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ACA Assists Nigerian Cashew Sector through USAID TIME Program



This summer, the Nigerian cashew sector received a major boost: the US Agency for International Development (USAID) offered targeted assistance to the National Cashew Association of Nigeria (NCAN) through its program known as Towards Inclusive Markets Everywhere (TIME), a project implemented by ACA. Nigeria, ranked as the sixth largest cashew producer in the world, will greatly benefit from this initiative, which seeks to identify and address many of the issues that hinder the cashew industry from thriving. The project is intended to complement the work of Nigeria's own Agricultural Transformation Agenda (ATA), a national project aimed at increasing agricultural competitiveness and reducing imports.

Earlier in the summer, an ACA team traveled to the Nigerian states of Oyo, Kogi, and Kwara to conduct a baseline assessment of cashew farming communities' needs, identifying five major obstacles that farmers face.

Firstly, there was a marked lack of training. Outside of a small subset of farmers in Oyo State who had been trained by the nonprofit organization TechnoServe, almost no one had received any training in modern farming techniques. Accordingly, farm management, pest control, storage techniques, and harvest and post-

harvest practices rarely conform to best practice policies.

Secondly, many cashew trees are affected by pests and disease - a situation which, given the lack of training in pest management, is often highly damaging to farmers' livelihoods.



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Knowledge Expansion and Skill-Building through the Master Training Program



ACA Project Coordinator, Miriam Gyamfi, gives presentation on the nutritional benefits of cashews (above)

In partnership with the African Cashew Initiative project, ACA organized and implemented a Master Training Program (MTP) for cashew sector stakeholders from seven West African countries throughout the last several months, reinforcing and expanding the knowledge of stakeholders in the value chain from producers to buyers, including both public and private service providers such as researchers, extension officers, NGOs, and others.

The goal of the MTP is to ensure that stakeholders can strengthen the entire cashew value chain in their respective countries by sharing expert knowledge of the bigger industry picture. In total, 65 participants were awarded with a certificate of participation in this Program, which is the first of its kind in the cashew sector in West Africa. Equipped with new knowledge and revamped motivation, these “master trainers” will now serve as experts in their respective localities and create regional networks of expertise.

The first MTP session took place in December 2013 in Bobo Dioulasso, Burkina Faso, with a second session in Bouaké, Cote d'Ivoire, in April 2014, and a final session in Sunyani, Ghana. This last session was attended by the Deputy General Secretary of the Ministry of Agriculture, Livestock, and Fishing of Benin and the General Secretary of the Minister of Trade and Industry of Ghana.

The most recent session was focused on sector organization, the economics of farming and processing, improvement of planting, and adoption of low-yield tree grafting. At this stage, participants had gained a deep awareness and understanding of the cashew value chain. In addition to providing key assistance in organizing and facilitating the events to ensure its success, ACA specialists delivered lectures and seminars to participants which stimulated lively discussions.

Olivier Kabre, ACA's MIS and Monitoring Officer, noted that many participants asked for a follow-up in their countries for sector organization, business advisory, market linkages, and market information data collection. “The MTP has paved the way for greater partnership advancement and collaboration within the sector, in all the countries

involved,” observed Kabre.

ACA Business Advisor Sunil Dahiya presented an analysis of cashew processing business economics, sharing insights on business assumptions, timing, cost, pricing, investment calculations, and key decisions in cashew investment, with a view to improving sector-wide knowledge about the economics of cashew production and processing.

ACA Project Coordinator Miriam Gyamfi delivered a presentation entitled “Nutritional Value of Cashew” and fielded numerous questions regarding the elasticity of cashew prices and the influence of consumer preference. In a discussion of marketing and consumer preferences, she highlighted the fact that nutrition is an aspect of the industry that is often overlooked. The following day, the MTP trainees embarked on a field trip to several successful cashew farms, gaining direct experience of good farming practices and successful commercial farm management. One of the major benefits of an ongoing event such as the MTP is the opportunity for knowledge sharing among farmers and processors themselves, enabling region-wide sector improvements.

On the final day of the Program, ACA's Managing Director, Roger Brou, expressed his excitement and appreciation for the hard work of the trainees in a speech that closed out the training.

Each participant received a certificate recognizing their accomplishments. A number of national-level training programs led by these new Master Trainers can be expected in the near future – look out for news of these events in forthcoming editions of this newsletter. overlooked and undervalued in the production and marketing of cashews, and one which is likely to have a significant impact on consumption patterns in the future.



ACA Managing Director, Roger Brou, distributes certificates of completion to all of the Master Trainers in Sunyani, Ghana (above)

ACA Assists Nigerian Cashew Sector through USAID TIME Program

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Thirdly, due to the lack of knowledge about post-harvest practices, cashew quality is sometimes quite poor. The fourth obstacle is a lack of access to capital: since there is no easy system through which they can access credit, farmers are often unable to hire labor or pay for equipment and other farm inputs. Fifthly and finally, many farmers lamented that prices greatly fluctuate in the market, causing severe instability in income.

Throughout the coming months, ACA will develop and implement community-specific trainings to combat each of these issues. Interactive demonstrations will be presented on pest control and post-harvest practices; business and technical advisory will be provided to properly manage large farms; and instruction will be offered in financial management.

Ultimately, ACA's assistance to farmers will help contribute to NCAN's vision of making the cashew sector one of the country's main non-oil revenue sources. Once Nigeria's cashew farmers receive strategic, tailored trainings, there will be a much stronger foundation for increasing cashew processing. According to the president of NCAN, Tola Faseru, "Less than 20% of what is produced is being processed - which means that [Nigeria] is exporting its jobs." Through partnership with ACA, USAID, and other organizations, this percentage should improve significantly in coming years.



NEWS AND INFO

Guinea-Bissau: An African Cashew Gold Mine

As the world's fifth largest cashew exporter behind India, Vietnam, Cote d'Ivoire, and Brazil, Guinea-Bissau depends heavily upon cashew nuts as a major income source for rural communities and for export. The cashew industry employs approximately 80% of the workforce; thus, the performance of the cashew sector is a key indicator for determining the overall macroeconomic situation of the country and the food security status of rural areas. In 2013, cashew production and exports were disrupted as a result of the political coup which occurred in March 2012.

In August 2014, the ACA Managing Director, Roger Brou, and Communications Officer, Sheila Oliveira, visited Guinea-Bissau for the purpose of re-establishing working relations between the newly-elected government of Bissau and the African Cashew Alliance. During their trip, Mr. Brou and Ms. Oliveira had the opportunity to meet with the Minister of Agriculture, who showed great enthusiasm for developing and strengthening the cashew sector. Other members of the government were very receptive to ACA's visit and are eager to collaborate on projects to boost the country's cashew industry.

In recent years, many farmers converted their fields into cashew orchards due to the promising benefits of cultivating cashews as a cash crop. However, climate change, environmental degradation, and an increase in the use of credit during the pre-harvest period all contribute to a "downward spiral of food insecurity and indebtedness," says Marina Temudo, an agronomist at the Portugal-based Tropical Research Institute

(IICT). To combat these issues, ACA recently signed an MoU with the Agencia Nacional de Caju (ANCA), the national association dedicated to advocating for cashew farmers and processors in Guinea-Bissau. Through the collaboration of stakeholders at multiple levels, Guinea-Bissau has exported about 100,000 metric tons of raw cashew nut and produced an estimated total of 200,000 metric tons, figures which are within the expected range.



ACA Managing Director, Roger Brou (center), with ACA's Bissau representative (left), and President of the Processors' Association (right)

Dealing with Africa's 2014 Harvest Shortfall: The Benin Experience



Although African cashew production continues to rise year after year, there is no avoiding the fact that the 2014 cashew harvest was disappointingly low compared to expectations: while ACA's analysis projected a continent-wide increase of 10.5% this year, the actual rise was a mere 2.2%.

Different factors in different parts of the continent are responsible for this shortfall: while insufficient rainfall led to lower yields in East Africa, much of West Africa experienced an earlier-than-usual rainy season, posing challenges to cashew tree maintenance and cashew drying, and moreover leading many farmers to neglect their cashew harvests to focus on cultivating crops that were more likely to thrive under these conditions.

This shortage also caused raw cashew nut prices to increase, thereby driving up prices for the processors. For this reason, many processing units across the continent were unable to maintain their full processing capacities this season. In such circumstances, it is wise to examine the national measures that have been taken to try to ensure that this ever-growing industry continues to flourish in difficult times.

For the past five years, the Beninese government has actively promoted domestic processing to encourage local value addition as a means to support the industry. This year, the Beninese Ministry of Trade and Industry, in collaboration with the National Council of Benin Cashew Exporters (CoNEC), launched an experiment designed to ensure that domestic processors would be well-supplied, regardless of market conditions.

Prior to the official commencement of the cashew trading season, the Ministry of Trade and Industry granted exclusive authorization for domestic processors to purchase cashews during a one-month period before the opening of regular trading, enabling domestic processors to purchase the best quality nuts at relatively low prices.

Experimental policies often come with teething troubles, however, and this was no exception. Mr. Rigobert Oura of CoNEC indicates that this "innovative policy unfortunately did not work, for two reasons: the bad faith of processors who benefited from buying quantities exceeding the

capacity of their plants, for later export; and other [foreign] buyers who took advantage of this period of derogation to buy too, which caused an early opening of the campaign, followed by disorder."

The problems were identified quickly, thanks to the vigilance of a multi-stakeholder monitoring committee established for this purpose, whose members represent producers, processors, exporters, buyers, and government ministries. Accordingly, a policy review is underway to ensure that this year's problems are not replicated in future cashew seasons.

"Benin is now in the process of experimenting with a system of bulk sales. A plan for the universalization of such a system is now in preparation," explains Mr. Oura. In a system of bulk sales, farmers' associations and cooperatives negotiate their sales collectively with buyers, thus assuring that processors and foreign buyers cannot circumvent the system by making deals with individual farmers. The monitoring committee will oversee the process, quashing deals which do not comply with the rules.

"In all cases," adds Mr. Oura, "Benin intends to maintain its policy of prioritizing supply to domestic processors, with an improved and more effective approach." This policy supports the Beninese government's goal of processing at least 25% of production domestically by 2020.

Benin's experiences mirror the challenges faced by cashew-producing nations across Africa: the dire necessity to assist local processing industries to develop and expand, even in years of poor harvest.

ACA's Market Information Services specialist, Olivier Kabre, observes, "It is rare for any policy to be perfect on the first attempt. What is so encouraging about Benin's experience here is the way in which all stakeholders in the country's cashew value chain have been so closely involved in monitoring the progress of the experiment, and that policies are being quickly and transparently modified to remedy unexpected challenges."



Cashew Calendar 2014

September

22 - 26 NEXTT Farmer Trainings in Parakou, Benin

October

19 - 23 SIAL Trade Fair and Global Cashew Council Meeting in Paris, France

November

26 - 28 SIETTA Conference in Abidjan, Cote d'Ivoire



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