

11<sup>th</sup> ACA Annual Cashew Conference



# A NEW VISION FOR PARTNERSHIPS & INVESTMENTS



**Cotonou, Benin**

*September 18-21, 2017*

Knowledge sharing. Exposition. Field trips.



## ACA Private Sector Roundtable Discussion

Ayo Olajiga, 20<sup>th</sup> September, 2017

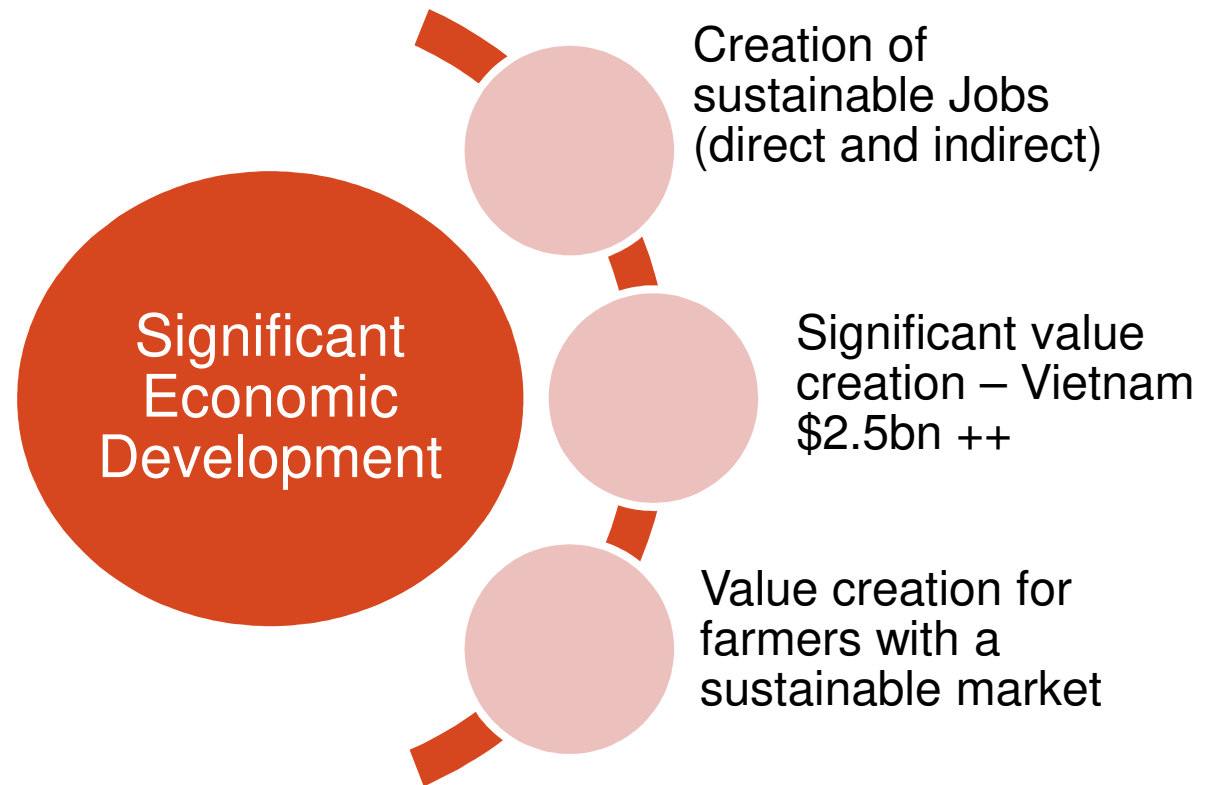
# Key challenges facing processing in Nigeria

- Volatile raw material environment driven by subsidised uncontrolled competition from foreign markets
- Disorganized raw material market with several layers of middle men who don't add any value just increase cost of raw material
- High cost of financing which creates pricing disadvantage versus foreign processors (not cashew specific)

# Key challenges facing processing in Nigeria

- No local support industry – which implies most equipment and machine are imported leading to high cost of maintenance/expansion (including lead time)
- Shortage of skilled labour (not cashew specific)

# Why the public sector should support processing



It's the strategic thing to do..... Vietnam, a very successful and significant cashew player, provides significant incentives and support for its cashew industry

## These initiatives could transform the industry

- Create a **procurement window** for local processors to buy RCN before exporters
- Introduce **export tax on RCN** to support the growth of the sector through reinvestment across the value chain
  - Set up a **council to manage the funds** ensure it's invested to support farmers, processors, capacity building etc

## These initiatives could transform the industry

- Facilitate access to single digits **funding** for local processors
- Introduce **tax rebate** for companies that process cashew nuts