



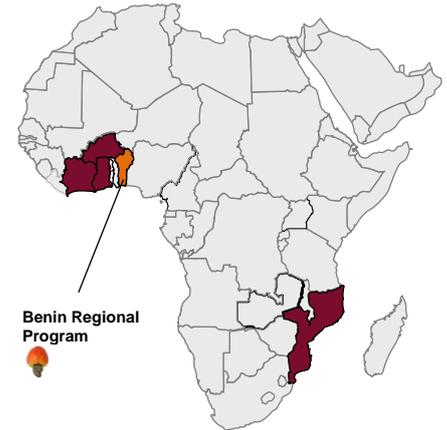
Benin – Country Report
March 2013

Promoting Competitiveness of African Cashew Farmers

ACi - African Cashew initiative

Background

The African Cashew Initiative (ACi), funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Bill & Melinda Gates Foundation and various private companies and public partners, aims to increase the annual income of 330,000 farmers by \$ 90 and thereby aid in achieving a sustainable reduction in rural poverty. The cashew sector presents enormous social, ecological and economic potential for Benin. Since cashew's introduction in the 1990s, it has emerged into Benin's second largest export product after cotton. Correspondingly, the area under cashew cultivation has since expanded from an estimated surface area of 10,000 ha to about 190,000 ha, with over 75 % of cashew plantations being under 15 years old. Cashew is being cultivated in 8 of the country's 12 provinces and employs more than 180,000 farmers.

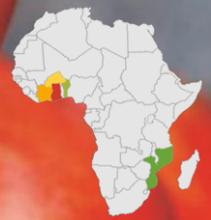


Today, Benin's cashew sector accounts for 3 % of national GDP, 7 % of agricultural sector revenue and 25 % of agricultural export earnings. The relatively low revenues from cashew are mainly due to the lack of local processing capacity. However, during ACi's three-year intervention, Benin's processing capacity grew from under 3 % of national production to 15 %. During the same period, contradicting trends can be observed relating to export earnings as a percentage. On one hand, the relatively favorable exchange rate of the CFAF promotes the export of Nigerian cashew nuts via Benin, generating a positive effect on Benin's export revenues. However, imported Nigerian cashew nuts can reduce the quality of exported nuts (Benin is known for high quality production), negatively impacting the export price. Another challenge in Benin's cashew sector is the production of improved planting material and the rehabilitation of existing plantations. With current yields less than 5 kg per tree, the use of improved planting material is a particularly important establishment of new plantations. Improved plant material could produce yields of 12 kg per tree. In order to tackle and overcome the aforementioned challenges, effective dialogue between all stakeholders at the respective levels of the value chain is critical to achieving enduring competitiveness in the cashew industry.

Facts and Figures

	2009	2011
Production Volume of RCN (Metric Tons)	104 094 MT	112 241 MT
Productivity (kg/ha)	315 kg/ha	519 kg/ha





Main Achievements and Impacts of ACi Phase I

- Training sessions with over 65,000 farmers, of which 27 % are women, on Good Agricultural Practices, such as harvesting, post-harvest treatment and the establishment of new cashew plantations with improved seedlings.
- Training sessions contributed to increased yields of raw cashew nuts from 315 kg/ha (2009) to 519 kg/ha (2011) and an improved income of \$ 218 per farmer
- Technical and financial support to 5 processing plants, 4 of which are newly established, generating 1,122 jobs and 88 % of those for women
- In order to reduce price fluctuations, 8,400 farmers were organized into associations, of which 71 % are linked to local processing plants by supply agreements.

The Second Phase of the Project

The focal areas of the project's second phase are presented below. The private and public partners are the primary implementers and will act under their own initiative.

- Technical support and advice in profitable business management for 4 processors
- Development and production of improved planting material by national research institutes
- Establishment of a solid data base and an information exchange center that is accessible to all stakeholders in the cashew sector
- Introduction of a national Master Trainer program with the aim of training experts with an integrated expertise in cashew
- Intensified communication with all partners through the use of media such as radio, SMS, Video.

The African Cashew Initiative at a glance		
Project Duration	July 2009 to September 2015	
First Phase Duration	July 2009 to December 2012	
Second Phase Duration	January 2013 to September 2015	
Budget Phase II	BMZ (Federal Ministry for Economic Cooperation and Development)	3,4 Million Euros
	Bill and Melinda Gates Foundation	5,97 Million Euros
	Total	9,3 Million Euros
Implementing Partners	GIZ (lead agency), FairMatch Support and TechnoServe	
Partner Companies / Organizations	ACA, Kraft Foods, Intersnack, OLAM, Trade and Development Group, SAP, USAID, Ministry of Food and Agriculture, IDH	
Project Countries	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mozambique	