	14.67	6094	755	12.39	-2.28
MADAGASCAR	106	0	0.00	42	0	0.00	0.00
MOZAMBIQUE	960	160	16.67	452	24	5.31	-11.36
NIGERIA & OGBOMOSHO	1297	132	10.18	2494	743	29.79	19.61
SENEGAL	329	34	10.33	325	6	1.85	-8.48
TANZANIA	4919	314	6.38	505*	129	25.54	
TOGO	338	35	10.36	1109	97	8.75	-1.61
TOTAL	21899	2325		25175	2912		
PERCENTAGE	10.62			11.57			0.95

NOTE : * CROP 2017-2018

ORIGIN WISE QUALITY PROFILE OF RCN AS PER RBS INSPECTION

ORIGIN	2017-2018			2018-2019		
	QUANTITY N.MT	AVERAGE COUNT	AVERAGE OUT TURN	QUANTITY N.MT	AVERAGE COUNT	AVERAGE OUT TURN
BENIN	44404	184	47.17	107505	187	48.41
BURKINA FASO	18071	198	46.05	38950	199	47.51
GAMBIA	16210	208	51.30	14713	202	51.75
GHANA	38297	195	50.07	66759	198	49.05
GUINEA	7714	194	46.14	15455	193	46.83
G.BISSAU	30059	215	53.16	32232	222	54.58
(Break bulk)	22171	218	52.05	14875	223	53.27
INDONESIA	7793	197	50.98	3590	203	51.47
IVORY COAST	93476	190	46.99	125117	192	48.10
MADAGASCAR	1778	240	45.61	706	243	46.62
MOZAMBIQUE	17614	208	46.64	7949	200	46.88
(Break bulk)	5614	220	47.47	0	0	0
NIGERIA & OGBOMOSHO	27098	196	49.93	56252	200	49.10
SENEGAL	6815	218	51.79	5941	227	52.93
TANZANIA	88041	194	51.08	10169*	185	42.53
TOGO	5807	184	47.88	19331	192	48.62
TOTAL	430962	197	49.25	519544	197	48.93

NOTE : * CROP 2017-2018



Mr Daouda Gon Coulibaly, ACE
Global

Recommendations for the 2019 season

We must continue the sensitisation missions to:

- Producers and cooperatives for the application of good agricultural practices (Frequency of collection (twice a day), minimum drying time to be respected, sorting, bagging and preservation)

Quality from 2017 – 2018

Summary table of export quality parameters for 2017 and 2018 - Ivory Coast

2018 Campaign				2017 Campaign				Variation Out turn	%
Average				Average					
Nut count	Moisture (%)	Def (%)	Out turn (lbs)	Nut count	Moisture (%)	Def (%)	Out turn (lbs)		
189	8,8	13,1	47,7	188	8,7	12,7	47,9	-0,2	-0,4

- At the level of buyers and exporters by strictly respecting the purchase of well-dried and well-sorted products

Need for improvements and approach

- Firstly-Organize open days in collaboration with major groups present in Côte d'Ivoire on the determination of the KOR in order to capitalize on feedback of their experiences
- Secondly- Under the oversight of the CCA, plan and develop concerted actions with testing agencies in India and Vietnam.

It is also necessary to maintain the arrangements made by the CCA

- The control of the marketability of raw nuts at all port and inland stores limiting the moisture content of nuts to 10%
- The imposition of suitable sacking for the conditioning of raw nuts
- The work of the quality platform



Mr V Dheenathayalavel, Lion Overseas Pte Ltd

“As per my experience, the awareness of quality in African countries is increasing a lot. For example, Government in Cote d’Ivoire is very particular about the quality and they are putting ARECA (CCA) to check the quality. Likewise, in Mozambique, the inferior varieties cannot be exported. They put duties on the basis of the quality. Getting the quality intact in a good manner requires patience from everybody- traders or suppliers or processors.

The second part is how to get rcn reliably. It is the duty of the buyers, sellers, processors and suppliers to do their homework and decide on who to buy, get and sell. So, all these are in our hand.”



Open house on Global Raw Cashew Forum

Facilitated by Mr Vasudev Barkur, ETG, Mr Pulkit Jain, Pajson Trading DMCC and Mr Prakash Kalbavi, Kalbavi Cashews

Currently, the size of global raw cashew trade is about 2 million tons. That’s roughly USD 3.5 billion dollar. 2018 crisis saw at least USD 250 – 300 million dollar wiped out due to defaults and renegotiation. Raw cashew industry is expected to grow in quantity and value to touch USD 5 billion in the next five to seven years. If the raw cashew trade has to grow and sustain, then it needs to organize itself better. Thus, there is a need for a global body for raw cashews that is inclusive, that is capable of developing standards for RCN quality (assimilating all the existing initiatives), that is able to bring out workable contract agreements that are enforceable and that has an arbitration centre to resolve disputes quickly. Additionally, the global body can liaison with various governments on a continuous basis and help in closer working relationship.

The delegates were broadly in favour of formation of global body for raw cashew trade. As a first step, it was agreed to **form a task force** comprising representatives from associations of each country, representatives from brokers, shippers, testing service providers and others connected with raw cashew business. ACA volunteered to join and support the initiative.

The facilitators, with the consent of delegates entrusted Cashewinfo.com with the responsibility of (a) reaching out to various stakeholders identified above and encouraging them to join the task force and (b) facilitating the meeting of the task force at the earliest.

Cashew Kernel Market Forum- 2019 Cashew Market Review and Outlook US, Europe, Emerging Markets Representative



Mr Somnath Chatterjee, ITC Foods-

Indian branded food industry is nearly USD 30 billion and growing at a fastest pace.

Increasing in disposable income, awareness on health needs, nuts and dry fruits emerges as most popular choices for gifting in India are some of the factors resulted in shift in demand to dry fruits.

Poor farm mechanization, low cashew productivity, higher dependency on imports and stringent factory and labour laws are some of the key production related challenges.

Customs clearance, adding value, quality, GST, FSSAI are some of the other internal challenges, while some of key external challenges are geo-political tensions, counterparty risk, product substitution, Low cost of raw material and processing cost in the raw nut producing countries and Subsidized production inputs and external funding in competing countries.

On Traceability, as far as India is concerned it's a very price sensitive market. If I take the analogy from other commodities that we import it in to India, such as palm oil and sugar, international bodies keep pushing us to import only green certified palm oil, work has been already started on this in India, consumer is still very price conscious and it may take anywhere from four to six years, we will see product labels mentioning traceability, compliance, etc,

Mr Vu Thai Son, Longson- It is heartening to note that the cashew kernel consumption is good in 2018. In US the consumption is slightly higher while in EU it was rather steady. People may ask question despite good demand for kernel why the prices came down sharply in 2018?



In the beginning of 2018 cashew kernel was around USD 4.70-4.80 per lb, but kernel buyers refused to accept citing higher price. It is because of the efforts of Vietnamese and Indian processors the price of kernel was reduced significantly to attract buyers and to keep the global cashew consumption

going.

As of today (Jan 25th) most of the RCN new crop is coming from Cambodia to Vietnam. The price today post drying in our factory for 50 KOR is USD 1560-1580 per ton. But every day we ask our supplier to reduce the price by VND 500 per kg or USD 22 per ton. This is the current situation in Vietnam.

With new food safety regulations in place from 2018, spotted kernels import by China has reduced substantially. So, some rcn originating from Nigeria and IVC may face difficulties. Vietnamese export market share to China dropped from 19 percent in 2013 to 13 percent in 2018.

In 2018, no processor in Vietnam made any money. Many cashew factories went out of the business and they may not open up again. It is difficult for Vietnamese to get loan from banks for purchasing raw cashew nuts, as Vietnamese banks want back to back business, means if you purchase raw seed, you need to show kernel sales.

Cambodia rcn crop for 2019 may cross as high as 200,000 tons.

Considering the ample supply of RCN, the price of W320 should be around USD 3.20-3.30 per lb FOB to be attractive to buyers for consumption, provided if the RCN arriving from Cote d'Ivoire for 48 KOR should be around USD 1200 per ton CNF Vietnam.

Mr Ranjeet Wallia of CHC Commodities Handlers- "Despite huge fluctuations in kernel market prices in the last three years, cashew kernel consumption in US and Canada continued to remain robust; whole Cashew consumption may be down, however overall Ingredient usage is up.



We don't see too much upside in kernel price and don't want to see a 10 percent slide in price from current level, which is not healthy for trade. The US-AFI is likely to have a relook at cashew kernel specifications with respect to two main issues i) about the testa and ii) other about the screen size, whether it should be round or square and the percentage of broken."



Mr Kees Blokland, Global Trading & Agency : If china's cashew consumption increases by triple from the current figure then we need additional 700,000 tons of RCN.

Responding to a query, Mr kees is of the view that European buyers can buy cashews from Africa, but you need to have process facilities which have food safety certified factories and to have traceability, which consumer prefer. As different grades of cashew are available, you need to have minimum quantities of 50 or 100 cartons before you export, as buyers are not interested in buying few cartons. But nevertheless, as we aware that African cashews are processed in Vietnam and sold to other parts of the world.

Being asked about whether African processors will get premium price for their kernels if they comply with traceability, carbon footprint etc,. Mr kees said, as an African processor you need to mention about the seven points on carbon footprint, traceability, then over a period of time African buyers can be paid premium for their kernels.



Mr Chen Wen, Xin Da Sheng International Trade Ltd As China moved away buying from trucks to marine transportation, now it may prefer to buy from Africa going forward. Previously we prefer to buy only from Vietnamese by trucks which are more convenient and also to save time. Chinese consumers prefer to buy premium nuts with more white and sweetness like that of Cambodia's.

premium nuts with more white and sweetness like that of Cambodia's.

Cashew Processing Technology and Innovation Forum



Mr Shaktipal "If we adapt power generation from cashew shells in the African continent, it would add additional profitability of USD 55 per ton for the processors. This could change the dynamics in African processing."



Mr James Obarowski, TechnoServe Benin Country Director- "Africa energy demand is expected to double by 2030. Not all countries are blessed with petro sources or coal. Given this, deoiled cashew shell cake with a calorific value of 4700 kcal/kg offers bright prospect as a clean and efficient fuel source for power generation for Africa.

Nearly half of new energy demand in Africa is met by renewable; by 2040, renewable energy may account for 40-60% of the supply.

In Africa processing is gaining momentum over the years and cashew shell utilization will add much needed economic and environmental competitiveness. If African countries can process their entire cashews produced locally, then the produced cashew shell will be able to generate 105 MW of electricity (currently African raw cashew production stood at 1.9 million tons).

The cost of producing 1.5 MW should be about USD 1.6 million. To generate this roughly about 12,000 tons of de-oiled cakes are required.

In Africa, at present, cashew shells are either land filled or burnt. Both options have cost as well as environmental implications. In India, power plants of capacity ranging from 1 MW to 6 MW are fuelled by deoiled cashew shell cake.

BeninCaju has worked on successful models of power generation supported by cashew de-oiled cake as fuel for power generating capacities ranging from 0.5 MW to 3MW. Many African countries currently have critical mass of shell available to support at least one power plant.”



Mr Charlie, MEYER Optoelectronic-

“In the main product line for food, we have two machines i) For Quality Control – Color Sorter (for sorting discolored and sizing of nuts) and ii) For Safety Control (Deep Quality Control) – X-ray detector, which could detect foreign materials such as metals, glass and stones, etc.,

At present, X-ray technology can’t detect infestation inside the kernel.”



Mr JC Reddy, Vink Corporation DMCC

For dirty shelling floors, peeling floors and grading floors with trolley movement, Granite is one of the best flooring; Industrial tiling could also be considered. But, always use epoxy filling between the tiles; even if a tile is damaged, one can remove that

particular tile and replace the same with epoxy.

Need for Automation: Minimise the workforce to less than one worker per bag; Minimise the processing time between three and five days; Achieve consistency in Processing Quality; Less human intervention & Microbes issues; Minimise infestation risk and adopt no jute bag concept in process lines.

Pre-requisites for Automation: Size & scale of the plant (Medium to large); Plant location & skill availability; Strong Technical & maintenance skill requirement- multiple parameters for multiple origins; Medium to high investment and Effective spares management and after sales service.

Fundamentals for Plant Design: Spend more time for Plant Design, Design the process line first & work on civil structural later; Go for turnkey solutions instead bits & pieces; Make sure to use SS at all contact points; Avoid Epoxy flooring for

trolley movement; HACCP based designs & maximum linear flow concepts and Cross ventilation / low sweat.



Ms Kishwar Siddiqui, Safmarine Dubai

“Maersk vision is to be global integrator of container logistics connecting and simplifying our customers supply chain. By understanding customer’s requirements, we decided to merge trading and financing and combine it to provide a single window for flow of goods and money. We are offering

fast access to capital, reliable transport and access to global markets. We are able to finance pre and post shipment operations.

Another initiative of Maersk is a joint venture with IBM is that of block chain solutions, called Trade Lens. It is an open and neutral platform by digitising global supply solutions and transforming trades.”

Considering the potential of cashew trade out of Africa, Maersk is proud to say that African is one of our focus areas of trade and we are always looking for opportunities to have infrastructure, logistics connections to accommodate economic growth.

RCN Market Scenario 2019



Mr Prakash Kalbavi, Kalbavi Cashews:

“2018 is the most disruptive year for the cashew industry not only in terms of price crash but also on the changing market dynamics.

For almost six years, RCN prices moved higher from USD 850 per ton in 2012 to USD 2300 per ton in 2018. Then we saw the steep crash starting from the mid-West African season. On the other hand, during East African season 90 percent crop was unsold as price offered by traders were not acceptable to the farmers and finally the Tanzanian government stepped in to buy all RCN from farmers.

We have started the 2019 season with surplus 350,000 tons as against 50,000 tons during 2018 season, with most of surplus from one origin.”



Mr Olorunda Flousho of Cleanslate Commodities, Nigeria: “In 2018, Lagos port logistics problems and pilferage of RCN in containers and foreign entities buying directly from farmers in the bush were the main challenges.

Nigerian RCN production increased to 240,000 tons in 2018 as against 220,000 tons produced in 2017. About 24,000 tons of crops processed locally in 2018. **RCN production for 2019 is projected to be about 270,000 as new cashew initiatives/ plantations mature.**

Aggressive efforts are going on to fix the ports access roads and reduce gridlock and transit time. The gridlock is however expected to persist during the 2019 RCN season, but reduced in its impact. Opening up and encouraging the use of alternative ports to decongest the Lagos ports.

To a query with regards shipment delay, pilferage during transit and for strict enforcement of weighment at the port itself, so as to identify the place from which the RCN crop is stolen during the transit, Mr Olorunda Flousho is of the view that based on the last year experience, the exporters are talking to the concerned port authorities and the shipping companies to find a way to solve the problems; as a matter of fact the NCAN has written letter on the same that weighment should be done at the port premises itself and e-way bill has to be given to exporters as well as to sellers. We see to that individually and collectively that pilferage cases won't happen during this season and few arrests were made by federal Government authorities in this regard.

Time to change such stereo type narrative that Nigerian RCN is of low grade and should attract least prices.”

Mr Ram Mohan, Comafrique

on cashew prospects of SEGABI (Senegal – Gambia – Bissau) region in 2019. **“In 2019 SEGABI region crop is likely to be about 240,000 tons of cashew, of which 225,000-230,000**



tons of RCN to be exported and the remaining may be lost either due to quality loss or to be moved in to Guinea Conakry.

In 2018 Guinea Conakry exports 75,000 tons of RCN as against 45,000 tons exported in 2017. Due to sudden changes in government policies people are moving cargos between the countries in the regions.

The respective governments in that region should fix policy well in advance for the crop like cashew, which also affects the livelihood of farmers. **There should be an estimation of cost of production of cashews, which would eventually help everyone in the value chain and also help the governments while fixing the minimum guaranteed price to farmers.”**



Dr Kassimou ISSAKA, Director General, Cashew Agency, Benin

“The government of Benin has a plan to increase the RCN production to 300,000 by 2021. Right now, Benin RCN production is in the region of 140,000 and 150,000 tons. They are concentrating on the existing plantations to improve the yield in the regions which are having yield of 600 kgs per hectare.”



Mr Nitin Bajaj, Olam International

“West African cashew growth is about 14 percent over the last five years, with Cote d'Ivoire leading the growth in all formats. As per GCC and INC, overall cashew crop size in 2018/19 is about 3.5 million tons.

2018-year end stock is estimated at around 120,000 (which doesn't include East African crop). If you include Tanzania then it is about 370,000 tons, which is roughly 10 percent of the world total crop, but sentiment-wise the impact on the market is big, showing bearish signs in the market.

The total flow of RCN from West Africa to Vietnam in 2018 was about 60 percent as compared to 30 percent in 2010. In 2018 West African countries overall RCN production was 1.65 million tons as against 1.54 million tons produced in 2017 (Source: GCC and INC).

The impact of Tanzanian RCN crop is already factored in the global markets. Not sure where Cote d'Ivoire government stand on RCN tax structure in 2019. 2019 is likely to be a stable market when compared to last few years with good supply and demand.

Overall market may remain subdued, but in my experience over last 10 years, whenever we all agree on certain things, the market may go on a different direction; who knows this may well be a bullish year as well."

Based on our estimate the installed processing capacity in Africa could be 500,000 tons. But actual operating capacity is not more than 150,000-200,000 tons. Cote d'Ivoire is processing about 75,000 tons; Benin about 10-15,000 tons and the same is the case with Mozambique.

Answering to a query on who is going to start promotions for cashews and how do you going to start, Mr Nitin Bajaj has said that no one is sure whether the cashew demand is increasing its pace with the growing supply, that the big question we need to debate it. The kind of promotion undertaken by Almond Board, whether it In India or elsewhere globally, which is truly amazing. Somebody should take the initiative for cashews, may be WCC or GCC could be an ideal platform to lead the initiative. It's a long way to go. But, I am not sure that we have time to do it or not.

Cashew Women Session



Mrs Suchithra Sasisekar, Nanopix Integrated Software Solutions (P) Ltd. "Contribution of women to the cashew sector is seen at every level. Women have added value to every cashew that we eat. The session is to acknowledge the positive impact created by women in cashew industry and also discuss the role ahead for women in becoming influential force of the cashew industry."



Ms Nunana Addo, ComCashew "The various activities of CasheWomen since the inception in February 2017, include four successful publications, six networking sessions, active mentoring and information platform. **Comcashew has trained over 200,000 women on salient value chain topics.**

Comcashew surveyed women participation in African cashew value chain (nursery, raw nut production, raw nut processing, trading and policy making) to understand the current status and prepare a plan for promotion of women participation

Think active female inclusion and empowerment today!!



Ms CHEN YING, China Chamber of Commerce for IMP & EXP of Foodstuffs, Native Produce and Animal By-Products (CFNA) "Post economic liberalization in China, female participation in workforce has been gradually increasing. With increased education level, women in China started occupying positions in middle and senior level management towards late 90s. Women leadership has been recognised and valued in every aspect in China.

China Chamber of Commerce of Foodstuffs and Native Produce (CFNA) were established in September 1988. Taking

Coordination, Guidance, Promotion, Consultation and Service as its objectives, CFNA works in the following areas: It encourages a fair and orderly market. It protects the interests and lawful rights of its members and of the industry and promotes industry development.”



Ms Eteme Epse Hamoa Hamadjam, President of the National Association of Rural Women Entrepreneurs Agri-Business, Cameroon “Our Association aims to promote rural women in the field of agriculture and entrepreneurship in Cameroon.

Although cashew offers an excellent opportunity for women empowerment, at present cashew cultivation is done only in 700 hectares recording a yield of 600 tons per year. Therefore, the association aims to develop cashew nut production in the northern part of Cameroon, to overcome poverty, empower women and dissuade younger generation from joining jihadi movement.”



Ms Solene Prince Agbodjan, Oiko Credit “Oiko Credit, is a social lender that pursues projects and programmes that impact livelihood positively and promotes community development. In the year 2018, the total investment from the Oiko Credit was 175 million Euros, of which cashew sector

represents six percent. Seven partners who provide debt and equity funding are all based in Africa. In the cashew value-chain, we see mainly men are involved although women are involved in harvesting of cashew nuts and processing of cashew nuts to an extent of 80 percent. Our main focus is providing fund to processing factories. Besides, we reach out to more beneficiaries like farmers, cooperatives, group of producers of raw cashew nuts. **We plan to increase our investment in the cashew sector and also to empower women in specific value-chain.** “

Ms Lucia Sebastiao Antonio, Cashew Promotion Institute, Mozambique- “Our institute encourages women participation in cashew value chain. **In Mozambique, women participation increased by 30 percent in 2018 over 2017.** Production of new cashew seedlings and Integrated Pest Management saw



major enrollment of women.

Along with Comcashew, the institute has initiated a project on utilisation of cashew by-products to increase farmer’s income and create additional employment. The project involves capacity building, products and packaging, value chain design and relationships, integrity and traceability and business and financing models.”

Mapping Thoughts of Next Gen Cashew Leaders



Mr Narayan Kumar Mohana Kumaran, Dynamic Foods “Youngsters are the future of the cashew industry. It is important to know their side of the story, their source of confidence to handle the challenges thrown in by the industry and encourage them.”



Ms Dinika Bhatia, Nutty Gritties, DRB Foods “I am the fourth generation of the family, that started trading in 1887, in almonds, pistachios and walnuts.

DRB Foods product range includes Healthy Basics – Almonds, Cashew nuts, Walnuts, Raisins, etc, Healthy Exotics – Pepper Cashew nuts, Barbeque Almonds, Thai Chilli Blend and Limited Edition – Saffron Cashew nuts, Wasabi Fusion Cashew nuts, Berry Boost. Our products are present extensively in traditional and modern channels to cater to corporate gifting, snacking and institutions and travel segments. Brand Eighty7 was launched in November 2017.

DRB Foods Vision is to become an integral part of people’s lives across the world through our products and services.”



Mr Arjun Satheesh Nair, India Food Exports “Managing the production and marketing areas of India Food Exports and also involved in day to day operations. **I am the fourth generation and proud of the achievements of my great grandfather (Sri Krishna Pillai) and my grandfather (Sri K Raveendranathan Nair) and their contribution to the industry and the country.**”

Indian cashew industry has seen the best of times and the fall thereafter. India can regain her glory in the industry through a joint effort on increasing raw cashew production, increased mechanisation, value-addition, innovation and smart marketing.”



Ms Sarata Toure, Sita SA “My inspiration is my mother, Madam Massogbe Toure. I learned cashews from the field in Odiene and achieved several internships and formation concerning the field of cashew nuts.

At present, I am the General Manager of Sita.SA. I handle day-to-day operations in the factory, the plantation, clients and exports. **I am driven by the joy of giving jobs to women in rural areas and growing the company. The next three to five years is likely to see a lot of mechanisation and also innovation in the industry.”**



Open house with African Governments Representatives and Trade Associations



Ms Rita Weidinger, ComCashew

“Africa is contributing to more than 50% of global raw cashew production. The governments in Africa have recognized the importance of cashews in rural development and employment creation. Therefore, they are stressing on value-addition through processing and by-product utilization. There is a need for greater collaboration within Africa to learn and transfer knowledge, harmonise policies and facilitate intra-Africa trade. Likewise, there is a need for broader consultation and coordination between African governments and the global cashew sector to ensure sustainability and investments.”



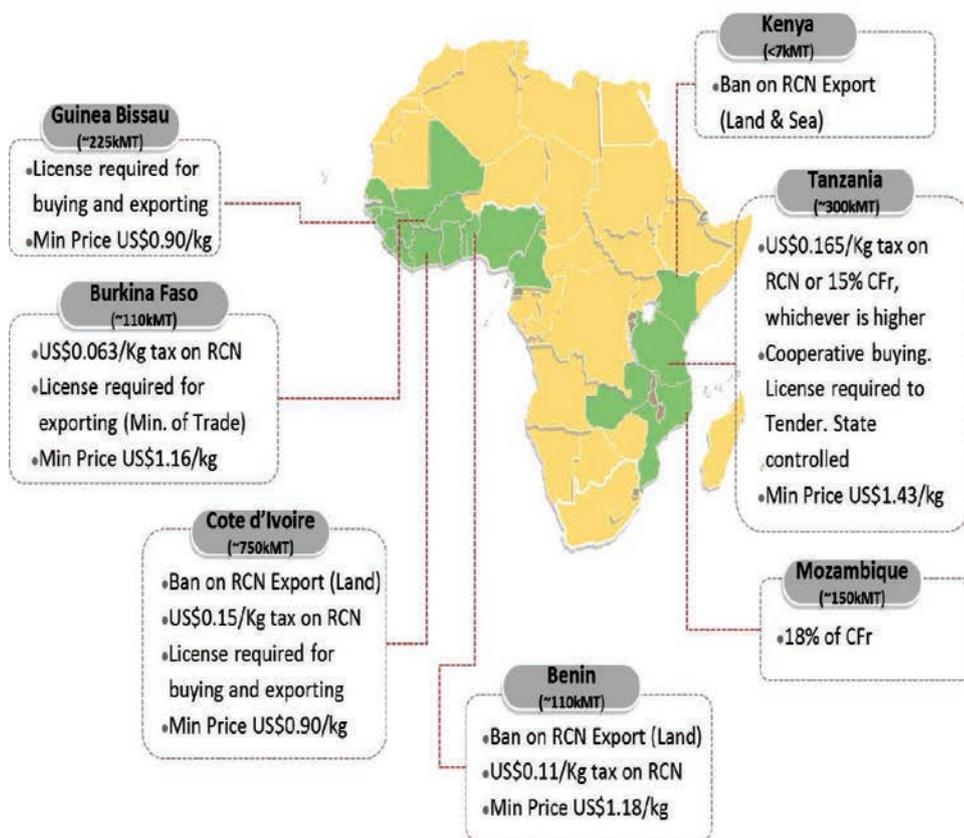
Mr Ernest Mintah, Managing Director, African Cashew Alliance

African Governments mainly use a national cashew agency or a cashew desk for regulation and/or promotion of the sector and 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

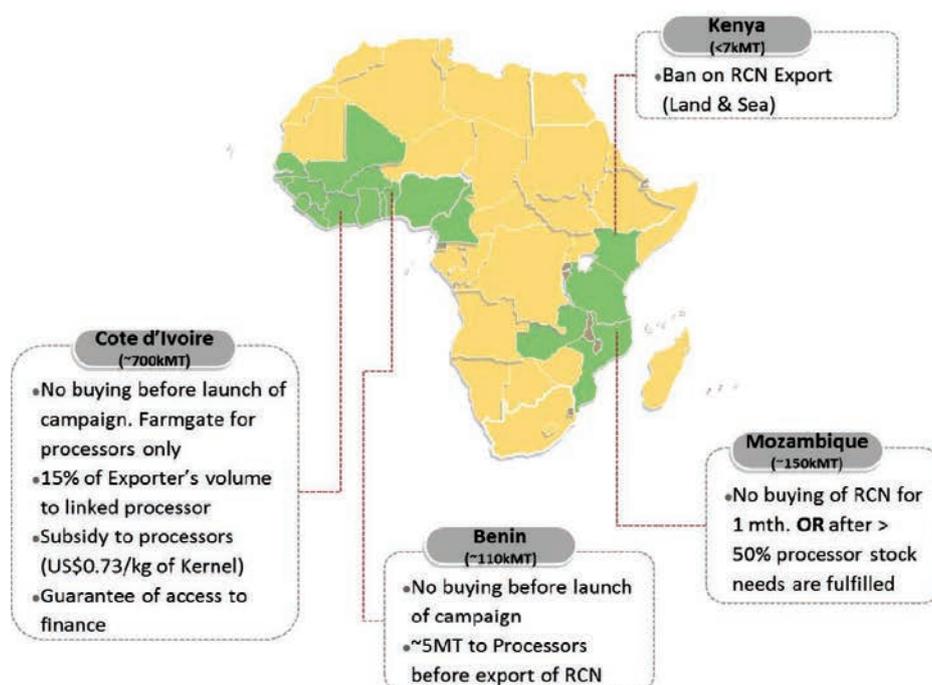
Cashew Sector Policies in Africa- RCN Focused



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 5 billion FCFA

Initial observations

- Policies not harmonised and some are not implemented at the appropriate levels (eg. sale of RCN to processors before export). Most policies introduced were less than three 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 percent processed)



Mr Ilídio José Afonso Bande, National Director at Cashew Promotion Institute

Cashew Sub-Sector In Mozambique



Main Activities to Support Industry

The INCAJU plan for 2019



Source: INCAJU Master Plan 2011-2020

Outlook of the Cashew Season -2018/19

Marketed Output Plan	Marketed Output Until 15 January	Average Farm Gate Price	Out-turn
140,000 Ton	121,000 Ton	1 Usd /Kg	46-47

Domestic Processing Plan	Quantity Purchased by industry Until 15 January	Export Raw cashew nut Plan	Note: Export officially opened on 11 January 2019
81,000	54,000	20,000	

Potential Opportunities of Investment

- Long tradition in cashew production
- Availability of land for cashew expansion
- Suitable agro-ecological conditions
- Geographically strategic location
- Institutional support (INCAJU, Donors, NGOs)

Note: Installed capacity expanded from 54,200 Ton in 2017 to 105,700 ton in 2018, representing a significant advance in domestic processing.



Mr William A. Ezeagu, Nigerian Export Promotion Council

Cashew is one of the 19 strategic commodities identified by government of Nigeria, as a part of new policy called “Zero Oil Plan” three years ago. On raw cashew production, issues on land acquisition, land clearance, supporting farmers with inputs, good seedlings, agro-chemicals and sprayers are some of the focus areas. In terms of nut processing, Nigeria government has really helped the sector by giving incentives and no tax on RCN and no regulatory in processing. **We encourage processing because Nigeria has large market for consumption and attractive incentives for investment in cashew processing.**



Mr Tola Faseru, National Cashew Association of Nigeria (NCAN)

NCAN has fantastic partnership with the government by conducting trainings across the country. We expect to have more collaboration from the government. **One of the challenges we have in Nigeria is inflows of foreign nationals into the farm gates which**

cause lot of problems for us because farmers are pressurized to sell 'as is' thereby affecting quality. Fortunately we have got support of government in terms of better quality, stability and the price.

In terms of infrastructure, NCAN is supporting drying platforms for farmers in the various growing areas. Regards finance, the government is working hard with the collaboration of esteemed Directorate of Nigerian Export Promotion Council and the Nigerian Export Import Bank to provide finance for exporters. Basically, we expect more support for cashew processing. In 2017, we visited factories in Vietnam to see how the factories are working. The policies are made easy for any investors in Nigeria and the export promotion council for processors gives about 30 percent of investment back from the investment or sale.



Madam Stella from EXIM Bank

The Nigerian Export-Import Bank is an export credit agency in Nigeria, established in 1991. Our job is simple to provide export currencies and fund exporters. As cashew season is in arrival stage we are making about 50 Billion Naira specifically for cashew exports.

Beyond exporting raw cashew nuts, the government is keen on promoting cashew processing and export of kernels as these create local employment. **We are planning 500 Billion Naira fund targeting for those investors or exporters willing to add value through processing and export cashew kernels.**

In order to support intra-Africa trade, we have facility of credit with the EXIM bank to drive export of commodities within Africa.

We also provide financial advisory services on market information to our exporters because of the problem we faced in 2018. We hopefully are going to organise a stakeholder meeting in Nigeria to address the problems of cashew exporters and come up with solutions. We are targeting to double our exports by Nigeria and hope to export 600,000 tons by 2022.

Dr Peter A. L. Masawe, Nelson Mandela African Institute of Science and Technology, Tanzania- Tanzania cashew industry is well organized in terms of production and quality. We have established a very good system of the facility that is whatever you buy in Tanzania everybody knows exactly it is coming

from which district and also from which village. In this season, when we started opening market tender system, we cannot believe the difference from one bidder with the second bidder. **Please note that the cost and production of cashew in Tanzania is the highest in Africa for the two reasons because West Africa doesn't have diseases but**



in Tanzania there is disease risk and if we won't control the disease, we lose almost 80 percent of the crop. So farmers have to spray fungicides. For farmers in cashew growing areas, their main source of income is cashew nuts. Until now almost coming to November there was no business, so farmers remained poor without money. That's why government decided to intervene and decided to buy entire cashew nuts from farmers to safeguard them.



Mr Mamadou Berte, Cotton and Cashewnut Council, Cote d'Ivoire

Before 2013, we had a regulatory authority, ARECA, which was specially created for regulation, i.e. to issue approvals and set prices with operators. But when His Excellency, President Alassane Ouattara, arrived in 2011, he called for a total reform

of this sector. After working on this reform, we came to the creation of the Cotton and Cashew Council, which now has more missions, i.e. in addition to the regulation, monitoring and development of this sector. With these new missions, it was necessary to review the entire system for cashew nut value chain, from the producer, traders, marketing and then processing; the main objective, at the level of Côte d'Ivoire, is processing.

The Cotton and Cashew Council is in charge of monitoring and development. The first of the measures is to offer producers training in Côte d'Ivoire. We have a framework dedicated to producers for which the CCA has signed an agreement with the Agence Nationale de Développement Rural.

To support processing in this reform, **we have given priority to processors, who are the only ones entitled to go directly to the producer to obtain supplies.** This advantage is very important, because it allows the operator to go directly into contact with the producer, not only does it eliminate intermediaries, but it is also an advantage in terms of quality. **It should be noted that to support processing, the subsidy**

of 400 fcfa per kg of kernels produced is one of the major measures. Today at the level of the Cote d'Ivoire, the CCA makes a deposit of 25 percent of the value of the raw material that is requested by the processor.

As a part of the reform, we used to approve exporters. Today, we approve buyers who work in this marketing chain, so everyone is practically identified.

Cote d'Ivoire, which produces 700,000 tons, is being asked to leave its borders open, while some countries that produce 40,000-50,000 tons are introducing export taxes. So, in the end, in terms of the volumes exported by these countries, it is close to 100,000-200,000 tons. You have to be logical with yourself and understand that this border closure is not intended to be against certain people, it is because a country's economy necessarily depends on its resources. We are also open to win-win partnerships.

I will conclude with the last measure of 15 percent of production reservation for processors; as I say, it is always a choice; the IVC has decided to support processing, so we must allow the installed units to be able to obtain supplies first.

Suggestions and recommendations

1. Can the governments in Africa or any of its agencies give a certificate on the quality of raw cashews exported, specifically that the cargo is well-dried and moisture is less than 10 percent with every cargo?
2. Mozambique is a successful example on how to promote processing. Every African country wants to increase processing. Can we have more collaboration between African cashew producing countries to learn from countries that have done successfully be it in processing, exports and so on? Can ACA facilitate such inter-Africa collaboration?
3. All raw cashew exporting countries in West Africa is requested to announce their policies on minimum farm gate price, export levies, and others policies at least one month before the flag-off day. This would help importers or processors to plan their strategies in an orderly manner.



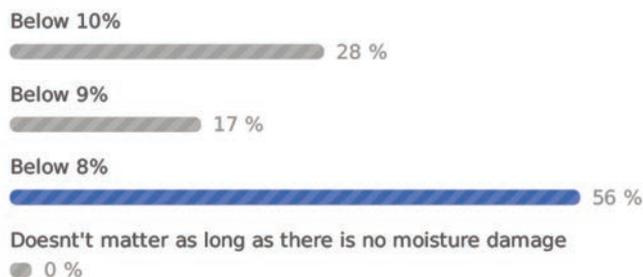








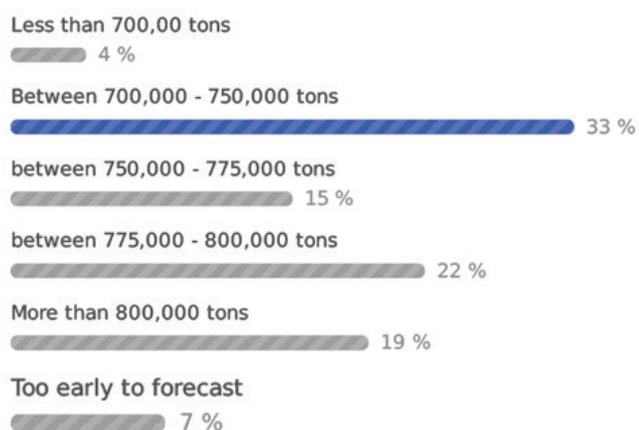
What should be the ideal moisture content of RCN shipped out of Africa?



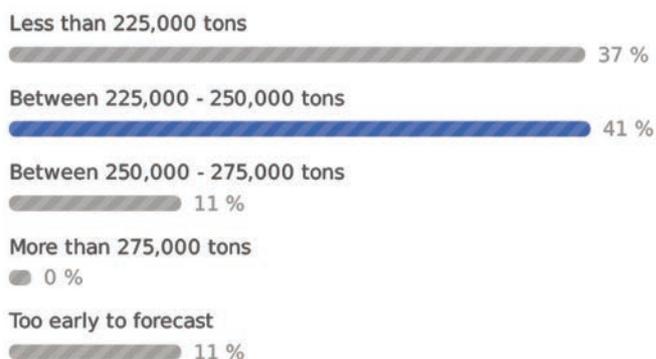
What is your estimation of carryover stock of raw cashews of 2018 crop in West Africa?



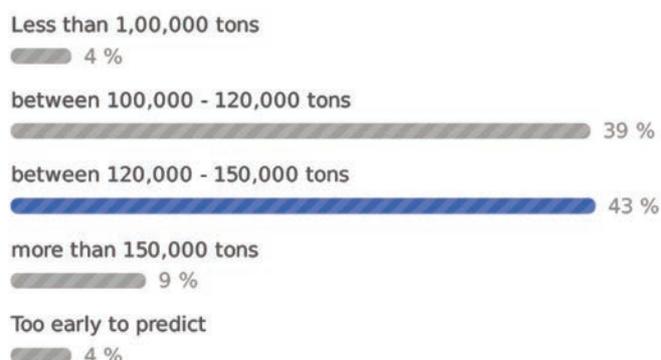
What is your forecast for Cote d'ivoire raw cashew crop for 2019 season?



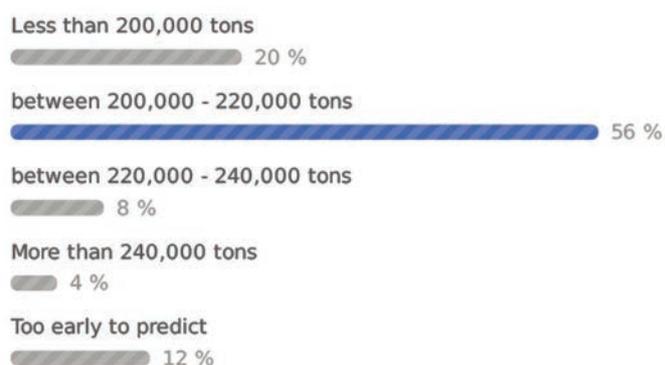
What is your forecast for Nigerian raw cashew crop for 2019 season?



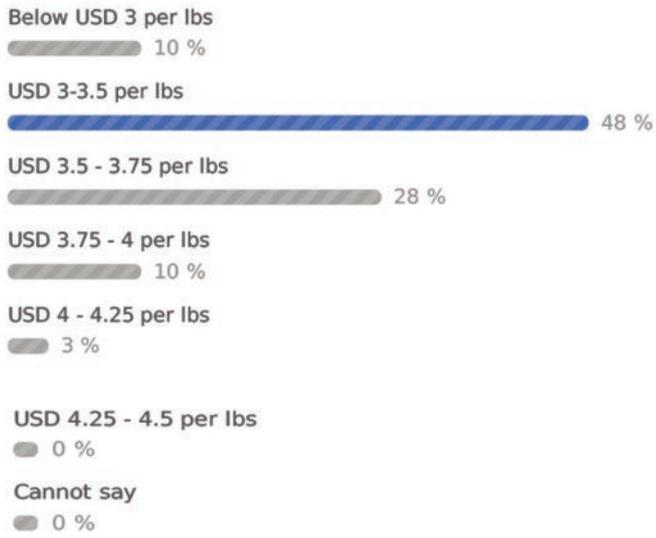
What is your forecast for Benin raw cashew crop for 2019 season?



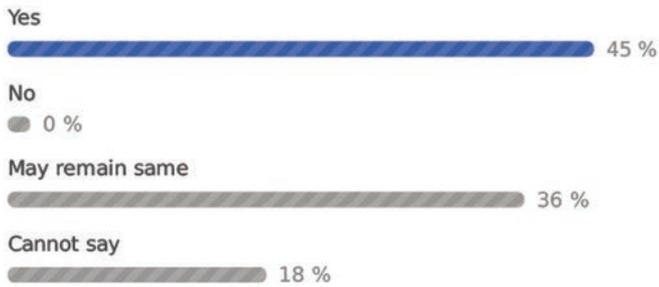
What is your forecast for Bissau raw cashew crop for 2019 season?



What is the likely price range for cashew kernels to US in 2019 (basis FOB HCM)?



In 2019, do you forecast cashew demand to US and Europe increasing?





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