



African Cashew initiative, Mozambique | Outcome Sheet



Linking farmer groups to processing factories

13.866 farmers benefit from first farmer-processor contracts.

Objectives and results

A reliable linkage between smallholder producers and processing factories brings major benefits to both value chain actors. Farmers can obtain higher and stable prices avoiding middlemen; processing factories can guarantee quality and sufficient quantity of raw material. Hence, ACi supports the direct linkage of farmer groups to processing entities as one component of the assistance to the processors' association AICAJU.

In cooperation with the donor project AgriFUTURO, a staff member was hired by AICAJU with the objective to establish direct linkages between four producer groups and interested members of AICAJU. Direct linkages are defined by regular encounters, but more importantly by signed agreements for farmer support and signed buying contracts for RCN.

The methodology follows a demand-driven approach. The farmer groups define their needs. Processing factories then respond according to these demands, e.g. providing credit or other necessary inputs. In return, the farmer groups guarantee to sell their harvest to the processing factory at a later point in time.

The activities are regarded as a pilot phase for 2011. The staff member of AICAJU, so-called group consultant, is hired for 50% of his working time. Large distances in the districts of Nampula as well as an intensive cooperation with the farmer groups (one encounter every 2 weeks at least) limit the outreach of the activity.



37.5% of the direct beneficiaries of the AICAJU-farmer linkage activities initiated by ACi are women.

Success story: Processing factories ensured pest and disease treatment for 13.866 farmers!

In this pilot phase, six groups in four districts were identified by the group consultant of AICAJU. Two processing entities - Condor Caju and Ekorosho - were willing to enter into negotiations with these groups. According to their location, Condor Caju is currently working with four groups and Ekorosho with one farmer group. Only one group could due to their location so far not find a processing partner.

The farmer groups assessed together with the AICAJU representative their needs directly related to cashew production. One of the main constraints for the groups was the lack of fuel needed for the spraying machines. Spraying the cashew trees gives much more yield and also increases the quality of the RCN notably.

After negotiations, five contracts were signed containing the duty of the factories to provide fuel and the obligation of the farmers to sell their harvest to their partner factory. In total, 15.760l fuel and 742l oil were provided.

Spraying occurred timely and to its full potential in the linked farmer groups due to enough fuel at the right time, provided by processing factory partners.



The groups comprise of a total of 1.208 farmers (453 women = 37.5%). These well-organized groups possessing one or more spraying machine could in total assist 13.866 farmers with their tree spraying.

All members of the assisted groups committed to selling all their produce and that of their spraying clients to their partner factory in October/November 2011. The price per RCN was agreed to be the market price of the day.