

The ACi News Bulletin 1st Edition on

“Cashew Processing in Africa and SIETTA 2014”

For a shared understanding of the cashew sector!



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Implementing Partners

giz Deutsche Gesellschaft
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Zusammenarbeit (GIZ) GmbH



Preface by Rita Weidinger

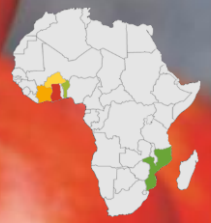


Dear Readers,

We are pleased to present to you the first edition of ***The ACi News Bulletin***. In its 6th year of implementation, ACi embraces and collaborates with a growing number of partners and stakeholders. With such positive developments, we happily respond to the growing demand of utilizing information media with a broader outreach: The ACi News Bulletin shall be published once in a quarter, four times per year and targets all actors along the cashew value chain. This edition focuses on cashew processing and technologies with a special feature on SIETTA 2014.

As you might know, Africa produces about 50 % of the global cashew raw nuts. Local cashew production and processing therefore offer a huge potential for social and economic development and the generation of higher incomes for farmers in rural areas. Propitiously, recent market trends also suggest a rise in the global demand for high quality cashew kernels. With the application of accurate technologies in cashew production and processing, African countries have a real opportunity to supply this growing demand. The African Cashew initiative (ACi) recognized this potential since its inception in 2009. Following a multi-stakeholder partnership approach, ACi works to increase productivity of African cashew production and to establish a competitive and profitable local cashew processing industry. Frequent meetings and constant exchange with all partners paved the road to an in-depth and shared understanding of the cashew sector and thus resulted in sustainable and efficient implementation of activities.

Over the past five years, ACi attracted a broad partnership base of 16 private and public sector partners who finance and steer our activities. The main funding partners are the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Bill & Melinda Gates Foundation. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is lead implementer and works closely with implementing partners FairMatch Support, a Dutch-based NGO that works to establish sustainable supply chain linkages and the US-based NGO TechnoServe to provide technical assistance for local processors. Through partnership and contractual agreements, ACi cooperates with the African Cashew Alliance - the business platform for cashew actors in Africa, the regulatory body for cashew and cotton in Côte d'Ivoire - Le Conseil du Coton et de L'Anacarde (CCA), the Dutch-based Sustainable Trade initiative (IDH), the National Cashew Institute INCAJU in Mozambique, international buyers KraftFoods and Intersnack, the Ministry of Food and Agriculture in Ghana, international agro food processor and trader Olam, the Dutch-based Trade and Development Group, German Software Developer SAP, and the US Agency for International Development (USAID). Frequent meetings and trainings with affiliated projects, beneficiaries, existing and potential donors, implementing agencies and generally all actors in the sector extend this group by large.



The ACi News Bulletin offers a new channel to provide valuable information to you – the cashew experts and development partners. We look forward to feature your various opinions and experiences of working along the cashew value chain and to develop a sense of interconnectivity among contributors, readers and ACi. We hope that this News Bulletin draws your contributions and sparks an interest in our activities and approach.

I take this opportunity to thank all contributors of this first edition: Malamine Sanogo - Director General of the Cashew and Cotton Board in Côte d'Ivoire, Partheeban Theodore - Senior Vice President at Olam International, Mary Adzanyo – Director Private Sector Development ACi, James Fitzpatrick – ACi Consultant and Author of the Cashew Club.

The second edition will appear in February 2015. If you are interested in contributing, would like to send your comments or (un)subscribe to the ACi News Bulletin, please send a mail to ann-christin.berger@giz.de

Let's share our knowledge and exchange information to build a better and shared understanding of the cashew sector!

Thank you very much and enjoy your reading!

Rita Weidinger, Executive Director ACi

In cooperation with:

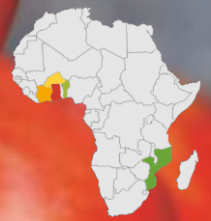


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SIETTA 2014 - Be part of the growing African Cashew Industry!

SIETTA 2014 - The International Cashew Processing Equipment & Technology Show is taking place from 26 - 28 November 2014 at the Palais des Sports in Treichville, in Abidjan, Côte d'Ivoire. SIETTA 2014 is a "Show, Sell & Buy" event, dedicated to promote cashew processing equipment and to bring innovative technology to Africa. The event is organized by the Cashew and Cotton Board (CCA) and chaired by the Minister of Industry and Mines under the auspices of the Minister of Agriculture.

Why is SIETTA 2014 organized?

As of today, only 10 % of the raw cashew nuts produced in Africa are processed locally. The remaining 90 % of raw nuts are exported for further processing, leaving a great economic potential for many African countries largely untapped. Therefore, the establishment of a sustainable and well-functioning cashew processing industry in Africa is essential to ensure that added value is captured locally. The use of suitable machineries, while adhering to international food safety and labor standards, attracts global food companies to source cashew kernels from Africa. Consequently, Africa has a real opportunity to supply the increasing global demand for high quality kernels.

What can you expect at SIETTA 2014?

In the large exhibition area, equipment manufacturers from all over the world, India, Vietnam, Sri Lanka, Burkina Faso and Côte d'Ivoire will showcase their machines. Innovative and proven cashew processing equipment of all shapes and sizes suitable for high tech, large or small scale applications, for cracking, shelling, peeling, sorting, grading and packaging will be demonstrated. In plenary sessions and business to business (B2B) meetings with national and international cashew experts, participants can discuss and exchange ideas on cashew processing related topics such as finance and business planning, funding possibilities and smart investments, cashew market dynamics and success factor that make cashew processing a profitable business in Africa and on how to do proper business in the region. As the consumption of the highly nutritious cashew nut is still very low in many African countries, SIETTA 2014 also offers participants the opportunity to taste high quality cashew kernels, by-products and cashew dishes from all over the world. SIETTA 2014 is expected to attract more than 5,500 participants from across the world.

Speakers Corner:

Name: Malamine Sanogo

Position: Director General

Institution: Conseil du Coton et de l'Anacarde



What does SIETTA 2014 mean to you?

SIETTA 2014 offers a platform for cashew processors, equipment manufacturers, investors, business men and generally all actors along the cashew value chain to “Show, Sell & Buy” the newest innovations and cashew processing technologies from across the world. The exhibition aims at boosting the processing industry in Africa by encouraging equipment manufacturers and investors to set up their businesses in Côte d’Ivoire and West Africa. SIETTA 2014 provides decision-makers and entrepreneurs with the conditions they need to set-up profitable processing factories and to access the huge potential of the African cashew sector, with a special focus on Côte d’Ivoire.

When you talk about boosting the processing industry, what do you mean exactly?

Côte d’Ivoire is Africa’s leading cashew producer and the second largest worldwide. Africa accounts for almost 50 % of the global cashew production, out of which Côte d’Ivoire produces 26 %. Today, 600,000 farmers are growing cashew. However, only 40,000 MT out of 560,000 MT raw cashew nuts that are grown are processed locally. Increasing the processing rates from the current 7 % to 35 % not only adds economic value for Côte d’Ivoire, but also creates employment for the rural population. We conducted a study revealing that every 100,000 MT of additional processing capacity, create 12,300 factory jobs and 10,000 jobs on the production and marketing side.

One of the main reasons why we organized SIETTA 2014 is because processors and potential investors are not yet aware of the newest cashew processing technologies and equipments to make their businesses profitable. An event dedicated to overcome these well-known obstacles, can contribute to the sustainability and growth of the cashew sector.



Interviewed by: Maria Schmidt, Intern for SIETTA 2014 (ACI)



sietta 2014
 International Cashew Processing Equipment & Technology Show
 26-27-28 november
 Palais des Sports Treichville
 Abidjan-Côte d'Ivoire

Speakers Corner:

Name: Partheeban Theodore
Position: Senior Vice President
Company: Olam International



Who is Olam and what is your specific role?

Olam International is a leading agri-business, operating from seed to shelf in 65 countries, supplying food and industrial raw materials to over 13,800 customers worldwide. As part of the “Olam Livelihood Charter” we support small-scale farmers, linking them to sustainable supply chains. It is in this regard, that Olam became an ACi Core Partner and I am honored to be a part of this collaboration right from the beginning. At the moment I am heading Olam’s operations in Côte d'Ivoire where we deal with cocoa, coffee, cashew and cotton. In Bouaké, in the center of Côte d'Ivoire, we are engaged in cashew processing with the first mechanized cashew processing factory in West Africa. We also operate a semi-mechanical factory in Dimbokro. The two factories have a combined processing capacity of 40,000 MT and have another 9 satellite units feeding into them. Over 5,000 people are employed across these facilities.

What are the critical success factors for setting up a cashew processing business in Côte d'Ivoire and the region (West Africa)?

Generally speaking, cashew processing in Côte d'Ivoire and the West African region offers great potential to both grow national economies, as well as significantly contributing to their development needs. However, to fully reap the benefits, the business requires a stable and conducive investment environment. It also calls for policies in favor of local processors to ensure cost competitiveness for at least the first eight to ten years. This is very important in order to compete with the highly efficient cashew processing industries in India and Vietnam. Other significant factors include cashew industry specific labor legislation, abundance of labor and an increase in local consumption to build a local market for processed kernels.

Olam is an ACi Core Partner since 2009: What do you find most rewarding about it?

Olam is a key player in the cashew industry and in addition to sourcing a significant volume of raw nuts from Africa we are also one of the leading processors of cashew in Africa. Both, ACi and Olam have the same goal: increasing cashew yields and improving nut quality. It therefore makes sense to join efforts to build a sustainable supply chain. In partnership we can work to produce higher yields and better quality that increase farmer incomes, while ensuring Olam has a supply of much needed good quality raw materials.

What should ACi – together with you – do more than we have done so far?

The need for advocacy in the cashew producing countries is very high. In order to build a successful processing industry in Africa, policies must be in place to encourage potential and

existing investors to build up their businesses. A program like ACi is best placed to facilitate this dialogue with local governments and institutions. There is a real opportunity for progress on this front.

What has been the most challenging aspect as a processor in Côte d'Ivoire?

Being the largest and fastest growing cashew producer in Africa, Côte d'Ivoire is a natural choice for origin processing. Olam believes in this potential and along with the support of our key customers, we would like to continue expanding our capacities here. The high costs of processing remain a key challenge for increasing our processing volumes. The local industry continues to lack cost competitiveness vis-à-vis the Indian and Vietnamese industries because of high cost of labor, lower levels of productivity, lack of industry specific wage legislation and an investment code that is not adapted to the specific requirements of the cashew industry.

How has OLAM managed to build up and maintain a successful business in Côte d'Ivoire?

Olam's strong team and consistent presence have accounted for the success of our business. Our trading strengths, global footprint and strong customer relationships have lent strength and stability to our operations. Olam has great hope and confidence in the future of the industry. The recent steps taken by CCA to regulate the sector and to improve quality gave a big boost to the industry. The government of Côte d'Ivoire has clearly stated its ambitions for the sector and we are hopeful that the industry will receive the required support it needs.

Are you planning to attend SIETTA 2014?

Olam will be an active participant in the SIETTA 2014 and will also contribute in some of the panels. We encourage all actors in the sector to join this unique event and take the opportunity to convince investors to build the sector with us!

What are your expectations for SIETTA 2014?

We are hoping that potential investors are enthused to commit to processing in Côte d'Ivoire and that equipment manufacturers choose Côte d'Ivoire as a manufacturing hub in West Africa. We are also expecting the government to recognize the real potential of this industry and come up with some bold measures to promote investments and enhance the competitiveness of the industry that will ultimately benefit the cashew farmers and Côte d'Ivoire itself.

Anything you would like to add?

ACi has brought significant development to this industry. We would be very keen to see ACi continue for at least another ten years to sustain and advance all the good work we have jointly achieved.

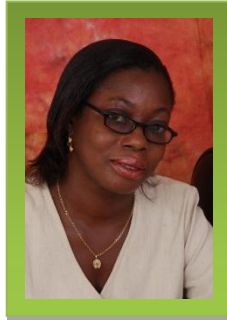
Interviewed by: Mary Adzanyo, Director Private Sector Development (ACi)



ACi Staff Profile:

Name: Mary Adzanyo

Position: Director Private Sector Development



How long have you been working in value chain development?

I have been working in value chain development in the past 15 years with fruits and vegetables, fish, shea and cashew.

What are the prospects for cashew processing in Africa?

Africa produces close to 50 % of the world's raw cashew nuts with about 1.2 million MT in 2013, out of which only 3 % is consumed locally. The global consumption forecast for cashew nuts indicates a 5 % to 7 % annual growth rate within the next 10 years. Looking at the current global production levels, which are falling in India, Vietnam and Brazil, all eyes are on Africa to meet the global demand. In order to balance demand and supply trends until 2020, Africa must increase its production by 9 % to 15 % each year. The potential for higher productivity puts Africa on the center stage for international buyers and investors. From the current production levels in Africa, 90 % of raw nuts are exported and only 10 % is processed locally. The logic for processing in Africa is therefore more compelling than ever, offering efficient and profitable processing operations close to the raw material source. Having traceability and sustainability structures in place, raw

cashew nut (RCN) processing in Africa also satisfies consumer demands worldwide. Regarding cashew apples, Africa produces over 10 million MT each year. Although cashew apples offer both nutritional and economic benefits, less than 1 % is processed into juice, jams, candies, chutneys, syrups, wine and brandy. Investors are therefore invited to explore the vast opportunities for both cashew nut and apple processing in Africa. It offers a unique opportunity to make business whilst satisfying the rising global demand and ensuring stable prices for all.

What are some of the challenges?

Technical and managerial expertise for processing factories in the Africa is limited at the moment. The acquisition of proven and efficient processing equipment to reduce the occurrence of broken kernels, as well as the management and repair of these machines, present a major obstacle to the African cashew processing industry. Financing, for both start-ups and existing units, in terms of capital investment and working capital acquisition is challenging.

What are ACi's contributions to promote cashew processing in Africa?

ACi works to increase RCN quality and quantity and provides technical as well as managerial expertise to processors. We promote investment in the cashew processing sector to build a sustainable cashew supply chain. Through information dissemination in meetings, event and conferences, we inform existing and potential investors about the

potentials and untapped opportunities the cashew processing sector in Africa has to offer.

What advice will you give to anyone interested in starting up a cashew processing business?

1. Do a feasibility study before installing a factory and consider all areas: provision of raw materials, equipment, labor, market etc.
2. Prepare a business plan suitable for your needs and to assure efficiency of work.
3. Inform yourself about the environment, market and technical innovations for successful and profitable processing.
4. Exchange with other actors, never stop learning about the cashew business and continue to educate your workforce.

Interviewed by: Sylvia Pobee, Communications Officer (ACi)



Women grading cashew kernels in processing factory, Photo: ACi

The Cashew Market Update

World

Cashew nut production in India, Vietnam, and Brazil has fallen in recent years, but

was balanced by increases in cashew production, especially in West Africa. The underlying trend remains upward. India, Côte d'Ivoire, Vietnam and Brazil are the leading producers of raw cashew nuts.

Africa

The rise in African production of the past ten years has been remarkable. Today, African countries produce almost half of the world's raw cashew nuts. 90 % of this production is shipped to Vietnam, India and in recent years Brazil for processing. Africa is the main source of in shell export (90 % of African nuts are exported in shell)

Top 5 Producers in shell (2014) in MT

| | |
|------------------|--------------|
| 1. India | 736,000 |
| 2. Côte d'Ivoire | 525,000 |
| 3. Vietnam | 310,000 |
| 4. Brazil | 236,000 Est. |
| 5. Tanzania | 135,000 Est. |

Top 5 Exporters of RCN (2014) in MT

| | |
|------------------|--------------|
| 1. Côte d'Ivoire | 500,000 |
| 2. Tanzania | 120,000 Est. |
| 3. Guinea-Bissau | 130,000 |
| 4. Cambodia | 80,000 |
| 5. Benin | n.a. |

Top 3 Importers in shell (2014) in MT

| | |
|------------|--------------|
| 1. India | 850,000 Est. |
| 2. Vietnam | 515,000 Est. |
| 3. Brazil | 40,000 Est. |

Top 3 Exporters of kernels (2014) in MT

| | |
|------------|---------------------|
| 1. Vietnam | 257,000 (10 months) |
| 2. India | 100,000 Est. |
| 3. Brazil | 40,000 Est. |

Source: Jim Fitzpatrick, Author of the Cashew Club

Along the Cashew Value Chain

Production

ACi has reached its target of training 330,000 farmers, but plans to train additional 100,000 farmers with extra funds from BMZ. 30 % of this new target shall be achieved through Matching Fund projects.

From 20th to 25th October, ACi and le Conseil du Cotton et de L'Anacarde (CCA) organized a training of trainers session in Bouaké, Côte d'Ivoire. 33 participants from Ministry of Agriculture, CCA, FIRCA, ANADER, GIZ – PROFIAB, RONGEAD, ONG CHIGATA, ITAD and INADES-FORMATION validated existing training materials on harvest and post-harvest handling, maintenance of cashew orchards and the establishment of new plantation. Opportunity has been taken to create awareness to accelerate improving planting development in Côte d'Ivoire.



*Training of trainer session in Bouaké
Photo: ACi*

Another workshop for training material validation on Good Agricultural Practices, harvest and post-harvest handlings was held from 13th to 14th October 2014 with the participants from the Ministry of

Agriculture, extension services, research, and farmer groups.

Already in September, ACi supported GIZ bilateral program ProDRA in Togo in organizing a workshop for improved planting material development and grafting techniques. 23 participants from the Ministry of Agriculture, extension services, research, farmers groups, processors and NGO representatives took part.

The Cocoa Research Institute Ghana (CRIG) is preparing a two week exchange program to promote knowledge transfer on improved planting material development between research institutes in Burkina Faso (CNSF), Benin (INRAB, INERA), Senegal (AFAO - WAWA) and Nigeria. CRIG is currently writing procedures for the distribution of planting materials within the region in accordance to with ECOWAS requirements.

Processing

ACi's key intervention areas in processing:

1. Technical assistance to processors
2. Provision of Business Development Services (BDS)
3. Technical Assistance to Cashew Apple Processing

Update for raw cashew nut processing:

- 20 processing factories are supported by ACi (with Technoserve advisors) Processing volume of ACi-assisted processors are growing; 5 units increased their installed capacities in the past year, while some obtained new equipments.

- Total currently installed capacity of 20 ACI-assisted nut processing units is 48,300MT.
- 70 % of women are employed in nut processing
- Working capital remains key need for processors.

Supply Chain Linkages

The Matching Fund Board is meeting to decide on up-scaling of seven existing and five reviewed projects from the second call. The total project costs are € 2.88 mio with a grant component of € 1.01 mio. The Matching Fund Board decided to commence contracting in November.

The second peer learning session for Matching Fund Partners takes place on 25th November. Private and public sector partners meet to reflect on challenges, learning's and accomplishments during project implementation. In a panel discussion, representatives from along the cashew value chain discuss about matter of sustainability and increasing farmer livelihoods.

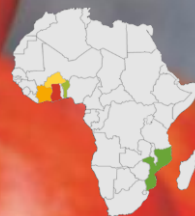
Management

Executive Director, Rita Weidinger, presented experiences in value chain projects with focus on cocoa and cashew at the ACP Secretariats' Open Day on 29th October in Brussels. More than 50 embassies and other implementing agencies were present. Further collaboration potential is under discussion with COLEACP and CTA. The ACP secretariat requests a concept note on cashew value chain development in Africa and the Caribbean. Two consultants countries (with GIZ-CATS

project, Caribbean Aqua-Terrestrial Solutions) shall provide an overview and suggest interventions for selected Caribbean.



*Impressions of ACi / GIZ participation at the ACP Secretariats' Open Day in Brussels
Photo: COLEACP*



Cashew Pinboard:

ACi Website

[Cashew Processing in Africa](#)

[La transformation d'anacarde africain](#)

[Etude sur les équipements de transformation du cajou](#)

[Cashew Nut Processing Equipment Study](#)

[Cashew Processing Equipment Study](#)

[Cashew Apples Juice Processing](#)

[Cashew Apples Candy Processing](#)

[Cashew Preserve Processing](#)

[Cashew Pulp Processing](#)

News

[War-scarred Ivory Coast aims to conquer the world of cashews](#)

[Inauguration of CASA - Cajou des Savanes Cashew Processing Factory in Côte d'Ivoire](#)

[Prime Ministers Speech](#)

[Pictures](#)

Events & Meetings:

International Supply Management Congress 2014

11th November 2014

Amsterdam, Netherlands

www.supplymanagementcongres.nl

ACi Core Partner Meeting

10th November 2014

Amsterdam, Netherlands

Africa PPP 2014

19th – 21st November 2014

Abidjan, Côte d'Ivoire

www.africappp.com

ACi Steering Committee Meeting

24th November 2014

Abidjan, Côte d'Ivoire

ACi Matching Fund Learning Platform

25th November 2014

Abidjan, Côte d'Ivoire

SAP User Platform

25th November 2014

Abidjan, Côte d'Ivoire

SIETTA 2014

26th – 28th November 2014

Abidjan, Côte d'Ivoire

www.SIETTA2014.com

Delicious & Nutritious

Fufu with Cashew Nut Soup and Chicken



Fufu with cashew nut soup and chicken
Photo: ACi

The fufu of Ghanaians is the foutou for the Ivorians and Burkinabes, the igname pilée in Benin and the pounded yam in Nigeria. The cashew nut soup can alternatively be eaten with steamed rice, gari, placali, banku, akple, bread, potato, boiled yam and attiéké.

Ingredients

- 🌰 2 medium onions or 1 large one
- 🌰 A whole chicken, chopped to pieces
- 🌰 3 large ripe tomatoes
- 🌰 2 - 4 okra (optional)
- 🌰 1 scotch bonnet pepper / kpakpo shito
- 🌰 Ginger
- 🌰 2 bay leaves
- 🌰 1 rosemary spring
- 🌰 1.75 liter chicken stock
- 🌰 Cashew nut butter/ paste
- 🌰 Water to mix the cashew paste

Method

- 🌰 Place the whole onion, pepper, tomatoes and chicken pieces in the pot and top up with the stock. Bring to the boil.
- 🌰 After 2 minutes reduce heat to simmer for 15 minutes until vegetables are soft and tender.
- 🌰 Remove the vegetables, blend with ginger and return to the soup
- 🌰 Bring to the boil shortly, and then reduce heat to simmer while preparing the cashew butter sauce
- 🌰 To make cashew nut butter sauce, scoop the desired amount of cashew butter into a saucepan and put on gentle heat. Stir constantly
- 🌰 Once a smooth sauce is achieved, allow to simmer
- 🌰 Add the cashew butter sauce to the rest of the soup and simmer for 20 minutes or until oil rises to the surface of the soup
- 🌰 Place whole or halved okra into the soup if preferred
- 🌰 Add seasoning to your taste and allow cooking

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