



Are you interested in learning more about the ACi?  
 Would you like to help creating a sustainable cashew value chain in Africa?

Please see the ACi webpage for further information:

<http://aci.africancashewalliance.com/>

and do not hesitate to contact us at:  
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Photographs: Lazman Dhakal, ACi, SAP

# The African Cashew initiative (ACi)

## Summary Annual Report

2010 / 2011



September 2011

Implementing Partners



# The African Cashew initiative (ACi)

## Introduction



ACi Executive Director Rita Weidinger

Dear Reader, dear friends of the African Cashew sector, I'm overwhelmed by the successes the African Cashew initiative (ACi) and its team has achieved since we have started our work in 2009 and I'm proud to present to you this brochure which summarizes these achievements. We at ACi and our partners believe that the best way to achieve a truly sustainable reduction of poverty in Africa is to empower people with the knowledge and skills they need to improve their lives on their own. Our focus is therefore on a competitive and growing cashew industry linked to international markets and offering farmers, workers and entrepreneurs in rural areas the chance to profit from one of Africa's great natural resources—the cashew nut. To achieve that we rely on the support of our partners from the private and public sector and their expertise. This exchange and mixture of experiences makes this project unique and special—and last but not least successful and replicable. Please read on to learn about what we have done and what we want to achieve further. I wish you a fruitful and interesting ACA Annual Conference 2011. Warm regards,

*R. Weidinger*



The main objective of the project 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. ACi focuses in an increase of local cashew processing and on increasing the income of cashew farmers. Generally ACi addresses each component of the cashew value chain:

- Force I: **Sustainable growth in production and farming income:** Increase efficiency, quantity and quality of primary production;
- ⇒ Additional annual income of a minimum of USD 15 million will be generated for 150,000 cashew producers, i.e. a minimum of 100 USD increase in the cashew-related income per family.
- Force II: **Sustainable success in local processing:** Increase quality and quantity of cashew processing;
- ⇒ The project will contribute to create employment for 5,500 persons - mainly women - in processing leading to an annual income of USD 5 million for these employees, or USD 900 per household.
- Force III: **Sustainable Supply Chain:**
  - Improve market linkages along the value chain and promote African cashews;
  - Establish an enabling environment for increased processing and production of cashew and value addition in Africa;
- Identify and analyze learning areas and implement innovative projects on pilot basis.

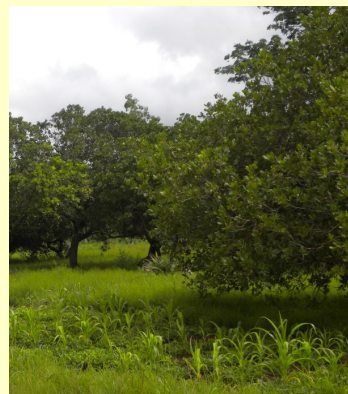
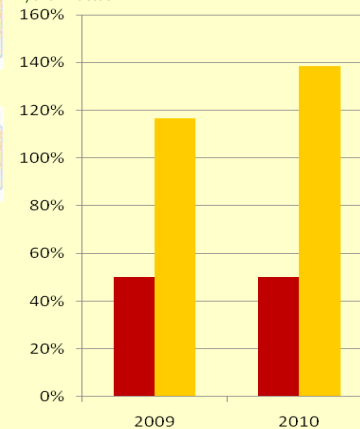
# The African Cashew initiative (ACi)

## Sustainable supply chain

ACi sees itself in the sense of its name: it is an initiative that starts up activities which have to be embedded in sustainable transition and exit strategies. The institutional building of the **African Cashew Alliance** as a strong stakeholder platform for whole Africa is one important part of these strategies. ACA has grown and became a well-known member in all international cashew platforms and institutions over the past years. Its number of paying members is significantly increasing.



ACA membership figures (red: planned; yellow: actual).



ACi is piloting a number of **innovative pilot projects**. In Ghana and Benin women have started **bee-keeping** activities in the cashew plantations. Many training modules are transferred in **radio programs** and wide spread to the rural population as local radio stations are the most used media in Africa by farmers. To support food crops production **intercropping** on cashew plantations became a very effective part of the trainings for farmers. And last but not least ACi is active in the **construction and management of warehouses** to fill gaps in the supply chain of cashew nuts.



# The African Cashew initiative (ACi)

## Sustainable supply chain

One of the most important activities in the sustainable supply chain component of ACi is the establishment of an **operational and functional stakeholder platform** in each of the project countries. These platforms can steer a process which creates an enabling environment for the cashew value chain.



- **National Committee:** 5 cashew value chain representatives, support from the government; support by 1 National secretary (ACi/ACA);
- **Activities:** Draft of the statutes of national platform developed; National committee has organized preparatory workshops for the cashew season in order to promote linkages between processors and farmers.
- **National Committee** composed by 12 persons representing entire value chain; support by 1 National secretary (ACi/ACA);
- **National Representative** of ACA for Benin: Georgette Taraf (processor);
- **Activities:** First Journée Cajou au Benin with 150 participants organized by Nat. Com. in Apr. 11; Steps to set up a national industry body are ongoing.

- **National Committee:** 9 private sector representatives (farmers, processors, traders, service providers) ; support by 1 National secretary (ACi/ACA);
- **National representative** is the former head of the cashew development program of Ghana's Ministry of Agriculture.
- **Activities:** Meeting for national strategy development; formation of cashew body; ongoing re-activation of existing cashew processors' association for it to become national industry platform.



- Existing "inter-profession" called **Intercajou** (financed by a levy on RCN exports) → tension between board members lead to lawsuits
- **National Committee since 2009** composed by eight members from both private and public sector
- **Activities:** Organization of the 4<sup>th</sup> annual ACA conference in Abidjan in Sept 09; political crisis limited activities in 2010 and 2011

- **AICAJU (former processor platform)** represents ACA → in the course of modification to an overall national industry platform with support from Brazilian consultant (ACi/ACA);
- **Executive secretary** managing the organization and leading structural changes;
- **Activities:** Development of work plan, including structuring of the organization, new activities and services for their members.



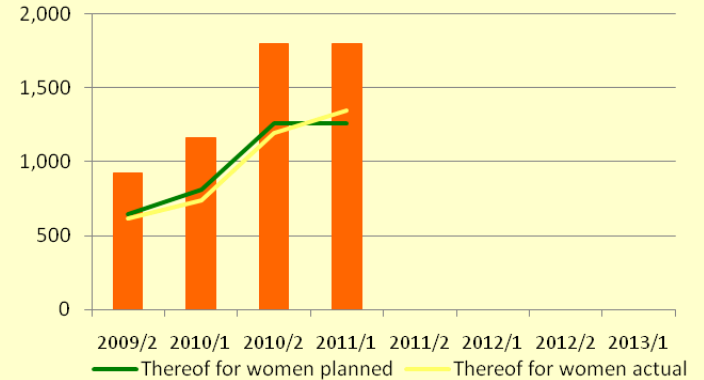
# The African Cashew initiative (ACi)

## General Poverty assessment

### Newly created jobs and Training for farmers on better agricultural practices

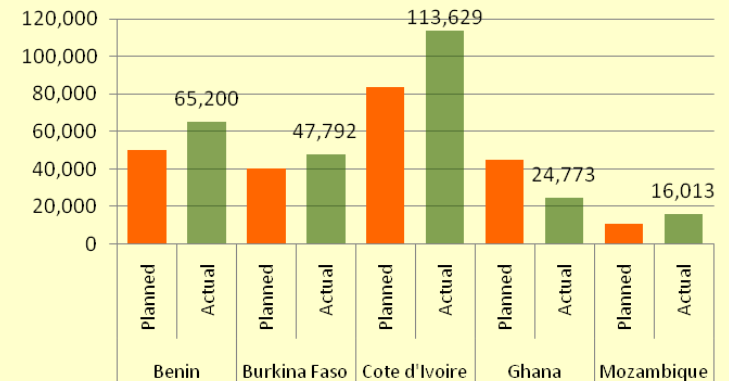
ACi has so far **created nearly new 1,700 jobs**, 75 % of the persons who have additional income from their new jobs are women.

#### Number of newly created jobs:



ACi has **trained over 180,000 farmers in all three major modules on better agricultural practices** to improve quality and quantity of the Raw Cashew Nuts (RCNs) and increase thus the cashew farmers income.

#### Number of total farmers trained per ACi country:



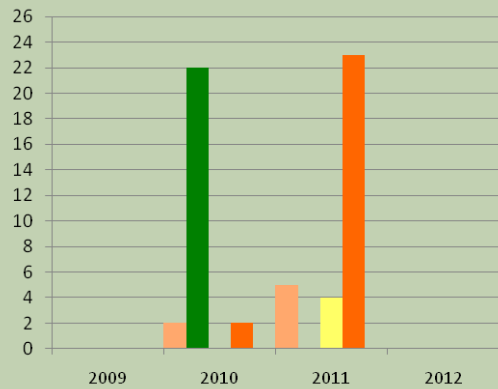


# The African Cashew initiative (ACi)

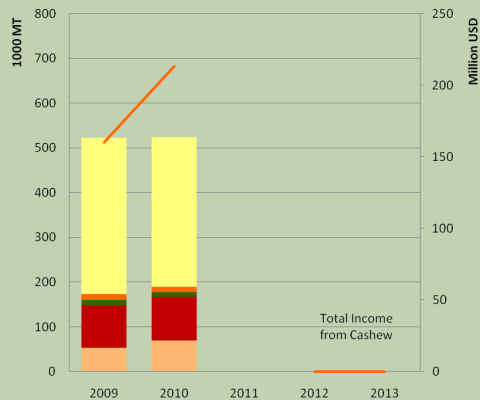
## Production giz

Soon after the first phase of farmers' trainings on Good Agricultural Practices in 2009/10 it became clear to the ACi experts that the adaption of training contents might increase quality and quantity of RCN only up to certain extent. In order to make the real difference, farmers need **improved planting material** to increase the yield potential of their plantations. Only when the vegetal material is of good quality, a farmer may increase the harvest significantly.

ACi has established over 50 **nurseries** in the four Westafrican countries and supports governmental managed nurseries in Mozambique and has distributed more than 500,000 cashew seedlings to farmers. Over 500 persons have been **trained in grafting techniques**. Number of nurseries established:



Legend: Benin (orange), Burkina Faso (green), Cote d'Ivoire (yellow), Ghana (red), Mozambique (dark red)



The **income of cashew farmers** has increased over the last three years. The graph on the left side shows the volume of RCNs in MT per ACi country (columns) and a significant increase of income (line) in 2009 and 2010.

Comment/explanation:

- ⇒ 600-800 kg total yield/farmer;
- ⇒ 10-20 % increase in productivity;
- ⇒ Farmgate price: 0.45 US\$ (2010); 0.75 US\$ (2011)



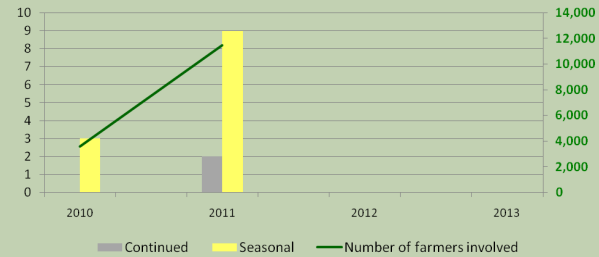
# The African Cashew initiative (ACi)



## Sustainable supply chain

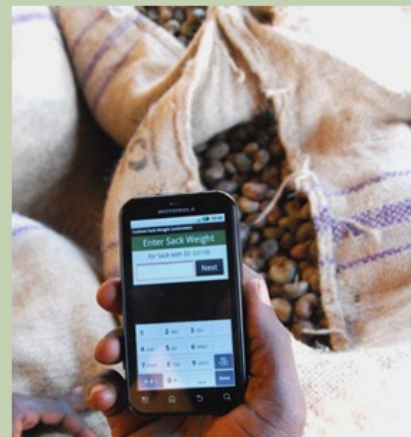


**Certification for speciality markets** can bring farmers extra income—in addition to the premium payment they receive the speciality market also offers higher prices for raw products. Nearly 19,700 farmers have been organized in speciality market FBOs, 9,000 farmer have been fair trade certified. About 2,900 MT of fair trade RCNs have been traded through organizations supported by ACi/FairMatchSupport.



ACi is successfully establishing **long-term linkages between FBOs and processors**. The graph left shows the number of linkages, its seasonality and how many farmers are involved.

The **SAP-ACi partnership "Virtual Cooperatives"** intends to provide solutions related to market linkages and transparency within the Cashew production and processing value chain. **Information and Communication Technologies (ICT)** provide the means to enhance the productivity of Cashew farmers, to strengthen farmer cooperatives, and to enable them to do collaborative business with the established economy in a transparent and sustainable way. A 'Living Lab' has been successfully established at the Wenchi Cashew Farming Cooperative in Brong Ahafo, Ghana. End user workshops have been conducted to validate use cases for Cashew sales and logistics, design and functionality of the software applications and to raise stakeholder awareness of ICT potential. 400 farmers in 5 participating buying stations have been registered. All together more than 100 tonnes of raw cashew nuts have been traded via the system.



Photos: SAP

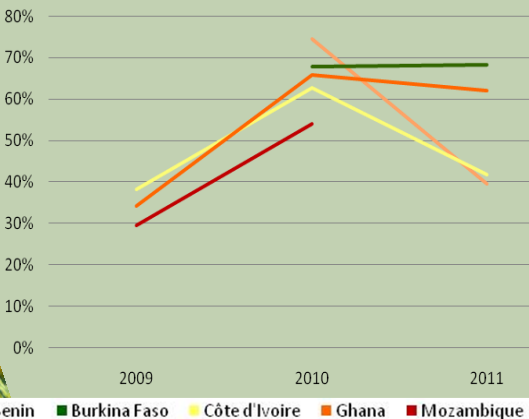


# The African Cashew initiative (ACi)

## Sustainable supply chain



ACi aims to achieve a long-term relationship between FBOs and processors and to create transparency on an environment that enables quality and investment in the African cashew sector. The higher the percentage of farmers income during the processes of the cashew value chain is the more they will be willing to have loyal contractual relationships. The graph shows



ACi has risen awareness on the positive impact of **Farmer Based Organizations (FBOs): over 10,000 farmers became members of FBOs.** The project offers institutional development consultancy creation of new FBOs. ACi has developed a five-star model for the establishment of strong and participatory organizations which offer farmers a stronger bargaining position to increase their income.

to existing FBOs and supports creation of new FBOs. ACi has developed a five-star model for the establishment of strong and participatory organizations which offer farmers a stronger bargaining position to increase their income.

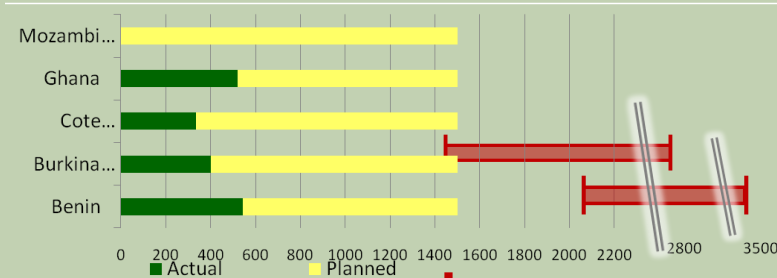
- ★ Farmers organized for trainings;
- ★ ★ Farmers organized for bulk selling;
- ★ ★ ★ Farmers linked to processors/export;
- ★ ★ ★ ★ Farmers certified for specialty markets;
- ★ ★ ★ ★ ★ Fully functional in administration and as service provider for its members, and bankable.



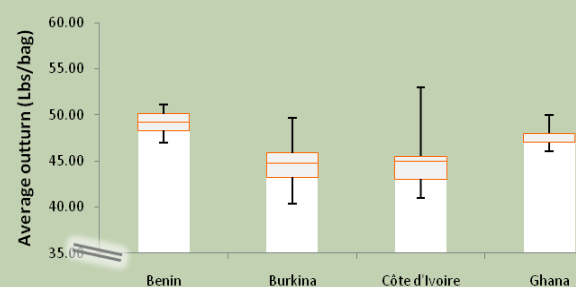
# The African Cashew initiative (ACi)

## giz Production

ACi wants to increase the **average yield of RCNs** in its African project countries. In the beginning of the project one tree was producing three to four kilograms. Cashew farmers however could harvest up to 15 kilograms per tree through adapting good agricultural practices (to a certain extend) and especially through using improved planting material. The following graph shows the volume of RCNs in kilograms per hectare (70 trees per hectare) of cashew plantation.



Mother tree yield range (under assumption of 70 trees/ha)



The KOR calculation is a quite elaborate way to check and measure the quality of RCNs. ACi is offering trainings to farmers and processors to pass the **message**:

### 1 OUT TURN

In general Out-turn means the amount of usable kernels after de-shelling the nuts. It is expressed in lbs quality, which just means the weight of **useful kernels** weighed in pounds in one 80 kg jute bag of RCN. Out-Turn can also be called KOR (Kernel Output Ratio) or kernels output.

For the processors, all reasoning connected to the purchase and the processing of cashew nuts are conducted on the base of a 80 kg-nuts bag and of a weight of kernels expressed in pounds (lb).

Thus the productivity Ra becomes the Out-Turn with the following conversion:

**Out-Turn = % of useful kernels / 100 X 80 X 1/ 0, 45359**

**GOOD QUALITY = GOOD PRICE!!**

Example: An **Outturn** of 49 lbs/bag of 80 kg means that the processor has 49 lbs (22.2 kg) of usable kernels per bag of RCNs.

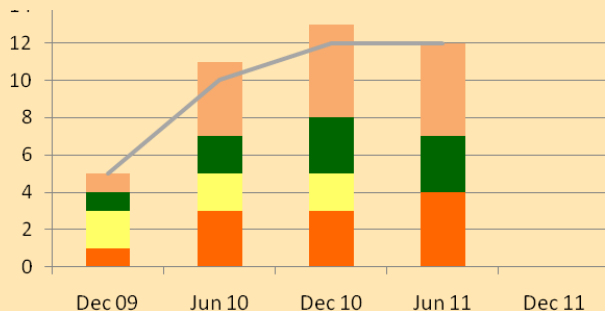


# The African Cashew initiative (ACi)

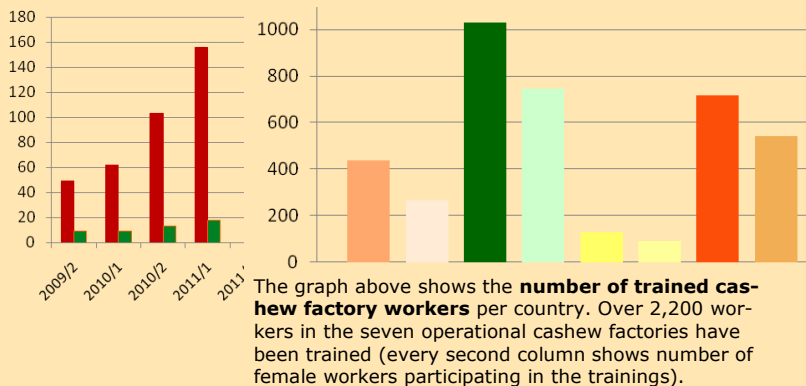
## Processing



**13 processing factories are currently receiving support from ACi.** While seven of them are currently operational, all of them have bought RCNs (a total of 9,000 MT) and will be functional by end of this year. The below graph shows the number of ACi processors per country (columns) and the number of **completed business plans** elaborated in cooperation with the factory managers (line).

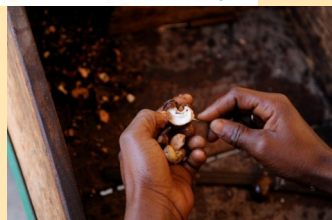
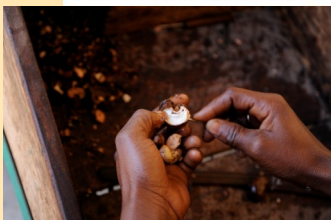


ACi is **training the management staff of cashew factories** in the four Westafrican project countries. Until present more than 150 persons have been trained. ACi is working on a gender strategy to increase the number of female factory managers. The graph (below left) shows the number of management staff in cashew processing factories trained (every second column shows number of female workers participating in the trainings).



The graph above shows the **number of trained cashew factory workers** per country. Over 2,200 workers in the seven operational cashew factories have been trained (every second column shows number of female workers participating in the trainings).

Benin Burkina Faso Côte d'Ivoire Ghana Mozambique



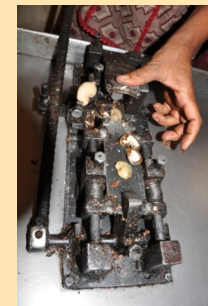
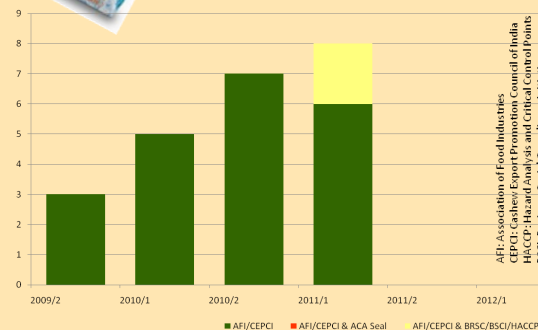
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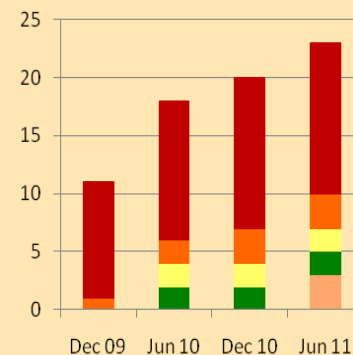
## Processing



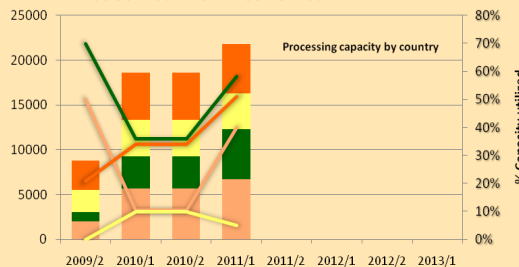
ACi is working on how to create additional income by using **cashew by-products**. Currently intensive activities on the production of cashew apple juice and the Cashew Nut Shell Liquid (CNSL) are on-going in Benin and Burkina Faso. These pilot project will be replicated in all ACi countries.



All ACi supported processing factories meet the AFI **quality standard**. The achievement of higher standards and the implementation of the ACA seal as a food safety and quality standard is on-going (Graph: Number of processors achieving which standards).



**Financing** is crucial for African processors. ACi is supporting them and is working on making the cashew sector attractive for banks. **Nine processing units have received full financing** up to now thanks to ACi/ACA interventions. (Graph left: no. of processing units per country who have received full financial support thanks to ACi interventions).



21,000 MT is installed, around 40 % of this capacity is utilized at the moment.