



Founding Members



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African Cashew Alliance

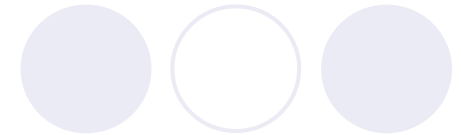
Annual Report 2006/2007 2007/2008 Activity Plan



Promoting African Cashews Worldwide

September 2007

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African Cashew Alliance has its bank account with FIM Bank, Malta

Financial auditor: KPMG Ghana

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African Cashew Alliance - Overview

Cashew Sector in Africa

Africa produces more than one-third of the world's cashews, grown by approximately one million cashew farmers, and currently creating an estimated revenue of US \$ 347 million value FOB for the continent. However, 87% of the product is exported unprocessed to India and Vietnam - where the value almost doubles through processing - and then is subsequently exported to the US and European markets.

Cashew processing is a labor-intensive activity, providing employment for approximately 380 people per 1,000 metric ton (MT). If Africa's entire 642,000 MT of 2006 annual cashew production was processed locally, this would create at least 245,000 new direct jobs in mainly rural areas, as well as possibly more ancillary jobs supporting the factories (packaging, transport, equipment, services, etc). A local processing industry also could play a role in stabilizing farm gate prices for cashew farmers, as well as stimulating them to improve the current quality and low yield in order to receive better prices.

African Cashew Alliance

The African Cashew Alliance (ACA) promotes the African cashew industry from production to consumption. The ACA enables cashew stakeholders to capitalize on the sector's potential for economic growth and employment, increasing cashew farmer income and processing capacity, boosting exports, developing the overall growth of the cashew industry and promoting African cashews internationally.

The African Cashew Alliance works to increase the competitiveness of the African cashew sector.

Objectives:

- Increase farmer revenue
- Increase processing capacity, consistency and quality
- Improve economic and regulatory environment of the cashew sector
- Promote African cashews internationally

The ACA brings stakeholders together internationally and across Africa to work on improvement of quality standards, increased investments, training and access to market information. As an international and pan-African industry organization with support from private and public partners, it is promoting African cashews and creating synergies on the ground. ACA has received support from international companies like Kraft, Olam and Ahold, and from public organizations such as USAID, GTZ and SNV.

Letter from ACA's Executive Committee President

August 31st, 2007

Dear cashew colleagues,

We African cashew stakeholders need to organize ourselves to draw on each of our experiences in order to compete together in the international marketplace, and to create value in the cashew business.

Under the umbrella of the ACA, cashew processors have begun to exchange techniques and best practices. Producers from different countries now share information about improving harvest and post-harvest practices. ACA fosters this environment and is proposing new activities to further develop the sector. However, the ACA depends on you to use the information and activities to strengthen the African cashew sector.

The readiness of each country or organization will put them a step ahead with their competitiveness. But we also need to think as a continent when presenting the African cashew sector so we can achieve the critical mass to make a mark in demanding markets. A proactive mindset of each of you is crucial in making this process successful.

This report summarizes activities undertaken during the ACA's first year and gives an overview of the ACA's plans for 2007-2008.

We look forward to your continued support and involvement.

Best regards,



Carlos Manuel de Sousa Costa
President ACA Executive Committee



ACA Executive Committee

- Carlos Costa - ACA President: chairman of the Mozambique cashew association AiCaju
- Robert Yapo - Vice President: heads the Sustainable Tree Crop Program in Cote d'Ivoire.
- Massogbe Toure - Vice President: director of SITA, a cashew processor in Cote d'Ivoire
- Kees Blokland - Officer: director of Global Trading, an international nut trader
- Ashok Krishen - Officer: Managing Director of Olam International

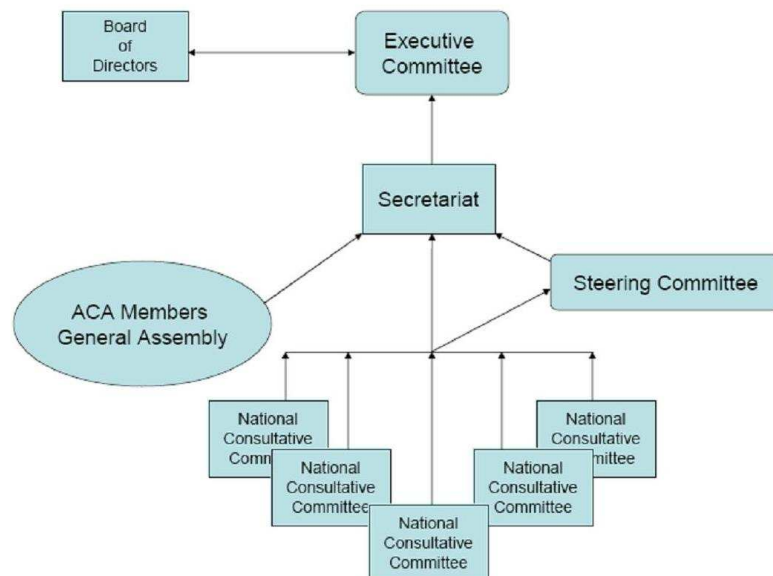
ACA Organizational Structure

The **Executive Committee (EC)** creates strategy, provides direction and industry information. The EC has a networking and fundraising role and promotes ACA membership. The EC meets twice a year and is elected for two year terms by the General Assembly. The EC consists of 5 cashew stakeholders representing producers, processors, international traders.

The **Board of Directors** consists of delegates from organizations providing more than USD \$50,000 of funding per year. The Board has voting rights regarding the use of the ACA funds and provides guidance on ACA programming.

The **Secretariat** manages program development and implementation, and is responsible for the daily ACA operations, including activities, event management, marketing & promotion, communications, elections, membership and fundraising.

The **Steering Committee** provides input and is responsible for presenting proposals and country-specific information to the Executive Committee. The Steering Committee members are responsible for relaying information and promoting ACA for 3 year terms. Members include 3-5 international marketers, 1 research expert, 1 elected/chosen country representative. Country representatives come from each of the 14 African cashew producing countries who are elected out of country level



ACA National Consultative Committees: Each country is responsible for organizing a national ACA body, or for using existing structures to disseminate ACA information, and for organizing elections of a national representative. Each country must elect one person to represent national stakeholders in the Steering Committee. National representatives are elected by the national consultative committee for 3 year terms. The Executive Committee can request a new election if the country representative is inactive or counterproductive

ACA Members: Members are individuals or private or public institutions involved in the cashew sector, who pay an annual membership fee. Registered members can participate in the General Assembly, held every 2 years, to review ACA activities and elect the Executive Committee.

ACA Ambassador

In March 2007, H.E. Former President of the Republic of Mozambique, Joaquim Chissano became ACA's first Ambassador. Mr. Chissano served as Mozambique's president from 1986 to 2005. Since stepping down, he has been involved with the UN and other organizations to support the political, social, economic and cultural development of Africa.

Mr. Chissano helps broaden knowledge about the African cashew sector and assists ACA to promote and lobby for improved policies to increase the competitiveness of the African cashew sector.



H.E. J.A. Chissano

ACA Partners

USAID's West Africa Trade Hub has managed and funded the ACA Secretariat throughout its first year of operations. This was done in partnership with the following organizations who funded and/or contributed to the realization of ACA activities:

International Experts Presentations & Technical Assistance: AICAJU, Global Trading, GTZ, IESC, Olam, SITA, STCP, TechnoServe, Western India Cashews

ACA Secretariat staff: Olam

Country cashew meetings: ADRA, AICAJU, Cashew Development Project, Central Bank of Nigeria, GTZ, NEPC, Olam, SAGIC, SNV, TechnoServe, TIPCEE, Wula Nafaa, US Peace Corps, Ernst & Young

Regional market study: Comafrique, IFAD/ PAMER, GTZ, NACC, Olam, US Peace Corps, SNV, USAID Mali, TIPCEE, WATH-Dakar

Multiple other organizations provided input and support to ACA activities.

ACA Activities 2006/2007

The ACA Secretariat began full operations in June 2006, working on the establishment of the organization, international and regional promotion of the ACA and African cashews, dissemination of information, training, and fostering a favorable environment for the cashew sector.

A) ACA Structure, Governance & Identity

- Developed a logo, PR material and business cards.
- Registered ACA as a non-profit organization in Ghana and opened a bank account.
- Initiated a membership & contribution program, with registration through the website receiving 40 applications in 2 months.
- Created an ACA database of 900+ contacts.
- Endorsed “The Memorandum of Understanding” with signatures from the founding members.
- Formed National cashew committees in Benin, Guinea Bissau, Senegal, Burkina Faso, Nigeria and Mozambique during their national meetings.
- Held three meetings with the ACA Executive Committee and Board of Directors. Throughout the year multiple informal meetings were held with founding members, EC-members and the Board of Directors.
- Announced Former President Chissano of Mozambique as the ACA's first ambassador.

B) International & Regional Promotion of African Cashews

- Exhibited at and participated in the Peanut & Tree Nut Processors Association annual convention in Arizona, USA.
- Participated at the International Nut & Dried Fruit Council Annual Convention in Spain and the Annual Convention of American Food Industries in Florida, USA.
- Attended and participated at the Fancy Food Show in New York, USA.
- Published a ‘cashew map’ and a cashew processors directory identifying processors across Africa.
- Conducted, with partner organizations, market research on cashew consumption in 10 West African countries. One overall report (Cashew Consumption and Marketing in West Africa) and 10 separate country reports were published.
- Developed a Processed Food Export Guide with WATH-experts.

Following ACA's presence at the PTNPA and INC Conventions, more than 10 **international kernel buyers** showed serious interest in sourcing bulk cashews from Africa. Many of them were linked through ACA to processors across Africa, enabling them to build relations and provide market information.

ACA assistance in negotiations with the government of an African country made **Olam** willing to restart its cashew operations there. In Nigeria, the company doubled its processing operations to 10,000 MT and is aiming to further expand this business.



Global Trading started operations of its cashew factory Afokantan in Benin, exporting the first cashew kernels from this country.

C) Information Dissemination & Training

- Developed an ACA website that received 2000 unique visitors and 133,642 hits from January - August 2007. Visit it at www.africancashewalliance.org.
- Circulated 5 quarterly newsletters in English, French and Portuguese to a database of 800+ cashew stakeholders.
- Co-organized, with partners in each country, a series of national cashew meetings in Benin, Guinea Bissau, Senegal, Ghana and Nigeria which were attended by 640 participants.
- Organized ACA's first Annual meeting in Mozambique where 110 participants from 14 countries exchanged on business and improvements in the cashew sector and visited a cashew factory showcasing innovations in equipment.
- Worked with individual processors in Benin, Burkina Faso, Ghana, Nigeria, Guinea Bissau, and Tanzania to link them to regional and international buyers, sources of financing, equipment and technical training.
- Sent cashew processors from 6 countries to participate at the annual AGOA forum held in Accra.

D) Favorable Environment for Cashew Sector & New Cashew Projects

- Through ACA facilitation and with TechnoServe support a government delegation from Benin visited cashew stakeholders in Tanzania & Mozambique.
- ACA provided assistance in negotiations between a cashew trader and a country government over a dispute that damaged the cashew trade relations.
- In a series of visits to Cote d'Ivoire, ACA facilitated ground work to develop a framework for a cashew policy aimed at increasing investment in cashew processing.
 - ACA made more than 100 links between public and private organizations working in cashews facilitating collaboration and synergies on cashew projects.



ACA 2007/2008 Plan

Objectives

- Develop cashew processing industry.
- Improve raw nut quality and value.
- Create international awareness of African cashews.
- Provide information, training and networking opportunities to international and African cashew stakeholders.
- Facilitate investments in projects with partners.
- Coordinate and leverage country specific activities.

Indicators for Success

- Total processing capacity per country.
- Number of business linkages and matches made.
- Number of contributing ACA members.
- Hits on ACA website.
- Number of recipients of quarterly newsletter.
- Number of participants at annual meetings and trainings.
- Number of projects started with ACA facilitation, and \$ value of donors invested.
- Amount of \$ value invested in the African cashew industry.

Public and Private Partnerships

Further develop partnerships and projects with existing:

- Public partners (e.g. public-private partnerships, collaboration with country cashew committees)
- Private partners to develop processing capacity
- International partners
- Explore new partnerships and collaboration

GTZ launched two public private partnership in 2006/2007, involving ACA as a linking pin. Building on the ACA network, GTZ aims to start a series of other public private partnership in the cashew sector.

SNV assisted the national ACA consultative committee in Guinea Bissau in its organization and strategy development. SNV is exploring how to continue this assistance and expand it to countries like Benin, Burkina Faso and Ghana.

2007/2008 Activities

ACA Technical Assistance & Training

- Training for processors:
 - Export/bulk processors: technical training (productivity), financial planning and access to capital, marketing info & conditions, standards of quality, hygiene and safety issues, HACCP/ISO/fair-trade/organic certification.
 - Local/retail processors: packaging, marketing, productivity, equipment, and finance.
- Individual technical consulting to processors on request (managing staff and productivity, access to finance, hygiene and certification).
- Business plan template & profitability and cash flow model, manual on how to set up a processing factory (contacts, resources).

Marketing & Communications

- International promotion of African cashews
 - ANUGA in October, Cologne, Germany.
 - Peanut & Tree Nut Processors Association, January Arizona, USA.
 - International Nut & Dried Fruit Council, May, Chile.
 - Fancy Food Show, June New York, USA.
 - Quarterly Newsletter.
 - Website updates.
 - Update of Processors directory.

Country Programs & Activities

- Identify partners and programs to develop country activities on:
 - Production policy (improvement of raw nut quality).
 - Processing policy (increase capacity).
 - Increasing export/marketing of raw nuts & kernels.

ACA Operations

- Annual meeting 2008 and EC election.
- Communication and program development with national committees.
- Membership administration and relationship management/database.
- Financial accounting system.
- Registering in the USA and tax exempt
- ACA funding.
- Expand ACA presence in East Africa.



ACA Membership

The development of the African Cashew sector is important for the international stakeholders and Africans alike, as it will lead to high-quality standards, reliable deliveries, better communication and logistics, benefiting world players as well as Africans on the ground.

Members of the ACA show their support for a stronger, more efficient African cashew industry, one with improved standards in raw nut production, and increased processing volume.

The ACA welcomes as members stakeholders with an interest in the cashew business, including producers, processors, traders, international buyers, roasters and retailers, equipment providers, governmental and non-governmental organizations, research institutes and financial institutions.

Member benefits

- Receive the ACA newsletter, and be informed of upcoming events
- Access to membership database with website login
- Your organization's profile in the ACA membership database with ability to update as needed
- Invitation to the ACA annual meeting
- Certificate of membership
- Permission to use the ACA logo on your website
- Right to vote for Executive Committee members

Annual Fees

- US \$100: Small companies and farmer organizations, annual turnover/budget < US \$100,000
- US \$500: Medium organizations, annual turnover/budget US \$100,000-\$1,000,000
- US \$1,000: Large organizations, annual turnover/budget US \$1,000,000 or more

Large organizations (turnover/budget > US\$1 million) with a presence in several countries will pay a consolidated fee, but can register the different countries separately, so that each country office has its own member benefits (i.e. membership registration id, website profile, vote in general assembly).

Fees for multiple country offices

- Large organizations with one country registration: US \$ 1,000
- Large organizations with 2-4 country registrations: US \$ 2,000
- Large organizations with 5-10 country registrations: US \$ 2,500

Register as an ACA member at www.africancashewalliance.org

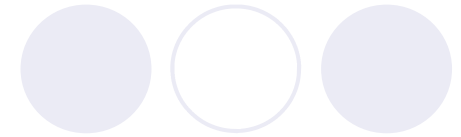
Company/Organization	Country	Field of work	Website
Bord Commodity Int	United Kingdom and Brazil	Cashew processing, Roasting, sorting, packaging (international), Cashew trade (international)	
Gambia Horticultural Enterprises	THE GAMBIA	Cashew processing, Cashew production, Roasting, sorting, packaging (national), Cashew trade (national)	Website: www.gambnet.gm
ITASTCF	COTE D'IVOIRE	Technical training institute	Website: www.itastcf.org
West Africa Trade Hub	Ghana	Technical training institute	Website: www.watrhub.com/ga

ACA sent out the first membership certificate to Momodou A. Ceesay of Gambia Horticultural Enterprises.



ACA's website gives access to a library with cashew reports, presentations held at 2006/2007 cashew events, country profiles, regular updates on cashew news in the press, member profiles and cashew recipes. Members can register online. The site, an instrument to create transparency on what's happening in the African cashew sector, received > 155,000 hits from January - September





Regional Cashew Trade Like many small cashew processors, GK5 in Benin had difficulty increasing sales of processed cashews. But now the company, which has capacity for 80 MT a year, has boosted employment and production through regular sales to Nigerian cashew processor Mr Tunde Odunuga of Abod Success, following an introduction by the ACA. Abod Success, which specialises in roasting, packaging and distribution to the Nigerian market, processes cashews himself, but buys additional kernels to meet local demand. GK5 has delivered more than 2MT of kernels recently, and scaled up its operations from 10 part-time workers to 50 full time. Other Beninese suppliers -EMS, Afo-kantan and Echoppe - have also delivered to Abod Success. PeaceCorps Volunteer Brook Adam, who has been working the past 2 years with the processors in Benin says "The impact has been huge. Both of these factories [GK5 and EMS] were basically dormant with no real market when Tunde arrived. GK5 has gone up to full capacity and hired a number of laborers, and EMS has resumed healthy production and hired back their old staff". Supporting regional trade is one of ACA's ways of stimulating cashew processing capacity in Africa.

