Sub-Saharan Africa • Guinea

Sustainable Cashew Production in Guinea

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Sector • Agriculture
Enterprise Class • Small Producers
Summary

Guinea Conakry is referred to as the “water tower” of West Africa because twenty-two West African rivers have their origin in the country’s pastoral highlands, and the country has an average annual rainfall of 430 centimetres (169 inches). Guinea currently grows approximately 5,000 tons of raw cashew nuts per year, while it’s much smaller neighbouring country, Guinea-Bissau, produces approximately 80,000 tons per year. With climatic and soil conditions similar to Guinea-Bissau, and consumer demand increasing for cashews, Guinea has begun to focus on expanding cashew production.

Eighty percent of Guineans depend on subsistence agriculture for their livelihoods, although most of the agricultural production is rather rudimentary, and Guineans face many problems in exporting their products. International agencies have been lending technical and financial support to Guinean producers in order to enhance their competitiveness in world markets. Over the last three years, a Global Development Alliance Partnership between several Guinean cashew producing cooperatives, the government, USAID and Kraft Foods has been working to help Guinean farmers produce and sell cashews as a means to reduce poverty and secure a better economic future for the country. Guinea’s climatic conditions, fertile soil and long rainy season are all favourable characteristics for growing large, high-quality cashews.

The partners have worked together to provide technical support to community-based organizations. In the process, some 1,600 hectares of old cashew plantations are being rehabilitated, 12,000 hectares of new plantations will be made ready for cashew growing (including 2,800 hectares of small holder cashew plantations), improved seeds will be supplied, farmers’ associations strengthened and 1,600 farmers’ associations trained. The initiative has led to the creation of employment opportunities and improved incomes in the cashew sector.

Geographic and Climactic Context of Guinea

Guinea is located on the Atlantic Coast of West Africa and is bordered by Guinea-Bissau, Senegal, Mali, Ivory Coast, Liberia and Sierra Leone (see Figure 1). The country is divided into four geographic regions: a narrow coastal belt (Lower Guinea), the pastoral Fouta Djallon highlands (Middle Guinea), the northern savannah (Upper Guinea), and a south-eastern rainforest region (Forest Guinea). The Niger, Gambia and Senegal Rivers are among the 22 West African rivers that have their origins in the highlands of Guinea.

The coastal region of Guinea and most of the inland areas have a tropical climate with a rainy season lasting from April to November, relatively high and uniform temperatures and high humidity. In Conakry, the capital city, the year-round average high temperature is 29°C (85°F), and the low is 23°C (74°F). The city’s average annual rainfall is 430 centimeters (169 inches). Sahelian Upper Guinea has a shorter rainy season and greater daily temperature variations.
Policy Reforms

The Guinean government adopted policies in the 1990s to return commercial activity to the private sector, promote investment, reduce the role of the state in the economy and improve the administrative and judicial framework. Guinea has the potential to develop if the government can successfully carry out reforms and the formal private sector responds accordingly. The informal sector, comprised mainly of small businesses not registered at the Ministry of Economy and Planning, continues to be a major contributor to the economy.

Since 1985, reforms have included eliminating restrictions on agriculture and foreign trade, privatization of some parastatal companies, the creation of a realistic exchange rate, increased spending on education and cutting the government bureaucracy. Under the country’s 1996 and 1998 International Monetary Fund/World Bank agreements, Guinea continued fiscal reforms and privatizations, as well as expanded governmental reforms to the education, health, infrastructure, banking and justice sectors. However, cabinet changes in 1999, as well as increasing corruption, economic mismanagement, and excessive government spending, combined to slow the momentum for economic reform in the country.

Figure 1: Map of Guinea and Neighbouring Countries

The value of Guinean cashews in the global market is not necessarily a function of the costs to export. An increase in export tax, for example, does not tax the trade as a whole; it is paid by the farmer, generally the least able to afford a cut in income. Similarly, a cut in costs
increased port efficiency, which benefited the farmer. Any changes to the cost structure and value chain in Guinea affect the farmers. These examples highlight the importance of government policies in enabling, or hindering, exports in the cashew sector.

Global Cashew Market

Originating in Brazil, the cashew tree was spread by the Portuguese and is now grown in many areas of the world with warm humid climates. The seven largest cashew producers globally are India, Brazil, Vietnam, Tanzania, Ivory Coast, Nigeria and Guinea Bissau (see Appendix A). Although figures for total global cashew production are not known exactly (as information is closely guarded in this competitive market), the Food and Agriculture Organization gives the figure at approximately 1.4 million tons per year.\(^1\) India is by far the dominant player in the global market. Of all the raw cashew nuts produced in Africa, over 80 percent are exported to India.

Cashews grow on cashew trees and are produced at the bottom of the cashew ‘apple’ or ‘false fruit’ that is pictured below. The false fruits are of varied forms (cone-shaped, cylinder, and round) with colours ranging from yellow to red and pink. The cashew is actually the seed of the tree that is suspended at the bottom of the apple and is surrounded by a double shell that is removed before eating.

Cashew Production in Guinea

Guinea currently produces approximately 5,000 tons of raw cashew nuts annually – a small fraction of the output of its neighbour Guinea-Bissau which produces about 80,000 tons of raw cashew nuts, annually.\(^2\) Guinea’s potential for increased cashew production is significant, given its rich soil, favourable climatic conditions and adequate rainfall. In addition, Guinea exports primarily raw cashew nuts rather than roasted and processed nuts that are ready for consumption. Until recently, Guinea hadn’t focused on the potential growth in the cashew sector due to lack of government support, financing and coordination for market development.

Guinea’s cashew production is focused in two areas of the country: one around Boké in the north-west, and one around Kankan and Mandiana in the eastern highlands (see map, Figure 1). Other areas in between these two regions also grow cashews, but their output is not as significant as the two main areas.

\(^1\) USAID Nigeria (2002) Subsector Assessment of the Nigerian Cashew Industry

There are important differences between the two main cashew producing regions, including the climate, the altitude (300 to 400 metres) and biotic factors (far greater incidence of insects in the east). The nut characteristics of the two zones are different as well; the nuts from the eastern region are similar to those of Guinea Bissau, and those in the west are similar to the Ivorian cashew. The former yields more kernels per unit weight of cashew and are therefore more valuable.

The total area currently planted with cashew trees is not known, although the Société de Production et Commercialisation d’Entrants Agricole (SPCIA) has been gathering data from their extension staff equipped with GPS systems in order to record and monitor plantings. From the analysis of yields, however, SPCIA estimates that some 30,000 ha are currently planted with cashew trees. At an average farm size of three hectares, this would suggest that there are 10,000 farmers in the sector. The extrapolation between national production and the area of cashew production is, however, complicated by the import and export of cashews with neighbouring Guinea Bissau and Ivory Coast. There is trade in both directions, depending on prices, exchange rates and the current state of conflict in the Ivory Coast.

Guinea’s relatively low levels of country-wide cashew production can be partially explained by the history of the industry in the country. Under French colonial rule, the French introduced cashew trees and promoted cashew production. However, those endeavours were cut short when the French decided to leave Guinea following the refusal of the then Guinean President, Ahmed Sékou Touré (president from 1958 to 1984), to stay within the French sphere of influence. As a result of the French departure, many of the cashew plantations were left to grow wild. Fortunately, according to research cited by USAID as evidence of the potential for cashew production in the country, examinations of the aged cashew trees “shows that their quality and yield are among the highest world wide.”

Until the 1990s, there was little enthusiasm for cashew production in Guinea. During the 1990s, as Guinea opened up to external trade, the potential for cashews began to be appreciated. Donor programmes, looking for suitable opportunities to increase rural incomes also realized the opportunity and began to support the nascent trade. The production of cashews has generated enthusiasm in Guinea due mainly to its economic advantages derived from the sale of its nuts, which can substantially contribute to raising farmers’ incomes. Many communities are developing small plantations of trees. The rural populations of Guinea are increasingly aware that greater cashew production can help alleviate poverty in the country.

If output from Guinea were to grow to 60,000 tons of raw cashew nuts over the next ten years, the increase could be easily absorbed by the world market. At this level of production,

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the total value would be at least US$30 million at current prices and the farm gate value 
would be US$22.5 million per year. This represents a significant revenue stream 
(approximately US$225 per farmer) going to rural areas in remote and impoverished parts of 
the country. Furthermore, the increased trade would bring additional benefits such as 
improved transport flows and, therefore, access to markets for other products.

Challenges
The potential for increased cashew production in Guinea is clear. However, there remain 
many challenges facing Guinean cashew growers to turn this opportunity into reality.

MODERN PROCESSING FACILITIES
Guinea lacks many of the adequate processing units and post-harvesting and handling 
techniques\(^4\) that would allow for improved processing quality and reduced crop losses.

MARKET AND SUPPLY CHAIN COORDINATION
There is inadequate coordination in the supply chain between cashew producers and 
exporters. As a result, both sides of the sector fail to speak with a unified voice when it comes 
to defending their case in front of the government. A sound and cohesive advocacy policy of 
both producers and exporters in front of government officials and international agencies 
would help facilitate capacity-building on modern practices, export procedures and 
documentation. Another related challenge is the lack of access to market and price 
information.

BUSINESS ENABLING ENVIRONMENT
The government enabling environment (including duties and taxes levied in Guinea) is not 
helping as much as it could to make the cashew nut sector competitive. The enabling 
environment consists of lowering taxes and facilitating credit access. The lack of credit for 
producers and the difficulties related to having an available workforce are other challenges 
that impact the production of cashews. Also, lengthy and bureaucratic export procedures and 
government corruption tend to delay orders and result in canceled contracts.

QUALITY AND MARKETING CHALLENGES
In global markets, cashew nuts from Africa have been perceived as being of lower quality 
than cashews from India and Brazil.

AGRICULTURAL PRACTICES
In eastern Guinea, agricultural challenges include the transhumance of cattle, the high 
densities of plantations and insect related damages.

\(^4\) For example, to remove the shell from the cashew nut.
Areas where grazing animals, particularly cattle, are found suffer from trampling damage on young seedlings. The use of hedges and fences is encouraged but these solutions add further costs to production. Trees need to be properly spaced in order to maximize production and proper thinning and pruning is necessary. Most of the orchards and production areas are troubled by pests to varying degrees. Among the insects, stem and root borers *Plocaederus ferrugineus* and termites are the most common. The harm done by the borers is especially important in the areas of Boké, Kankan, Siguiri, and Dabola. As for the termites, their damage is more noticeable in the region of Boké. Among the methods used to fighting pests are the cleaning of orchards, fencing against domestic animals and containment of birds and wild animals. Insecticides are available but considered expensive and cutting and burning is often a preferred treatment.

**Global Development Alliance Partnership**

Given the challenges and the potential for further development of the cashew sector in Guinea, a partnership between Guinean cashew producing organizations, Guinean government organizations, USAID and Kraft Foods, a major US food distributor, has been developed. The objectives of the Partnership include the following:5

- Increasing the productivity of quality cashews
- Increasing marketing efficiency
- Improving the competitiveness of Guinean cashews and cashew products in local, regional and international markets
- Improving the well-being of farmers
- Promoting conservation of the natural resource base and biodiversity
- Mentoring and strengthening local government institutions, such as the Ministry of Agriculture and IRAG (the national agriculture research institute) in implementing field-based environmental and natural resource management
- Initiating monitoring and evaluation systems that measure the impact, effectiveness and sustainability of these activities

The Partnership was launched in late 2004 with a commitment of over US$1 million in funding including $500,000 from USAID, $500,000 from IRAG and SPCIA (a local agricultural support and export organization) and $250,000 from Kraft Foods.6 Frank Young, a spokesperson for USAID in Africa, says that this partnership “will provide cashew farmers

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6 Ibid.
with the training and tools needed to achieve sustainability, thus assisting the nation in moving forward as a whole.”

The Partnership built upon work that local cashew production organizations and USAID have been doing in Guinea to improve the production of cashew nuts. The activities of each partner organization are described below.

**Institut de Recherche Agronomique (IRAG)**

IRAG, Guinea’s national agricultural research centre, was established by the government in 1989 with a mandate to contribute to rural development through research on agriculture production and exports.8

**Société de Production et Commercialisation d’Entrants Agricole (SPCIA)**

SPCIA is a non-governmental organization that has been very active in promoting cashew production and teaching good agronomic practices. Much of the success of the promotion of cashew growing in Guinea is a result of efforts by SPCIA, which also deals in agricultural inputs and exports. It is difficult to manage training and support services efficiently in a sector with numerous farmers with very small holdings. However, with the assistance of SPCIA and other NGOs, farmers are coming together in groupements that can coordinate activities, share information and provide support to its members. There are now over 1,000 groupements. SPCIA undertakes a lot of training of cashew farmers and has been very active in teaching good agronomic practices.

**The Agro-Industrial and Commercialization Company (SAICO-AGRI)**

Founded in 1992, SAICO-AGRI operates with some 56 villages in the highland areas of Guinea, where the average orchard size is one hectare per farmer. Between 1992 and 2003, SAICO-AGRI helped with seeds and financing for 1,100 farmers to plant 1,250 hectares of cashews in 40 villages. SAICO-AGRI helps farmers source seeds and financing and helps farmers care for their trees. This has helped improve farmers’ standards of living with the generation of additional income.

**The Association for the Promotion and the Commercialization of Cashew and Papaya (APPROCCANP)**

This association is strongly involved in cashew nut production in the regions of Dialakoro, Kalinko (Dinguiray) and Bissikirima (Dabola) in Guinea. The Association is composed of 146 members (including civil servants, businessmen and farmers), of which 32 are women. Between 2001 and 2003, about 166 hectares of cashew orchards have been created by the members of this association in addition to a 26 hectare pilot-orchard that has been created at Sandanfara (Dialakoro). The association further plans to create a 36 hectare orchard at Sandanfara centre.

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7 Ibid.

8 For more information see the IRAG website [http://www.agricta.org/partners/irag/index.html](http://www.agricta.org/partners/irag/index.html).
The Organization for the Integrated Development of the Coastal Area (ODIL)

ODIL is a national NGO that contributes to the development of cashew production in the sub-district of Tougnifili (Boffa) in Guinea. The main activity of ODIL is the production and the distribution of cashew plants to farmers. ODIL claims to have supported planting of approximately ten hectares of cashews since 2003.

The Union of Cashew Producers of the Urban Commune of Siguiri

This Union of Cashew Producers has 205 members organized into eight groups in the areas of Saint Alexis, Siguiri Centre and Tiguibiri. The members help each other in cashew (and mango) production.

United States Agency for International Development (USAID)

Since 2002, USAID has been working with local partners in the cashew sector in Guinea. USAID’s contribution has primarily been through providing technical assistance for the rehabilitation of old plantations, the creation of 2,800 hectares of smallholder farmers’ cashew plantations and the commercialization of the cashew sector.

Kraft Foods

Under the Cashew Global Development Alliance Partnership with USAID and the local Guinean partner organizations, Kraft helped create a Chamber of Commerce for commercial cashew organizations in Guinea. Kraft also sent a representative to Guinea to work with the other partners to develop an overall commercial strategy for the cashew sector that included identification of promising cashew varieties, increasing yields and linking buyers and sellers.

Expanding Orchards and Production

In rehabilitating existing plantations, one of the first tasks was to improve the overall quality of cashew trees that were rather heterogeneous throughout the country, with the exception of high quality nuts being grown consistently in the districts of Gaoual, Boké, and Mandiana. A greater emphasis was placed on production from these areas, as well as transferring seedlings from these areas. At the same time, high quality seedlings were imported from Guinea Bissau and Ivory Coast. The Guinean Ministry of Environment for reforestation has also been testing new cashew trees from Mozambique.

The densities of cashews planted in some of the older plantations are often too high. However, with technical assistance from the partnership, farmers are working on pruning and spacing out the trees in high-density orchards and aged cashew plantations. In new plantations, trees are spaced ten metres apart, on average.

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The size of small family farms varies between one and five hectares. However, it is increasingly common to find larger plantations of between 30 and 100 hectares being operated by producer cooperatives or growing companies in the private sector. In some parts of the highlands of Guinea, it is common practice to plant cashew trees as “live fences” to protect fields and eliminate the problem of weeding that is found in orchards. These trees, like trees on smaller or larger farms, need to be pruned yearly to ensure proper spacing and maximum production.

Local Processing

Until recently, almost all of Guinea’s annual production of cashews was exported in bulk to India. These cashews were then processed in India and sold to markets in Europe and North America. One of the aims of the Global Development Alliance Partnership is to identify how Guinea can process and add value to its own cashews and export them directly to western companies and markets.

Information from USAID describes the ongoing actions and goals of the Partnership to develop an efficient cashew production and marketing supply chain in Guinea. Goals include the following:

- Rehabilitating 1,600 acres of old cashew plantations
- Supporting the planting of cashews on 12,000 acres of new plantations
- Supplying inputs including approved seeds
- Strengthening farmers’ associations
- Training 1,600 farmers’ associations in cashew harvest, post-harvest, handling and conditioning techniques.

Traditionally in Guinea, raw cashew nuts were processed by burning them over a fire, smashing them open with stones and selling packages of them in markets or on the street. The partners are looking at importing and transferring modern cashew production technology from Brazil and India to allow greater local processing and improved product quality.

The modern processing industry in Guinea is tiny, with less than five tons likely to be processed in 2006/07. The processing industry is likely to remain small until there is a significant investment in processing plants. The three units currently operating (see Figure 2) are not set up for large-scale processing and are aimed at the small domestic market.

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10 Examples include companies such as SPCIA (an agricultural support and export organization), SAG-Sigui, ACG-FRIA, producers’ organizations (APPROCCANP-Dinguiraye) and leading farmers (MOU-NACAOJOU-Kouroussa).
11 Ibid.
Incomes for employees of cashew processing enterprises are calculated on the basis of throughput with a penalty for breaking kernels. At the shelling stage, the staff members are paid from 1,500 GNF/kg to 2,000 GNF/kg (US$0.27 to $0.36 per kg) for whole kernels, depending on the processor, and from zero to 500 GNF/kg (US$0.00 to 0.09 per kg) for broken kernels. Similar rates are paid at the peeling stage. At best shelling rates (up to 100kg of raw kernels per day with 75 percent whole kernels), an employee could make US$5.85 for one day’s work. In practice, however, it is difficult to maintain this level of production.

**ANALYSIS OF THE FEASIBILITY OF LOCAL PROCESSING**

If the entire Guinean cashew crop of 2006, approximately 5,000 tons, had been exported, the value would have been approaching US$2.5 million. If the equivalent quantity had been shelled and exported as processed kernels the value would have been over US$4 million. At least 40 percent of this increase in value would have been paid in labour and wages.

Too often the economic desirability of an initiative is confused with financial viability, as a number of failed cashew processing projects in Africa can attest. While a number of the failures can be attributed to ill conceived capital intensive units or to political interference or even (as in Ivory Coast) civil unrest, it is also clear that it is not easy to compete with the Indian processing industry. Cashew processing plants aiming to supply the international market must compete at four levels: cost, finance, processing efficiency and marketing.

In terms of cost, the savings on processing cashew nuts in Guinea rather than exporting the raw cashew nuts to India (with all the port costs and freight charges) may justify local processing.

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12 RCN = Raw cashew nuts (nuts still in their shells)
With regard to finance, the situation is less attractive. Raw cashew nuts are an expensive feedstock for a factory, and with a relatively short harvest season in Guinea, the factory must purchase and finance a year’s supply within two or three months. For a medium-sized processing unit (processing, for example, 2,000 tons annually), this represents an outlay of perhaps US$800,000 which must be financed with only a gradual revenue stream as stocks of processed kernels are accumulated and sold. Such constraints do not apply to Indian processors: there is an initial year-round supply from domestic production and then more from imports from East and West Africa. The hypothetical Guinean processor would be burdened with financing stocks at an interest rate of 19 percent or higher.

On the question of processing efficiency, there is no reason why a plant located in Guinea could not achieve efficiencies equivalent to the Indian factories. However, it would take some time to reach a comparable level of efficiency, and this would add to the cost.

Finally, with marketing, it must be understood that a new entrant to the processed cashew market, which is dominated by relatively few sellers, would most probably suffer a discount to the prices achieved by established factories. The kernel importers will discount a new seller to allow for the risks involved in quality and reliability. Only when a sufficient reputation has been achieved will parity in price be likely.

It is also important to understand that the shelling of cashews leads to a range of grades of kernel. In order to be profitable, the factory must sell its entire output. The importers do not want to sort a shipment; they want to require full container loads of single grades. For the small unit it may take some time to accumulate sufficient stocks of one grade in order to fill a single container. In addition, the factory will be left with small quantities of a number of different grades that are less desirable to a highly selective market such as Europe.

The major processing countries - India, Brazil and Vietnam - all have substantial enterprises producing large volumes of each grade in place, but, more importantly, they also have outlets for the inferior grades (for more information see Appendix B). In India, the domestic market provides a strong demand for all grades, while in Vietnam, both the local and the Chinese markets can absorb large quantities of product. Brazil has a good domestic demand, and the United States market is less selective of grades than the European Union. Brazil enjoys cheap raw material because the trade is protected. In Africa, however, there is very little consumption of cashews of any grade. Without sales of the inferior grades, the profitability of a processing unit is doubtful.

There are no straightforward solutions to these challenges. Where processing is moving ahead in Africa, it is either a consequence of substantial inward investment (for example, from the international trade house Olam in Ivory Coast, Benin and Tanzania), or, in the case of
Mozambique, it is the result of a concerted effort by an NGO, TechnoServe, local entrepreneurs and a Dutch nut dealer, Global Trading.

The investment climate in Guinea is not attractive to inward investment, and, with the present small production, it seems unlikely that a potential investor would choose Guinea for locating a processing plant. The Mozambique model is interesting, and it is showing good signs of growth, but there is a history of processing in Mozambique, which is lacking in Guinea, and Global Trading is unusual among dealers in its support, time and effort for a fledgling industry.

With two of Africa’s largest cashew producers, Ivory Coast and Guinea Bissau, on either side of Guinea, each with a small processing industry, there may only be limited short-term opportunities for Guinea to export processed cashews in the regional markets. However, both Guinea Bissau and Ivory Coast have existing exporters dealing with Indian companies and these relationships may be valuable to Guinean producers wishing to increase exports.

Development Impact

Improving Guinea’s production and marketing of cashews still has the potential to improve incomes and livelihoods of smallholder farmers who typically own one to five hectares of land. Farmers benefit from increased exports as they retain approximately 70 percent of the value of exported cashews (see Appendix C). There will, however, be good years and bad years, and a diversified production system is imperative. The intercropping of cashews with a range of other crops during the early years of planting is an important contributor not only to cash flow, but also to the food supply in rural areas.

Increased export profits can also improve the economy of Guinea and generate much needed foreign exchange earnings. An export market can be created by selling to either Guinea Bissau or Ivory Coast, where a number of exporters dealing with India can be found. Environmentally, cashew trees are suitable for reforestation projects, because they are wind and fire resistant. Cashew trees also make good “live fences” to protect fields.

Opportunities for Replication & Scaling Up

Commercial cashew production is now occurring spontaneously, just as the international programmes of intervention in Guinea are winding down. Production has reached about 5,000 tons (with a peak of 10,000 tons in the 2005 season) and is set to grow further as new plantings begin to produce. The sub-sector, therefore, stands at a crossroads: there is a certain momentum to growth, but it is not clear where the sector should go next.
The Global Development Alliance initiative, through its partners and projects, has provided much support to the sector. With that support coming to the end of its intended span, the sector requires a forward looking plan for the next phase of its development. In all of the interviews with farmers and traders in the main producing regions there was a lively enthusiasm for the cashew. While this might suggest a vigorous growth in cashew output for some time to come, there are constraints such as pests, labour shortages and lack of marketing that could cause the progress to falter. Therefore, a strategy has been set up that identifies the activities that will assist in the advancement of the sector. A business strategy must combine the capabilities of the farmers and support organizations with an understanding of the environment in which the sector operates.

Kraft Foods has contributed to the Partnership both financially and in technical expertise in devising a commercial strategy for the cashew sector and helping to organize a cashew Chamber of Commerce in the country. The success of Kraft Foods’ involvement in Guinea has led USAID to invite Kraft to expand and replicate its involvement to the other major cashew producing countries in Africa. USAID is also expanding assistance to African cashew producing countries by creating the African Cashew Alliance, an industry body that promotes the African cashew sector from production to consumption. To date, Kraft Foods is the only US company that has been invited to be a part of the African Cashew Alliance. Ultimately, these partnerships seek to improve cashew production globally and ensure improved benefits to Guinean and other African producers, while simultaneously protecting the natural environment.

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Interviews

Souma, J. Director, IRAG. November 2006.


Kane, Mamadou. CEO, SPCIA. November 2006.


Regional Meeting on the Development of Cashew Nuts’ Exports. Cotonou, Benin. 23 to 26 July.
Appendix A: Estimated Commercialized Production of Cashews in 2005

Source: Activités de Renforcement de la Commercialisation Agricole (ARCA-Guinée)
Appendix B: Cashew Processing Capacity and Import Requirement

<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated Production Tons RCN/year</th>
<th>Estimated Processing Capacity (functional(^{14})) Tons RCN /year</th>
<th>Import Requirement Tons/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>360 000</td>
<td>900 000</td>
<td>540 000</td>
</tr>
<tr>
<td>Brazil</td>
<td>180 000</td>
<td>220 000 (180 000)</td>
<td>Occasional</td>
</tr>
<tr>
<td>Vietnam</td>
<td>340 000</td>
<td>400 000</td>
<td>50 000</td>
</tr>
<tr>
<td>Indonesia</td>
<td>87 000</td>
<td>20 000</td>
<td>None</td>
</tr>
<tr>
<td>Others</td>
<td>550 000</td>
<td>(20 000)(^{15})</td>
<td>None</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1 517 000</strong></td>
<td><strong>About 1 520 000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Trade sources and Kane/ Jaeger estimates 2006

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**Indian Imports of Raw Cashew Nuts**

![Graph showing Indian imports of raw cashew nuts from 2001 to 2005 by region: Asia, E Africa, W Africa.](image)

Source: Indian DGCI & S

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\(^{14}\) The number in brackets in the table refers to the processing capacity which is actually employed rather than the total processing capacity which includes units that are not currently operating (for example, because of bankruptcy).

\(^{15}\) The installed capacity is many times greater, and units are sometimes brought back into operation and are other times idle. The figure is very vague.
Appendix C: Break Out of Total Cashew Export Costs
(assuming 7,000 tons and a farmer price of 1,800 GNF/kg\textsuperscript{16})

\begin{center}
\begin{tikzpicture}
\begin{axis}[
    width=\textwidth,
    height=0.5\textwidth,
    xtick={0,0.32,0.64,0.96,1.28},
    xticklabels={Farmer Price, Interior to Collection Centre (Kankan / Boke), Collection Centre to Conakry, Exporter costs (warehousing, bagging, shortage, finance, margin), Warehouse to FOB},
    ytick={0,0.5,1.0,1.5,2.0,2.5,3.0,3.5,4.0},
    yticklabels={0.00, 0.50, 1.00, 1.50, 2.00, 2.50, 3.00, 3.50, 4.00},
    grid=major,
    enlargelimits=false,
]
\addplot[fill=blue!20] coordinates {(0,2.29) (0.32,2.29) (0.64,0.32) (0.96,0.19) (1.28,0.18) (1.28,0.00)};
\end{axis}
\end{tikzpicture}
\end{center}

Source: Kane and Jaeger calculations on interview data 2006

\textsuperscript{16} A farmer price of 1,800 GNF/kg would equate to an FOB value of US$470/ton.
September 2007

The information presented in this case study has been reviewed and signed-off by the company to ensure its accuracy. The views expressed in the case study are the ones of the author and do not necessarily reflect those of the UN, UNDP or their Member States.

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