

WORLD CASHEW  CONVENTION & EXHIBITION JNEC-CI Journées Nationales des Exportateurs de Cajou de Côte d'Ivoire	Jointly organised by CashewInfo.com [®] &  ASSOCIATION DES EXPORTATEURS DE CAJOU CÔTE D'IVOIRE
	12-14 Feb, 2020 Radisson Blu Hotel Abidjan, Cote d'Ivoire

Introduction

The sixth edition of WCCE-JNEC 2020 held during 12 and 14 February, 2020 in Abidjan, Cote d'Ivoire, was jointly organised by cashewinfo.com and Cashew Exporters Association of Cote d'Ivoire. About 540 delegates from 36 countries participated in the conference.

"Building a sustainable ecosystem for global cashew industry" is the theme of the conference.

Inaugural Session of WCC 2020



His Excellency Mr Amadou Gon Coulibaly, Prime Minister of Côte d'Ivoire

WCC is of crucial importance for Côte d'Ivoire and for Africa. From a practically negligible production in the 1990s, Ivorian production is now at the top of the list with a level of 715,000 tonnes in 2015, making Côte d'Ivoire the world's leading cashew producer since this year. I remain convinced that it is to salute this production effort of Côte d'Ivoire that the organizers of the WCCE have chosen our country to host the conference.

The Ivorian government wants to make the cashew processing sector, in accordance with the orientations of the President of the Republic, His Excellency Mr Alassane Ouattara, a model of its commitment to locally process its agricultural raw materials, while ensuring the supply to its historical partners. We have therefore designed and implemented an ambitious program for investors. I would therefore like to recall three major measures: the first is to grant subsidies to industrial units for local cashew processing of 400 fcfa per kg of white peeled kernels sold; thus over the period 2016-2019. The State of Côte d'Ivoire has paid cashew industrialists a subsidy of about 11,000,000 euros.

The second measure relates to the commitment of 200,000,000 USD for the competitiveness of the cashew value chain. This is a program designed in partnership with the World Bank and which covers until 2023; it aims in particular to strengthen the organization and governance of the cashew value chain in order to reduce marketing costs, increase the productivity of cashew cultivation, improve access to the raw nut market and facilitate the installation of processing units in the various production regions of our country. Finally, in July 2019, we adopted additional tax and non-tax incentives for cashew manufacturers. We hope that these measures will help accelerate local cashew processing, which remains one of the real prerogatives you will discuss at this meeting. Honourable guests, ladies and gentlemen, on behalf of the Ivorian government, I invite you to invest in cashew processing in Côte d'Ivoire, one of the most promising countries in West Africa.

We are committed to ensuring that your investment experience in Côte d'Ivoire is a success and that, with government support measures, it addresses some of the challenges facing the local cashew industry.



Mr Adja Alain, First Deputy Mayor of the Municipality of Port Bouet

A sustainable ecosystem for the cashew sector seems to be an extension of sustainable development applied to this branch of our agriculture. A crop and an industry that wants to adapt to the territory and the local populations in its

development and in its benefits.

Mr Diaby Aboubakar, AEC-CI: The present edition of the National Days of Ivory Cashew Exporters, JNEC-CI 2020 which opens today, assumes historical significance and indeed the choice of Cote d'Ivoire, as host country for the first time in the African continent by WCC (World Cashew Convention) is an honour done to our country.

With the presence of Chief Guest, His Excellency the Prime Minister, this joint edition which you make us the honour of sponsoring becomes this year, de facto, the biggest

world meeting of the cashew actors especially a real stimulating factor exchanges, cooperation and solidarity between the global cashew players.

In Ivory Coast, the cashew sector has been able to overcome the recent challenges, thanks to intelligently designed reforms, under the winning leadership of the first defender and protector of the Ivorian rural sector. In this case, **His Excellency Mr Alassane Ouattara, President of the Republic of Cote d'Ivoire.**



We must be able to develop quality standards for raw cashews and to make enforceable contractual agreements. It is imperative to work towards the establishment of an arbitration center capable of quickly resolving commercial disputes. To this end, we welcome the establishment of the International Cashew Advisory Council (CICC) and congratulate all the signatory countries.



Mr G Srivatsava, Cashewinfo.com,

Right from our first discussion with Dr Adama Coulibaly, Director General, Cotton and Cashew Council (CCA), we have got an excellence response from every stake holder for hosting the cashew conference in Abidjan. Today, we have amidst us as the Chief

Guest His Excellency Mr Adamou Gon Coulibaly, Honourable PM of Cote d'Ivoire and several other important ministers across Africa, which itself is a testimony of Governments commitment and the regions importance to the global cashew sector. We are so happy that we have chosen Abidjan for 2020 as Cote d'Ivoire turns as the largest raw cashew producer officially. An event of this magnitude is not possible without the strong partner in Cote d'Ivoire. We express our heartfelt thanks to the Cashew Exporters Association of Cote d'Ivoire especially Mr Diaby Aboubakar and their entire

Executive Team for their co-ordination and hard work. This has set a new model for collaboration in future. We thank all the sponsors, supporting bodies, exhibitors for trusting us and supporting the efforts in hosting the conference in Cote d'Ivoire. Corona virus outbreak in China has taken over 1000 lives in a matter of few days. These are very testing times for China and the Asian region. Our prayers and support are with China as it does what is best possible to contain and overcome this calamity. We also take the opportunity to thank each and every one of you who have chosen to travel and be here.



Mr Vasudev Barkur, ETG, Cashew is a truly global industry today. Africa is the largest producer of cashews in the world. As far as the global trade of raw cashew is concerned, Africa alone contributes 90 percent of the global raw trade. Thus, Africa has become the global player in cashews today.

To build a sustainable ecosystem for global cashew industry, one needs to discuss and find solutions to increase cashew processing in Africa, which is not even 10 percent of the total produce now. Hope WCCE-JNEC 2020 in Cote d'Ivoire, the home of cashews would provide an opportunity to discuss the issue and provide solutions. One initiative that could be considered is free inter-Africa trade (that is free movement of raw cashew for processing and value-addition between West and East Africa) as seasonality of production differs in West and East Africa. Inter-Africa trade in raw cashews could remove working capital constraints for processors and help grow cashew processing in Africa. Cashew processing in Africa could bring in more job opportunities and fetch additional forex to countries across the African continent.

HE Mr Harouna Kaboré, Minister of Commerce, Industry and Handicrafts, Burkina Faso

The cashew nut sector is one of the strategic agricultural sectors. It deserves special attention in view of its socio-economic importance and the difficulties it encounters. In November 2016, here in Abidjan, seven countries signed the creation of the International Cashew Advisory Council. It is



an organization that aims to promote cooperation and consultation between member countries in the fields of production, processing, marketing, R & D, technological innovation and consumption of cashew products.

Currently, the CICC has 11 member countries. During the third edition of the Council of Ministers that Burkina Faso hosted in December 2019, my peers entrusted me with the chairmanship of the CICC with, among other things, the operationalization of the CICC Executive Secretariat. Mr André Tandjiekpon, was designated as the Executive Secretary of the CICC.

Discussion 1: Country-wise 2020 Raw Cashew Nut (RCN) Crop Prospects and Outlook

Mr Konate Issa, Vice-President, AEC-CI:

Africa contributes to about 60 percent of the global raw cashew total production of 3.8 million tons in 2019. Cote d'Ivoire contributes to more than 20 percent of the world cashew and nearly 45 percent of the West African cashew production.



In 2019, about 634,631 tons produced by Cote d'Ivoire of which 574,464 tons of RCN were exported and about 57,466 tons processed locally.

For 2020 season, the minimum farm gate price has been increased from 375 to 400 FCFA per kg. As on date, the weather is conducive and the season is likely to commence soon. Quality is expected to be good.



Mr Adeyemi Murtada Adeniji of Starlink Global & Ideal Ltd has presented on Nigeria's 2020 cashew season.

Cashew crop in Nigeria is increasing over the years due to new plantings. 2020 cashew crop is estimated in the region of 230,000 and 250,000

tons. More than two-thirds of the total crop is likely to arrive during March-April. Nigeria RCN price is expected to average between USD 1,400 and 1,600 per ton. During this season, delay is not envisaged as Nigerian Ports Authority has embarked on port sanitation and clearance to make berthing of vessel more efficient.



Mr Ibrahim Sanfo, UNCEA

has presented on the cashew sector in Burkina Faso. Cashew production in Burkina Faso has doubled to 100,000 tons in 2019 from about 50,000 tons in 2012. In 2020, RCN production is estimated at around 120,000 tons. Burkina had exported about 127,000

tons of RCN in 2019, mainly to India, China and Vietnam. The average export price increased from USD 426 per ton in 2014 to USD 1456 per ton in 2019. The 2020 season is going to be launched during last week of February and there is a perspective of the introduction of the Compulsory Flat Rate Contribution (CFO). In 2019, the export levy was 25 FCFA per kg.

Mr Vasudev Barkur, ETG- on East Africa crop prospects and outlook for 2019-20

2018-19 season, Tanzania old crop sales started in August-2019 and was closed by Oct-2019. The final 2018-19 crop size was pegged at 220,000 tons. The 2019-20 actual crop size was 230,000 tons, out of this 216,000 tons have been sold till January 2020. Prices opened at around USD 1600 CFR and reached USD 1725 at the peak and then reverted to USD 1600 per ton. Tanzania could process about 10,000 tons of 2019-20 crop.

In Mozambique, the new crop 2019-20 final tally was 75,000 tons, well below the initial expectation of 125,000 tons. The quality of the crop was poor, marred by rains and other extreme weather patterns. About 42,000 tons were reserved for local processing and shipment volumes are likely to be around 28,000 tons. Selling price for RCN ranges from USD 1300 to 1350 per ton.



Mr Robert Kokou SEDJRO, CEFA

- During 2019, Togo has produced 22,937 tons of raw cashews (of which, 4190 tons processed locally and 18,747 tons exported). Since 2015, significant efforts have been made to get the sector off the ground

through the support of technical partners, particularly the GIZ, or with the help of government support through various projects.

In 2020, raw cashew production is estimated at 25,000 tonnes. Indicative price will be set at around 400cfa/kg. By 2024 cashew production is likely to go beyond 30,000 tons.

Mr Pulkit Jain, Pajson Trading DMCC

- Benin cashew production for 2019 was estimated at 150,000 tons (120,000 exported, 15,000 – local processing and 15,000 - cross border trade). Climatic conditions so far good with no incidents of infestation. Nigeria Border closed and RCN crop outlook for Benin 2020 is in the region of 160,000 and 170,000 tons.



Benin campaign 2020 proposed date of opening is on 28th Feb 2020. It is also proposed to reduction in export tax from 70,000 to 60,000 XOF per ton and the minimum farm gate prices are set at 275,000 XOF per ton and expected price range for raw cashew nut for 2020 between USD 1400 and USD 1500 per ton. Shutdown of weigh bridges, port congestion, lack of financing and the impact of Coronavirus are some of the challenges facing the cashew industry in Benin going forward in 2020.

About 200,000 tons of RCN from Tanzania (both old and new) will move in to 2020 crop. Hence, the total estimated supply for 2020 is likely to be 4.2 million tons. Currently, for this new crop the offered price is very high, not viable considering the prevailing kernel price of WW320.

Currently, WW320 price is USD 3.1 to 3.2 per lb, FOB. Tanzania 2019 price is of USD 1600 per ton CNF for 53 lbs. The parity price of RCN should be USD 1200-1300 per ton. Vietnamese buyers may not buy Tanzania RCN at current high levels and lot of imported raw materials are stored in warehouses.

In 2019, Vietnam has produced 370,000 tons of raw cashew and Cambodia accounted for 220,000 tons. As on date, the prospect for 2020 crop is very good and the RCN production is estimated at around 500,000 tons for Vietnam and about 300,000 tons for Cambodia.

Due to the outbreak of Coronavirus, China market is almost standstill with no activities. Moreover, some of the borders with China is also closed, thus shipments by trucks has also affected; Chinese buyers suggest Vietnamese factories to delay the shipment or cancel the orders; Overall it is quite difficult for kernel price to go up considering current situation. So we expect raw material price should go down further to meet the kernel demand.



Mr. Stephen Tang Vi Quyen, Long Son Joint Stock Company has presented on raw cashew outlook 2020 for Vietnam and Cambodia.

In 2019, the world raw cashew production was pegged at 3.79 million tons of which West African countries accounted for 1.87 million tons. The world production for 2020 is estimated closer to 4 million tons.

Import of RCN to Vietnam – country wise:

2017			2018			2019			%INCREASE
YEAR NO	COUNTRY	QUANTITY (MT)	NO	COUNTRY	QUANTITY (MT)	NO	COUNTRY	QUANTITY (MT)	
1	COTE D'IVOIRE	440,381	1	COTE D'IVOIRE	488,978	1	COTE D'IVOIRE	504,193	3.11 ▲
2	NIGERIA	176,627	2	NIGERIA	170,283	2	TANZANIA	217,444	79.16 ▲
3	TANZANIA	147,451	3	GHANA	167,109	3	GHANA	215,062	28.70 ▲
4	GHANA	142,333	4	CAMBODIA	147,520	4	CAMBODIA	169,761	15.08 ▲
5	CAMBODIA	91,134	5	TANZANIA	121,370	5	NIGERIA	166,002	-2.51 ▼
6	GUINEA	64,163	6	BISSAU	63,747	6	BISSAU	85,299	33.81 ▲
7	BENIN	56,085	7	GUINEA	50,926	7	GUINEA	84,463	65.86 ▲
8	INDONESIA	36,920	8	BURKINA FASO	45,163	8	BURKINA FASO	73,775	63.35 ▲
9	MOZAMBIQUE	30,861	9	INDONESIA	39,930	9	INDONESIA	50,778	27.17 ▲
10	BISSAU	28,949	10	BENIN	27,307	10	TOGO	42,033	106.15 ▲
11	TOGO	27,796	11	MOZAMBIQUE	23,694	11	BENIN	41,250	51.06 ▲
12	BURKINA FASO	24,885	12	TOGO	20,390	12	SENEGAL	24,226	66.22 ▲
13	SENEGAL	11,115	13	SENEGAL	14,575	13	GAMBIA	13,395	104.13 ▲
14	GAMBIA	9,451	14	GAMBIA	6,562	14	MOZAMBIQUE	10,461	-55.85 ▼
15	OTHERS	12,532	15	OTHERS	10,654	15	OTHERS	13,971	31.13 ▲
TOTAL		1,300,683			1,398,208			1,712,114	
% INCREASE					7.50			22.45	

Source: Longson

Mr G Srivatsava of Cashewinfo.com - Across the key west African cashew growing countries and in Vietnam and Cambodia, the 2020 cashew crop prospects are good. However, market conditions are not conducive due to outbreak of Corona virus in China. Prevailing kernel prices are also low. The only silver lining is the strong demand growth in Europe in 2019 and expectations of that to continue in 2020. Besides, low prices should trigger demand growth in the USA in 2020.

The expectations of the sellers for RCN 2020 ranges between USD 1200 and 1500 per ton while buyer expects the range to be between USD 1000 and 1100 per ton for 48 KOR given the current kernel prices.



Ms Fanta Cisse, SECRETAIRE GENERALE, Ministère des Affaires étrangères etdes Guinéens de l'étranger (MAEGE)

In the Republic of Guinea, the cashew nut sector is the subject of a national initiative led by His Excellency the President of the Republic, Head of State Mr.

Alpha Condé.

At the heart of this initiative, is the technical supervision of farmers, fertilizer subsidies, free seeds, the establishment of an attractive regulatory framework, the organization of the

marketing chain and the strategic option of local processing. Thus, from 200,000 ha in 2016, cashew nut cultivation occupied 300,000 ha in 2017; and the State's objective is to reach 1,000,000 ha in 2020.

National production has multiplied in five (5) years, from 40,000 tons in 2013 to 90,000 tons in 2019. We will soon pass the symbolic bar of 100,000 tons and aim at a production that will increase from 250,000 to 300,000 tons by 2025. For the first time since 1940, when cashew nuts were introduced to Guinea, our country has been building its first local processing plant with a capacity of 10,000 tons since the end of 2019.

Discussion 2: Global Raw Cashew Trade: Opportunities for reform

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Mr Diaby Aboubakar of AEC-CI has moderated the session. We are fortunate to belong to a sector that has experienced remarkable growth over the last 10 years; but, unfortunately, in 2018, the limits of the global organization of this sector were revealed. Prices which has reached the peak of 2100 usd/ton during early season and from there declined by more than 50 percent within a matter of few months. **To summarize, in 2018 we have experienced a major crisis and at the end of which it became clear that our sector still needs to be organized in a better way. The sector which has a turnover of nearly 3 billion USD, we are not in a position to have a standard contract; there is no arbitration centre for disputes, nor any risk management tool. Let us discuss on how we go forward to address some of these challenges.**



Mr Bach Khanh Nhut, Vina Control has presented about the quality of imported RCN from African countries to Vietnam since 2018. Africa is the largest supplier of raw material sourced by Vietnam. In the last two years (2018 and 2019) Vietnam has imported over one million

tons of RCN from African countries.

The quality of imported raw materials from Africa has improved significantly in recent years. Especially in 2019, the suppliers have taken care of controlling the cashew moisture before loading into the containers. However, there are still some grey areas which needs to be addressed by African raw cashew exporters as some of the shipments still have the phenomena of moist, moldy and sprouting goods or goods with foreign matter. The problem of mixing nuts of the old crop with those of the new season causing an array of difficulties for production and processing. These factors significantly led to quality loss of kernels (lose their smell and flavour) after processing.

In 2020, Vietnam will continue to import more raw cashew nuts from Africa. Vietnam expects that African cashew exporters will take more responsibility in supplying raw cashew nuts to Vietnam market and ensure the quantity and quality as per the signed contracts.



Mr Tola Faseru, Vice-President of ACA, has narrated the initiatives of ACA along with other stake holders in order to upgrade the quality of raw cashews.

The process of African governments fixing the minimum guaranteed price of RCN without any relation to grades needs to be reviewed as processors want right quality of RCN at right place.

ACA wants to focus on promoting standards in countries across Africa, to ensure fair basis for paying farmers, to encourage farmers to follow Good Agricultural Practices (GAP) and to adopt better post-harvest methods.



Mr S J GIFTSON, AFIC Logistics has presented on adapting best practices in raw cashew logistics. Some of the key challenges are container status update in port terminal websites, availability of empties so as to have proper stuffing plan, sufficient space on vessels, proper transit time and timely

connection. By addressing key issues, we will overcome most of the challenges.

Mr Mamadou BERTE, CCA has presented on measures to reform the cashew sector in Cote d'ivoire. The opportunities for reform in cashew sector in Côte d'ivoire are implementation of a farm advisory system dedicated to cashew nut producers, organisation of research, structuring the marketing of cashew, supporting the local processing



of cashew by providing incentives and creation of the cashew industry innovation and technology centre.

The Ivory Coast's main difficulties in the global cashew trade includes non-compliance with the terms of export contracts

especially by importers, lack of consensus on the results of quality analysis between Ivorian operators and importers, long transit time leading to deterioration of product quality and the problem of financing to Ivorian exporters.



Mr Tran Vu, Tan Long Group JSC, has presented on professionalising raw cashew trade for growth. West Africa may continue to remain as dominant supplier of RCN; India has lost its top RCN producer slot to Cote d'ivoire and the latter is estimated to produce one million tons of RCN by 2022. Vietnam

will continue to rely on Africa for RCN imports.

RCN sector needs to be reformed as rampant cross border flow has led to lack of control over quality of the produce. Moreover, infrastructure-logistics including sea-port, inland transportation, and warehouse- not yet fully invested to match with trade RCN requirement. The cost from farm gate to FOB price basis is so high, not taking advantage to other products like walnut, hazelnuts.

Mr Diaoune has presented on the challenges faced by the cashew sector in Africa. On the marketing of raw nuts, he is of the opinion that there is a lack of synergy of actions between producing countries. Some of the other issues are problems with respect to price, taxes and fees and marketing policies.

Although Africa is producing two million tons of raw nuts only 10 percent is processed within Africa, access



to consumer markets and lack of certification problems are some of the challenges faced by Africa and that needs to be addressed collectively.



Mr Remi Atanghana, Marketing Manager, Bollore Logistics

We have been working on the cashew sector for years and we have seen the evolution of this activity in Côte d'Ivoire and around the world. The opportunity that I have here today to speak

and share this experience is to see that we have reached a situation, **logistically speaking, where the challenge for cashew is the speed of operations: we are in an excessively volatile market, with very short campaigns, infrastructure constraints and regulatory constraints. We can see that, little by little, volumes are increasing, and sometimes we reach a form of congestion.**

We at Bolloré Logistics, like other colleagues, try to provide innovative logistics solutions. But at some point, we realise that we cannot process operations faster than we can, because the port infrastructure does not currently allow us to handle all the campaigns at the same time, whether it be cotton, cocoa or cashew nuts. The prospects for the opening of the second terminal will considerably improve the situation, but in the meantime we are in a situation where we expect exporters or buyers to organise their logistics in a certain way, so that we can handle it as efficiently as possible; we are in a market with a huge number of players, exporters and buyers. At a given moment, it is absolutely essential that we can all anticipate the campaigns. We are counting on the support of the authorities to ensure the speed of operations in terms of administrative processing, the opening of gates at the terminal but also the structuring of experts and buyers so that we can process operations quickly.

Session 2: Raw Cashew Processing

Discussion 3: RCN Processing in Africa-how to scale it up sustainably



The session was moderated by **Mr Mallikarjuna of Olam**, Cote d'Ivoire. Being a large raw cashew buyer from across African countries, Olam started its processing journey in Africa in 2004. Based on our experience, Africa is the future for cashew processing. With increased awareness on sustainable, and traceable aspects of cashews, it would do a lot of good for African processors.



Mme Minata Kone, SOTRIA-B, in her presentation highlighted the fact that even though Africa contributes about 56 percent of the global raw cashew production, it processes less than 10 percent of its share of production. Moreover, the internal consumption is less than 10 percent of the

processed quantity.

Africa is emerging as new continent for cashew processing, but to overcome some of the challenges, African processors have to adapt technological advances so as to stay competitive and hence need new investors with modern technologies.

Some of the other challenges are lack of skilled manpower, access to finance is very difficult due to its high cost, volatility in raw material prices, unavailability of spare parts and low recovery of by-products.



Mr Harm Voortman, CEO of Anatrans SA, presented on processing in Africa and how to scale it up sustainably. The scaling cashew processing in Africa includes competitive strategy, clients, risk management and operations.

Competitive Strategies: three generic strategies

(M. Treacy & F. Wiersema (1997) three generic strategies) The clients are Local, Western, Middle East & N. Africa and Asia. The key is to choose the right markets, the correct segments and gain market access.



Key components of risk management for cashew processing in Africa are price risk, exchange rate risk and country risk.

Operations should be built on a strong foundation of organised work environment, standardized work and strong quality control and assurance. Continuous improvement such as Kaizen, short interval management and work in progress control is critical for efficiency and competitiveness.

Session 3: Women in Cashew Sector

Ms Alima Viviane M'Boutiki, GIZ/ComCashew

In the global market place, the CasheWomen are the sector attractions, which acts as motor for development, economic growth and social inclusion, sub-regional integration and policies to increase the rate of local processing in African producing countries.



In 2019 Women accounts for 40 percent of the total work force in African cashew production and occupies 68 percent in cashew processing.

Some of the positive aspects are women to women business engagements, Strong presence of women with room for improvement in position as well in capacity building and they are at the early stages of incentives/disposition for the emergence of women at the decision-making levels.

The constraints include financing, knowledge and skills, social, cultural and family burdens.



Ms Lina shares her perspectives in cashew value chain in Columbia. Cashew business is private and am the only women owns land in our area and having my own plantations. Cashew industry is in nascent stage in Columbia and recently we had a meeting with Vice-President and ministers and hopefully

we may get monetary benefits from the Government on new plantations and to set up a small processing centre going forward. Women in the cashew business engaged in social responsibilities in Columbia. As it is bordering with Venezuela, so lot of refugees, our NGO will also engage them in teaching on how to process cashews.

Session 4: Technology & Innovation Forum

Discussion: Improving competitiveness and compliance through technology

Mr Shakti Pal, Caro Nuts

moderated the session and highlighted on improving competitiveness and compliance through technology which includes thermal



power – cashew shell utilization, new heights of mechanization and automation, borma

Mr Shankar Damodaran, Thermodyne Technologies

De-Oiled Cashew Shell Cake (DOC) has a very high calorific value 4600 to 5000 Kcal/Kg, low Sulphur < 0.1%, low ash < 2 to 3% and low moisture < 9%. Thus, it can be used as an ideal fuel for generating high pressure steam which can be used



for electricity generation and subsequently for meeting the process heat requirements of a cashew factory. Especially in Africa, where the cost of electricity is high and availability is low and erratic and where cashew shells are currently being landfilled at cost, generating electricity from de-oiled cashew shell cake is profitable and sustainable.

Mr Dang Van Tuyen, M K Tech Co Ltd- Mekong Tech Group are specialized in research, manufacturing, investment and

development of sciences and technology products in Vietnam. Mekong supplies a complete machinery and equipment for cashew processing plants with a capacity of 1-100 tons / day in the form of turn-key or single equipment.



Mr. Shaktipal presented the key aspects of the presentation sent by Mr Kalbavi Prakash Rao, Kalbavi Cashews. The cost of roof top solar installation has dropped by over 50% in the last three years, pay back is under 4 years, income-tax benefit, the state government subsidy of 33%- max Rs. 1.5 million and significant cost benefit by enhancing competitiveness.

A 20 mt/ day raw cashew processing plant operating on single shift, consumes on an average 2000 kwh (= 50,000 kwh/month =600,000 kwh/year). Most of the requirement can be met through roof-top solar.

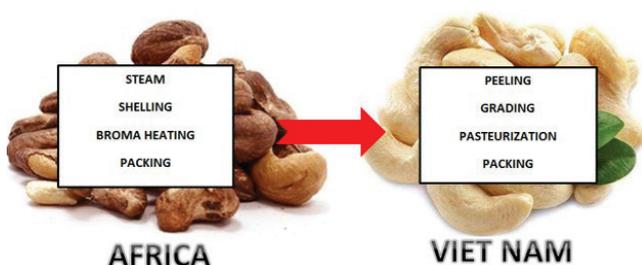


Mr Stephen Tang Vi Quyen, Long Son Joint Stock Company discussed the way that Vietnam can benefit from importing NWP broma kernels from African countries. The processing industry in African countries still faces many difficulties due to limitations in technology, experience and human

resources. These difficulties contribute to industry a new type of semi-finished product that is the broma kernel (kernel with hush).

Every month Vietnam import avg 2,500 tons' kernel (mostly broma kernel) from many countries especially Africa, equivalent to about 31,000 tons of kernel per year (140,000 tons RCN per year, share almost 10% of total RCN import to Vietnam)

The trade of borma kernel brings many benefits to both Africa and Vietnam. Cashew supply chain will be distributed around the world as follows:



Mr Stefano Massari, Oltremare

presented on a new approach of preservation of RCN and kernels quality and specification compliance. RCN quality preservation system cleans heavy foreign matters (small stones, sand etc), light foreign matters (leaves, ropes, strings, plastic, paper etc), removes empty nuts increasing KOR, and dries RCN to the desired level in a controlled way. The system provides full traceability and is ideal for long term safe storage. Similar technology can be used for kernel bulk packing for safe storage.



Prof. Peter A. L. Masawe, Cashew Board of Tanzania

presented on opportunities for improving the quality and quantity of RCN production in West Africa. In order to improve quality and quantity of RCN, the governments need to pay special attention to Research

and Development (Quality), Production (Quantity and Quality), Value Addition (Involve Producer Organization) and Marketing (Quality Control).

Session 5: Financing the cashew value chain

Discussion 5: How to attract investments and financing into the African cashew value chain?



The session was moderated by **Mr Thomas Arthur Coulibaly, Advisor in Charge of Industry and Private Investments** (Office of the Prime Minister of Côte d'Ivoire)

On the question posed by Mr Arthur Coulibaly on what's needs to be done by ACA, CICC to

African cashew processors so as to have sustainable cashew ecosystem,

Mr Lucman Diaby of AfriCajou is of the view that African should have an institution for compiling data exclusively for the cashew sector across the value chain globally. The other area of cooperation is with respect to food safety certifications. More country to country



interactions are needed and also Africa need technical assistance in terms of getting the same.

Mr Serge Leon Wognin, Head Commodity Trade Finance, BGF Bank, shared their experience in access to finance, affordable financing solutions to working capital on raw material and machineries, warehousing etc.,

If one has a thorough integrated value chain it will help one in managing the finances effectively and will reduce the risk for banks.



Ms Salma Seetaroo-Bonnafox, Ivoirienne de Noix de Cajou(INC): INC has a processing capacity of 4,000 tons, and has HACCP certification. The management wants to expand the processing capacity to 9000 tons. The factory would soon get BRC certification. Ms Salma spoke about

the type of investor that she has managed to attract in the cashew sector, called impact investors. The impact investor focusses on three main things viz., planet, people, co-operation and profit. As Cashew industry fits into these and the investment climate in Cote d'Ivoire is pretty good as government has set tremendous incentives to attract FDI. Access to market involves about shared responsibility between processors, buyers and regulators. Price discovery mechanism is a missing link for outside players to mitigate their risk.

On price discovery mechanism, Mr Arthur Coulibaly said that Cote d'Ivoire is working on a plan to have a commodity exchange product, which could be useful in addressing the same in the next few years.

Dr. Ulrich Sabel-Koschella, Head Agri-value Chains, GIZ/Com Cashew, Local processors based in a single country are at a comparative disadvantage over international companies with access to international finance and

operations in multiple countries.

Local processors often tend to have limited access to finance and often at much higher costs. Part of the problem among bankers is the relative lack of understanding of the sector and the perceived risks associated with a country. Internationally based impact funds could provide support to cashew sector, as they look beyond return on investments into social and environmental aspects while funding. However, it is not easier or faster and selection criteria of these institutions are similar to banks.



In order to speed up the process a bit, we tried in Benin and tied up with the commercial banks to invest in cashew sector. We have three processing companies' medium size and start-up that got credit from banks and we, GIZ/ Comcashew could take certain risk. The risk sharing is very common.

Mr Laurent Gomis, Shelter for Life International, presented on the LIFFT-Cashew Project in SeGaBi region. The LIFFT project was funded by and it aims to link infrastructure, finance and farms to cashew and aims to complete the project by 2023.

The objective (by 2023) is to increase or maintain RCN quality at 52-54 KOR, strengthening associations/cooperatives and increasing raw nuts processing to over 40,000 tons at the local levels from the estimated processing of 14,000 tons in 2019.

Session 6: Africa Investment Forum



Ms Rita Weidinger of ComCashew, moderated the session on "How will governments/CICC respond to the challenge of the cashew sector in Africa in the coming years?"



Mr Ernest Mintah of ACA, presented on end market responses to Africa's cashew sector policies with focus on India. According to Mr Mintah, the global cashew kernel is growing at a CAGR of four (4) percent per annum and India is the major driver of consumption in the past five years.

He highlighted the key cashew sector policies in Africa viz., 1) RCN Focused and 2) Kernel focused.

On the RCN front, some countries have banned RCN export by land, sea or both, few others introduced buyer/exporter licensing requirements before buying RCN and most of them has either introduced minimum guaranteed price or in the process before the commence of the season.

On the kernel front, Mozambique and Benin have defined buying periods for local processors to fill their stocks before allowing traders/exporters. Cote d'Ivoire pays a subsidy to local processors and guarantees of 25 percent of the loan to processors, up to five (5) billion CFA.

Mr Mintah cited the policy responses from Indian government regarding hike in import duty on cashew kernel from 45 to 70 percent of CIF, suspension of adhoc norms approved in July 2018 for the export of cashew kernels (whole and pieces) against the import of shelled cashew kernels. This is in response to Cote d'Ivoire subsidy on borma kernels (shelled and unpeeled). Hence the question of Africa exporting borma kernel to India is not viable. In Jan 2020, meet VINACAS board has also asked for similar kind of measures.

On the way forward, Mr Mintah is of the view that retaliatory measures will do no good to the cashew sector and everyone tends to lose. India must reduce minimum CIF, customs duties and lift ban on kernel imports. On the African side, the respective governments should review their taxes on RCN and subsidies on kernel. To have a long term solution, Africa should rigorously promote domestic cashew consumption.



Mr Seth Akoto, Director Crop Services, Ministry of Food and Agriculture, Ghana- Ghana's program is set on three basic objectives for the development and promotion of cashews.

1) We are looking at increasing production at processors levels and to enhance incomes of those actors along the value chain, 2) looking for contribution to exports and 3) committing Forex.

In Ghana, most of the processing plants were closed mostly due to high interest rates, inadequate capital, higher cost of raw materials and lack of market information, technology transfer and other management issues. We would like to get more support from ACA, CICC and like to bring in major players such as Vietnam and India to the table so that we can have uniform polices for cashew sector across the world at the government level.



Mr Kapita Richard Masaiti, CIDP, Zambia

The situation in Zambia was quite unique, way back in 1970s, the ministry had developed cashew industry, but unfortunately after some years the cashew industry was literally abandoned, as cashew trees were

affected by diseases of blights, mites and so on.

Now the government had realized that they missed an opportunity and hence decided to start afresh. So they have decided to get loan from CIDP amounts to 155 million dollars which goes into development of bringing cashew programme.

So far Zambia is working closely with NGOs, ETG who has also helped us to train farmers and we are grateful to them and also helped by Prof. Peter Masawe who has graciously been working with us to derive and identifying the mother tress from the old trees. Recently, last year we are working with HS through ETG and a donation from the Tanzanian government of total 54,000 tons which is being planted since last year and hoping that by end of this year we should have planted about six million.

Session 7: Cashew Kernel Markets

Discussion 7: Review of major cashew kernel markets



Mr Pankaj Sampat, Samson Traders, while moderating the session has highlighted that the global cashew kernel consumption, which is pegged at 875,000 tons with value being USD 7 billion, is the second biggest nut consumed in the world only next to Almonds.



Mr Wim Schipper of Intersnack Procurement has presented on the trends shaping the European cashew kernel market. In European Union, cashew kernel imports have gone up from 76,000 tons in 2010 to 140,000 tons in 2019. However, the volume share of cashews kernels

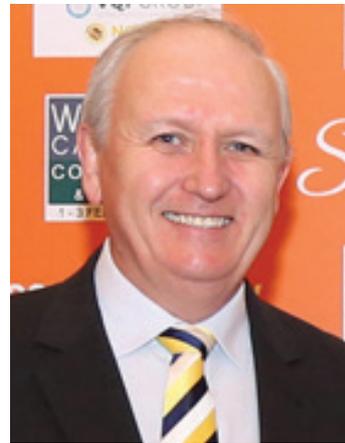
among all the nuts has reduced from 9.6 percent in 2017 to 8.1 percent in 2019.

Europeans love eating cashew as a snack, a source of non-animal protein. **Confectionary and snacks growth is well above the average in Europe among 15 FMCG countries.**

Customers tolerance to food allergy is waning, there name and shame in social media and asking for claim. So food safety certification in line with GFSI certified scheme (BRC, IFS etc.,) is a must for serious food industry.

Social compliance is a threat as well as an opportunity for the cashew category. NGO's like ETI do fact studies and

report these. Face the facts, let's work together to create a sustainable future for all the stakeholders. Transparency initiatives are launched and will set the benchmark for the future.



Mr Jim Fitzpatrick, Ingredient Solutions has presented about UK cashew market as UK has left the EU fully by 31 January, 2020.

As of now UK is negotiating on BREXIT trade terms, standards and import requirements may change and moreover UK is

seeking bilateral trade deals worldwide.

UK is important as it accounts for 17 percent of the EU cashew kernel market. Also it has London as second financial centre, 2nd largest economy in Europe and 5th largest economy of the world, a diverse and modern country and known for its highly developed retail markets.

In 2018, UK imported in excess of 20,000 tons of cashew kernel, which is growing at CAGR of 5 percent since 2010. UK mainly imports kernel from Vietnam and India. One has to wait and see whether this trend will change or not, will be known after the completion of Brexit.

UK is a developed snack markets having private labels and strong brand names. At the same time, UK market is known for innovation in flavours, new applications and textures. Some of the new products are more suitable for broken cashews, buyers often buy wholes and dice them as they do not trust the food safety of broken from other origins.

Mr Tejhash Modh of ETG has presented on Middle East cashew kernel market.

In Middle East, the total cashew kernel market size is approximately 55,000 tons. The major consumers being Saudi Arabia, Israel, Iran, Turkey, Egypt and United Arab Emirates (UAE). The UAE is the major importer and a trading



hub for cashews kernels in the region, although its own consumption is very low.

Middle East prefers tin packing to Flexi-Pouch vacuum pack. The market currently pays premium to India processed cargo. The region is witnessing growth in consumption

due to population growth and increase in floating population due to tourism.

Mr Kalbavi Prakash Rao, Kalbavi Cashews on the Indian cashew market and lessons for the world (Presented by Mr G Srivatsava in his absence)

In 1975, India's cashew kernel export share was 80 percent, which came down to 15 percent in 2019. At the same period domestic share of consumption has gone up from 20 percent to 85 percent.

India is the top consumer of cashews with an annual consumption of 340,000 tons. In India, the impact on cashew consumption is diversified across all the market segments such as Snacking (28%), Bakery and Confectionary (12%), Sweets and Savouries (20%), HORECA (18%), Gifting (12%), Frozen Desert (8%) and Temple prasadam (2%) (offerings to gods).

On the supply side, India will process about two million tons of RCN by 2022. Out of the processed 460,000 tons of cashew kernels, 350,000 tons will be consumed domestically and remaining 110,000 tons to be exported from the country. India will be back in the world export markets.

India will continue to remain as the most viable cashew processing origin of the world, thanks to the diversification of the market segments as well as 1.3 billion cashew connoisseurs.

Session:8 Open House Session

The Open House Session was moderated by Mr Jim Fitzpatrick, Ingredient Solutions.

Issue-1: How to grow demand for cashew kernels?

Mr Wim Schipper of Intersnack Procurement: "Stable price (USD 3 to 4 per lb range) is conducive for demand growth. Promotion is much needed. Full-chain production is needed to address concerns of food safety. Industry much take care of reputation risks. Reputation damage would have long term repercussion. We must deal with food safety on priority. It can be a great opportunity for growth".

Mr Vasudev Barkur, ETG: "Cashew is not an essential commodity. So, it is vulnerable. More health-oriented promotion needed. Consumption is linked to purchasing power. Africa presents a great opportunity for growth cashew kernel consumption."

Mr. Diaby Aboobacar, AEC-CI: "Efforts should be made to grow cashews kernel consumption. Cashew soup and single use packets are ideas that could work in Africa. Government of Cote d'Ivoire can promote consumption by keeping cashew packs in the reception of government offices."

Mr Karim Berthe, CCA: "Change in food habits takes time. Cost is a major challenge in growing cashew consumption in low income countries. Can we put efforts in changing 'Coffee break' to 'cashew break'?"

Ms Mary Adzanyo, Comcashew: "Price stability is the key. Interactions at government level, association level at regular intervals are key to harmonising policies and reducing volatility."

Mr Tunji Owoeye, Elephant Group: “There is a need to educate/create awareness cashew consumers on the health benefits of consuming cashews. There is an increase in the number of hawkers selling cashews in Nigeria.”

Issue-2: Are speculation threatening RCN production growth?

Mr. Vasudev Barkur, ETG: “Raw cashew trade has not evolved and professionalised. There is no global platform for raw cashew trade. There is no standard contract structure and no recourse mechanism to deal with dispute and defaults in raw cashew trade. Addressing these could disincentivise speculation and streamline trade.”

Ms Mary Adzanyo, ComCashew: “Speculation affects produce arriving into the market. Thus, it affects production growth.”

Issue-3: Cashew processing in Africa. Is it different this time?

Mr. Diaby Aboobacar, AEC-CI: “Its hugely different this time. With the new measures taken by the government, national are investing in processing. Next five years should see processing in cote d’Ivoire increase substantially with these incentives.”

Mr Karim Berthe, CCA: “Yes. Traceability and carbon footprint concerns could bring about new opportunities. Yes, there are challenges, but we are trying to address them and finding ways to improve competitiveness of processing in Africa. “Shortening the supply chain” is the theme. It is a natural evolution which is being encouraged.”

Mr Vasudev Barkur, ETG: “Based on our experience of processing in Africa, we believe processing in Africa is a potential. To grow it sustainably, we feel inter-Africa trade must be encouraged. Inventory risks are too high in the current way of doing business.”

Mr Wim Schipper, Intersnack Procurement: “Making money in cashew processing is the highest form of art we have. Its too complex. So, RCN traders and exporters that aspire to become processors need to seriously evaluate their capabilities.”

Ms Mary Adzanyo: “Context has changed. Food safety and traceability can be implemented better in African processing set up. Raw cashew production growth is also supportive. So, yes, this time it is different.”

Issue-4: What do you want the government to do?

Mr Tunji Owoeye, Elephant Group: “Access to financing at single digit and some protection for local processors at least during the initial stages.”

Mr Wim Schipper, Intersnack Procurement: “A range of measures as things are interconnected. There is a need for vocational education programmes to develop skill base within Africa.”

Ms Mary Adzanyo: “Harmonise policies pertaining to cashew sector across key producing and processing nations.”

Ms Diaby Aboobacar, AEC-CI: “Increase the share of nationals in cashew processing and value-addition by enabling them to access finance at competitive rates.”

WCCE-JNEC 2020 CasheWomen Leadership Program

On Feb 12th morning Cashew Women Special training session was held in Abidjan, Cote d'Ivoire. It was organized by GIZ/ ComCashew. Ms Rita Weidinger moderated the training program. The objective of the program is to reflecting on how to expand on my leadership strengths, reflect on the fears and values which are behind your drive for your strengths and how can you address them, confront your fears and tolerate others values.

Ms Rita has also highlighted some of the challenges faced by the African sector such as low productivity, low quality and lack of cashew consumption locally.

Mr G Srivatsava of Foretell Business Solutions in his inaugural address highlighted that India is the largest consumer of cashews today and consuming around 340,000 tons per year. This is possible due to innovative and creativity of ladies in house on how to use cashews in day to day food items. Hence he stressed the role of women in Africa to create awareness and to promote cashew consumption in every household of Africa.



Field Tour to Processing Factories in Yopougon & Yamoussoukro on 14 - 15 Feb 2020

WCC has organised a field trip to cashew processing factories on Feb 14th and 15th 2020, Cote d'Ivoire. About 65 delegates have participated in the field trip. On Feb 14th afternoon, we visited the processing factory STNA, Yopougon. On Feb 15th, we took the delegates for a factory visit to Yakro Industrial Zone (YIZ): SG AGRO, Other processing plants projects, land planned for local cashew processing. Soon after completing the visit, the delegates reached CITA, Yamoussoukro for presentation on the Business environment and Investments supports to local processing, including the role of CITA, followed by plant visit and other facilities.



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