



Importance of the public sector in organizing and managing the cashew sector

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1. BACKGROUND AND RATIONALE

Cashew

- ❖ 90% export revenue
- ❖ 50 % of the GDP of the RGB
- ❖ 85% of direct & indirect jobs
- ❖ 33% of household incomes
- ❖ 80% of orchards belonging to small-scale producers (1-3 Ha)
- ❖ RGB: among the first African cashew producers with 210-230 000 tons

In spite of all

- ❖ The country is struggling to take off
- ❖ Precarious situation for majority of households producing cashew due to their dependence on cashew earnings

2. PRODUCTION OF CASHEW NUTS

Cultivation System

- ❖ The farms are cultivated without duly complying with production techniques
- ❖ Two types (local : yellow and Mozambican: red)
- ❖ Cashew Nut 100% organic (?)

Production and productivity per Area

- ❖ Northern Province: 54 % of national production (400-700 Kgs/Ha)
- ❖ East: 28 % (limited productivity)
- ❖ South (Biombo inclusive): 18 % (200-400 Kgs/Ha)

FACTORS AFFECTING THE REDUCTION IN PRODUCTION

- ❖ Climatic factors
- ❖ Bushfires (especially in the Eastern part of the country)
- ❖ Life span of the trees in certain areas
- ❖ Non compliance with best practices (spacing, pruning, clearing of farms,....)

ADVISORY SERVICES AND SUPPORT

Supporting Structures

- ❖ Ministry of Agriculture: (PV), National Agrarian Research Institute (INPA), ANCA, ANAG and NGOs:
 - ❖ Poor support due to lack of financial resources

Advisory Services

- ❖ Grdr, Kafo, COAJQQ, Congai:
 - ❖ Awareness raising about recommended cashew production practices
 - ❖ Support for the diversification of the sources of income
 - ❖ Provision of improved seedlings

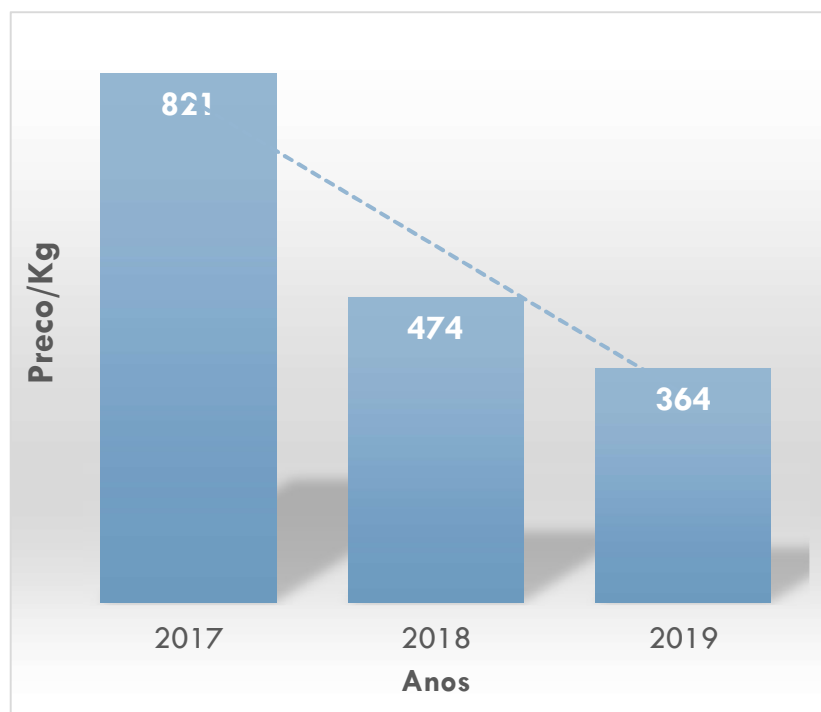
3. MARKETING

The cashew crop season is characterized by the following stages:

- ❖ Preparation for the season (January- March): meeting of stakeholders in the sector (Ministries of Trade/Transport, Interior, Agriculture, Finance, ANCA, ANAG, Chamber of Commerce, Exporters and Middlemen) = Regulating the season: proposal for the fixing of the date and the reference producer price,
- ❖ Official opening of the marketing season (End of March-Beginning of April)

2019 CASHEW SEASON

Trend of average producer price



Export Trend for 2017-2019

Exports	Quantity MT)	Average Producer Price (Fcfa)	Tax base (USD)	Declared FOB Price (USD)
2017	166.356	821	1150	1950
2018	147.640	474	1150	1700
2019*	135.620	364	950	1080
* En cours				

AVERAGE VALUE OF PHYSICAL ANALYSES OF CASHEW NUTS EXPORTED

Description	May	June	July	Average
ACCOUNT- NUMBER (Nut/Kg)	217	219	220	218
Out-turn (lb)	54	52	52	53
Moisture	8	8	8	8

4. PROCESSING

Processing Unit in Guinea-Bissau

- ❖ The industrial zone is made up of 15 processing plants/units with 4 of them having a capacity of 14000 T per annum.
- ❖ The processing capacity is less than 1 %.

Factors limiting local processing of cashew

- ❖ Low management capacity of processing units
- ❖ Lack of self-financing capacity;
- ❖ Lack of a Guarantee Fund
- ❖ High cost of interest rates chargeable by banks
- ❖ Lack of satisfactory financing mechanisms (investment bank)
- ❖ Lack of electrical energy
- ❖ Lack of industrialization culture

IMPORTANCE OF THE PUBLIC SECTOR TOWARDS ORGANIZING AND MANAGING THE CASHEW SECTOR – THE CASE OF GUINEA BISSAU

Problems confronting the private sector

- Lack of basic economic infrastructure (energy and transport)
- The impact of the international economic crisis and the high cost of oil
- Low level of investment
- High bank interest rates (+18%)
- Non-existence of an Interprofession
- Disorganized sector (so se reúne para reclamações/lack of internal dynamics)
- Low prices for cashew nuts and cashew almonds
- Low level of human capital development (difficulty in getting skilled labor force)

ESTABLISHMENT OF THE ANCA-GB

- Decree No.15/2012 of 19 December Establishment of the ANCA-GB (placed under 1 Minister – link between the public – private sector)
- Composition:
 - Board of Directors
 - Tax Consultancy
 - Technical and Scientific Council and,
 - General Council (all stakeholders in the sector)

IMPORTANCE OF THE PUBLIC SECTOR IN ORGANIZING AND MANAGING THE CASHEW SECTOR – THE CASE OF GUINEA BISSAU

DECREE No. 09/2010 ON THE ESTABLISHMENT OF AN ENTERPRISE FORMALIZATION CENTER (CFE)

Objective:

- Simplifying enterprise establishment formalities
- Facilitating trade, investment, competitiveness and wealth creation
- Creating a single window for all formalities (business establishment and legalization) with the required legal guarantee – **before 213 days to create a business enterprise**
- **Attracting** investments and reconverting informal economic activities (80% of the country's economy)

THE CFE RENDERS THE FOLLOWING SERVICES:

- ❑ **Registry Office** (Cartório notórial)
- ❑ Business Registry
- ❑ Civil and Criminal Registry
- ❑ Tax Payers' Registry
- ❑ Licensing of Economic Activities
- ❑ Migrations and Borders
- ❑ Urban Supervision and,
- ❑ Health Inspectorate

IMPORTANCE OF THE PUBLIC SECTOR IN ORGANIZING AND MANAGING THE CASHEW SECTOR – THE CASE OF GUINEA BISSAU

CREATING A SINGLE WINDOW

- Payment of taxes and duties
- Resolving bureaucratic bottlenecks impeding the marketing of cashew nuts

Institution: DA, DGCI, Trade, ANCA-GB

2019 DIFFICULTIES ENCOUNTERED IN EXPORTING

- Ministerial Order No. 4/PM/19 for an increase of the ANCA-GB tax from CFAF 3 to CFAF 20 and,
- The increase of certain taxes, the tax base and the reference price (Council of Ministers Meeting of 26 April 2019)

Consequence: Immediate suspension of all marketing activities regarding cashew nuts (Exporters)

IMPORTANCE OF THE PUBLIC SECTOR IN ORGANIZING AND MANAGING THE CASHEW SECTOR – THE CASE OF GUINEA BISSAU

NECESSARY CONDITIONS TO DEVELOP AND SUSTAIN THE MARKETING AND EXPORT OF CASHEW

- ❑ Establishment of an Interministerial Committee for effective management of the crop season, chaired by H. E. the Prime Minister and made up of six (6) Ministers and,
- ❑ Establishment of an Operational Technical Committee which also consists of 6(six) institutions operating in the cashew sector.

THIS COMMITTEE WAS ABLE TO :

- Conduct frank and open dialogue with all the stakeholders in the sector, particularly the farmers, middlemen and exporters;
- Calculate a new cost structure leading to a reduction of duties and taxes that were the bone of contention;
- Elimination of non-tariff barriers;
- Free flow of almost all the nuts to the capital city;
- Coordination of port, customs, marketing services and the ANCA-GB for an improved deal for export

Duties and Taxes for 2019

PREVISAO EXP TONS 2019		180.000	
Base Tributária(FOB/USD)	1.222		
Taxa cambio	588	719.391	b USD/Tm/Fo
IEEC - DGA	6%	43.163	
ACI - DGCI	5%	35.970	
CPR - DGCI	50	50.000	
IGV/Serviço - DGCI	19%	314	
CNC/Ton	1.000	1.000	
APGB/Ton	1.650	1.650	
ANCA/KG	15	15.000	
Comercio/Licença	0	0	

Reduction of Duties and Taxes for 2019

PREVISAO EXP TONS 2019		180.000	
Base Tributária(FOB)	950		
Taxa cambio	588	559.265	
IEEC - DGA	6%	33.556	
ACI - DGCI	5%	27.963	
CPR - DGCI	30	30.000	
IGV/Serviço - DGCI	10%	110	
CNC/Ton	0	0	
APGB/Ton	1.100	1.100	
ANCA/KG	5	5.000	
Comercio/Licença	0	0	

THANK YOU FOR
YOUR KIND
ATTENTION