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The Case of African Cashews & the African Cashew Initiative

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Abstract

Cashew nuts are highly prized in international markets for their taste and nutritional value, above all in Europe (market share — 32 %) and North America (21 %). Demand for good quality nuts is on the increase in China and India, whereas the local market in Africa is developing only slowly. By-products include oil from the shell, used as industrial oil, and the press cake, used as fuel. Cashew apples are used to produce juices, wine and brandy. The global market, which is currently growing at an annual rate of 2.5 % to 4.0 %, has a turnover of over €1 billion per annum. The trade in unprocessed cashew nuts amounts to 40 % of this volume.

In Africa approximately 2.5 million small farmers produce 39 % (587,000 tonnes per year) of the global cashew crop. Of these, 90 % are poor households living in rural areas. From this they generate annual revenues of between €90 and €330, making up roughly half their family income. Linking African smallholder cashew operations to the global marketplace will enable farmers to achieve higher incomes and facilitate poverty reduction.

Less than 5 % of African raw cashew production undergoes further processing in Africa. Production and processing have so far seen little in the way of improvement, since it is difficult for producers to get access to advice, loans and information on current market developments. The sector is therefore relatively uncompetitive in Africa. Opportunities for poverty reduction and job creation are not currently being exploited.

The goal of the programme is to increase the competitiveness of African cashew smallholders and achieve a lasting reduction in poverty in Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique. Within four years 150,000 cashew farmers will earn an additional annual income of at least USD100 per family from cashew nut production. In addition, the measure will create 5,500 new jobs — 70 % of them for women — providing an average annual income of USD900 per job in cashew nut processing. A further goal is to increase the percentage of raw cashew nuts sent for processing in each of the countries by at least 10 %.

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