



# Promoting Competitiveness of African Cashew Farmers

## ACi – The African Cashew initiative

### Overview

Nearly 40% of the global cashew crop is produced by about 2.5 million small farmers in Africa. The vast majority of these farmers live in rural areas and struggle to make as little as € 90 to € 330 per year through the production of cashews. Such low incomes result from a number of factors, including low yields, poor quality nuts and a lack of business skills.

Cashew farmers in Africa rarely organize themselves into associations, which leads to a weak bargaining position with dealers. They are also insufficiently linked to international markets, primarily because of the poor quality of their product. Adding to the problem is the fact that less than 5% of African raw cashew production undergoes further processing in Africa, leaving a tremendous opportunity for poverty reduction and job creation largely untapped.

### Objective

The main goal of the *African Cashew initiative* (ACi) is to increase the competitiveness of African cashew production and achieve a sustainable reduction in poverty in the five project countries: Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique. Through a combination of strategies, the initiative will help 150,000 cashew farmers add at least US\$100 to their annual income within four years. The project will also

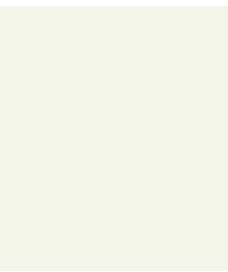
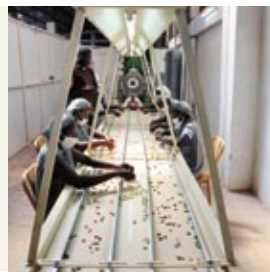
create 5,500 new jobs in cashew nut processing – 70% of them for women – providing an average annual income of US\$900 per job. In addition, ACi will work to increase the rate of raw cashew nut processing by at least 10 % in each of the five countries.

### Strategy

**Improve nut quality and production** – Success in the global marketplace depends on the production of a high volume of superior nuts. Therefore, ACi focuses on helping African cashew farmers meet international quality standards by providing advice and training on every stage of the production process. *The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*, an international cooperation enterprise for sustainable development with worldwide operations, manages the effort to train farmers on good maintenance, increasing yields, post-harvest handling, cooperative management and specialty market requirements. The initiative works with both public and private service providers and identifies “*lead farmers*” who can ultimately train other farmers.

**Increase the amount of local processing** – Expanding the amount of cashew processing that takes place in Africa will result in higher incomes and more jobs, particularly among women. ACi targets cashew nut farmers who work near processing





units in order to encourage linkages between the two. Processors are provided with a range of advice and consultation on how to grow their business, keep up with current market developments, access loans and financing, and improve their use of technology. They are also given advice on how to expand into the processing of cashew by-products such as fuel, juice and wine. *TechnoServe*, a U.S.-based rural business NGO, leads the effort to provide training and technical assistance to processors.

**Expand links to the global marketplace** – With a 32% share of the global nut market, cashews are highly prized in Europe and North America and demand is growing in China and India. The global market is growing at an annual rate of 2.5% – 4% and has a turnover of more than 1 billion euros each year. Linking African smallholder farmers to this market –through improved data information systems and the promotion of African brands – will enable them to increase their income substantially. The African Cashew Alliance (ACA), a supranational platform of public and private partners involved in the cashew value chain, assists in the global marketing of African cashews, and *Fair-MatchSupport*, a nonprofit organization based in the Netherlands, helps farmer groups access specialty markets.

**Advocate policies that favor cashew production** – ACi works to inform policymakers and government officials, particularly within the ministries of agriculture and trade, about the potential of cashew-related income to decrease poverty and create wealth in Africa. This includes educating them about relevant strategies and how to develop favorable conditions for cashew production. ACA, which represents 70% of the key public and private stakeholders in the African cashew industry, is supporting GIZ as a major partner in this effort.

**Utilize lessons learned to build on successes** – ACi will take the lessons learned from pilot projects to build on their success and increase the initiative’s impact. Proven technologies and practices will be implemented in other West African countries. Financial institutions will be engaged to provide loans for all aspects of the cashew value chain, and innovative financing models will be developed. Community-based business services will be encouraged to provide additional services beyond purchasing and storage.

ACi at a Glance		
Project Duration	July 2009 to March 2019	
First Phase Duration	July 2009 to March 2013	
Budget	BMZ (German Federal Ministry for Economic Cooperation and Development)	3.4 million euros
	Bill & Melinda Gates Foundation	16.9 million euros
	Private-sector partners	17 million euros
	<b>Total</b>	<b>37.3 million euros</b>
Implementing Partners	GIZ (lead agency), ACA, FairMatchSupport and TechnoServe	
Target Groups	Cashew nut farmers, small-scale cashew businesses and employees of cashew processors	
Number of Target Group Members per Country	Benin.....	25,000
	Burkina Faso.....	20,000
	Cote d'Ivoire.....	50,000
	Ghana.....	25,000
	Mozambique.....	30,000
	<b>Total.....</b>	<b>150,000</b>

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