



Small farmers discover a new product

The African Cashew initiative

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

On behalf of

BMZ



Federal Ministry
for Economic Cooperation
and Development

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Participating countries:

Benin, Burkina Faso,
Côte d'Ivoire, Ghana,
Mozambique

On behalf of:

German Federal Ministry
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Until recently, Indian and Vietnamese dealers dominated the market for African cashew nuts. Although cashew trees grow well in Africa, African farmers use them mainly to protect their fields against erosion. Yet as global demand for cashew nuts is growing steadily, this sector also offers good income and employment potential in Africa.

To be able to compete on the global market, Africa's cashew nut industry has had to restructure and achieve an international standard of competitiveness. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is supporting this aim with funding from the German Federal Ministry for Economic Cooperation and Development (BMZ), the Bill & Melinda Gates Foundation, and various private sector companies. The African Cashew Alliance (ACA), a business association of African and international companies in the sector, cooperates closely with GIZ on this project.



How we work

The project focuses on boosting the competitiveness of the cashew value chain in five African countries. From a starting point of almost negligible productivity in 2009, GIZ and its partners have achieved the following results in just three years:

- GIZ has developed comprehensive training materials and equipped 800 trainers to train more than 240,000 farmers – one third of them women – in cultivation methods and good agricultural practice and give them an entrepreneurial basis.
- 75,000 farmers have formed cooperatives, which GIZ has trained in organisation, bulk selling, sales negotiation, and certification. The cooperatives administer 32 nurseries.
- GIZ works with agricultural research institutes of the five project countries to improve planting materials so as to increase yield and the quality of the nuts.
- Working in partnership with the US-based NGO TechnoServe, GIZ has advised 20 local small and medium-sized processing companies on funding, business planning, appropriate mechanisation, employee training, and workplace equipment. All these factors must be in place if farmers are to produce high-quality cashew nuts for the export market.
- Working with local banks, GIZ has developed funding instruments that enable the processing companies to take out low-interest loans. This means that they can purchase adequate quantities of nuts to make processing profitable and also invest in their plants.
- Throughout the value chain – from farmer to wholesaler – GIZ supports the trade in cashew nuts and makes sure the farmers' financial interests are respected.
- GIZ and the software company SAP have developed a software solution for cashew nut traceability and for managing cooperatives. This means that wholesalers can now order products from a specific area that meet specific quality criteria, a major selling point in the trade in African cashews.
- At political level, GIZ advises the Ministries of Agriculture and Economics in the five project countries on developing an appropriate framework for the sector and integrating the industry into national economic policy.



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What we have achieved

By following the advice provided by the project, small-scale farmers are producing more high quality nuts. In 2011, their income was USD 5 million higher than in 2009, and earnings for 2013 are expected to be as much as USD 20 million higher. Farmers organised in the cooperatives have also seen a rise of around 10% in the price they get for their products thanks to a better basis for negotiations.

The 20 small and medium-sized cashew processing companies involved in the project now have a capacity of over 29,000 tonnes a year. In 2011, these companies employed over 3,500 people, 74% of them women, and are set to grow further.

Working together with farmers and national agricultural research institutes, species that yield between five and eight times more than those currently grown have already been identified. These species are now being developed further and propagated.

Major food industry companies, including Kraft Foods and Intersnack, now find that African cashews meet their quality and supply requirements and are purchasing them at fair prices. Increasing numbers of professional cashew farmers and processing companies are signing up to the ACA, which has seen membership grow 25% since it was set up.

Within ACi FairMatch Support networks all those involved in the value chain, from the individual farmer to the supermarkets. Product traceability offers major advantages, since it identifies the farmers who have grown the nuts, where the nuts have been processed, and what quantities are available in specific quality grades.

The cashew nut industry is also increasingly important at political level. Four of the five project countries already earmark funding for developing the sector in their annual budget and include cashews in agricultural investment funds.

stronger regional
and continental
organisations

common regional
policies
and agreements

national
implementation
of regional agreements

solutions for
transnational
challenges

structured
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exchange

flexible solutions
for volatile political
environments

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