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“Development on the margin”

## Economic Assessments of Cashew Production for the Promoting of the Competitiveness of African Cashew Farmers

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### Abstract

Cashew is a major cash tree crop in Africa with approximately 40 % of worldwide production of raw nuts (848,000 metric tons in 2010). The majority of about 2.5 millions small farmers 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 growing the trees on marginal land (low productivity), poor quality nuts and a lack of technical and business skills.

The African Cashew initiative, a public-private partnership, started 2009 to strengthen the competitiveness of cashew production and processing in Africa and to assist small scale farmers to increase their productivity.

Technical feasibility related to the management capacities of the farmers in combination with expected economic benefits and risks related to the proposed innovations determine adoption behaviour of farmers.

Trainings on good agricultural practices (GAP), including intercropping as well as integrated pest and disease management have been conducted in major cashew growing zones of five African countries.

Economic assessments of cashew production systems were established on the basis of collected data and interviews with resource persons using a standard spread sheet format provided by GIZ's Sustainable Cocoa Business programme. The major findings and recommendations of this study are:

1. Intercropping is a key factor for the profitability of the business. It allows higher incomes during the first years where the trees are not fruiting yet. It is therefore recommended to associate intercrops, respecting good agricultural practices, during the first six years after plantation. In general cashew production is not very capital intensive and thus valuable for small scale farmers. The combination of GAP applied in plantations established from improved (grafted) seedlings provides the highest benefit and is 8 times more profitable than the current “farmer’s practices” in West Africa.

2. As long as sufficient grafted seedlings are not available, using improved seeds is recommended. However, according to the location the potentially lower yield as major factor for improved productivity and hence benefit has to be assessed as maintenance costs for applying GAP remain and a low maintenance system would eventually be equally profitable.

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