

Issue 25

February 2013

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## Inside this issue

<i>Benin Exporters Launch Website</i>	3
<i>ACA Seal Spotlight</i>	4
<i>Interview with Condor</i>	4
<i>Beacon Economics World Economic Report</i>	5
<i>Nigeria Rallies Cashew Potential</i>	5
<i>Updates from ACI</i>	4

**"The website of CoNEC would serve as a link, connecting people around the world to the Benin cashew industry. Benin Cashew is thus now on the world map."**

**-Guillaume Razack, VP of the National Council of Benin Cashew Exporters (CoNEC)**

## ACA Seal to Facilitate Compliance with New US Food Safety Laws



Cashew is currently classified by the FDA as "fresh produce." cashew production in Africa.

International food safety regulations are beginning to require serious consideration by exporters of food to the United States. New regulations will have concrete impacts on cashew farmers, processors, and buyers, as the United States moves to enforce the new FDA Food Safety Modernization Act, the most expansive reform of food safety laws in over 70 years. On January 4, 2013 The US Food and Drug Administration (FDA) announced major proposed regulations of the FSMA, which was passed in January 2011 by President Barack Obama. They contain preventative controls that pertain to good manufacturing and agricultural practices, both of which are relevant to

In January 2013 at the Peanut and Treenut Processors Association (PTNPA) convention, Martin Hahn, legal counsel of the PTNPA and an expert on food and agriculture law, presented the proposed FSMA rules to members of the nut business. Hahn predicted that FSMA will be a primary priority for the nut industry in the coming years.

*Continued on page 3*

## Safe, Sustainable, and Socially Responsible - Mim Cashew, a Seal Success Story

Pick, pull, plop. Pick, pull, plop. This is the sound of cashew nuts being plucked from fallen apples scattering the ground of Mim Cashew. Margaret and Fusenia sit in the dappled shade under one of thousands of cashew trees on the farm, beginning the process that will eventually result in ACA Seal-certified cashew on the shelves in international market.

Producing export-ready cashew is a lengthy and labor-intensive process, but companies like Mim Cashew are working to streamline and make the most of that process. Located in the Brong Ahafo region of Ghana, Mim Cashew was the second facility to receive ACA Seal approval, in December 2012. In addition to processing cashew kernels that adhere to international food safety and quality standards, Mim also grows organic nuts, and distills brandy from the cashew apples that would otherwise be discarded. This kind of sustainable sensibility is gradually permeating Africa, and the ACA Seal presents cashew processors with an opportunity to be a part of the movement.

### Growing demand and income

Though many cashew processors purchase all of the raw cashew nut (RCN) that they need, Mim runs a growing farm in addition to its factory. Farmworkers are therefore even more directly impacted by prices for cashew kernel.

*Continued on page 2*



Cashew kernel prices can impact farmers' income.



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"When the price on the world market goes up, we try to reflect that in our per kilo payment and adjust," said farm manager Adusei Asante, explaining how farmworkers' incomes are affected by changing kernel prices.



ACA Seal-Approved Cashew ready for export.

process. "That is the benefit of the ACA Seal."

More demand for cashew, combined with buyer demand for product that is Seal-certified, is increasing sales for Mim, a benefit that is now being felt by farmers. "They have increased the price per kilo since last year," noted Matthew, a farm overseer. "As time goes by, the pay grows."

## Expanding opportunities for women

At Mim, like nearly all cashew farms and factories, production is accomplished almost entirely by women.

"People are glad we have Mim here, because the company employs 90% women," said Mr. Asante. "Those who are interested have the opportunity to work, instead of staying in the house."

Women's voices across the farm echoed Mr. Asante's sentiment. Fusenia, who has been working as a picker in the fields for three years, said, "If I wasn't working at Mim, I would just be at home, not doing anything. Because of the work I can get money to buy some things for myself."



Cashew gives jobs to women who may not have other opportunities.

For some, working at Mim is the first step towards achieving financial independence that will enable them to pursue long-term career goals.

"I learned a trade and wanted money to begin a business," shared Mathilda, another picker with three years of experience. "This job is helping me financially, so I can start a savings account at the bank and eventually open a shop."

As a major provider of jobs in the region, Mim Cashew has gained respect among the local population. The Mim Cashew company was founded in the late 1960s, and like the owners before him, Lars Wallevik, Managing Director and owner of Mim, is committed to investing not only in cashew but also in the community.

"I really want to make the area a nicer place to come to," said Mr. Wallevik. "Mim Cashew is engaged with the local community in various current projects, such as some traditional home and palace restoration and a planned Technical school, amongst other social projects."



Mim staff take pride in the factory's Seal certification.

In Mr. Asante's words, "To the community, Mim Cashew is more or less like a friend to us."

## Creating delicious, quality cashews

Already growing certified organic cashew nuts, becoming approved by the ACA Seal was a logical next step for a company committed to producing the best quality products. After 6 months of Seal program implementation, dedication to food safety and quality is evident throughout the factory, where workers are quick to share their knowledge on Seal standards.



"My main concern is the quality," -Twun Ebenezer, Manual Peeler.



Hygiene standards are critical to Seal approval.

"My main concern is the quality – we want to go further and continue to improve our standards," said Twun Ebenezer, a manual peeler who has been working at Mim since October 2011. "The Seal is the way I do things, and with it I can guide and train other workers."

After six months of Seal program implementation, the entire company was eager to become approved by ACA. Anticipation was high following the final audit in December.

"The factory workers were very happy because they know what we have been doing here," remarked Mr. Pillai. "When we got approved, one of the workers said, 'Finally, we got the seal!'"

The Seal has meaning at all levels of the value chain – sustainability for consumers, quality for buyers, recognition for processors, pride for factory workers, and stability for farmers. When Mr. Pillai said "We were rewarded for the process," he may have been referring only to his Mim factory team, but the ACA Seal offers returns for all cashew stakeholders.

## Sustaining the World with Cashew

Processing in Africa can reduce the carbon footprint of the cashew value chain by up to 700% due to a more direct route to the market that reduces transportation and fuel inefficiencies – both for the economy and for the environment. ACA Seal approved cashew is guaranteed to be less environmentally costly than nuts processed in India or Vietnam.

Mim maximizes the cashew bounty not only by selling safe, delicious, and socially responsible nuts under the ACA Seal, but also by taking advantage of the diverse cashew by-products. The processing facility uses cashew shells as fuel for steam-powered machines, and the cashew apples are made into cashew brandy at the Mim distillery.

The ACA Seal gives African cashew processors a chance to be more competitive in the global market. In the long term, however, the effects of the Seal could be even more far reaching.

"We are sustaining the world," as Mim's farm manager Mr. Asante said. This view is optimistic, but not unrealistic – African cashew provides income for 10 million people, has the potential to reforest lands damaged by climate change, and gives consumers a safe and socially responsible snack. The



## Food Safety Laws and the ACA Seal

*Continued from Page 1*

“Foreign supplier verification is going to be one of the key pieces for your members,” said Hahn, speaking with the ACA in February. “It’s going to lay out in detail what kind of verification activities you have to have in place to be in compliance with FSMA,” he explained, while noting that the FDA has not yet released the proposal. He expects the rule will be proposed later this year, and if accepted would ultimately be enforceable in two years.



Peelers at Mim Cashew, a Seal approved factory.

The Foreign Supplier Verification Program (FSVP) would have a direct effect on cashew importers, who will have to verify that imported food is produced in compliance with FDA safety standards. Although the FSMA has not yet released detailed plans, it is likely that a third party certification program will be enacted, which will approve third party auditors to confirm compliance of foreign facilities. Foreign governments and cooperatives are among the groups that would be eligible to become third-party auditors.

The ACA Seal puts in place a program that ensures compliance of its processors with the new FSMA act. With the ACA Seal, 14 Quality and Food Safety procedures, including Hazard Analysis Critical Control Point (HACCP) and Good Manufacturing Practices (GMPs), are installed in the factories to effectively eliminate the most common quality issues existing in cashew processing. Once a processor successfully passes the audit, which will eventually be conducted by a qualified external auditor, Seal approval will demonstrate that all procedures and records required

by the new FSMA are in place. The ACA Seal thus will function as an identification mark that US food importers can use to detect processors that are in line with the FSMA requirements. ACA will continue to liaise with PTNPA and FDA to ensure that seal requirements correspond with FSMA regulations. Processors already approved by the ACA Seal will benefit from expedited export entry in the US market.

Cashew roasters, importers, and retailers are increasingly aware that food safety regulations are becoming more stringent. “Processing facilities need to have food safety plans in place,” Hahn affirmed. According to the Association of Food Industries (AFI), facility inspections of foreign factories will increase under the updated FSMA.

One of the biggest issues facing African cashew is the FDA’s classification of treenuts, including cashews, as “fresh produce.” This categorization would mean health and safety regulations applied to all cashew farmers whose product eventually reaches the US market. Given the millions of farmers in Africa and around the world that grow cashew for the US market, comprehensive enforcement of the FSMA rules would be difficult.

“PTNPA will be submitting comments in response to the proposed rules,” Hahn said. Treenuts are rarely exposed to the environment before being processed, thus making the fresh produce categorization somewhat inaccurate due to decreased risk of contamination. Given this and the potential complexity of enforcement, Hahn assured ACA members that “PTNPA will be advocating strongly that treenuts not be considered fresh produce.”

The FDA is accepting comments on the proposed rules until 16 May 2013. The ACA will be closely following the FSMA rule-making process, and will inform members whenever applicable regulations are finalized.



Seal protocol is in line with FSMA standards.

## Benin Cashew Exporters Group launch website

Benin is the world’s 9th largest producer of cashew in the world, but the country is still underrepresented on the global cashew market. The Benin exporter’s association, the National Council of Benin Cashew Exporters (CoNEC) is working to change this, and has made significant progress toward gaining international recognition and attracting business through the website for their organization, launched in January.

The creation of this new website will help outsiders recognize the potential for economic development that lies within the cashew value chain, highlighting the progress made and opportunity that lies in Benin.

Guillaume Razack, VP of the newly formed National Council of Benin Cashew Exporters (CoNEC) explains, “Benin has more than two decades of experience in cashew nut exports. Cashew nut is a major agricultural commodity export from Benin. It contributes about 8% to national export income and 28% of total agricultural exports, a significant share to

Benin’s GDP.”

CoNEC, a brainchild of Beninese cashew traders,



Members of CoNEC

exporters, and the Beninese Government, was inaugurated on September 6, 2012 under the leadership of former Minister of Trade, Ms. Madina Sephou. With a headquarters in the district Sègbèya (Cotonou), CoNEC is made up of 9 members.

“We didn’t have any platform to address our problems and discuss development of cashew nut

sector in Benin,” asserted Mr. Razack. “CoNEC is an initiative of the group of exporters with the vision to organize and develop the whole cashew sector. Within a short spate of time, CoNEC had established communication links between farmers, Government and international agencies.”

Exporters, through their mother association CoNEC now hope to be a more influential link in the value chain, and are fully committed to playing their part in this reform aimed at promoting cashew in Benin. The vision is to make cashew a transformational tool for economic growth.

CoNEC’s website is a first of its kind and it is hoped that the Benin cashew sector will reap benefits that will serve as an example to other aspiring associations.

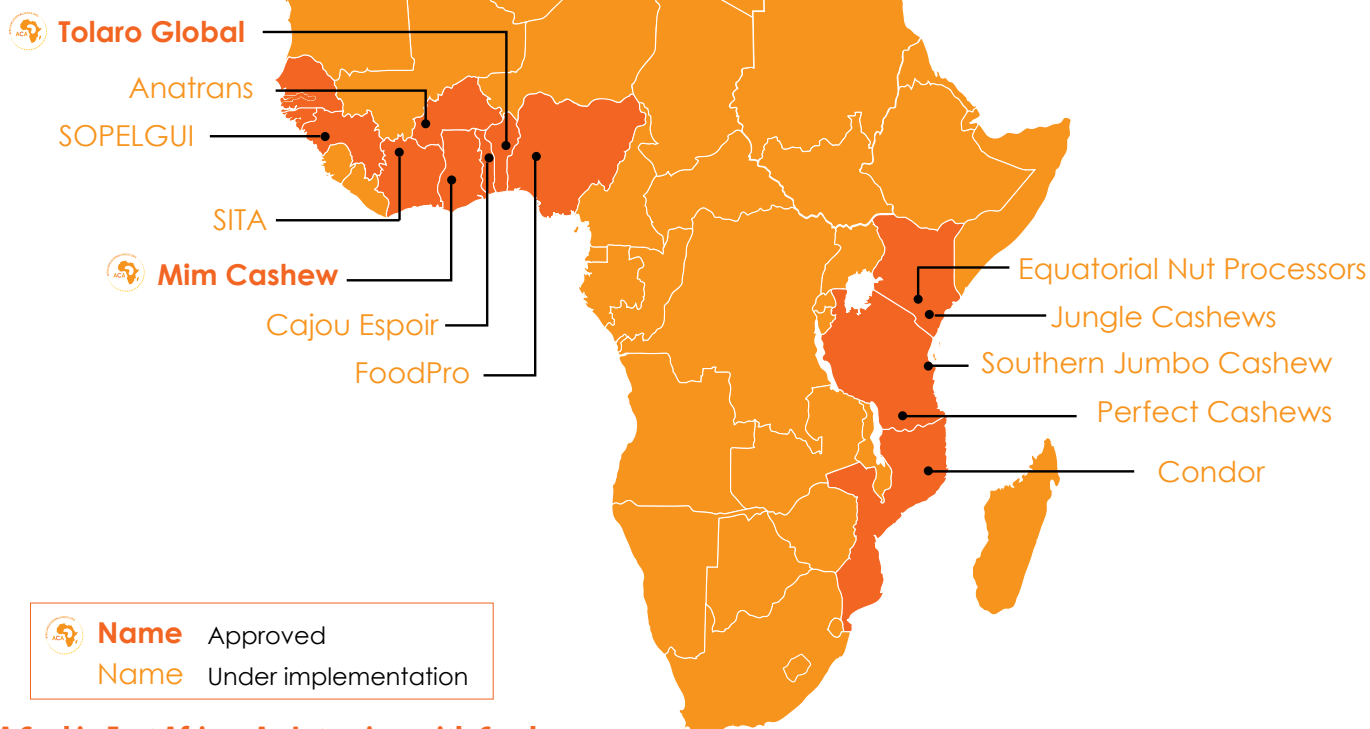
As Razack explains, “The website of CoNEC would serve as a link, connecting people around the world to the Benin cashew industry. Benin Cashew is thus now on the world map.”

# ACA SEAL SPOTLIGHT

The ACA Quality & Sustainability Seal is an industry-supported mark that signals the processor's compliance with international food safety, quality, and labor standards. The expanding implementation of the ACA Seal in East and West Africa indicates the program's success across ACA member countries. Seven processors in Benin, Burkina Faso, Guinea, Mozambique, Nigeria, Togo and Tanzania signed up for the program in 2012-13, bringing the Seal processing capacity to 18-25,500MT of RCN. Check out the members of the ACA Seal program below:



## ACA Seal Processors



### ACA Seal in East Africa - An Interview with Condor

During a January trip to East Africa, the ACA Seal Team visited Condor Nuts to evaluate implementation progress of the Seal program. Condor, located in Nampula, Mozambique, is the newest Seal-enrolled processor in the country. The company's significant processing capacity makes it one of the largest currently in the Seal program. While at Condor, ACA Marketing and Conference Coordinator Miriam Gyamfi sat down with Silvano Martins, Managing Partner of Condor, to learn about why Condor Nuts decided to enroll in the ACA Seal Program.

*ACA: How did you hear about the Seal?*

Silvano Martins (SM): The first time we heard about the Seal was in 2011 when Jim Giles and



Jim Giles inspecting the Condor facility.

Xenia Defontaine were on a visit to East Africa and introduced us to it.

*ACA: Why did Condor decided to join the ACA Seal program?*

SM: We decided to enter into the program in order to fulfill our clients' needs and keep our markets open. We know it's important to have some external control on our practices and products.

*ACA: What benefits do you hope to receive by having the ACA Seal?*

SM: Our main goal is to get acknowledgement that our product is a premium product.

*ACA: Have you received request by your buyers to implement the Seal?*

SM: We have had some questions from buyers asking for certifications, requests to be compliant with international food standards. The Seal gives us that.

*ACA: Will having the Seal have an impact on the farmers that you buy RCN from?*

SM: Yes. - if we receive satisfaction on our price



Condor is one of the largest processors in the Seal program

targets it will have an impact on the farmers. If we get a higher price for a Seal product they will receive a margin.

*ACA: When does Condor expect to be fully Seal Approved?*

SM: We would like this to happen within this year (2013).

*ACA: What would you say to cashew buyers interested in purchasing kernel from Africa? How will having the Seal change your position in the international market?*

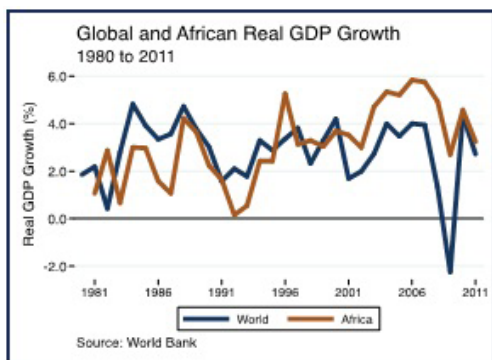
We are concerned about new clients but more concerned about maintaining the trust that our current clients have in our company.

## Beacon Economics – World Economic Report

This month, AfricasheW320 is featuring a world economic report from Beacon Economics. Chris Thornberg, founder of Beacon Economics, presented during the plenary session at the 7th ACA Annual Conference in Benin, where he discussed cashew in a global economic setting. Beacon's Newsletter contribution, which will be featured again in June, highlights Africa's place in the global economy while also focusing on import and export trends for agricultural commodities.

**Africa's regional economy performed better than global trends in 2011, but Africa's trade with major economies in 2012 suggests slower Gross Domestic Product (GDP) growth.**

- Although end-of-year 2012 GDP Actuals are not yet available from the World Bank, African GDP grew by 3.2% in 2011, which was slightly faster than global GDP growth of 2.7%. In 2011 however, African GDP growth slowed compared to 2010, when it was 4.6%.



- According to the African Development Bank's 2012 Economic Outlook, Africa's slower GDP growth in 2011 was a result of political conflicts in North Africa. For example, 2011 GDP growth for Egypt, the second largest economy in Africa, was 1.8%, which was significantly slower than Egypt's 5.2% annual growth in 2010.

- Recent trade activity with major world economies suggests that African GDP growth may be slower in 2012 than in 2011. African GDP growth is

## Nigeria rallies its Cashew Potential for the ACA World Cashew Festival

As it prepares to host the 2013 ACA World Cashew Festival & Expo, Nigeria is positioning itself to reap the full impact of the cashew business.

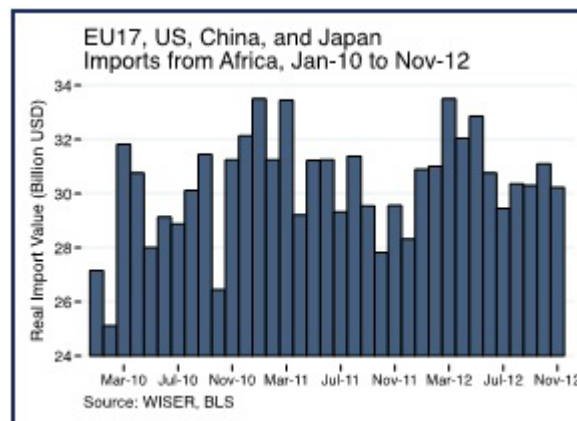


2nd National Cashew stakeholders Forum in Lagos.

Lagos, Nigeria from 30-31 January, 2013. The conference, was attended by more than 200 cashew farmers, processors and traders, including ACA President Georgette Taraf and MD Christian Dahm. The aim of the forum was to develop an Action Plan for the Nigerian cashew industry with a focus on improving quality, promoting cashew processing and growing the cashew crop.

The Nigerian government has adopted cashew as a 'transformational crop' and as a result is dedicating large resources to its promotion and development. Citing a USAID study on the multiplier effect of the cashew business, the Nigerian government emphasized the value of the crop as a potential poverty-reducer, by adding local value and growing agricultural exports from Nigeria. Available data *Continued on page 6*

"Nigeria has all the possibilities to become one of the next cashew-superpowers", stated National Cashew Association of Nigeria (NCAN) President Tola Faseru, also an ACA Executive Committee Member, at the second National Cashew Stakeholder Forum in



highly dependent on global exports, which account for approximately 30% of the continent's GDP.

- In real terms, the latest data on EU17, US, China, and Japan imports from Africa point to lower African export growth in 2012 than in 2011. Using the US Bureau of Labor Statistics Import Price Index to adjust for inflation, 2012 year-to-date EU17, US, China, and Japan imports from Africa are up 1.5% from the prior year-to-date period in 2011, but appear to be slowing from 2011, when annual growth was 3.9%.

- The US has been the largest drag on African exports in 2012. Real US imports from Africa were down 28% year-to-date in 2012. The bulk of these declines were concentrated in crude oil imports. EU17, China, and Japan all reported positive real growth in imports from Africa year-to-date.

***The big question mark for total African agricultural export growth in 2012 and 2013 will be the Euro Area market, which is the leading destination for African agricultural products (47% of total African agricultural exports in 2011).***

**Slow GDP growth continues among major world economies in 2012 and 2013.**

- Real global GDP grew by 2.7% from 2010 to 2011, which is markedly slower than the 4.3% real growth rate from 2009 to 2010. Through the third quarter of 2012, country-specific data suggests that the slowdown in the world economy has continued.

Real GDP Year-Over-Year Percent Change		
Economy	Q3-12	Q4-12
OECD	1.2%	
G20	2.6%	
Euro Area	-0.6%	
United States	2.6%	1.5%
China	7.7%	7.8%
Japan	0.5%	
India	3.2%	

Source: OECD

- The EU17 economy continues to exhibit the largest drag on the global economy. For the first three quarters of 2012, the EU17 experienced negative year-over-year GDP growth. After a November 2012 forecast of 0.1% growth for 2013, the European Commission recently issued a revision that forecasts that the EU17 economy will contract by 0.3% in 2013.



## Cashew plantations, beekeeping and a new livelihood.

by Samantha Mensah, ACi

ACi trained farmers have discovered a new way to increase their income.

With working to increase farmer income within the cashew sectors of its 5 project countries, remaining one of the key aims of the African Cashew initiative, recognition of a new, lucrative venture for cashew farmers is exciting and promising.

For a growing number of entrepreneurial farmers in Benin and Ghana, keeping bees on their cashew plantations has proved to be a welcome source of substantial additional income.

Upon conducting a study commissioned by ACi, Dr. Kwaku Aidoo, a beekeeping specialist from the Agricultural department of the University of Cape Coast, Ghana, met two cashew farmers who have benefitted from beekeeping and serve as great examples of how valuable this activity can be.

After earning USD 2,200 by successfully harvesting 41,600kg of raw cashew nuts at a selling price of USD 0.53 per kilogram, Ghanaian cashew farmer Mr. Kwesi Owusu, 48, added USD 5,960 to his income through



Honey production can improve cashew production and supplement income.

beekeeping in 2011 and 2012.

With 75 bee colonies on his 5.2 ha farm and 55 in a neighbour's farm, Mr. Owusu realized the potential in honey production and harvested 1,012.50 liters from all hives at a unit price of USD 5.90. Beekeeping further allowed him to profit from beeswax production, from which he earned USD143 from 48kg kilos of beeswax.

Mr. Owusu's success with beekeeping is not an isolated incident. This entrepreneurial spirit and the potential of beekeeping to facilitate improved income for cashew farmers, is also reflected by the story of Beninese farmer Mr. Theophile Akpo. By harvesting 500kg of cashew nuts from his 2ha farm and selling at USD 0.70 per kilo he earned USD 350. Selling honey from 60 hives at USD 3.59 per liter, added an extra USD 1,800 to his income.

With such success stories in mind, the ACi continues to encourage cashew farmers to continue with or initiate beekeeping activities on their plantations. As this grows and becomes more readily implemented, ACi believes that this will be a sustainable way through which African cashew farmers will strengthen their livelihoods. ACi continues to make a strong effort to support and raise awareness of the potential held within beekeeping amongst farmers.

## Nigeria readies for conference *(from page 5)*

from the study suggest that Nigeria could generate more than \$15 million in additional income for rural communities and create more than 12,000 new jobs if it processed 50% of its crop in-country.

The excitement surrounding cashew in Nigeria made Lagos a clear choice as the location of this year's ACA World Cashew Festival & Expo, scheduled for the 16-19 September. The Nigerian government was informed when the ACA President Georgette Taraf, NCAN President and ACA EC Member Tola Faseru, ACA MD Christian Dahm and NCAN PR Officer Anga Sotonye called on the Nigerian Minister of State for Agriculture, Hon. Bukar Tijani. He assured the delegation of the Ministry's support for the conference and again stressed the importance of the event for harnessing the sector's potential.

On 31 January 2013, NCAN and ACA held the inaugurating meeting of the local organizing committee (LOC) consisting of cashew traders, processors and officials from the Ministry of Trade and Investment, the Ministry of Agriculture and the National Cocoa Research Institute of Nigeria.

In a bid to make this year's ACA conference one of the best in recent years, preparations are already underway. Speaking from the annual national flag off for the cashew season in Kogi State, Nigeria, head of the LOC, Anga Sotonye said "We are making so much progress. National interest is high and there is so much excitement in the air!"

Mr. Sotonye touched on the issue of security in Lagos. "The venue is set –it is very safe and we already have security plans in place," he said. Mr. Sotonye confirmed that the LOC were making the necessary arrangements and noted that the Nigerian government has also promised additional security.

On the ACA side, Conference coordinator Miriam Gyamfi says "The Nigerians have been very forth-coming with support and organization. The LOC is excited and already things are shaping up really nicely".

## Cashew Calendar 2013

### April

18-21 AFI Convention

### May

21 - 23 INC Congress, Barcelona, Spain



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