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The ComCashew News Bulletin

17th Edition on



Opportunities in the Face of a Pandemic: The Cashew Sector in the Era of COVID 19



For a shared understanding of the cashew sector!

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Preface by Rita Weidinger

Dear readers,

Welcome to the 17th edition of the ComCashew News Bulletin. This edition focuses on Opportunities in the Face of a Pandemic: The Cashew Sector in the Era of COVID 19.

The Coronavirus pandemic has touched our lives in unimaginable ways. Though mostly negative, the impact of the pandemic has propelled us faster into the endless possibilities that science, technology and especially digitalization presents. Whilst learning from the market disruptions and without losing sight of the experienced negative impacts, we should look out for the opportunities, however few they may be and find innovative ways of overcoming the challenges we are faced with.

In this light, ComCashew and its partners, notably the German Ministry for Economic Development and Cooperation (BMZ) and the Swiss State Secretariat for Economic Cooperation (SECO) have supported some local processors and partners in Ghana, Ivory Coast and Burkina Faso, with various items to help reduce the impact of COVID 19 on their operations. This will hopefully encourage them to seize the opportunity to increase their capacities as current situation limits Raw Cashew Nuts (RCN) exports.

One trademark of ComCashew and ACA – the Master Training Programme – has over 500 interested people from more than 12 countries on the waiting list. In view of travel restrictions an 11th Edition could be held with two sessions in August for 60 participants from Ghana only, complying with hygienic and social distancing protocols. , The feedback of participants was overwhelming, appreciating the regional learning with resource persons from neighboring Ivory Coast making presentations virtually, together with their Ghanaian colleagues. We are grateful to all partners for contributing to the success of the MTP. We are most appreciative of our funding partner, the Swiss State Secretariat for Economic Cooperation (SECO), whose contribution has made it possible to strengthen the capacities of actors.

As many physical events are increasingly being replaced with virtual ones, the barriers of distance and language have never been thinner. In this



regard, the much-anticipated African Cashew Alliance (ACA) Annual Cashew Conference will be held virtually from 9-11 September 2020 and will be commemorated with online webinars and events.

This edition throws light on how actors are addressing the challenges they face in this period. More importantly, it highlights some opportunities that are present in spite of the current drawbacks while celebrating cashew actors who are weathering the storm creatively .

I am grateful to all contributors of this edition.

Enjoy reading the ComCashew News Bulletin - For a shared understanding of the cashew sector!

Rita Weidinger

Executive Director, ComCashew/GIZ



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The impact of COVID 19 and the opportunities it presents for increased local processing



Raw Cashew Nut (RCN)

Source: ComCashew/GIZ

I asked a cashew buyer recently, “During the pandemic what would be your ideal supply chain situation?” She told me that the supply chain should be short, fast (transit), food safe, traceable, responsive, flexible, and reliable. She does not recognise many of these factors in the cashew chain with its complex 30,000 km journey from small farmers in Africa to Vietnam and back to the East Coast of the USA where she is based. Nor do I, but it does not have to be that way.

Many people thought that the pandemic would destroy demand for cashew kernels. The argument was that people would not have money for cashews. Consumers would concentrate on basic foods. Perhaps this argument suited some players in the market that may have been looking for lower prices for Raw Cashew Nut (RCN) or kernels to cover speculative positions. They got their wish for lower prices but they could not have been more wrong about demand. Demand for cashew kernels in 2020 is at record levels. And no, it was not just hoarding or panic buying. Shipments have continued very strong right up to now. This continues the trends of the second half of 2019 and builds on growth that saw consumption quadruple in the past 20 years. Demand for edible nuts is undergoing a period of strong growth and cashews are being carried along with it. It is driven by consumer interest in healthy foods, less meat, more vegetable protein, more plant based, convenience and sustainability. It is not going to change any time soon.

We do not need it to. If demand grows in the next ten years at the same rate as in the past ten years, there will not be enough cashew nuts to meet the needs of consumers worldwide.

If not demand, then how has the pandemic impacted the cashew market? It has resulted in significant disruption to supply. In India, a country badly affected by the pandemic, many farmers have not been able to sell their cashew nuts, as traders and processors could not access them during the lockdowns. This means that the Indian crop is still available for buyers in some areas. It also means that it will likely be smaller than expected. In West Africa, the leading production region of the World, supply has been disrupted as movement restrictions, travel bans, shipping disruptions and interrupted financial mechanisms have delayed people travelling to buy or inspect and have slowed product moving to processors or ports. At the end of May, imports of RCN from Côte d’Ivoire to Vietnam were down by 60% on 2019, Nigeria was down 46% and Ghana by 51%. This caused product to build up in the origins, prices to fall and quality to decline. The disruption highlighted the weakness in the long, slow, untraceable, unreliable supply chain that brings RCN to processors in Asia.

There were always likely to be challenges in moving product from the farm due to the pandemic but add in the slow flow of the cash needed to finance buying and some opportunistic trading tactics and the problems were magnified. In 2020, supply of cashews in some countries could be down by 20% due to the pandemic. That means reduced incomes for farmers, collectors, and service providers all along the chain. At times during the 2020 pandemic disrupted season the only buyers in the market were local processors often dealing with local buyers and collectors as well as farmers. This demonstrated that processors could have a positive impact by their all year round market presence – crisis or no crisis. Recent analysis has shown that processors tend to pay farmers better prices, reward quality and become involved in the development of the farmer. In many ways farmers and processors have the shared interest of making the sector a success in a way that migrant international RCN traders do not.



Cashew kernels

Source: ComCashew/GIZ

The pandemic and especially the necessity for social distancing have made life difficult for processors too. In African countries, processors that have met the challenge have been rewarded with more orders and better prices. It has not been easy but some processors have shown that African cashew factories can do the job in difficult circumstances as well as competitors anywhere. The features of successful factories have been: committed and professional management, good business planning especially in relation to securing the funding needed to buy RCN, positive and transparent relationships with staff (as good relationships built trust in the systems implemented to address the outbreak), strong links to suppliers and a relational approach to marketing. There have been some disappointing examples where for example whole factories were closed due to an owner's anxiety about contracting COVID19 or factories that chose to resell their RCN supply rather than reorganise their facilities. Businesses that see cashews as a value-added food ingredient are more likely to operate successfully in a crisis than businesses that operate as old-fashioned commodity traders or where processing is simply a "front" for RCN trading. This has never been better demonstrated than during the pandemic. It has been encouraging to see some West African processors obtain premium prices over competitors in Asia and to see some buyers recognise the value of a 14-day transit to Western Europe. Although for most people the pandemic has again exposed the weaknesses in the supply chain for some it has pointed out that they have competitive advantages. It is trite to say that every crisis offers an opportunity or that every cloud has a silver lining, as they usually

do not. But this pandemic has given some processors the chance to prove a point and those that have done so look positively to the future. Others may learn and follow.

Returning to the American buyer that wished for a supply chain that is "short, fast (transit), food safe, traceable, responsive, flexible, and reliable". Processing of cashew nuts in African countries offers a shorter, faster (18 days to New York, 14 days to Netherlands) and traceable supply chain. Food safety, flexibility and reliability are in the hands of the individual processor, but none involve much by way of extra capital expenditure now that semi mechanised processing is the norm. They need smart management, relevant staff training, good communication (internal and external) and good market information. If this can be done by a few in a crisis, why can it not be done by many once the crisis



Bags of Raw Cashew Nut in a shipping container

Source: ComCashew/GIZ

has passed?

From a kernels buyer point of view the pandemic may lead to some changes in behaviour and probably will lead to some already existing trends becoming even more important. There are likely to be fewer players and fewer outlets. If buyers want to avoid keeping large inventories, they will need shorter supply chains. It cannot have escaped kernels buyers notice that if Vietnam had been badly hit by the virus their 80% dependence on that country for supply would have been exposed as an unacceptable risk. Policy makers in Africa too might reflect on how cashew farmers would have fared if Vietnamese cashew processors had been closed in 2020.



Uncertainty is likely to lead to a lower risk strategy making direct buying, links to the supply chain, and certification more important. There will be less travel to visit suppliers meaning that good communication and certification will increase in importance. Compliance with food laws related to food safety will become even more important than it already is. Traceability in everyday life will become normal. There is likely to be a surge in social and environmental requirements driven by consumer trends. Buyers will become more concerned with the whole supply chain rather than just transactional business relations. Demand will grow. It will become more complex, more focussed, more responsible. Organic food may boom. The story behind the business or the brand will become the driver of success.

For the sector to meet and benefit from these trends processing in the producing country is essential. Even if efficient processors in Asia were able to comply with the trends, the cost would significantly reduce the prices paid to farmers in Africa impacting incomes, production and foregoing the benefits to the environment of tree crops. Processing in Africa is rapidly changing from an option to a necessity.

Author: James Fitzpatrick – The Cashew Club

Views Corner

Name: Jace Rabe
Position: President
Organisation: Tolaro Global SAS



Briefly tell us about your organization

Tolaro Global is a cashew processing facility that employs roughly 600 workers and has 7,000 cashew farmers in our network. We are in our 8th year of operations. We provide a one stop source for all our clients' cashew needs from organic, Fairtrade and

conventional kernels to roasted/salted cashews, cashew butter, and cashew flour. We currently have HACCP, BRC, Organic, and Fairtrade certifications.

What were operations like before COVID-19 and how has COVID impacted them?

First off, due to social distancing and restrictions guidelines set forth by the government, we are able to process at 50% capacity. In addition, as one of the top 20 largest employers in Benin, we felt it was our responsibility to lead by example. As such, we decided to close our doors for 1.5 months at the height of the pandemic in March/April.

How has it been working with partners, suppliers, and employees in these times?

Our employees have been fantastic, understanding, and flexible. The overall goal is to ensure the health and safety of our workers, their families and the villages and communities in which we live and work. Benin, while experienced with dealing in various tropical illnesses and viruses is simply not equipped with the necessary equipment (eg. ventilators) to combat COVID-19. Knowing that the hospitals in the north of Benin could not handle the surge of cases, it requires the community to take precautions and safety very seriously. The global economy has taken a tremendous hit. Consumer confidence in the economy is at an all-time low. Consumers are avoiding restaurants to reduce their risk of exposure to the disease and generally, spending less due to the uncertainty of what the future holds. As such, business regardless of the industry has slowed and suffered. The cashew industry is no exception. At Tolaro, we depend on external financing for procurement of our Raw Cashew Nut (RCN) from February through May of each year. We typically finalize our financing plan at the end of a calendar year for the new season. This year was no exception. We finalized our financing needs, received approval for financing with our various banks. As COVID-19 hit starting in February, suddenly our lenders switched into a survival/protectionist mindset. As a result of the banking response to the pandemic, we had two long-term lending partners cancel/delay their financing. In total, we were unable to draw Euros 2.5 million that was pre-approved in January when we needed it most in March due to the protectionist fear that gripped so many agriculture lending based banks. Our customers who sell to retail stores have suffered greatly as Purchase Orders they had seemed



to disappear. As such, they passed the problem down the line and cancelled or postponed existing orders with us. The cashew market has seen a downward trend in pricing over the last several months due to limited demand and uncertainty. On the same topic of customers, we have had several customers simply unable to pay for loads of cashews given defaults they were experiencing or dried up demand in their respective markets. This has had a big impact on cash flow. We are all links in a greater chain and when one suffers, the whole chain suffers.

What were some initial challenges and how did you overcome them?

Some challenges faced include:

- Lack of RCN financing that was approved in January and suddenly not available in February and March to a total amount of approx. Euros 2.5 million
- Falling kernel market
- Limited demand
- Delayed shipment requests
- Inability for customers to pay for product/cancel existing Purchase Orders.

Ways by which we overcame these challenges:

We got creative and negotiated with farmers to take their RCN on credit and pay them once we convert and sell as kernels. Keep in mind this is “unheard” of in the cashew industry. This was mainly successful because of our reputation and the quality long-term relationships which we have forged with the over 7,000 farmers in our network.

COVID-19 has confirmed the strategy we have put in place for the last one and a half years as we pivoted our focus on cashews as an ingredient versus a commodity. The global cashew market is dominated by Vietnam, followed closely by India. COVID-19 is an exceptional situation, but the market will once again return to normal once the pandemic ends. While global demand for cashews soars, so do the injustices. 95% of the world’s cashews are supplied by countries that are not enforcing all standards. Child labor, forced labor and cruel working conditions are thus possible in the worlds cashew sector, but not in the young industry in Africa. We, at Tolaro Global pride ourselves on the ways we treat our workers, treat our farmers, develop our company, and generally help lift the entire communities

in which we operate. We find it better to focus on value-added products than compete against other origins that do not share the same ideals and vision as we do. As such, we have recently launched lines that will produce organic and conventional cashew butter/paste, cashew flour, pasteurized raw cashews, roasted and seasoned cashews etc. This entire operation is housed under a BRC Grade A certified factory, a first of its kind in West Africa.

How did you adjust your plans and strategies to meet the new situation?

As mentioned previously, COVID- 19 sort of confirmed and validated our outlook and planned strategy for the future of the cashew industry and Tolaro Global. Our focus will be on value-added cashew products, and premium certified organic and fairtrade cashews. While demand for cashews globally increases, the margins as a traditional processor decrease further. In order to survive in this industry, adaptation and continual course correction must be center components of your business model.

What have been lessons you have learned from this season?

I have been working/involved in Africa for 17 years now. Business is hard. Business in Africa is even harder! The opportunities are immense but so too are the challenges. The biggest lessons I have learned in business in general and business in Africa are the following:

If it can go wrong it will.

If business were easy then everyone would do it

Creating businesses and entrepreneurship is nothing more than solving huge problems overcoming insurmountable challenges and figuring out how to do it better, quicker, and more efficiently than everyone else. Once you come to terms with that, you sort of lose your right to complain.

So the lessons learned in this season are not new lessons but lessons reinforced by the uncertainties that surround us at all times. COVID 19 is just the current hurdle and challenge the world must face and overcome. As the Persian adage says “This too shall pass”. COVID 19 will pass and the next challenge will present itself.

How do you see your business moving forward?



I am very bullish on our company. I think Tolaro has positioned itself in a very unique and strong way that is vastly different than all other processors not only in West Africa but globally. We have created an amazing team and I feel very confident in what we will be in the next five to ten years.

Anything else?

As President of Tolaro Global, naturally I am seen as the face of the organization. Unfortunately, being the face of the organization often times equals receiving undue credit and frankly, I continually receive more credit than I deserve. There is the strongly held belief that Africa cannot develop without foreign intervention and the African people are “less than” their European and American counterparts. There is the belief that they (Africans) need “saving” and who better than foreign nationals to rush in and “fix their problems”. I am sure there are many who would refute that claim and many who would tell me I am flat out wrong, short sighted etc. but it is a systemic belief that sabotages the continent as a whole. The cashew industry in Africa is no exception. This belief plays out in the structures of factories, in the management teams in place and the strategies used.

While I will continue to receive the undue recognition and accolades for the achievements and successes of Tolaro Global, I will continue to put the spotlight on my team. They are the champions of Tolaro Global. Without them, you would not be highlighting Tolaro Global. People like:

My managing director, partner and brother Serge Kponou. His leadership has navigated us through the toughest of spots and worst of storms. I can tell you with 100% honesty, Tolaro would not be here with him today.

1. Nafissatou GBINGUI SACAREGUI who continually amazes me with her work ethic and drive and her uncanny ability to lead and motivate our team
2. Dorcas Kaho who runs our BRC certified roasting facility. You cannot be fooled by her gentle and unassuming demeanor. She drives for perfection in everything she does.
3. ABOUDOU Adjarath- section leader in classification section. Incredible personality and drive for excellence.

Those are just a few examples. I could give so many more. So when you think about Tolaro Global, don't think about me as an individual, think about the team. I am just so fortunate to carry the title that allows me to lead, develop, assist and persevere with an incredible group of people.

Interviewed by Mary Adzanyo, Director, Private Sector Development (ComCashew/GIZ)

Views Corner



Name: Matthew Porter

Position: General Manager

Organisation: Mim Cashew & Agricultural Products Limited

Briefly tell us about your organization

Mim Cashew & Agricultural Products Limited located at Mim in the Ahafo region of Ghana was established in 2008. The company processes organic cashew nuts harvested from their organic cashew farm in Mim. At present, the factory has the capacity to process up to 750 Metric tons of raw cashew nuts per year and employs about 220 people. Cashew kernels processed by the company are exported to Europe and the USA.

What were operations like before COVID-19 and how has COVID impacted them?

There was no shift system in place before covid-19 but to adhere to social distancing, two shifts systems have been introduced to meet the processing capacity. This however has led to an extra cost. Prior to covid-19, seventy-two (72) people were transported to the factory in a bus. This number has been reduced to twenty-five (25) people increasing the number of trips made in a day.



How has it been working with partners, suppliers, and employees in these times?

Partners: There have not been any challenges working with partners besides drops in sales prices

Suppliers: There have been some challenges with supply chain in terms of delays. Moreover, prices of supplies have gone up due to the pandemic.

Employees: Some changes had to be made with regards to the working arrangements of employees.

What were some initial challenges?

The initial challenge was training employees about Covid-19 protocols and ensuring their compliance to the protocols.

How did you adjust your plans and strategies to meet the new situation?

Some systems had to be put in place in order to adjust to the new situation, some being the introduction of the shift system to tackle social distancing, remote working and meetings with some strategic workers such as the administration staff. Moreover, a full-time nurse is being employed to make sure any employees which are unwell are treated accordingly and to address concerns over misdiagnosis of other diseases such as malaria.

What have been lessons you have learned from this season?

This season has helped the company to access its proactiveness. For instance, the company started working on the implementation of Covid-19 protocols and even purchased some n95 face mask before the announcement of the first two cases in Ghana.

How do you see your business moving forward?

The negative effects from the pandemic is likely to linger on for a long time which present some challenges to the company. For instance, the world prices of kernels have decreased thus affecting our company's revenues, coupled with increased expenses. Through it all we are very determined to do our best.

Interviewed by Ernestina Amponsah, Advisor, Private Sector Development (ComCashew/GIZ)

Views Corner

Name: Claudio Scotto

Position: Chief Executive Officer (CEO)

Organisation: Gebana Burkina Faso Sarl



Briefly tell us about your organization

Gebana Burkina Faso has 10 years' experience in processing organic Fairtrade cashew. We still have a totally manual production, with 450 employees for a capacity of 1,500 MT of RCN per year. The drying operation is entirely powered with cashew shells as fuel. We strive to create the best possible working environment by paying employees consistently more than the minimum wage; providing annual health screening; setting up a nursery and having a doctor on site. Furthermore, we are working to increase the positive economic impact on local farmers by distributing extra margin made in our business-to-consumer (B2C) operation after the end of harvest.

What were operations like before COVID-19 and how has COVID impacted them?

Covid arrived in Burkina in the first half of March of 2020, whilst the factory had stopped production for the usual maintenance work. As a result, we had the time to adjust production to the guidelines of the Ministry of Labour, mainly in relation to social distancing. We unfortunately needed to close the nursery for the children of the factory workers and transfer part of the shelling activity in its place; furthermore, we needed to rent a nearby additional room to spread the work of the peeling department. We started dividing the workforce in three groups and getting only two of them to work every day. Nevertheless, every employee was compensated in cash for the missing revenue. After four weeks output was increased to 84% and back to normal at the beginning of June. Based on our annual target, we've lost around 3% of total output. Other measures were also taken to tackle the spread of the virus: nurses taking temperature; compulsory hand



wash at entry; provision of masks in every department; hand sanitizer available on every desk.

The curfew established by the authorities reduced the working hours.

How has it been working with partners, suppliers, and employees in these times?

Not much challenges working with farmers, as the measures concerned mostly urban areas, although the movement restrictions made communication difficult. Some spare parts took much longer to arrive in the country and, worst, our new labelling machine arrived two months later than planned. Some employees had difficulty commuting to the factory, including the Production Manager. The CEO, on his return from Europe, was quarantined for 14 days in Bobo before going back to the office. Export of goods experienced some delay.

What were some initial challenges and how did you overcome them?

Employees were understandably nervous. We got external experts of the Ministry to come and explain also in Djoula (the local language) what the risks were and what precaution they needed to take. This avoided employees perception that the top management was putting turnover and profit ahead of workers wellbeing. The response was overwhelmingly positive, with workers taking the responsibility of not going to the factory in case of fever. The exceptions were only two.

How did you adjust your plans and strategies to meet the new situation?

Customers did understand the challenges and supported us. We got everyone to work hard and keep the losses to a minimum. The spirit of the workforce was overwhelmingly positive, also thanks to the responsible behaviour of the top management. Hence, no major strategy adjustment was needed.

What have been lessons you have learned from this season?

Being honest with employees and stakeholders works better than trying to deceive people for a short-term gain. People understood the situation and how exceptional the circumstances were. We noticed that instruction were followed with discipline and that sanitation was taken very seriously.

How do you see your business moving forward?

We need to move to a new production area before 2023 and this experience showed that enough space needs to be given to employees doing their job to avoid extra costs if a similar situation occurs again.

Anything else?

Discipline faded around June and July, when cases in Bobo came close to zero, but still the virus was present in the sub region and the country. There is no guarantee that the battle has been won yet.

Interviewed by Viviane Alima M'boutiki, Human Capacity Development & Gender Expert (ComCashew/GIZ)

USIBRAS Organic Farmer Linkage Program

Since beginning operations in Ghana, USIBRAS noticed that the level of collaboration between farmers and local processors was quite low. Moreover, farmers were not getting the utmost value for their produce. In 2019, USIBRAS instituted its organic farmer linkage program, aimed at ensuring sustainable supply linkage with cashew farmers, increased value addition and fair pricing, especially for beneficiary farmers. Farmers will also undergo certification process for organic RCN, thereby ensuring that farmers earn an additional premium on their produce.

Implications of COVID-19 on the program

Even though the discussion for this program started in 2019, the first training sessions were held in February and looked to be heading towards the direction for which it was developed. However, COVID-19 had its toll on the program. The ban on movements made it difficult to meet and interact with these farmers. Also, due to the need to adhere to social distancing protocols, the program had to be put on hold to ensure the safety of all parties involved.



Notwithstanding the difficulties brought forth by COVID-19, the first half of the year presented an opportunity for the stakeholders to put together a



Cashew farm

Source: ComCashew/GIZ

database of beneficiary farmers and to prepare towards full implementation post-pandemic. It will therefore be right to consider the year as a preparatory one for the program. It is also fair to say the pandemic emphasized the importance of having such a program to bridge the gap between the farmers and the processors. During the early part of the pandemic, there were reports of Raw Cashew Nut (RCN) shortages in the system. However, due to this program, USIBRAS was able to work together with the Ministry of Food and Agriculture, MoFA to source RCN directly from farmers.

USIBRAS is very optimistic about this program and believe a lot more need to be done to ensure sustainable farmer-processor linkages.

The USIBRAS farmer linkage program is supported by GIZ, managing the Matching Fund for ComCashew with funding from Swiss State Secretariat for Economic Affairs (SECO) and German Federal Ministry for Economic Cooperation and Development (BMZ) and providing technical advice; the Ministry of Food and Agriculture (MoFA), responsible for the trainings and mapping out of farms and FairMatch Support, responsible for the certification, database and registration process for farmers.

About USIBRAS

USIBRAS is a cashew processing company that has

been in business for over 40 years and has 2 units currently operating in Brazil. In 2015, the company set up a unit and started operations in Ghana and has since then grown from strength to strength. USIBRAS has surmounted many challenges to become one of the biggest and most successful processing companies in Ghana. For five years USIBRAS has made extensive investments into the Ghanaian cashew sector; building the capacities of its workers and importing state of the art equipment to enhance its operations, while working hand in hand with other stakeholders towards the development of the sector. Today, the company is beginning to see improvements and are optimistic about the future of the cashew sector in Ghana.

Author: Patricio Assis, CEO, Usibras Ghana Ltd.

Collaboration despite a pandemic: MOFA's Support to Sierra Leone and Vietnamese Actors

Cashew is heterozygote in nature and therefore makes the crop highly complex and genetically unstable especially when cashew seeds are used in the establishment of plantations. Ghana started cashew research activities in 2002 with one of the objectives to develop high yielding clones which are stable and suitable to be planted in all the production zones.

Through the research activities, Ghana has come up with 40 cashew accessions which were found to have good traits. From these 40 accessions, scion banks and polyclonal farms were established from the ten (10) topmost high performing ones. From 2012 to date, further research is being carried out to identify accessions with higher yield (15-30kg/tree/year). In addition, cashew hybrids are also being developed by



the Cocoa Research Institute of Ghana (CRIG). Ghana is therefore ranked as number one in terms of cashew research in West Africa. The Directorate of Crop Services (DCS) of the Ministry of Food and Agriculture has been collaborating with CRIG over the years on the establishment of scion gardens and poly-clonal farms.

The Directorate, based on a request from Competitive Cashew initiative (ComCashew), has been supporting other African countries including Sierra Leone with cashew planting materials for the past five (5) years. This is because the Ministry believes that it is in the interest of Africa as a whole to develop the cashew sub-sector together.

Sierra Leone, a relatively new cashew producing country, aims to increase the volume of cashew produced in the country up to 30,000 MT by 2030. In 2020, Sierra Leone requested for 7,000 kg of cashew polyclonal seeds from Ghana through ComCashew/GIZ and Solidaridad West Africa. In order to support Sierra Leone to achieve its goal and to respond to the request from the Sierra Leonean Ministry of Agriculture and Forestry (MAF), the polyclonal seeds were delivered during the covid-19 pandemic.

In the face of the covid-19 pandemic, the Directorate of Crop Services of the Ministry of Food and Agriculture engaged a haulage company based in Accra to transport the seeds from Accra to Freetown by road. The Ministry collaborated with the Ministry of Foreign Affairs and Regional Integration to transport the seeds from Accra, Ghana to Freetown in Sierra Leone without any challenges.

Also, during the lockdown period in Ghana due to covid-19 pandemic, six (6) Vietnamese cashew Quality Analysts who got locked up in Ghana due to the border closure were supported to travel to Abidjan. The Quality Analysts who had signed an agreement with cashew value chain actors in Côte d'Ivoire, were unable to get out of Ghana because of the border closure directive by the President of Ghana. The Ministry of Food and Agriculture in close collaboration with the Ivorian Cotton and Cashew Council (CCA) engaged the Ministry of Foreign Affairs and Regional Integration and facilitated the issuance of travel permit

for them. This enabled them to cross the border to continue their work.

MoFA believes that in collaborating and working with other stakeholders in the sub region, we can jointly build a sustainable and competitive African cashew sector.

Author: Jerry J. Anim, Senior Agricultural Officer, Directorate of Crop Services, Ministry of Food And Agriculture

Vision 2030: Moving ahead with lessons from 2020

It is not easy to have a vision when we are living in the fog of uncertainty brought on by the pandemic. It is tempting to see everything in the light of the current events, to forget that this will pass sooner or later. Fifteen years ago, the cashew sector in Africa was in crisis. Production had increased quickly in response to demand during the 1990's but by 2005 production had exceeded demand. Prices collapsed from 2002 to 2005. Vietnam was not an importer of Raw Cashew Nut (RCN) – hard to imagine now. Prices at the farm gate dropped occasionally to US\$100/t and rarely passed US\$200/t. There were virtually no processing plants in West Africa. The crop was almost never sold out in a season. Cashews were still controlled from Kerala and Singapore. Much has changed. Much has not.

At that time governments recognised that some regulation of the sector was desirable in order to protect farmers. They acted in Tanzania and Mozambique. Later, West African governments reacted with a range of measures: some effective, some not. Development agencies focussed on cashews. The African Cashew initiative (ACi), later to become the Competitive Cashew initiative (ComCashew), was born. So was the African Cashew



Alliance (ACA) and a range of programmes funded by international aid programmes. Ten years later on-farm yield among supported farmers had doubled. At the same time demand started to grow quickly, in India and in Europe. World consumption quadrupled. Cashews changed from a luxury snack to the favourite nut for new and imaginative applications. Prices at the farm gate in African countries had trebled by 2016. Developments in processing technology had made access to fast effective peeling and shelling machines possible. Cashew factories on average became larger. Vietnam started to import and the RCN trade boomed. India turned inward, ceded its export market to Vietnam, and focusses now on its 1.4 billion domestic consumers.

How does the vision of a cashew sector where most



Cashew processing

Source: ComCashew/GIZ

nuts are processed at origin, where stakeholders are organised and fairly rewarded, where by-products are processed for reward and environmental risk mitigation, measure up in the shadow of a pandemic? It would have been difficult to imagine many of the changes that we have seen in the past twenty years. It is difficult enough to forecast from one year to the next. It may be helpful though to focus on what the current crisis may be telling us about the future. Crises tend to magnify weaknesses in economies, in health care systems or in businesses. They can also bring out the best in people. What can we learn from this crisis about the future of the cashew sector?

Firstly, experts tell us that we are only at the beginning

of the crisis. To deal with it we should understand that it can change the future as well as the present. Vaccine or not the implications will echo for many years. Therefore, it seems important that we learn the lessons of the crisis well, especially the slower evacuation of raw material to processing plants and ports. The need for good post-harvest practices, local drying, warehousing facilities, and financing mechanisms to pay for them is made greater by a harvest in a crisis. It also underlines the need for good market information and analysis. As we have seen, countries that were well informed and listened to the scientific advice have done better than those that did not. It is not by accident that some African countries have done relatively well in the crisis. Understanding the fragility of life and experienced from past threats of dangerous diseases like Ebola, they acted earlier and faster than some richer nations.

The crisis has yet again demonstrated the robustness of demand for cashew kernels. Early predictions of a collapse in demand could not have been more wrong. Later explanations that it was just panic buying have also turned out to be wrong. Demand for cashew nuts has remained strong during two major crises in the past twenty years. Our vision for the future should centre on how that demand can be met and how price volatility, created by opportunism in times of tightly balanced markets, can be avoided.

Some of us have pointed out the fragility of the cashew supply chain for years. The shipment of up to 2 million tonnes as RCN every year is not efficient and is not in line with market trends. By 2030 that figure could double if processing does not develop in West Africa. How would that fit with a vision of a short, efficient supply chain? In May 2020, the United States imported 93% of its cashew nut kernels from a single origin, Vietnam. In 2019, Vietnam imported approximately 84% of its raw cashew nuts for processing. The journey of some 28,000 km from Africa via Vietnam to the consumers in North America and Europe is too long, too risky, environmentally damaging, and unsustainable. The trade in “borma” kernels is a lost opportunity to build



a brand. The pandemic of 2020 has demonstrated another aspect. The late arrival of buyers meant that prices fell, quality fell and incomes fell in West African cashew countries. This chain of high interdependence is an anachronism that creates unnecessary risk and encourages speculation. A sector vision built with these as foundations would only offer the prospects of perpetual crisis and enduring volatility.

One only has to visualise the debacle in the sector if Vietnamese cashew factories had closed due to the pandemic. Vietnam has reported less than 200 cases and no deaths, a remarkable feat. What if Vietnam had been as badly affected as the USA for example? What if cashew factories were closed? Worldwide there would be 80% fewer cashew kernels available for export and the demand for RCN would be lower by about 70%. What would the value of cashew nuts in Korhogo or Wenchi or Bissau have been then? Fortunately, it did not happen. Can there be a chance that it might in the future be part of our vision for 2030?

Processors have had a difficult time this year without exception. In India stop/start lockdown, labour reduction regulations and a fall in demand for broken kernels reduced capacity and impacted profit margins and cash flow. In Vietnam large well-managed factories have managed to keep processing to record levels demonstrating the efficiency and resilience of the Vietnamese processors. In African countries some determined processors have kept operations going in extremely demanding circumstances. In the main they have been rewarded with more demand and better prices. We salute these processors. They are the vision of the future of African processing. What is it that makes them different? Good management, a long-term vision and concentration on processing as opposed to switching between processing and RCN export trading. Much of the negativity around processing in African countries is built on the preconception that African processors cannot operate successfully. In the pandemic, the operating factories help us envision that they can and they will.

This is a difficult period for legislators and regulators.

Some governments have decided to take a “light” approach. Others have taken strong measures to try to ensure that the sector functions during the crisis. Governments decide for themselves. However, the recent events have shown that regulation based on the realities of the marketplace is more effective than a poorly informed policy. They have shown us the importance of accurate, timely information. Our vision for 2030 might be that governments would not have to intervene. That the sector would reward stakeholders appropriately, capture value and promote sustainability. The crisis offers examples but does not change our minds on this.

News media like to use the phrase “the new reality” when discussing the pandemic. Apparently, we should adjust to it, live with it, embrace it, maybe invite it into our homes and serve it snacks (cashews obviously). I do not believe in a “new reality”. I just believe in reality. The reality for the cashew sector is that the pandemic has exposed our weaknesses, demonstrated the strength of demand, shown the resilience of some and the opportunism of others. The vision has not changed. The urgency and need to realise it have.

Author: James Fitzpatrick - The Cashew Club

She Trade West Africa partners with ComCashew to strengthen capacity of cashew farmers in Sierra Leone

The Competitive Cashew initiative (ComCashew) in collaboration with the She Trade West Africa Project organized a four-day training of trainers (TOT) for lead farmers (65% of whom are women), from the 13th to 16th July 2020. The training which focused generally on Good Agricultural Practices (GAPS) and specifically on intercropping cassava on new cashew plantations targeted eight cashew growing communities within Bombali district, Northern Sierra Leone. The objectives



of the training were to address technical needs of female farmers on GAP and on intercropping of cassava in new cashew plantations, to support livelihood promotion and food security through the supply of planting material (cassava cuttings) and to build the capacity of key cashew lead farmers through a TOT programme for community knowledge transfer and retention. 30 Community facilitators and 800 farmers, mostly women were selected as beneficiaries in different communities within Bombali district.



Cross section of participants in the training hall
Source: ComCashew/GIZ

During the classroom sessions, farmers were very excited to learn about the diverse uses of cashew especially for medicinal purposes the different types of crops that can be intercropped with cashew and the methods of intercropping. They acknowledged the benefits and challenges of intercropping from the perspective of the training as well as their individual experiences.

Regarding poor farm maintenance, most of the women expressed concerns about the extent of fire damage caused in cashew fields as a result of slash and burn activities for upland rice fields, groundnut cultivation and smokers using the cashew fields as a route. According to report from COOPI field staff, in 2019, about 15 hectare were burnt, according to report from field staff. The farmers admitted that given the lack of resources and high labour requirement for constructing fire belts, they have not been keen on putting this preventive measure in place. In order to prevent further field destructions, they were encouraged to build fire belts with reasonable distance of about 7 to 10 Meters from the farm and construct mounds or ridges for the cultivation of cassava or other selected crops identified during the training

sessions.



Practical training on land preparation, construction of ridges and mounds for planting of cassava cuttings

Source: ComCashew/GIZ

The training also helped beneficiaries to learn about the hazardous effect of agrochemicals on humans, the high cost of the chemicals, its availability in the market and its effect on certification of the final cashew product. In this regard, traditional and biological methods of pest and disease control such as hand picking of pests, use of neem trees, introduction of red ants, proper cleaning, and maintenance of farms, were encouraged as the most suitable alternative.

Initially, women were more focused on the being employed in the processing sector of the cashew value chain, but they are now equally motivated for producing cashew on their farms. The intervention of SheTrades West Africa and its support to cashew farmers seems quite timely given the current global pandemic and its impact on income and livelihoods.

Author: Emmanuel Yankson, Country Coordinator - Sierra Leone (ComCashew/GIZ)



CoVID-19 in Benin: Impact of the crisis on the cashew value chain



Cashew fruit

Source: ComCashew/GIZ

Benin after cotton. It is a highly lucrative sector for the producers and various stakeholders and involves several middle players within the value chains. Each year, most of these middle players make significant profit from selling the crop. The sector provides annual income to many households and contributes immensely to food security as the income obtained from selling the nuts and other cashew byproducts help families to buy provisions and thus to meet their food needs. It should be noted that according to Tandjiekpon (2010), the cashew sector accounts for 7% of the country's agricultural GDP and for 3% its national GDP. For many years and despite successive crises, the dynamics within that sector has helped to generate income that have stabilized the trade balance. The sector contributes 24.87% of agricultural exports and 8% of the national export revenue (APIEX, 2017).

Given that only 5% of the national cashew production is processed locally, the sector was severely impacted by the effects of CoVID-19 due to the limitations imposed on exports, and the restricted movements of buyers towards production areas. It should however be noted that in view of uncertainties regarding the trading season resulting from the pandemic, producers chose to hold on to their nuts, hoping that the situation would gradually improve. The rollout of the cashew trading season is symptomatic of a known reality: based on the high price fluctuations in the cashew producing countries and the availability in importing countries, the situation could radically change for the better or the worse. And this confirms the historical instability of cashew nuts prices offered to producers.

Several strategic sectors of agricultural and organized value chains have been impacted by the corona virus pandemic.

Cashew is the second largest export crop in

Considering the peculiarity of cashew (a perennial crop) as the trading season has ended, it is imperative to make a comparative analysis of the 2019 and 2020 seasons in the particular context of a health and economic crisis. In reality, stakeholders in the industry are currently concerned over the future of the value chain and speculations for the subsequent seasons as CoVID-19 has heightened uncertainties; this is an unprecedented crisis and no one can confidently say when it will be fully under control. Thus, it is necessary to prepare to face future uncertainties that could override economic analyses of the cashew sector or not.

Actually, this year, the trading season in Benin was launched on March 19, 2020 with a floor price of FCFA 325 per kilogram of raw cashew nuts. Due to the prevailing context of the corona virus pandemic, the season was very slow during the first weeks. Large buyers were hardly present and the market was mostly dominated by local collectors.

Based on this year's campaign, prices were initially relatively low (between FCFA 200 and 250 at the beginning of the campaign) before plunging very low (between FCFA 100 and 200 by the end of March-early April 2020). As a result, many producers were no longer selling their nuts. This situation persisted for about four weeks and there was a great deal of uncertainty among all the stakeholders. However, unexpectedly, the big buyers started invading the market at the beginning of the fifth week (in April). The demand immediately shot up, competition set it, and the prices entered a phase of constant increase, reaching FCFA 400 in some districts. After a month of this sudden upturn, almost all the stocks of nuts were bought and conveyed to warehouses in Cotonou. Between March 19th 2020 – the official opening date of the market – and May 15th, that is eight weeks, producers' stocks of nuts were virtually exhausted. The warehouses of traders and exporters actually kept the stocks up until now because of the closure of borders and of challenges in conveying the nuts due to the health crisis.

In view of the foregoing, we can say that trading between producers and buyers lasted eight weeks and went through two main phases of equal duration. A first four-week phase characterized by low sales and a drastic drop in prices, and a second four-week phase where the demand was very high and prices were steadily rising. However, we had to wait till the last week (in May 2020) to see the prices reach and exceed



the FCFA 325 floor price. At the end of the campaign, the average national price was FCFA 265.

By way of comparison, in 2019, deals between producers and buyers were conducted over a period of eleven to thirteen weeks depending on the region, while this year, they were completed in eight weeks... Indeed in 2020, because of the unique context of the COVID-19, we recorded prices lower than the floor price right from the official opening week until week 4. From week 5, the trend changes with a continuous upward movement of prices until week 8. And contrary to 2019, the prices reached and exceeded the FCFA 325 floor price at the end of trading. The comparative analysis of the prices and trends of the 2019 and 2020 trading seasons, sheds light on the notable differences between the two campaigns. Taking stock of the situation, the stakeholders are unanimous on the fact that this year was peculiar for the cashew sector both with regards to supplying factories, buying nuts for exports, and to the behavior of producers and buyers. Despite the efforts made by the various technical and financial partners to improve the business environment and access to financing in the industry, it is clear that a greater availability of funds could have enabled processing units to obtain larger supplies. It has been observed that these units stored the nuts based on their capacity and financial availability. Especially when the prices of kernels drop on the market, processors are reluctant to follow prices trends (to buy at higher prices) of raw cashew nuts just for cost-efficiency sake. This situation highlights the poor resilience of stakeholders in the industry when faced with exogenous shocks (such as the corona virus crisis and the workings of the world market) and sometimes endogenous shocks (behavior of buyers). Let us hope that the lessons learned will help all stakeholders to prepare better to face future challenges of the cashew value chain despite the uncertainties.

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Simone Hertzberger new chairman of the Sustainable Nut Initiative



Simone Hertzberger

Source: SNI

As of the first of June Simone Hertzberger is the new chairperson of the Sustainable Nut Initiative (SNI). This will make her responsible for further expanding SNI's role as a catalyst for making nut supply chains more sustainable. Hertzberger succeeds Wim Schipper (Intersnack Procurement) who has led the SNI board for the past three years.

Simone Hertzberger has a long history in food. After studying veterinary medicine at Utrecht University, she started her career at the Keuringsdienst van Waren in Haarlem. Here she conducted her PhD research. After her PhD, Hertzberger held various positions within Ahold, including Manager Quality & Environment and Vice President Quality Assurance and Product Integrity. In addition, she was involved in the founding of the Global Food Safety Initiative (GFSI). She is also a member of the board of SKAL Biocontrole and a member of the Supervisory Board of Fairtrade Original.

Wim Schipper: "I am very happy with Simone Hertzberger as the new chairperson. SNI has brought together a group of committed and driven companies that are working together on making the nut sector more sustainable. SNI is ready for the next phase: setting priorities within the joint objectives, further developing and implementing instruments and growing the participant base. With the knowledge and



experience that Simone brings, I'm confident that we will take SNI to the next level.

About SNI

The Sustainable Nut Initiative (SNI) is a pre-competitive, co-operative platform for the nut sector. SNI brings all actors of the international nut supply chain together. The nut sector is characterized by complex supply chains with continuous changing market dynamics and limited transparency. Participants of SNI are collaborating to drive positive

change towards sustainable production and transparency and resiliency along the entire chain. A common agenda has been developed, addressing current and future sustainability issues at sector level. Taking into account the specificities and sustainability challenges of the different nut categories. SNI develops strategies and tools to address industry bottlenecks, share and act on lessons learned, bundle resources and scale up impact.

Author: Karin Egberink, Communications Officer
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AfriCashewSplits— The source of the latest crop and price information

(Week 29: July 13 – 19, 2020 – N°14)

The cashew kernels market seems to be developing some positive sentiment. There has been some buying of kernels in Asian markets by European and US buyers. In India, the domestic market is more active now than in previous months ahead of the festival season that will define Indian consumption, and possibly the fate of the market for 2020. Prices for WW320 have moved up as a result. This may be the first shoots of recovery in kernels prices. Cashew prices still represent good value and opportunity for profit for roasters and retailers. Lower prices have not been passed to consumers in developed economies. When they are, demand may spike again even from current high levels. The strength of demand has its roots long before the pandemic.

Demand has been moving positively for many years, but the second half of 2020 saw a surge in demand in the EU, USA, and China. This is largely driven by healthy eating, reduced meat, convenience, and snacking. Look out for these again in 2021. The RCN trade has been in a standoff. Vietnamese buyers need material as their stocks are being used as kernels exports reach record levels. The key origins are now Cote d'Ivoire and Guinea Bissau. Both countries have slower than usual shipments and substantial stocks of RCN in the country and even on the farms. Port stocks are in strong hands and under negotiation with buyers. In both countries, exporters are looking for better prices to make sales. There have been some deals struck in Cote d'Ivoire. The Ivorian Government has put in place further market support mechanisms. Whilst buyers and processors negotiate farmers wait for new sales or payment for existing sales and the RCN declines in quality. The fundamental problems of the RCN supply chain have become very clear in the pandemic. Early August is usually a quiet trading period. It may be so for kernels this year again, but we would not be at all surprised to see some momentum build on cashew kernels for more activity after 17th August. RCN trading will most likely continue to be slow. Landed stocks in the processing destinations are high priced compared to kernels discouraging processors from buying and traders from landing more stock. In Hollywood they would say "Somethings gotta give". Right now, it looks as if it could be higher kernels prices.

(ACA Editorial)



The Cashew Market in Africa

RCN farm gate price in AFRICA in USD per MT										
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 29 (July 13 – 19, 2020)		This week vs last week		This week vs last month		
				Reported range	Outturn in lbs.	Variation	Trend	Variation	Trend	
NIGERIA	352	762	553	523	570	38-44	-1%	↘	-39%	↘
BENIN	473	624	630	586	647	42-45	-2%	↘	-1%	↘
GHANA	419	570	476	435	522	43-45	1%	↗	-19%	↘
BURKINA FASO	680	576	541	517	569	44-45	0%	↗	-6%	↘
COTE D'IVOIRE	990	515	515	345	690	40-46	0%	↗	0%	↗
GUINEA CONAKRY	385	265	262	524		39-46	0%	↗	-1%	↘
SENEGAL	818	796	803	707	733	46-50	-12%	↘	-11%	↘

* Cote d' Ivoire has announced a minimum farm gate price of 400 fCFA per kg (690 USD per ton).

RCN CFR export prices offered in USD per MT			
COUNTRY	1 year ago,	Calendar week 29 (July 13 – 19, 2020)	
		USD per ton	Outturn in lbs.
BENIN	1,050	850-900	43-45
GHANA	1150	960-1000	46-48
COTE D'IVOIRE	1000	1050	40-46
NIGERIA	800-900	850-900	45-46
GUINEA BISSAU	1350	1200	51-53

Worldwide WW320 export FOB prices in USD per lb.									
COUNTRY	1 year ago	1 month ago	1 week ago	Calendar week 28 (July 13 – 19, 2020)		This week vs last month		This week vs last year	
				Range reported		Variation	Trend	Variation	Trend
VIETNAM	3.20	2.85	2.85	2.85	3.10	4%	↗	4%	↗
INDIA	3.44	3.40	3.40	3.40	3.40	0%	→	0%	→

Country Reports

Benin

Benin has, under the authority of the Minister of Industry and Trade, initiated the preparation and amendment of two draft decrees to regulate the marketing of raw cashew nuts. The first relates to the establishment of a regulatory authority and the second to the modalities of marketing raw cashew nuts in Benin. RCN quality of the week ranges between KOR 42 – 45 lbs with a nut count of 160-190 per kg. Farm gate prices range between 340 – 375 F CFA depending on the localities, stocks, and RCN quality. RCN FOB is offered for prices around \$ 850 USD to \$ 900 USD per tonne for outturn levels of 44 lbs. WW320 kernels are traded for an average price of \$ 3 USD per kg.

Côte d'Ivoire

In Côte d'Ivoire, the stalemate remains unresolved because local buyers and the government are unable to agree



on the modus operandi of the aid programme to mitigate the effects of COVID-19 on the cashew sector. The 100 FCFA/kg proposed for any buyer who would respect the farm gate price of 400 FCFA per kg to producers is still not to the taste of local buyers who do not find it sufficient to support their expenses and give them a margin. These producers are still very concerned, as they had been holding these stocks in the hope of benefiting from the farm gate price of 400 FCFA per kg under the government program. This hope is collapsing, and some are beginning to release these stocks at 250 FCFA per kg as soon as they have a buyer. But buyers are scarce, and the market is calm. Those who are still active in the villages are buying for storage. Quality continues to deteriorate (KOR 40 – 46 lbs) because it is raining heavily and producers who do not have adequate infrastructure to dry or store are unable to maintain good quality. Reports state that 380 000 tonnes of RCN have been exported and local processors have bought 56 000 tonnes since the season has started. RCN FOB is offered for \$ 900 USD per tonne. WW320 kernels are traded for an average price of \$ 2.7 USD per lb.

Ghana

RCN quality in Ghana this week ranges between KOR 43 – 45 lbs while farm gate prices range between GHC 2.5 – 3.0 per kg. The warehouse prices remain between GH 3.5- 4.0 per kg. RCN FOB price is offered for \$ 960 – 1000 USD for qualities ranging between KOR 46 – 48 lbs. The kernel market is currently very quiet. WW320 kernels are traded for \$ 2.70 USD per lb.

Guinea Bissau

It has been a quiet week in Guinea Bissau. Shipments remain well behind last year's levels at the same time. Rains have started and the balance of the crop must be under some threat due to lack of local infrastructure. Most stocks in the port are committed. Traders may hold some inventory but are unwilling to reduce prices of the highest quality raw material still left in West Africa this season.

Guinea Conakry

The Guinean government, through the Ministry of Commerce and the Guinean Export Promotion Agency

(AGUIPEX), has bought back cashew stocks of 5000 tonnes from exporters, and the purchase of stocks from producers through the Ministry of Agriculture is under way. This week's outturn ranges between KOR 39 – 46 lbs. Purchases at farm gate continue with the official farm gate price of 5000 GNF per kg. 15, 292.568 tonnes of RCN have been exported since start of the season. RCN FOB price is offered for \$ 500 – 680 USD per tonne for outturn levels of KOR 39 – 46 lbs.

Nigeria

RCN quality ranges between KOR 38 – 44 lbs during the week while farm gate prices range between \$ 525 – 570 USD per tonne. RCN FOB is offered for \$ 650 – 750 USD per tonne.

Senegal

Since June 25, 2020, trucks loaded with cashew nuts have been unloading their cargo every day at the commercial port of Ziguinchor. The goods are then loaded onto a ship for shipment abroad. So far, everything is going well, despite the rainy season that has settled permanently in the region. The Chamber of Commerce, the National Maritime Affairs Agency (Anam), the Senegalese Consortium of Maritime Activities (Cosama) and the shipowners had made all the arrangements upstream. The commercial port of Ziguinchor is full of containers waiting to be transported to Dakar for export. RCN quality is reported to range between KOR 46 – 50 lbs. 14,180.445 tonnes of RCN have been exported from Ziguinchor to Dakar. 35 tonnes are purchased by industrialists and small processors with the help of funds granted to certain operators. Farm gate prices depend on the available RCN quality. RCN of outturn levels of 48 – 50 lbs are offered for 425 F CFA per kg and KOR 46 – 48 lbs are offered for 410 F CFA per kg.

Togo

There are no more RCN with producers at farm gate. A few rare buyers and exporters hold the little that remains. Most of the stocks are already in the port area of Lomé. The price of the RCN at port area of Lomé ranges between 375 - 400 FCFA per kg. The average RCN outturn is reported at KOR 43 lbs. RCN of higher KOR have already been exported. The total quantity of



RCN exported since the start of the season is reported at 16 000 tonnes. Local processors have bought 7 000 tonnes since the season has started. RCN FOB price ranges between \$ 850 – 900 USD per tonne. Thank you to all our network of reporters and analysts for their contribution to this report.

This is a publication of the [African Cashew Alliance](#)

master’s degree and in 2018 I finally started my extra-occupational studies in environmental science.

My next stop leads me to the GIZ financial advisory department Africa, and I am already very excited about this change in perspective.

It was a great pleasure to be part of ComCashew. I wish you all the best and hope for a continued positive development of the cashew sector.

Author: Vanessa Langer

Staff Profile



My name is Vanessa Langer and I had been part of the ComCashew/GIZ team for almost five years. After my dual study program in International Business I joined the project as a finance manager in October 2015. It then followed an exciting and educational time since it was my first job and the

first time for me working in an international team across several locations. This made my work on the one hand quite challenging but on the other also very manifold and enriching.

For me, the special thing about ComCashew was that I felt a part of it from the first day on and that even in difficult situations I could count on the support of the team. Apart from that, what else will I miss? The team spirit, the good cooperation and dynamic developments as well as the healthy portion of fun and humor which characterized my daily work. ComCashew has enabled me to develop professionally and at the same time to learn a lot about myself and where I want to go in future.

One of the moments I most enjoyed was the participation in one Master Training Programme (MTP) session and there especially the field trip to the cashew nursery and the lectures on cashew production. My interest in these topics intensified my decision to do a

Along the Cashew Value Chain— ComCashew/GIZ Management and Components updates

Management update

The current CoVID-19 pandemic has a greatly impacted the world and has led to various restrictions all over the world. Most businesses and organization have had to readjust to the current situation, mostly at a high cost., ComCashew/GIZ team reached out to many processors and also ministries regarding emergency measures to bridge the challenges coming along with CoVID-19. Processors are supported with hygiene equipment, transport facilitation to comply with social distancing, supply linkage and advisory support as required. ACA is coordinating additional packages, and administrative processes are speed up jointly.

Actors are also supported with additional market information, and a bi-weekly call by ACA will be starting this week. I trust you all join in. (see under events).

Staff Departures and Arrivals

August is the month of departure for the Ghanaian National Service personnel – ComCashew/GIZ had 12 young professionals working with us. Due to Covid and engaged in ongoing tasks some stay on a bit longer (Kwasi Ofori-Karikari, Michael Mireku, Ampem Effah, Elvaria Asamoah, Rhoda Mensah, Jason Larrey, Adwoa



Ampong, Nana Yaw Kwapong-Akuffo, Koffi Souka) , whilst the new entrances (10) will start a bit later in the year. Also, Annick-Michelle N’Guessan from Finance and Administration in Abidjan office left the project. We wish all of them the very best in all their endeavors..

For the REACH project in Northern Ghana where activities on climate resilience are expanding fast, we have a number of professionals joining: Project Manager Dr Jasmin Marston, ICT expert Mustapha Yakubu, GIZ expert Joseph Akongbangre, M&E officers Mohamed J. Gariba and Emmanuel Braimah, Finance and Admin Officer Terex Tedeku.

Joy Heitlinger has joined the team as Community Manager for the Sector Network for Rural Development (SNRD) Africa, which is based in the ComCashew office in Accra. She also will take up tasks as production advisor in the team. Joy is an agro socio-economist and has worked before for GIZ in Berlin responsible for many events of BMZ on food security and fighting hunger.

Welcome to all new staff!

Production

Farmer Business School: Training Workbook for Cashew Finalized

The Farmer Business School approach developed by the Agribusiness Facility for Africa (ABF/GIZ) has been adapted for cashew. The adult learning curriculum is organized in 12 modules and covers topics including Good Agricultural Practices (GAP), Farm Economics, Nutrition and Financial Management. Modules also cover rehabilitation (topworking) of old cashew trees and related investments. A pilot training with the developed workbook will be held in the Bono region of Ghana in September 2020.

EU-REACH: Topworking Training Organised for Agricultural Extension Agents

From August 10 – 11 2020, the ComCashew/GIZ – Resilience Against Climate Change (EU REACH) project held a 2-day Topworking training for Agricultural Extension Agents (AEAs) from the Upper West, Savannah and North East Regions of Ghana.

The training, held in Wa and funded by the European

Union (EU), was organized in line with the government’s Planting for Export and Rural Development (PERD) programme, aimed at expanding agroforestry in cashew in Ghana’s North-West zone. It provided a platform for 14 AEAs (11 from Upper West Region, 1 each from Sawla-Tuna-Kalba and North Gonja both in the Savannah Region, and 1 from Mamprugu Moagduri in the North East Region) to build and enhance their capacities and knowledge on the technique of topworking unproductive and aged cashew plantations.

The training is scheduled in two phases: Phase One had participants going through criteria for selecting unproductive trees, cutting of selected trees or stumping, painting of the cut surface, covering the stump with leaves and branches to facilitate the initiation of new shoots and the removal of cover and monitoring of shoot development. Phase two will be held in October 2020 and will have participants observe shoot development and subsequently graft unto successful shoots identified using cashew grafting procedure or protocol.

Living Income & Tree Crops: Mechanization Trials Held in Kintampo with Service Providers

The Living Income & Tree Crops project focuses on enhancing the adaption rate of Good Agricultural Practices (GAP). For this purpose, ComCashew/GIZ, C. Woermann Ghana (affiliated to STIHL Germany) and Plant Pest and Disease Company Limited (PPEDCO), a local service provider, conducted a three-day mechanisation trial and training on pruning in Kintampo, Bono East region. The objective was to gain a deeper understanding of farm economics and related maintenance costs. Pruning allows for proper ventilation within the trees’ canopy and reduces the micro-climate that facilitates fungal growth and spread. This practice is necessary to achieve higher yields, by reducing pesticide use at the same time.

Farm operators were trained on the handling, maintenance and repair of farm equipment, cutting techniques and heavy pruning, as well as the safe use of the motor chainsaw, motorized pole pruner and telescopic saws. For a practical learning experience, an orchard was pruned under supervision of an agric



expert.

COVID-19 Mitigation: SECO and ComCashew/GIZ Support to MOFA Ghana

On August 5 2020, ComCashew/GIZ, with funding from the German Ministry of Economic Cooperation and Development (BMZ) and the Swiss Secretariat for Economic Affairs (SECO), donated COVID-19 relief items to the Ministry of Food and Agriculture (MoFA). The handing-over took place at the MoFA offices in Accra. The items included Veronica buckets for handwashing, liquid soap, face masks, dustbins, hand sanitizers, gloves, receptor buckets, and disposal tissue.

Present at the handing over were Dr Gyiele Nurah – Minister of State in Charge of Food and Agriculture; Swiss Ambassador to Ghana Philipp Stalder; Robert Patrick Seth Osei Akoto – Director of Crop Services, MoFA; GIZ Ghana Country Director Regina Baueroche Barbosa; and Juliana Ofori-Karikari, Head of Finance and Administration of ComCashew/GIZ.

Upon receiving the items on behalf of MoFA, Dr. Gyiele Nurah shared how the pandemic has affected MoFA's activities and thanked SECO and ComCashew/GIZ for their continuous support over the years.

Processing

Covid-19 support to cashew processors

The world was shaken in early 2020 by the emergence of the Corona virus, also known as COVID-19. Governments worldwide have therefore taken different measures to fight this pandemic including:

- Border closures and travel bans
- Declaration of a state of emergency
- Lockdowns and National Curfews
- Prohibition of all forms of public gathering and closure of all restaurants, bars and non-essential shops
- Reinforced hygiene rules in all public spaces

These measures have negatively impacted many industries including the global cashew processing industry.

In order to protect staff of cashew processing factories

and in compliance with all new regulations, processors needed to put in place certain measures to, ensure jobs are maintained and that employees and subcontractors are immediately protected against this epidemic. Processors had to practise social distancing in the plant, measure the temperature of all people entering the plant, introducing the use of hydroalcoholic gels in addition to regular hand washing. In some cases, managers of factories had to ensure direct access to medical and sanitary staff that can quickly identify potential cases and isolate them to prevent cross-contamination among the workers.

All the above came very rapidly and at an extra cost to the processing factories.

It is with the objective of avoiding job losses and reducing the risk of infection that ComCashew/GIZ, with funding from the German Ministry of Economic Cooperation and Development (BMZ) and the Swiss Secretariat for Economic Affairs (SECO), have supported processing factories in ComCashew intervention countries. To date, support has been provided to Usibras Ghana Ltd and Mim Cashews in Ghana, and Ivoirienne de Noix de Cajou. In Ivory Coast. The processors received personal protective equipment and other essential health supplies valued at 62 000 Euros altogether. Jointly with the African Cashew Alliance, ComCashew continues this intervention to provide COVID-19 support to at least 25 more factories.

It is our hope that this support would cushion processors and help them to continue operations in this difficult time. We urge them to keep respecting safety protocols and guidelines and all sanitary measures.

We thank our donors, the German Federal Ministry of Development Cooperation (BMZ) and Swiss State Secretariat for Economic Affairs (SECO) for their contribution to promoting cashew processing in Africa and keeping factories safe in this health crises.

Cashew apple recipe development

ComCashew/GIZ in collaboration with its partners are developing 35 recipes of cashew apple products. Out of the 35 recipes, products of commercial value will be selected by the project for further analysis and



potentially developing supply linkage to future processors and off takers. Two product lines of Brazilian and Senegalese origins are currently being prepared. The products of commercial value have mainly been developed from cashew apples (80%) and broken cashew kernels (20%). Subsequently, consumer testing for finished products is planned. Nine drinks and 15 main meals and snacks have so far been developed.

Have you ever heard of Cashew Moqueca, cashew burger and cashew omelet? What about cashew ragout? Stay tuned for more information on this project!

Inclusive Business Linkages

Matching Fund (MF)

There are currently 18 active Matching Fund contracts, with a total value of 4.7 million EUR. ComCashew/GIZ contributes 1.9 Million EUR, while our partners contribute 2.8 million EUR. The active contracts comprise 10 public and 8 private institutions across Benin, Burkina Faso, Cote D'Ivoire, Ghana and Mozambique.

One of the Matching Fund projects is with the Sustainable Nut Initiative. SNI is a pre-competitive, non-profit platform open to all actors in the nut supply chain who strive for a more transparent and sustainable nut sector. To scale up the impact in the cashew sector, SNI through the cashew fund is updating the 3S software to stimulate the uptake by upstream partners and executing a risk assessment in the cashew sector.

(Read: [SNI interview](#) ; also ALDI [SOUTH Group first discount retailer to join the Sustainable Nut Initiative \(SNI\)](#))

Another one of our Matching Fund partners is FENAPAB (Fédération Nationale des Producteurs d'Anacarde du Bénin). FENEPAB is an umbrella organization of cashew producers which was founded in January 2006 and has been working in collaboration with ComCashew/GIZ since 2018 to develop cashew nurseries to produce grafted seedlings and create new plantations.

The pandemic has affected project activities as trainings, field studies and audit certification have been delayed. ComCashew/GIZ has reached out to support MF

partners by providing COVID-19 relief items. As more MF projects will end in the next quarter, we look forward to sharing more success stories. (*FENAPAB MF success story: [Building a strong cashew foundation with improved planting materials](#)*)

Access to Finance

Under SECO funding, computing and record keeping training for 10 small cashew processors in Ghana has been ongoing since 15th June 2020. The training aims at promoting the business development skills of small processors and enhance their ability to access financing. For the first time, the training was conducted on-site with appropriate social distancing measures in place. So far, seven (7) sites representing 7 processors from Sampa, Kabile, Wenchi, Sunyani and Drobo have been visited and 17 factory workers have been trained (16 men and 1 woman).

The computing training covered Windows basics and intermediate Microsoft Word and Excel. For Microsoft Word, memos, letterheads, requisitions, reports, tables and other corporate documents were taught. For Microsoft Excel, cell manipulations, invoices and other records, formulas and pivot tables were taught. Computers, ledgers, daybooks, receipt books and invoices were provided to participants to undertake hands-on practice at the training.

Monitoring and Evaluation (M&E) Unit

Yield Survey

Each year, ComCashew/GIZ collaborates with national partners in project countries – Burkina Faso, Benin, Côte d'Ivoire, Ghana, Mozambique and Sierra Leone – to collect and analyze cashew production data. This data helps to understand the impact of the project's intervention on farming households. Due to some challenges, the 2020 yield survey was mainly conducted in collaboration with partners in Benin and Ghana, while Sierra Leone continues with the economic case study. It is planned that Côte d'Ivoire, Burkina Faso and Mozambique shall undertake yield surveys in 2021.

During this year's harvest season (January – June), field enumerators gathered data on farmer productivity in Ghana and Benin. The Open Data Kit system employed



for data collection worked successfully, with only a few challenges which were resolved as they came. For some enumerators, internet connectivity for data transmission was lacking, while others used test questionnaires, rather than finalized questionnaires for data collection. One major challenge due to the COVID-19 pandemic was the delayed sale of cashews which affected farmers for the most part. This delayed the survey and the data needed to understand the market dynamics for ComCashew’s intervention regions.

Discussion Papers

Together with country partners in Benin, Burkina Faso, Ghana, Mozambique and Sierra Leone, M&E has produced a series of discussion papers comparing yield survey findings from the 2015 and 2019 Cashew Yield Surveys. These discussion papers, which will be published on ComCashew’s website by the end of September, give important insights into the trends of the cashew production sector in terms of productivity, Good Agricultural Practices, Sales, Income and farm labour.

Master Tool Integration

The goal to harmonize indicators from various donors and manage time and resource led the M&E unit to streamline all other project indicators into one consolidated Mastertool. This exercise involved bringing together indicators relating to BMZ, the various matching funds, SECO, EU REACH and Trilateral Corporation into one spreadsheet. The various components have had their turns to double-check this work for quality assurance.

M&E Methodological Review

Beginning May 2020, the monitoring and evaluation unit focused on reviewing the methodological concepts based on which ComCashew’s impact figures are generated for reporting. As the pandemic did not allow for physical meetings, all discussions were done online. The maiden production workshop sought to clarify the theory of change and review the definition of the target group: all cashew farmers in ComCashew intervention countries. The African context of youth owning land at an age below 35 years is rare, therefore the question of

how income is calculated for youth who have no or little access to land was key during this discussion.

In the next few months, the learning workshop continues for Processing, Supply Chain and Sector Organization components.

CONCEPTUAL AND METHODOLOGY ISSUES

PRODUCTION

TARGET GROUP IS NOT CLEARLY DEFINED

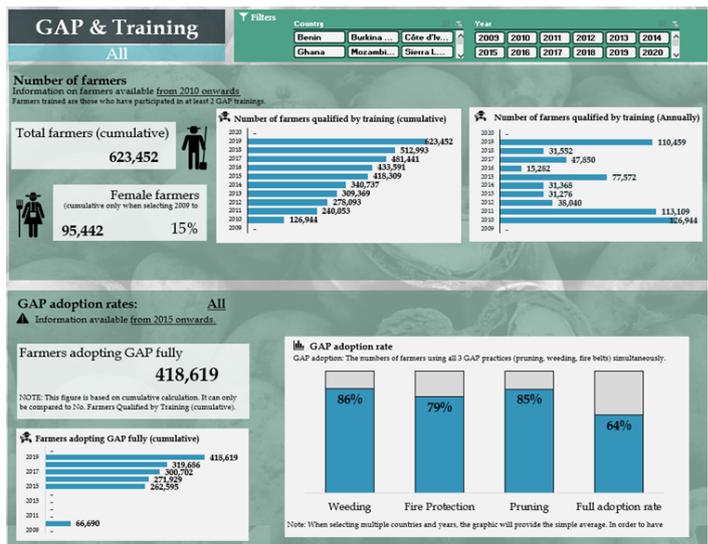
Who is the target group?

- Option 1: All cashew farmers in the intervention countries?
- Option 2: Only farmers trained through partners?
- Option 3: Sample of farmers from yield survey?

Why does this matter?

- To apply weights e.g. for yield per ha
- For a consistent narrative
- To better measure impact





The Production sheet of the Impact Tool

M&E has organised learning workshops on the Impact Tool. The Tool was designed to present ComCashew’s impact figures in a user-friendly interface. This Excel-based tool provides users with flexible and easy access to what otherwise would have been a complex statistical data spreadsheet. The Impact Tool will also be made available to the Board. It is worth mentioning that the communications unit was particularly trained on using the tool, as this tool will increase efficiency in preparing periodic project factsheets, newsletters, pull-



up banners and many other external communication materials.

[14th ACA Annual Cashew Conference](#)

9-11 September 2020

Fully Online

Register [here](#)

Cashew Master Training Programme (MTP 11 S3)

14-18 September, 2020

Sunyani, Ghana

[SIAL INTERFOOD](#)

11 - 14 November, 2020

Meetings and Events

Jakarta, Indonesia

[UNECE - WORKING PARTY ON AGRICULTURAL QUALITY STANDARDS](#)

16 - 17 November 2020

Geneva, Switzerland

[Food Ingredients EUROPE 2020](#)

1 - 3 December, 2020

Frankfurt, Germany

[EXPONUT 2020](#)

4 December, 2020

Santiago, Chile

[Food Ingredients ASIA 2020](#)

9 - 11 December, 2020

Jakarta, Indonesia

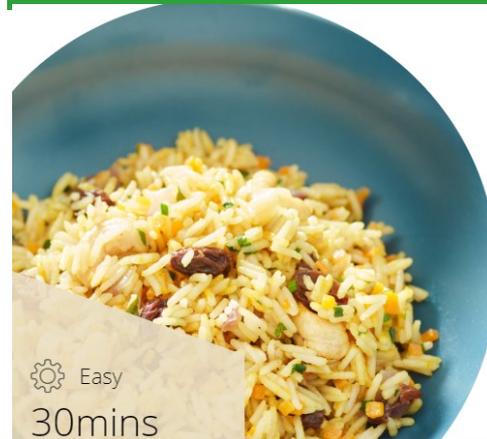
[FOOD AFRICA 2020](#)

16 - 18 December, 2020

Cairo, Egypt

Delicious and Nutritious Recipe:

Pilaf Rice with Cashews



INGREDIENTS

- 200 g of basmati rice
- ½ red onion, chopped
- 2 diced carrots 40 g of raisins
- 40 g of cashews
- Fresh cilantro
- 1 tsp. of turmeric
- 1 tsp. of salt
- 250-300 ml of vegetable or chicken broth
- 3 tsp. extra-virgin olive oil
- fresh chives

PREPARATION

1. Heat the oil in a large saucepan and add the chopped onion, diced carrot, raisins, salt and basmati rice.
2. Stir all together for 5 minutes then, add the broth and bring to boil.
3. Simmer for 20-30 minutes until the rice is tender.
4. Chop the fresh cilantro and chives and add them to the rice together with the tumeric and cashews.
5. Mix well and serve.

Source: [Global Cashew Council](#)



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The eighteenth edition will be published in December 2020. If you are interested in contributing or would like to send your comments, please send a mail to alima.mboutiki@giz.de

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