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THÈME Amélioration de la compétitivité de la chaîne de valeur anacarde dans les pays sahéliens

Mapping of regulatory trends and policies in cashew

By Reine Dehode, Responsable, Advocacy & Sector Organization

Content

- Government structures for policy making
- Cashew sector policies in Africa
- Initial observations (short-term impacts?)
- Key questions

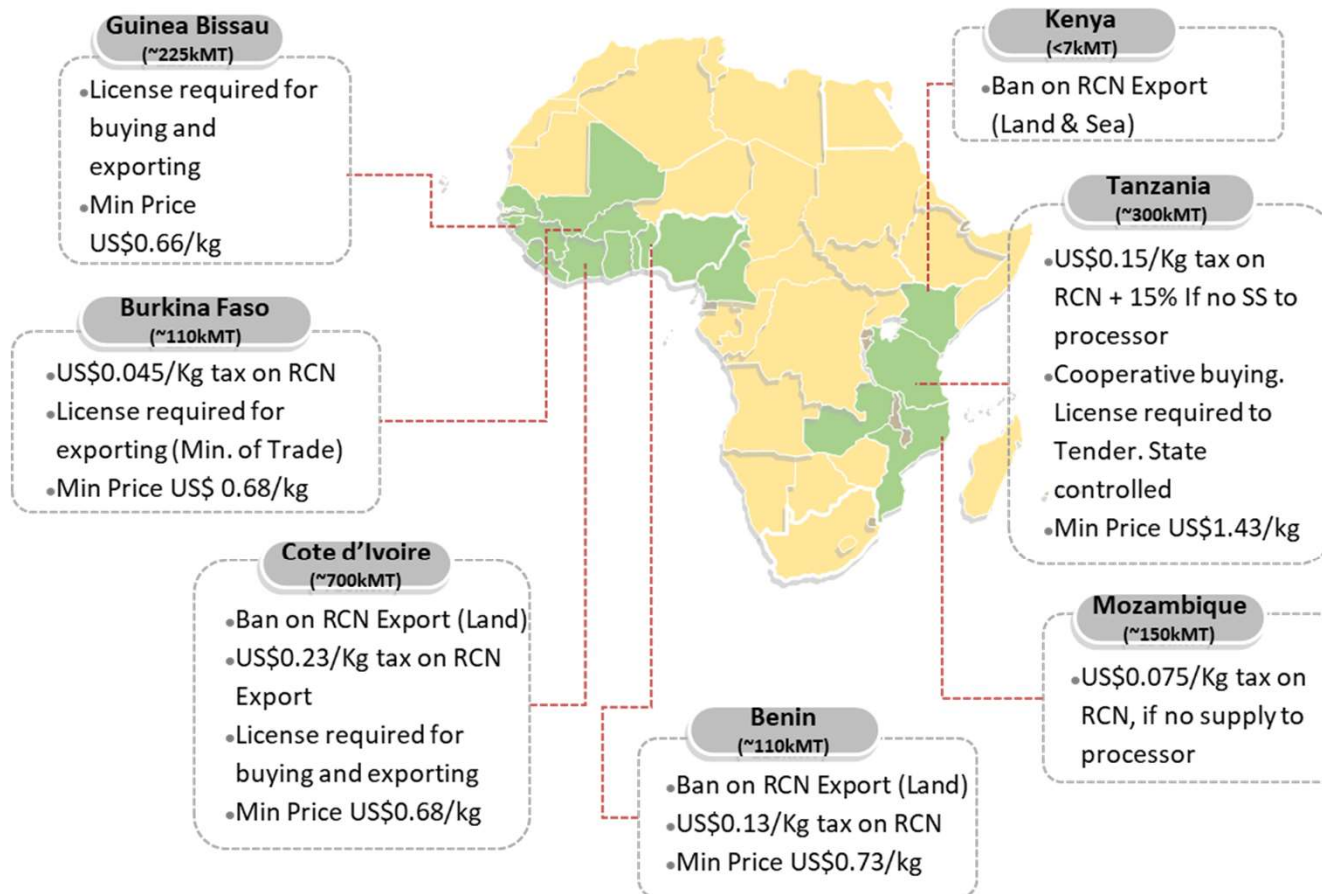
Government Structures for Policy Making

- Governments mainly use a national cashew agency or a cashew desk for regulation and/or promotion of the sector.

Examples are:

- **Cote d'Ivoire:** Conseil du Coton et de l'Anacarde (CCA) – responsible for the regulation of minimum pricing, promotion of growing and processing, regulation of export of RCN quality and coordination for the sector as a whole. CCA is backed by comprehensive laws and regulations approved by the Ivorian government.
- **Tanzania:** Cashew Board of Tanzania (CBT) – responsible for the overseeing of the Warehouse Receipt System/Auction and promotion of the sector.
- **Mozambique:** (Instituto de Fomento do Caju) INCAJU – responsible for the development and implementation of cashew policy in Mozambique.
- **Guinea Bissau:** ANCA in quasi regulatory role with main policies determined by the Ministry of Agriculture.
- **Ghana:** Ghana working on a Bill for Tree Crop Authority in 2019.

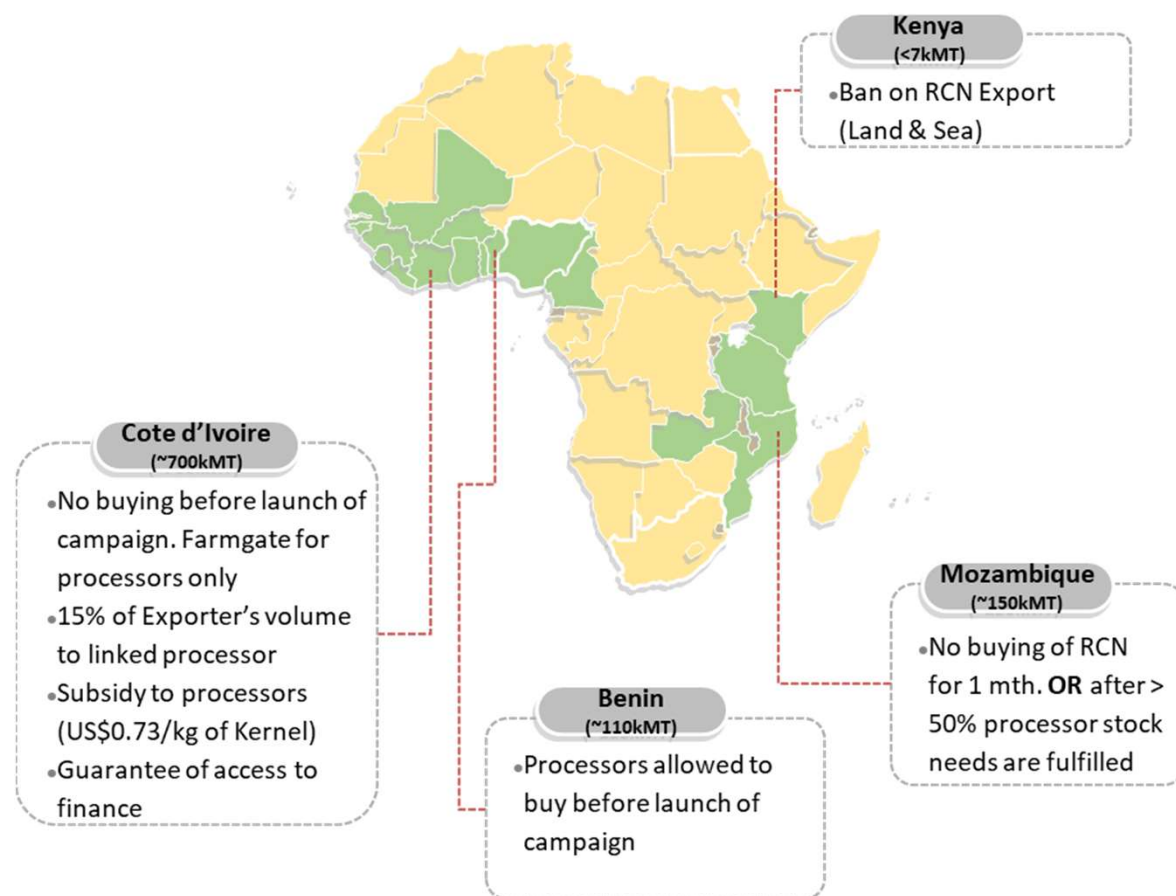
Cashew Sector Policies in Africa – RCN Focused



Key Policies:

- 1. Ban on land export** in Cote d'Ivoire and Benin, of RCN exists. Kenya, has both Export land and sea ban.
- 2. Tax on RCN Export** ranging from US\$0.045 in Burkina Faso to US\$0.23 per kg (2019) in Cote d'Ivoire
- 3. Buyer/ Exporter licensing Requirement** before buying RCN in GB, BF, CIV and TZ
- 4. Minimum Farm-gate price** of RCN ranging from US\$0.66 to US\$1.43 per kg (2019) are set annually in GB, BF, CIV, BN and TZ

Cashew Sector Policies in Africa – Processing Focused



Key Policies:

1. MZ and BN have defined **buying periods** for Processors, to fill their stock before allowing Traders/Exporters
2. In CIV, RCN **exporters are to sell-back 15%** of RCN to Processors before exporting. **In BN, 5MT must go to Processors before export stopped in 2017.**
3. CIV pays a **subsidy to local Processors** (US\$0.73/kg of kernel exported)
4. CIV **guarantees** 25% of loans to Processors, up to 5billion FCFA

Initial Observations

Initial Observations (Short-Term Impacts?)

1. **Policies not harmonized** and some are not implemented at the appropriate levels (eg. Different taxes in different countries). Most policies introduced less than 3 years.
2. **Informal trade across borders** from countries with RCN Tax regimes (CIV, GB), with GH and BF becoming major transit countries
3. High variation in RCN prices, with most Minimum Farm-gate price **policies not being respected**
4. **Increase in-country processing** in some countries applying regulations (CIV – >20 processing factories, up from <10 in 2015; MZ – >40% of RCN processed locally)

Key questions

Some key questions remain:

1. Will RCN supply fall, with falling RCN prices? (i.e., Will farmers become demotivated to increase production?)
2. How will the policies impact on Processing? (So far local processing appears to be benefiting)
3. Are the policies always well aligned with the end markets? (e.g., Does it take into account what is happening in Vietnam and India?)
4. Are governments consulting market players on price and policy decisions?
5. How can the Consultative International Cashew Council (CICC) and ECOWAS intervene? (Especially in the area of harmonizing policies)

Thank You

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