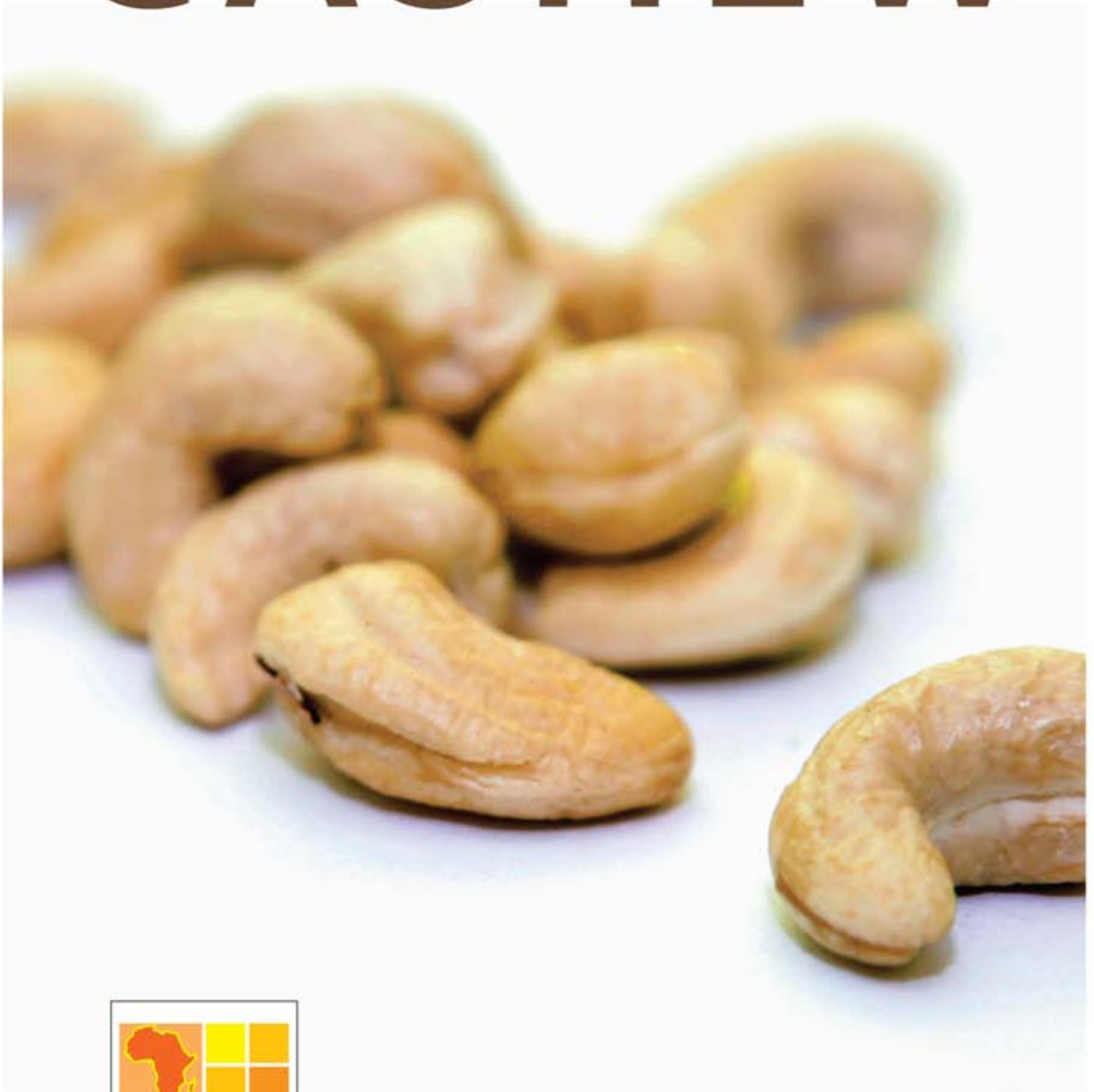


# Invest in Africa

# CASHEW



**African Cashew Alliance**  
October 2010

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## About ACA

### Background

The African Cashew Alliance (ACA) was established in 2005 by 24 founding members with a common vision: building a competitive African cashew industry. The African Cashew Alliance (ACA) is the African cashew industry's platform and facilitator for advocacy, information exchange, investment promotion and market linkages. The ACA aims to increase the competitiveness of Africa's 15 producing nations in the world cashew market. The Alliance's mission is to expand processing capacity, attain consistency and quality of production, improve the overall economic and regulatory environment of the cashew sector, and promote African cashews.

### The ACA's Pillars

The ACA's activities are based on four pillars:

1. Develop and advocate country-specific cashew policy agendas.
2. Facilitate exchange of information, best practices, benchmarks on cashew processing, production innovations, post-harvest handling and local trade facilitation
3. Develop and implement interventions in support of the competitiveness of the African cashew industry
4. Promote the African cashew industry to national and international markets

### The ACA's Strategic Objectives

ACA has developed the following 10-year strategic objectives:

- 1. Increase processing of cashew in Africa**
  - 10-year target: 35% of RCN processed in Africa
- 2. Increase farmer income through yield and quality improvements**
  - 10 year target: double average yield/tree (2.5-3kg average today)
  - 10 year target: average outturn improvements per country
- 3. Increase African cashew consumption in Africa and worldwide**
  - 10 year target: quadruple domestic consumption of cashew products in Africa
  - 10-year target: increased market share for African cashew

## About ACi

The ACA is the umbrella organization for the African Cashew initiative (ACi), financed by the Bill and Melinda Gates Foundation and private industry and led by ACA member German Technical Cooperation (GTZ).

The main goal of the African Cashew initiative (ACi) is to increase the competitiveness of African cashew production and achieve a sustainable reduction in poverty in the five project countries: Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique. Through a combination of strategies, the initiative will help 150,000 cashew farmers add at least US\$100 to their annual income within four years. The project will also create 5,500 new jobs in cashew nut processing – 70% of them for women – providing an average annual income of US\$900 per job. In addition, ACi will work to increase the rate of raw cashew nut processing by at least 10% in each of the five countries.

The four-year project is implemented by GTZ, the U.S.-based NGO Technoserve, the Dutch-based NGO FairMatchSupport and the ACA.

## 1. Introduction

Global interest in the African Cashew market is growing rapidly. Investors recognize that current industry trends combined with Africa's improving economic performance make the continent a more and more attractive place for investment. In fact, sub-Saharan Africa is experiencing its best economic performance in years, analysts at Goldman Sachs have noted. Ghana's stock market was the world's third best performer last year, and Egypt topped the global table and is soaring this year, too. Yet, only about 1% of global private capital is invested in sub-Saharan Africa. As the continent becomes gradually more prosperous, levels of private investment are set to increase significantly, especially since (according to World Bank figures) Africa currently offers the highest returns on foreign direct investment of any region in the world.<sup>1</sup>

Investing in African cashew makes good economic sense. African raw cashew nut production has been rising at a rate of about 5% annually over the past 15 years. Although prices fluctuate, they are stable over the long term: the cashew nut is an up-market snack food. Demand for cashew is set to increase in view of its health benefits. In addition, there is the rising purchasing power of emerging economies which traditionally use cashew as an ingredient in many foods.

Changing conditions in the industry make African cashew a good investment choice. While Africa grows over 40% of the world's cashew crop, more than 90% of this is exported to India and Vietnam for processing. India and Vietnam currently account for a majority of the world's market for processed cashews, both in terms of processing and exports. Rising labor costs in Vietnam and India, however, are becoming a problem for their cashew sectors, and experts expect the trend to begin to change slowly.

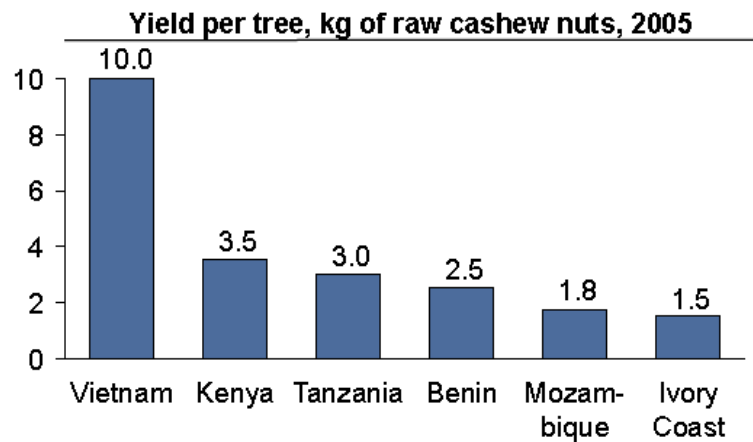
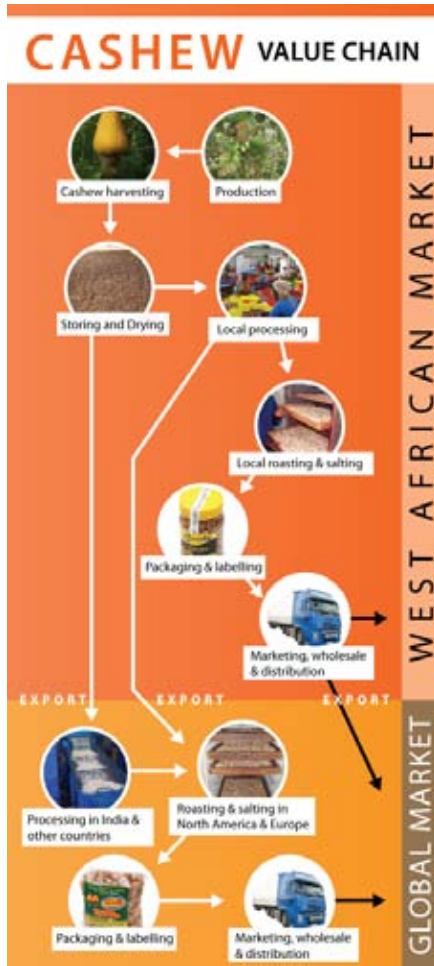
Africa's proximity to the U.S. and Europe, the world's largest markets for cashew products, is an important advantage. Increasing processing capacity in Africa holds enormous potential, generating an estimated US\$280 million in added value, and creating over 250,000 new jobs, particularly benefitting women in rural areas.

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<sup>1</sup> ([www.moneyweek.com](http://www.moneyweek.com)).

## 1.1 Cashew Production in Africa

The cashew value chain presents the critical points of production where value is added. Approximately two million cashew farmers across Africa are at the base of the value chain, and manage trees on generally small plots. Tree yields are much lower than in other parts of the world and assistance from the African Cashew Initiative, funded by the Bill and Melinda Gates Foundation, aims at achieving higher yields through improved cultivation techniques.



Source : Industry

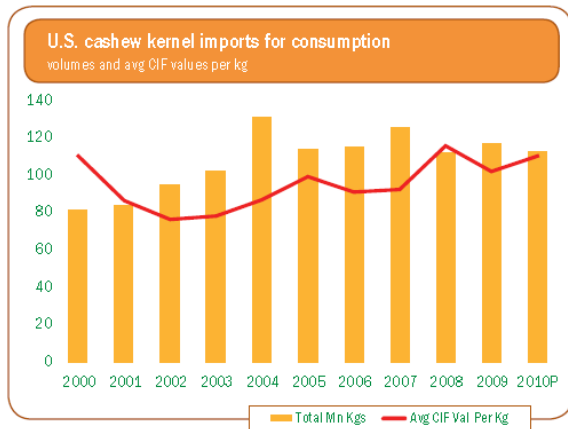


The African cashew harvesting season starts in October and runs until March for East Africa and from February to July in West Africa. That makes raw cashew nut available almost the entire year.

## 2. The Market

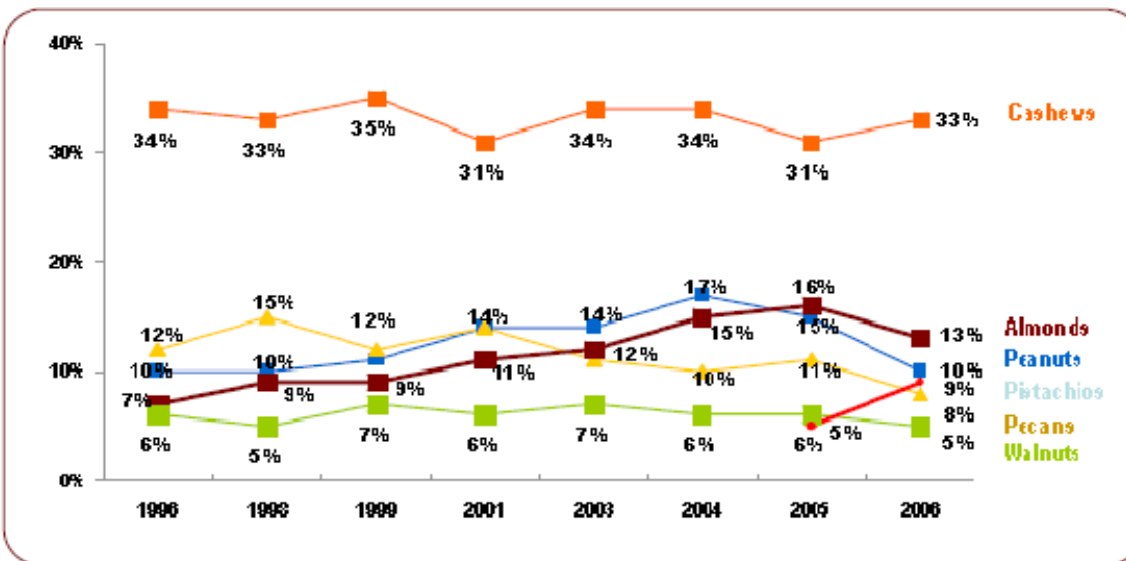
### 2.1 Trade and Consumer Trends

The market prospects for cashew are excellent. Trade and consumption of cashew kernels has grown strongly over the past ten years. Asian economies have seen a particularly remarkable increase in domestic consumption as cashew is not only a popular snack nut but also used as an ingredient in a variety of local foods.



Source: Red River Foods Inc.

In the United States, cashew consumption has grown by more than an average 5% annually since 2000. The American market has potential for further growth. Consumers prefer cashews over other nuts and cashew has health benefits which have not been widely exploited in marketing campaigns.

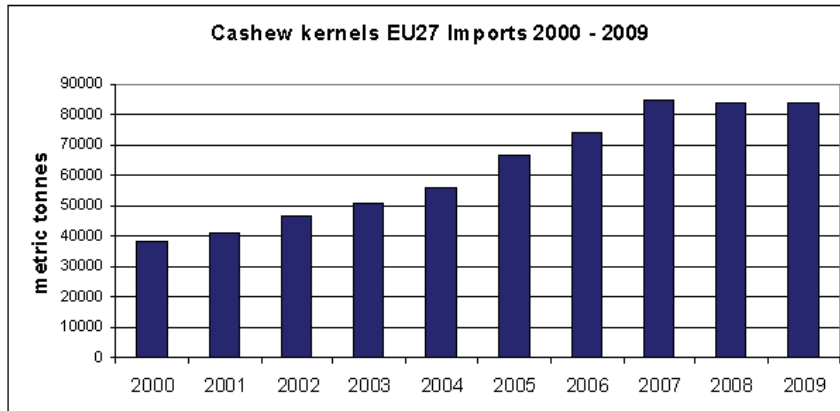


US consumers' favorite nuts. Source: Kraft Foods

Retailers and marketers of cashew in the U.S. are currently not taking advantage of promoting the health benefits of cashew. Further growth potential lies in promoting cashew as an ingredient as well as a snack nut. Europe has seen a sharp increase in consumption over the past ten years, more than 8% on

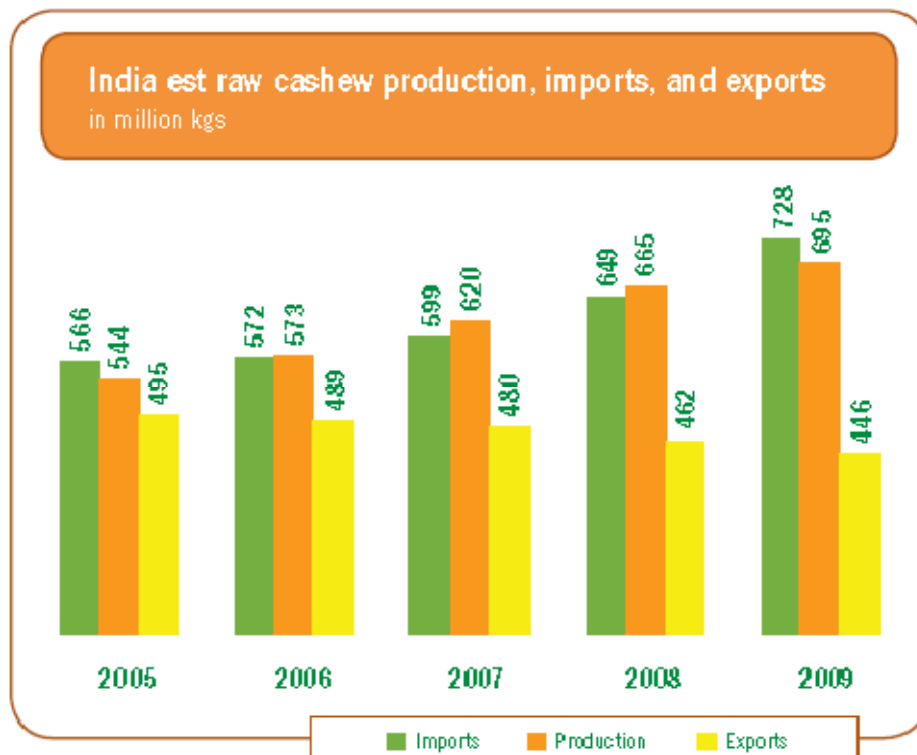


average. Similar to the U.S., there is a significant potential for further growth by promoting health benefits and cashew as an ingredient.



Source: Cashew Bulletin

India, currently the world’s largest processor of cashew, is seeing the sharpest increase in domestic consumption, which is significantly affecting the rest of the industry in the kernel-consuming and the nut-producing countries. India imports more than half of its processed volumes, most of it from Africa. Over the past five years, India’s imports of raw cashew nuts have risen, while the volumes of kernel exports have gone down. As this trend continues, many see Africa in an advantageous position to supply geographically close markets in Europe, the Middle East and the U.S.

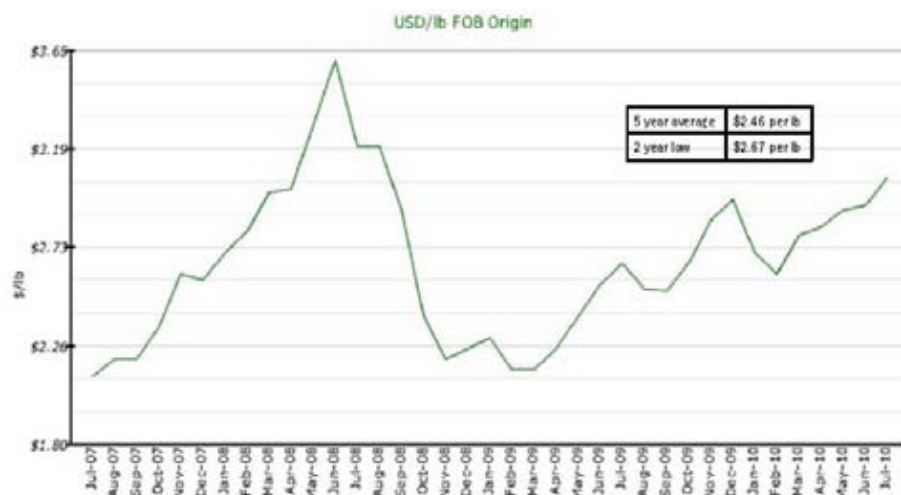


Source: Red River Foods Inc

## 2.2 Pricing and Prices

Cashew prices are quoted in US\$ per pound (or kg) of whole white (WW) 320 (320 kernels per pound). WW320s are the most widely produced grade and normally constitute 35-60% of production of a cashew processing facility. The U.S.-based Association of Food Industries has developed the most widely accepted standard for grading cashew kernels into more than 20 grades. (<http://afi.mytradeassociation.org/bm~doc/cashews-part-i.pdf>).

After declining from a peak in 2008, WW320 cashew prices recovered significantly in 2010. As of July 2010, free on board (FOB) prices at Indian origin were US\$3.05 per pound, 4.5% more than one year ago or 24% above the 5-year average.



Source: Cashew Bulletin

## 3. Cashew Investment Data

### 3.1. Investment Scenario – 1000 Metric tons / yr capacity processing facility

#### 3.1.1 Fully Manual Facility

A cashew processing facility where cashew is processed by fully manually operated techniques is considered a fully manual facility. It is operative in any rural location and provides more employment. These types of models are suitable to African cashew processing locations and these facilities are very efficient in terms of better output recovery. These facilities require small capital investment, i.e. US\$200,000 (plus US\$150,000 for a warehouse) is sufficient for facility building and US\$150,000 will purchase necessary production equipment for 1,000 Metric tons/year capacity. For such a facility, US\$650,000 will be needed to purchase the raw material; so, a fully manual cashew processing facility requires a global investment of about US\$1.2 million.

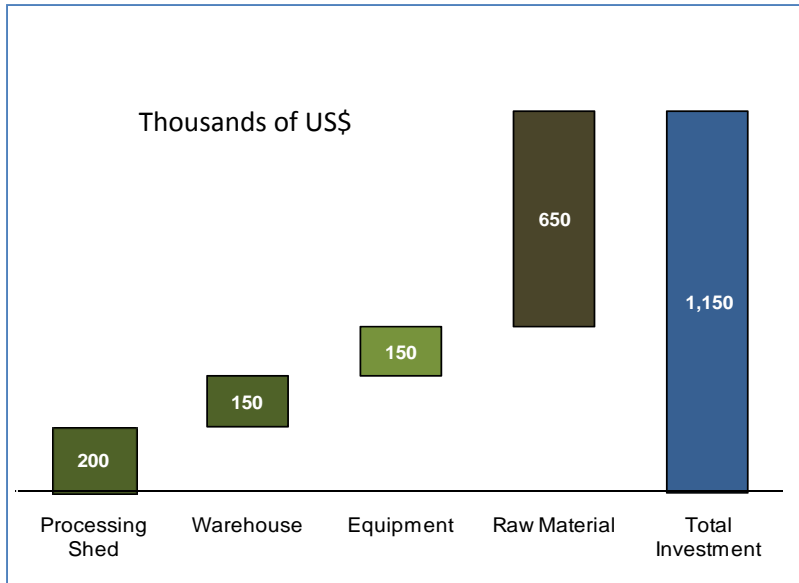


Figure 1 Investment needed to initiate a fully manual cashew processing facility.

### 3.1.2 Semi Manual Facility

A cashew processing facility where cashew is processed by semi-manual techniques (operated with semi-manual equipment) is considered a semi-manual facility. It must operate in urban and rural locations where electricity supply is constant. This model is suited to African cashew processing locations where unskilled labor is available. The facilities are very efficient in terms of productivity volumes. These facilities require significant capital investment: US\$250,000 (plus US\$150,000 for warehouse) is sufficient for facility building and US\$250,000 will purchase production equipment for 1,000 Metric tons/year capacity. For such a facility, US\$650,000 will be needed to purchase the raw material. In total, a semi-manual cashew processing facility requires a global investment of US\$1.3 million.

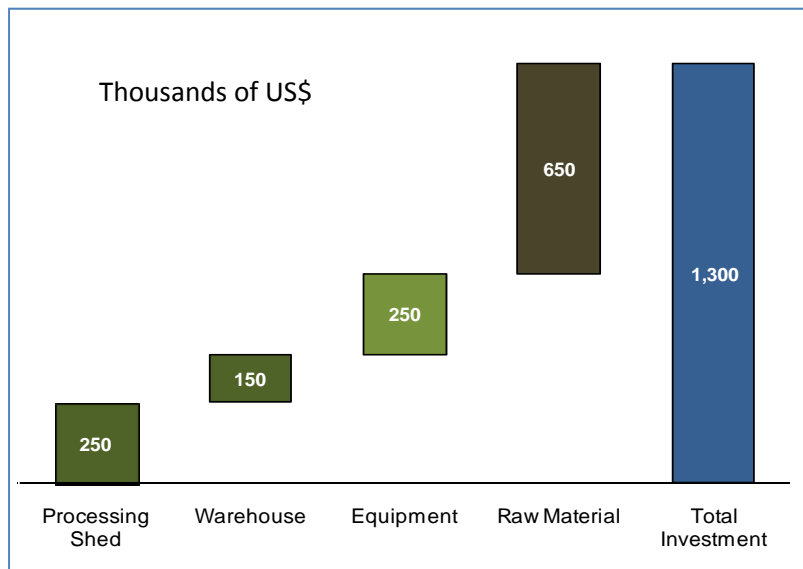
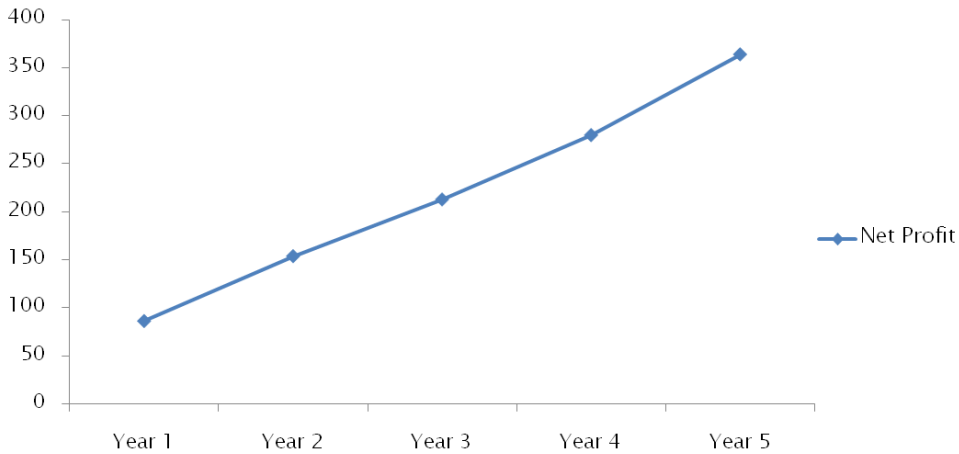


Figure 2 Investment needed to initiate a semi-manual cashew processing facility.

### 3.2 Profit & Loss Scenario

With a prompt investment in primary cashew processing facility in Africa and with an efficient management team for procurement and processing, operations can generate average net profit margins of 11%, or US\$220,000 per year.



<b>Tons raw nuts processed</b>	1000	1250	1500	1750	2000
<b>Net Profit Margin (base case)</b>	7%	10%	11%	13%	14%

## 4. Country Profiles

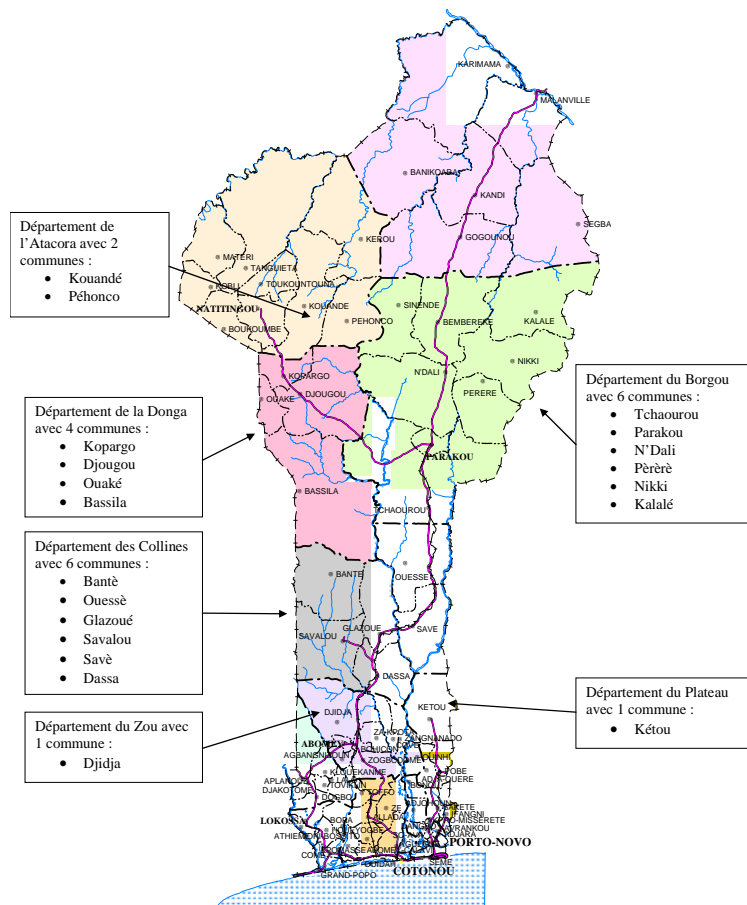
### 4.1 Benin

#### 4.1.1. Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic, based on French civil and customary law</p> <p>A former French colony, Benin gained independence in 1960 and was ruled by military governments until 1972. The early 1990s saw a transition to multiparty democracy in the early 1990s. Mathieu Kerekou was elected President in 1996. He stepped down in 2001 and Thomas Yayi Boni, a political independent was elected. Benin is praised as a haven of political stability and for its government's fight against corruption.</p>	<p><b>Gross Domestic Product (GDP)</b> \$13.25 billion (2009, world rank 139)</p> <p><b>Currency</b> Franc CFA (on parity with EURO)</p> <p><b>Inflation</b> 5.2% (2008 est.)</p> <p><b>Depreciation</b> FCFA is on parity with the Euro.</p> <p><b>Exports</b> cotton, cashews, shea butter, textiles, palm products, seafood</p> <p><b>Infrastructure</b> Bénin has 1 airport with paved runways and 4 airports with unpaved runways (2007). There are 758 km of railways (2006), 1,400 km of paved roads and 14,600 km of unpaved roads (2006). Bénin also has 150 km of waterways on River Niger along northern border (2007).</p> <p><b>Current Account Balance</b> -US\$485 million (2008 est.)</p> <p><b>Reserves:</b> US\$1.292 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b> Standard&amp;Poor local currency: B/Positive/B; foreign currency B/Positive B Fitch local currency: B Foreign currency (long-term/short term): B/B</p>
Geography	Labor
<p><b>Area</b> 112,620 sq km; land: 110,620 sq km;</p> <p><b>Climate</b> Tropical; hot, humid in south; semiarid in north</p> <p><b>Terrain</b> Mostly flat to undulating plain; some hills and low mountains</p> <p><b>Land Use</b> Arable land: 23.53%; permanent crops: 2.37%; other: 74.1% (2005)</p> <p><b>Water Resources</b> 25.8 cu km (2001)</p> <p><b>Natural Hazards</b> Hot, dry, dusty harmattan wind may affect north from December to March</p> <p><b>Environmental issues</b> Inadequate supplies of potable water; poaching threatens wildlife populations; deforestation; desertification</p> <p><b>Geography</b> Sandbanks create difficult access to a coast with no natural harbors, river mouths, or islands</p>	<p><b>Labor Force (age 15+)</b> 3,666,000 (2007 est.)</p> <p><b>Participation Rate (age 15+)</b> 72.1% (2007) (Male: 85.7%, Female: 58.5%)</p> <p><b>Employment to Population Ratio (age 15+)</b> 71.6% (2007)</p> <p><b>Illiteracy Rate</b> Youth: 54.7%; adult: 65.3% (2004)</p> <p><b>Labor Productivity</b> Not available</p> <p><b>Population (%) below US\$2 a day</b> 73% (2003)</p> <p><b>Minimum wage/month</b> About US\$62</p>

#### 4.1.2 Benin's Cashew Industry

Benin today produces between 50-70,000MT of raw cashew nuts. Production is concentrated in the zones indicated on the map below.



## Cashew Processing

### >1.000 MT capacity:

- Afonkantan Benin Cashew (ABC), Tchaourou, Nord-Bénin
- NAD & CO : Tchatchou, Nord-Bénin: Under construction
- La Lumière : Tchetti (Centre Bénin): Under construction
- SITAB : Savalou, Centre Bénin: Under construction

### < 500 MT capacity

- Groupe KAKE- 5 (Savalou)
- EMS (Glazoué)
- AFETRACA, Cotonou (South-Bénin)
- ZANCLAN, Cotonou (Sud-Bénin)
- Centre SONGHAI Porto-Novo (Sud-Bénin)

## Non-operating

- Kadjobé (Savalou)
- ORI SARL (Bantè)

### 4.1.3 Infrastructure and Regulations

**Context** Designated as one of 12 priority industries, the government of Benin has conceived a strategic plan to develop cashew as part of its overall agricultural sector strategy (PSRA, 2006-2011). The objective is a performing cashew industry.

**Taxes and Regulations** At the beginning of each cashew harvest, the Ministry of Trade sets a minimum farm gate price. The raw cashew nut season calendar is fixed by the Ministry of Trade and Ministry of Agriculture.

The government applies **no export taxes** on raw cashew nuts or cashew kernel. A road tax is levied at 0.8% of the value of transported goods.

**Investment Incentives** Benin grants tax and duty exemptions on imports of agricultural processing equipment. Free zones regulations provide many more tax and duty reductions and exemptions to export-oriented businesses that invest in Benin. ([www.a-zfibenin.com](http://www.a-zfibenin.com) and [www.cpibenin.com](http://www.cpibenin.com)).

**Transport costs to Cotonou Port** 15-20CFA/kg depending on origin

**Freight costs (20-foot container):** between 900 and 1100 US\$ for Europe.

### 4.1.4 Government and Non-Governmental Agencies

**Business Administration Center (Le Centre de Formalités des Entreprises (CFE)):** The CFE is a single window agency for the creation of companies. It is based in the *Chambre de Commerce et d'Industrie du Bénin* (CCIB, [www.ccib.bj](http://www.ccib.bj)) and provides information on legal implications and documentation required according to company structure. Every regional department of the CCIB has a CFE outreach office.

**The Investment Promotion Center of Benin (CPI)** is an institution of the Ministry of Economy, Development and Public Action Evaluation (MEPDEAP). It advises and facilitates investment projects.

**Non-governmental agencies** active in the cashew sector include:

- African Cashew Alliance/African Cashew initiative (ACi) : see page 5
- National Institute of Agricultural Research of Benin (INRAB) funded by GTZ, DANIDA
- Vegetal Protection Service (SPV/DAGRI)
- Center of Vegetal Quality Products Promotion and Packaging(DPQC)
- Regional Centers of Agricultural Promotion (CeRPA)
- National Society for Agricultural Promotion (SONAPRA)
- Agronomic science Department of Abomey-Calavi University (FSA/UAC)
- Agronomic Department of Parakou University (FA/UP)
- Development Fund for professional formation and training (FODEFCA)
- International Institute of Tropical Agriculture(IITA-Bénin)
- Neerlandese Development Organization (SNV)

- National Chamber of Agriculture (CNA)
- Natural resources conservation and management program (ProCGRN financed by GTZ)
- Support to the development of the agricultural sector program (PADSA/CASPA , financed by DANIDA)
- Support to the development of the agricultural industries program (PADFA)
- Support to the exportation development program (PADEX)



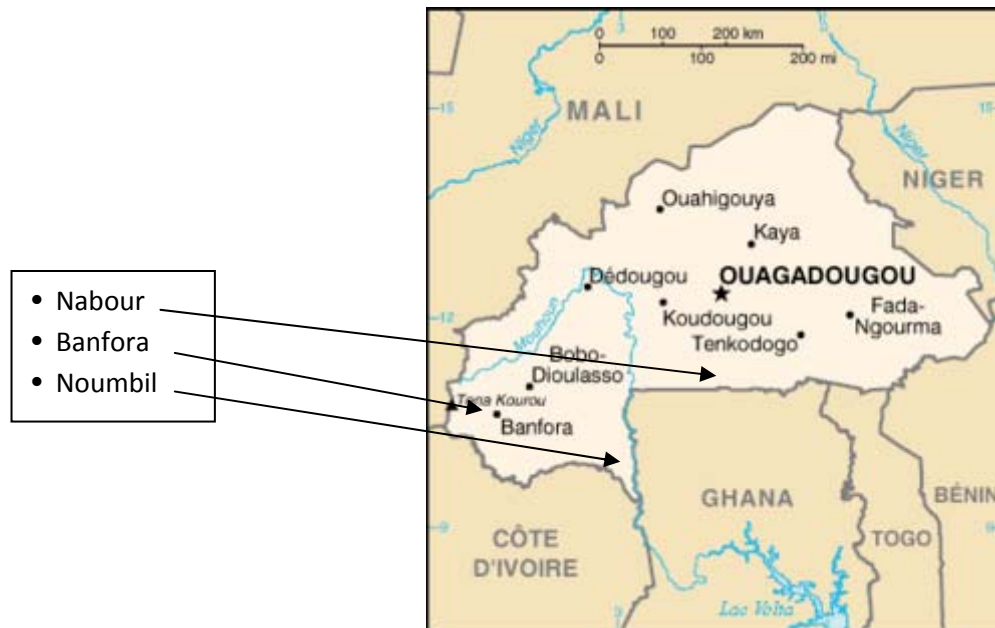
## 4.2 Burkina Faso

### 4.2.1. Country Overview

Politics and History	Economy
<p><b>Government form and legal system</b> Parliamentary Republic based on French civil law system and customary law</p> <p>Political Trends Burkina Faso (formerly Upper Volta) won independence from France in 1960. After a series of military coups during the 1970s and 1980s, multiparty elections were held in the early 1990s. Current President Blaise Compaore first came to power in a 1987 military coup but has subsequently participated in multiparty elections, winning every election since. Burkina Faso is densely populated and has few natural resources, limiting the economic prospects for many citizens.</p>	<p><b>Gross Domestic Product (GDP)</b> \$18.79 billion (2009 est, world rank 125)</p> <p><b>Currency</b> Franc CFA (on parity with EURO)</p> <p><b>Inflation</b> 7.3% (2008)</p> <p><b>Depreciation</b> FCFA is on parity with the Euro.</p> <p><b>Exports</b> Cotton, livestock, gold, cashew</p> <p><b>Infrastructure</b> Burkina Faso has 2 airports with paved runways and 31 airports with unpaved runways (2007). There are 622 km of railway (2006), 3,857 km of paved roads, and 88,638 km of paved roads (2004).</p> <p><b>Current Account Balance</b> -\$692 million (2009 est.)</p> <p><b>Reserves</b> \$1.296 billion (31 December 2009 est.)</p> <p><b>Credit Ratings</b> Local Currency: B/Stable/B Foreign Currency: B/Stable/B Transfer &amp; Convertibility Assessment: BBB-BBB-</p>
Geography	Labor
<p><b>Area</b> 274,200 sq km; land: 273,800 sq km; water: 400 sq km</p> <p><b>Climate</b> Topical; warm, dry winters; hot, wet summers</p> <p><b>Terrain</b> Mostly flat to dissected, undulating plains; hills in west and southeast</p> <p><b>Land Use</b> 17.66%; permanent crops: 0.22%; other: 82.12% (2005)</p> <p><b>Water Resources</b> 17.5 cu km (2001)</p> <p><b>Natural Hazards</b> Recurring droughts</p> <p><b>Environmental issues</b> recent droughts and desertification severely affecting agricultural activities, population distribution, and the economy; overgrazing; soil degradation; deforestation</p> <p><b>Geography</b> Landlocked savanna cut by the three principal rivers of the Black, Red, and White Voltas</p>	<p><b>Labor Force (age 15+)</b> 6,674,000 (2007 est.)</p> <p><b>Participation Rate (age 15+)</b> 83.3% (2007) (Male: 89.8% Female: 77.1%)</p> <p><b>Employment to Population Ratio (age 15+)</b> 81.3% (2007)</p> <p><b>Illiteracy Rate</b> Male: 67%;female: 76.4% (2005)</p> <p><b>Labor Productivity</b> GDP per person employed (1990 US\$): 2,624 (2005)</p> <p><b>Population (%) below US\$2 a day</b> 71.3% (2003)</p> <p><b>Minimum wage/month</b> \$US 64</p>

### 4.2.2 Burkina Faso's Cashew Industry

Burkina Faso produces annually 10,000 MT of raw cashew nut. The producing regions are indicated on the map below.



### Cashew Processing

#### Operating processors

- SOTRIA-B
- Anatrans SA
- UTAKÉ
- UTAB

### 4.2.3 Infrastructure and Regulations

**Context** Burkina Faso's cashew sector has been experiencing a real regain of vitality in the last three years, without particularly becoming the beneficiary of any particular assistance from the central government. In fact, cashew does not appear amongst the government's primary sectors in Burkina Faso.

As a result of decentralization however and the emergence of regional governments, the cashew sector's promotion occupies a good place in certain regional agricultural development programs and in communal programs.

Prime amongst such regions is the Cascades Region, the south-West Region and to a certain extent, the region of Haut Bassins. These three regions form the focal point of cashew in Burkina Faso, with the commercial triangle which constitute the towns of Bobo Dialasso, Banfora, and Orodara, through which almost all of Burkina Faso's cashew nuts transit. These towns have the largest warehouses, the commercial banks, commercial assistance services, and transport terminals (dry ports, transit, customs, phytosanitary, and rail stations).

**Transport cost** In the cashew production and selling zones, roads are very accessible and there are trucks for the transport of merchandise. Transporting produce from the farms to storage warehouses, tariffs vary from 12 to 18 FCFA per kg. Road freight to Abidjan, Tema, and Cotonou is also possible. Only Abidjan is served via rail. Quotations are done once every three months and are available with Maersk, SNTB, Africa Logistic, all represented in Burkina Faso.

**Incentives /Programs** Millennium Challenge Account (MCA), which handles access to finance in rural areas, BKF/010, PADL/CLK which give technical and material support to producers from private offices. Burkina Faso has recently adopted Free Zones to provide tax and duty reductions and exemptions to businesses investing in the country. For more information about this and other investment incentives, see [www.tradepoint.bf](http://www.tradepoint.bf).

#### 4.2.4 Government and Non-Governmental Agencies

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry Finance - To register the company for tax control
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice - For legal registration of company.
- Municipal committee - For publication of company registration in National bulletin
- The agencies which are active in the sector with regards to food safety and regulations, physical and chemical analysis, microbiological analysis, inspection, research training, are ONAC, DTA, National Public Health Laboratory (LNSP), INERA.

#### Non-Governmental Agencies

Several non governmental agencies have been active in development in cashews in Burkina Faso for several years. These are:

- African Cashew Alliance/ African Cashew Initiative: see page 5
- Oxfam Intermon
- PDA-GTZ
- INADES – Training/ RONGEAD
- SNV

#### Specialized service providers:

- Banks
- Biological and equitable structures (ECOCERT. SA, FLO-cert)
- Bureau d'études et de formation
- L'ONAC, The national public health laboratory

## 4.3 Côte d'Ivoire

### 4.3.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system</b> Presidential Republic</p> <p>Cote d'Ivoire has been one of West Africa's most prosperous countries since it gained independence in 1960. The country benefited from a strong cocoa industry, close ties to France and significant foreign investment. However, in 1999 the country had a military coup. In 2000, junta leader Robert Guei declared himself the winner of rigged elections, but handed power over to Laurent Gbagbo after much civilian protest. A second coup was attempted in 2002 but failed. In 2003 a unity government was formed as part of the Linas-Marcoussis Peace accord, which gave ministerial positions to the rebel forces that had controlled the north, but despite continued implementation of the peace accord, several issues such as land reform and citizenship were not resolved. In March 2007 President Gbagbo and former New Force rebel leader Guillaume Soro signed the Ouagadougou Political Agreement, which outlined a plan to reunite the country, incorporate rebel forces into the army and hold elections. International forces remain in the country to support these efforts.</p>	<p><b>Gross Domestic Product (GDP)</b> \$18.79 billion (2009 est, world rank 125)</p> <p><b>Currency</b> Franc CFA (on parity with EURO)</p> <p><b>Inflation</b> 6.1% (2008 est.)</p> <p><b>Depreciation</b> FCFA is on parity with the Euro.</p> <p><b>Exports</b> Cocoa, coffee, timber, petroleum, cotton, bananas, pineapples, palm oil, fish</p> <p><b>Infrastructure</b> Côte d'Ivoire has 7 airports with paved runways and 27 airports with unpaved runways (2007). There are 660 km of railways (2006), 6,500 km of paved roads and 73,500 km of unpaved roads (2006). Côte d'Ivoire also has 980 km of waterways on navigable rivers, canals, and numerous coastal lagoons (2008).</p> <p><b>Current Account Balance</b> US\$407 million (2008 est.)</p> <p><b>Reserves:</b> US\$3.3 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b> Not Available</p>
Geography	Labor
<p><b>Area</b> 322,460 sq km; land: 318,000 sq km; water: 4,460 sq km</p> <p><b>Climate</b> Tropical along coast, semiarid in far north; three seasons - warm and dry (Nov. to Mar.), hot and dry (Mar. to May), hot and wet (Jun. to Oct.)</p> <p><b>Terrain</b> Mostly flat to undulating plains; mountains in northwest</p> <p><b>Land Use:</b> arable land:10.23%; permanent crops: 11.16%; other: 78.61% (2005) <b>Water Resources:</b> 17.5 cu km (2001)</p> <p><b>Natural Hazards</b> Coast has heavy surf and no natural harbors; during the rainy season torrential flooding is possible</p> <p><b>Environmental issues</b> Deforestation (most of the country's forests - once the largest in West Africa - have been heavily logged); water pollution from sewage and industrial and agricultural effluents</p> <p><b>Geography</b> Most of the inhabitants live along the sandy coastal region; apart from the capital area, the forested interior is sparsely populated.</p>	<p><b>Labor Force (age 15+)</b> N/A</p> <p><b>Participation Rate (age 15+)</b> 62.5% (2007) (Male: N/A Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b> 59.9% (2007)</p> <p><b>Illiteracy Rate</b> Youth: 39.3%; adult: 51.3% (2000)</p> <p><b>Labor Productivity</b> GDP per person employed (1990 US\$): 3,335 (2005)</p> <p><b>Population (%) below US\$2 a day</b> 48.4% (2002)</p> <p><b>Minimum wage/month</b> About US\$62</p>

### 4.3.2 Cote d'Ivoire's Cashew Industry

Côte d'Ivoire today produces 300,000 to 350,000MT of raw cashew nuts. It is the largest producer in Africa and the third largest in the world. Production is concentrated in the zones indicated on the map below.



#### Cashew Processing

Processing capacity: 10,000 Mt

Actual processing: 6,300 Mt

#### Existing Processors

>1.000 MT capacity:

OLAM Dimbokro

Agribusiness Cie: Touba

COPABO: Bondoukou

< 500 MT capacity

CAJOU DE FASSOU : Yamoussoukro

SITA : Odienné

### Non-operating

OLAM : Bouaké (under construction)

### 4.3.3 Infrastructure and Regulations

**Context** The government, inspired by the cocoa industry has set-up a “guichet unique” (single window) for the cashew sector that collects some taxes to be distributed to the public and private organizations that regulate the cashew industry.

#### Taxes and Regulations

##### Raw Cashew Nut taxes

- Areca, Frica, ACE, Intercajou, and others: 15,500 FCFA per ton (\$30) – support groups receive a percentage, which is collected at port (“guichet unique”).
- Droit de sortir (export tax): 10,000 FCFA per ton (\$20) – flat export tax – collected at port
- Road tax (Forces Nouvelle): 13,000 FCFA per ton (\$25) – collected at the entry or exit of areas controlled by New Forces – receipts available
- Road taxes on average: 2.3 million CFA per truck (\$4,000) – most trucks carry 18-ton loads; applies to both RCN and processed nuts

##### Processor taxes

- Patent: 18% of gross revenues
- BIC (Bénéfices Industriels et commerciaux/tax on ): 25% of net profit
- Agricultural development tax: 27% of net profit
- Wage taxes: variable but about 15% per employee
- Social Security: 18% of salary net wage tax
- Inland transport per truck: 1,200 CFA per truck per town (10,000 per truck total usually); contested and may have been eliminated.

##### Cost of investment plus

- Customs on Equipment: 40% negotiable, no exemptions
- VAT on imports: 15%-18% in addition to customs duties
- Importation is based on: tax clearance certificate

#### Investment regulation

##### Conditions of eligibility

- Create a business not including bank or finance activities, building and civil engineering activities.

- Capital: different regulations for Business capital under 500 Million francs CFA and Business capital superior to 500 million francs CFA
- The total value of spare parts must be less or equal to 10% of the global value of the equipment.
- Bookkeeping must respect the requirements of the Ivorian bookkeeping system.
- Payment of taxes.

#### Content of the file to be submitted

- A letter of application to invest
- A description of the project
- A spreadsheet of the investments for the period of the project
- An inventory of the equipment, material and the first lot of the spare parts
- A spreadsheet of the expenses and salaries
- A spreadsheet of exploitation account and results achieved within 5 years for the investments in zone A and within 8 years for zone B.
- An administrative authorization if needed for the activity
- A copy of the certificate of commerce
- A copy of the tax declaration
- A copy of the national identity card or the passport
- A mandate for acting
- A copy of subscription certified by a notary and a copy of capital deposit for the companies
- A copy of the registered internal rules (for the companies )

**NB:** the file must be submitted to the CEPICI in 10 different copies.

#### Investment Incentives

##### Investment code

TAX ADVANTAGES GRANTED	Business capital inferior to 500 million francs CFA	Business capital superior to 500 million francs CFA	
		Business creation	Business development
Exemption of tax on industrial and commercial profits (BIC) or on the non commercial profit(BNC) for 5 or 8 years	Yes	Yes	No
Exemption of trading license and license for 5 or 8 years.	Yes	Yes	No
Application of a unique entry tax of 5% on the imported equipments and on the first lot of the exchange parts.	No	Yes	Yes
Exemption of the estate tax of the buildings exclusively granted to investments superior to 2	No	Yes	No



billion for 5 or 8 years.			
<b>DURATION OF THE ADVANTAGES</b>			
Zone A: Abidjan and neighboring cities (5 years) - 3 years from the kickoff: Total exemption - 4 <sup>th</sup> year of existence: 50% of exemption - 5 <sup>th</sup> year of existence: 25% of exemption	Yes	Yes	No
Zone B: Inland of the country (8 years) - 6 years from the kickoff: Total exemption - 7 <sup>th</sup> year of existence: 50% of exemption - 8 <sup>th</sup> year of existence: 25% of exemption	Yes	Yes	No

**Freight costs (20-foot container) 20 feet container to:**

- Antwerp: 600 Euros
- Rotterdam : 700 Euros
- New York : US\$1,500

#### 4.3.4 Government and Non-Governmental agencies

**CEPICI** (*Centre de Promotion des Investissements en Côte d'Ivoire*) is a government agency that helps national or foreign investors create a business. (Tel: 20 21 40 78 - Fax: 20 21 40 71)

**ARECA** (*Autorité de régulation du Coton et l'Anacarde*). The Cotton and Cashew Regulatory is a state company created by decree regulating the industry.

**INTERCAJOU** (*L'Association Interprofessionnelle de la Filière Anacarde*). Business Association of the Cashew Industry.

**CCI- CI** (*La Chambre de Commerce et d'Industrie de Côte d'Ivoire*) Chamber of Commerce and Industry

**Non-governmental agencies active in the cashew sector include the following.**

- **African Cashew Alliance/African Cashew Initiative** : see page 5
- **ADEFICA** (Association for African Cashew Industry Development)
- **ACE** ( Control Audit and Expertise)



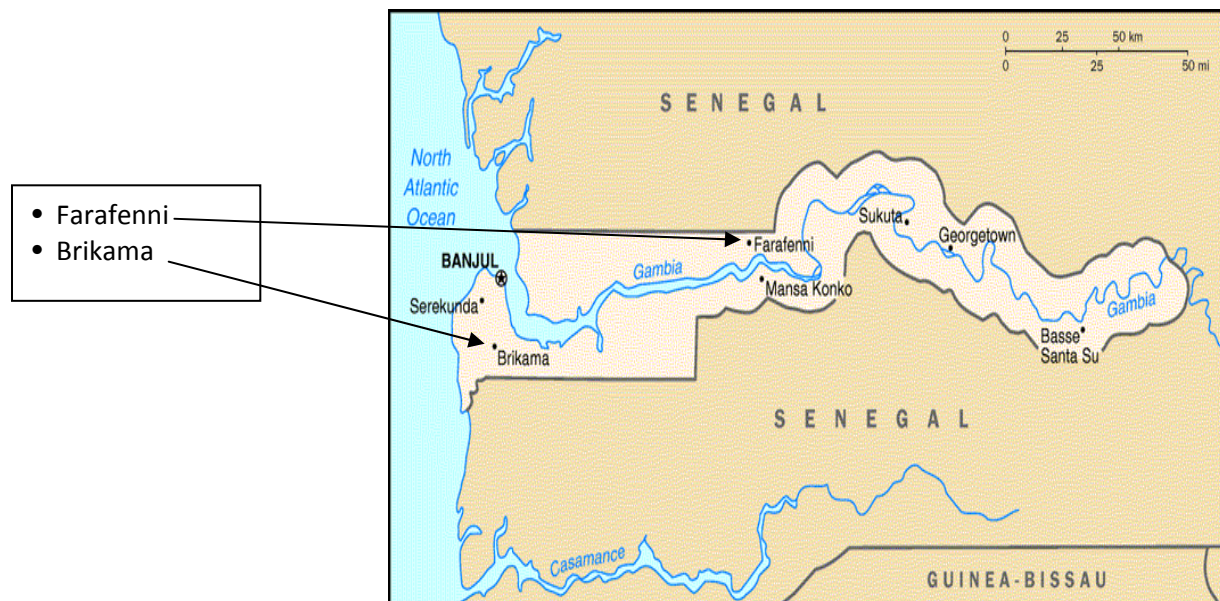
## 4.4 The Gambia

### 4.4.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic</p> <p>The Gambia gained its independence from the UK in 1965. Geographically surrounded by Senegal, it formed a short-lived federation of Senegambia between 1982 and 1989. In 1991 the two nations signed a friendship and cooperation treaty; tensions have flared up intermittently since. Yahya A. J. J. JAMMEH led a military coup in 1994 that overthrew the president and banned political activity. A new constitution and presidential elections in 1996, followed by parliamentary balloting in 1997, completed a nominal return to civilian rule. JAMMEH has been elected president in all subsequent elections, most recently in late 2006.</p>	<p><b>Gross Domestic Product (GDP)</b> \$2.471 billion (2009 est.)</p> <p><b>Currency</b> dalasis (GMD)</p> <p><b>Inflation</b> 4.5% (2009 est.)</p> <p><b>Depreciation</b> N/A</p> <p><b>Exports</b> peanut products, fish, cotton lint, palm kernels, re-exports</p> <p><b>Infrastructure</b> Gambia has one airport and one port in Banjul, 3,742 km of road ways (744 km paved) and 390km of waterways.</p> <p><b>Current Account Balance</b> -\$114 million (2009 est.)</p> <p><b>Reserves</b> \$178 million (31 December 2009 est.)</p> <p><b>Credit Ratings</b></p>
Geography	Labor
<p><b>Area</b> 11,295 sq km</p> <p><b>Climate</b> tropical; hot, rainy season (June to November); cooler, dry season (November to May)</p> <p><b>Terrain</b> flood plain of the Gambia River flanked by some low hills</p> <p><b>Land Use</b> arable land: 27.88%, permanent crops: 0.44%, other: 71.68% (2005)</p> <p><b>Natural Hazards</b> drought (rainfall has dropped by 30% in the last 30 years)</p> <p><b>Environmental issues</b> deforestation; desertification; water-borne diseases prevalent</p> <p><b>Geography - note:</b> almost an enclave of Senegal; smallest country on the continent of Africa</p>	<p><b>Labor Force (age 15+)</b> 777,100 (2007)</p> <p><b>Participation Rate (age 15+)</b> N/A (Male: N/A; Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b> N/A</p> <p><b>Illiteracy Rate</b> N/A</p> <p><b>Labor Productivity</b> N/A</p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b> US\$ 40</p>

#### 4.4.2 Gambia's Cashew Industry

Gambia produces annually 10,000MT. Production is concentrated in the zones indicated on the map below.



#### Cashew processing

Processing capacity: 500 MT

Actual processing: 12 MT

#### Existing Processors

##### Operating processors

- Gambia Horticultural Entreprises (GHE)
- Farmer Inter-Trade Association
- Gamcashew

##### Non operating processors

- Popular Investment Company
- Langfadama
- Terinfin
- North Bank Region Cashew Association

#### 4.4.3 Infrastructure and Regulations

##### Context

- Production zones are closest to processing locations
- 5 commercial banks & 1 central bank lend funds for trade & processing
- Easy land facilitation – long term leasing for abandoned locations

- Cheap labor and locally available
- Stable currency
- Raw material availability with higher yield & good quantity
- Young organic cashew plantation
- Insignificant cashew processing internal completion

#### **Tax incentives**

- Initial 5 years for new investment free from industrial tax
- Import tax exemption facilities for agro-industrial equipments
- 0% export tax on cashew kernel export

**Freight costs** (20-foot container) 20 feet container to USA/Europe International port: US\$4,000

#### **4.4.4 Governmental and Non-Governmental agencies**

- Ministry of Commerce and Industry – To get the Import & export commercial license for a company's commercial activities and also to secure the Industry license.
- Ministry of Finance - To register the company for taxes
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice - For legal registration of company.
- Municipal committee - For publication of company registration in National bulletin
- Gambia Investment & Export Promotion Agency (GIEPA) – To obtain Investment code, information about requirements, facilities and benefits of investment in Gambia, and to submit a proposed project
- Local banks - To have bank account to perform the company commercial transactions.

#### **Non-Governmental Agencies**

- IRD (International Relief and Development) – IRD is a USAID-funded project that covers 4 cashew regions of Gambia (Western, North Bank, Lower river, & Central river). IRD is helping to improve food security by providing training to cashew farmers, seeds for a higher yielding variety of cashew trees, new techniques, nutrition education, land management practices, and small scale units that will process and help utilize all parts of the cashew fruit and nut. The creation of primary producer groups and hiring of value chain coordinators help farmers' organizations better serve their members. These organizations are also trained in business management, entrepreneurship, advocacy, and policy analysis in order to articulate their needs, negotiate what is in their best interest, and participate in and influence the decision making process. In addition, IRD conducts a nutrition education campaign on the nutritional values of cashew.

Estimated completion of the project is December 2011 and will total close to \$4 million in assistance.

## 4.5 Ghana

### 4.5.1 Country Overview

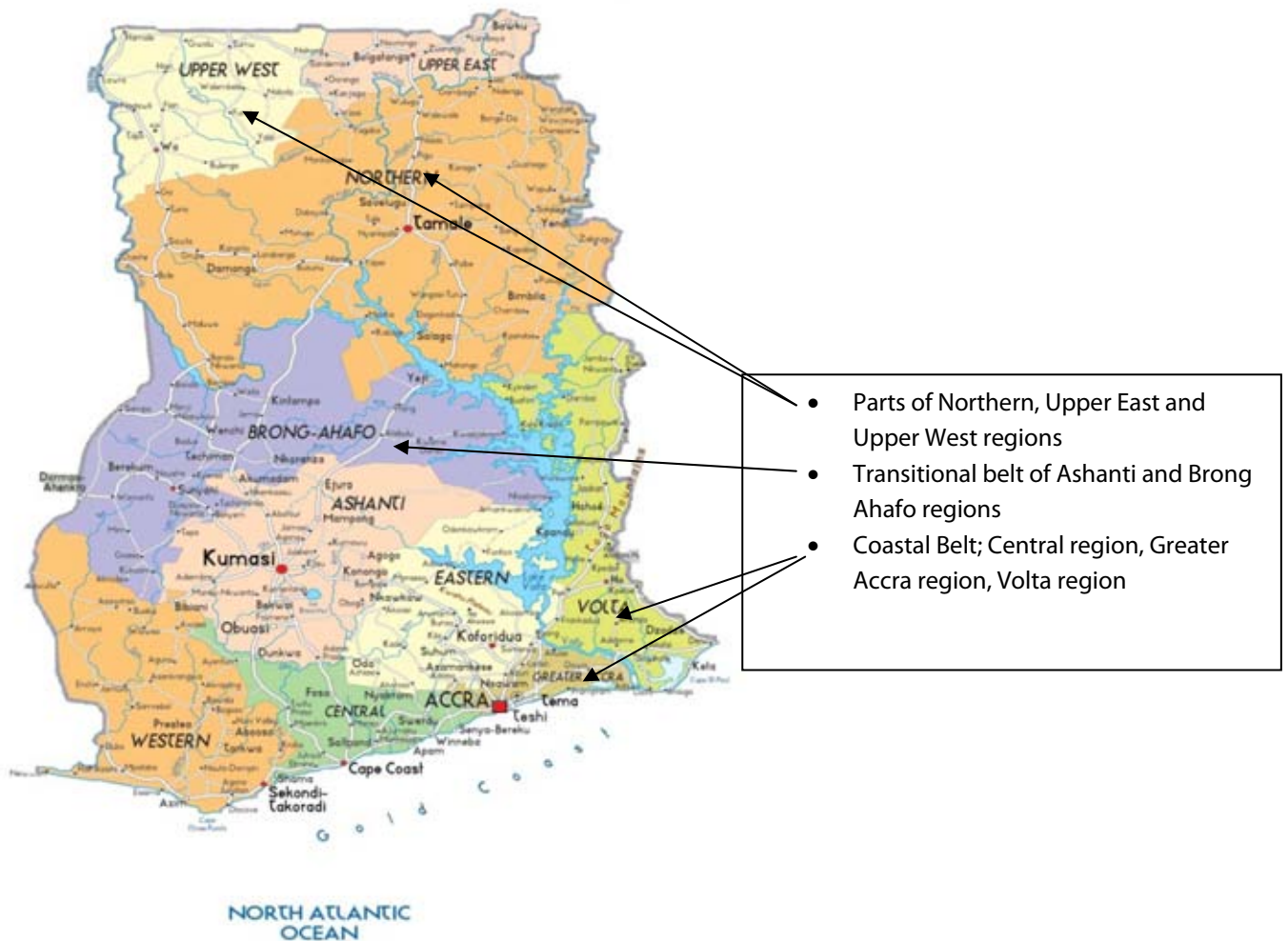
Politics and History	Economy
<p><b>Government form and legal system</b> Presidential Republic</p> <p>In 1957, Ghana became the first Sub-Saharan African country to gain independence. Lt. Jerry Rawlings took power in 1981 and banned political parties. In 1992, Rawlings approved a new constitution and brought back a multi-party system. Rawlings won the presidential elections in 1992 and 1996 and stepped down in 2000 in keeping with constitutional term limits. John Kufuor was elected in 2000 and again in 2004. After stepping down in 2008, Kufuor was succeeded by Prof. John Atta Mills. The 2008 elections were widely seen as a test of Ghana's democracy and resulted in the country's second successful democratic transition of power.</p>	<p><b>Gross Domestic Product (GDP)</b> \$36.57 billion (2009 est.)</p> <p><b>Currency</b> Ghana Cedis (GHS); depreciation: 2.65% YTD (Feb. 2009)</p> <p><b>Inflation</b> 19.3% (2009 est.)</p> <p><b>Depreciation</b> N/A</p> <p><b>Exports</b> Gold, cocoa, timber, tuna, bauxite, aluminum, manganese ore, diamonds, horticulture</p> <p><b>Infrastructure</b> Ghana has 7 airports with paved runways and 5 airports with unpaved runways (2007). There are 953 km of railways (2006), 9,955 km of paved roads and 52,266 of unpaved roads (2006). Ghana also has 1,293 km of waterways, with 168 km for launches and lighters on the Volta, Ankobra, and Tano rivers and 1,125 km of arterial and feeder waterways on Lake Volta (2008).</p> <p><b>Current Account Balance</b> -US\$1.807 billion (2008 est.)</p> <p><b>Reserves:</b> US\$2.301 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b>  <b>Standard &amp; Poor's</b>            Local Currency: B+/Stable/B            Foreign Currency: B+/Stable/B            Transfer &amp; Convertibility Assessment: BB-            Country Ceiling: BBB-</p> <p><b>Fitch</b>            Local Currency: B+Foreign Currency (long term/short term): B+/B            Country Ceiling: B+Long            Term Rating Alert: Outlook Negative</p>
Geography	Labor
<p><b>Area</b> 239,460 sq km; land: 230,940 sq km; water: 8,520 sq km</p> <p><b>Climate</b> Tropical; warm and comparatively dry along southeast coast; hot and humid in southwest; hot and dry in north</p> <p><b>Terrain</b> Mostly low plains with dissected plateau in south-central area</p> <p><b>Land Use</b> Arable land: 17.54%; permanent crops: 9.22%; other: 73.24% (2005)</p> <p><b>Natural Hazards</b> Dry, dusty, northeastern harmattan winds occur from January to March; droughts</p>	<p><b>Labor Force (age 15+)</b> 10.33 million (2009 est.)</p> <p><b>Participation Rate (age 15+)</b> 62.5% (2007) (Male: 73.3% Female: 71.6%)</p> <p><b>Employment to Population Ratio (age 15+)</b> 65.1% (2007)</p> <p><b>Illiteracy Rate</b> Youth: 29.3%; adult: 42.1% (2000)</p> <p><b>Labor Productivity</b> GDP per person employed (1990 US\$): 3,334 (2005)</p> <p><b>Population (%) below US\$2 a day</b> 28.5% (2007 est.)</p> <p><b>Minimum wage/month</b> 100 GH Cedis</p>

**Environmental issues** recurrent drought in north severely affects agricultural activities; deforestation; overgrazing; soil erosion; poaching and habitat destruction threatens wildlife populations; water pollution; inadequate supplies of potable water

**Geography** Lake Volta is the world's largest artificial lake

#### 4.5.2 Ghana's Cashew Industry

Ghana today produces between 15,000 and 25,000 MT of raw cashew nuts and exports between 50,000- 70,000MT of raw cashew nuts. Production is concentrated in the zones indicated on the map below.



#### Cashew Processing

Processing capacity: 4,000 Mt

Actual processing : 1800 Mt

>1.000 MT capacity:

- Mim Cashew

#### < 500 MT capacity:

- Kona Agro Processing Ltd
- SPB Agro-Processing Ltd
- Yummy Enterprise
- Winker Investment

#### Non-operating

- Cynek Farms Ltd

### 4.5.3 Infrastructure and Regulations

**Context** The Cashew Development Project has been set up by the Ministry of Agriculture to support the cashew industry and especially the production sector. This four-year project ends in 2010 and has created awareness of the cashew industry potential among politicians.

#### Taxes and regulations

**Registrar General's Department:** Application for registration of a company is done at the Registrar General's Department. Approval is given by the Registrar General of Companies after the company's regulations have been submitted to the registrar of companies and a certificate of incorporation issued. A specified fee is paid on presentation of the regulations. The information required includes:

1. the name of the company with the word "Limited" as the last word in the name
2. the nature of the company's business
3. the names of the first directors of the company
4. a statement that the liability of the company is limited
5. the share capital and its division into shares of no par value
6. a statement that the company possesses all the powers of a natural person of full capacity
7. limitation on the powers of the Board of Directors in accordance with section 202 of the Companies Code
8. any other lawful provisions relating to the constitution and administration of the company
9. Ghana Investment Promotion Council

**Ghana Investment Promotion Council (GIPC):** All foreign investors intending to operate in Ghana are legally required to register with the GIPC. An application is made to the GIPC for a registration certificate with the Company Regulations, Certificate of incorporation, Certificate to commence business and current Bank of Ghana confirmation of bank transfer of equity capital or shipping customs documents relating to machinery and equipment brought in as equity.

#### Investment incentives

##### Corporate tax

1. All companies – 25%
2. Income from nontraditional exports – 8%

3. Hotels – 22%
  4. Financial institutions – income from loan for farming: 20%
    1. income from loan for a leasing company: 20%
- Tax holidays (from start if operation)
  - Location incentives

### Exemptions

Ghana has Free Zones, providing tax and duty reductions and exemptions for businesses that invest in Ghana. For more information about these programs, see [www.gfzb.com](http://www.gfzb.com) and [www.gipc.org.gh](http://www.gipc.org.gh)

**Freight costs (20-foot container) from Tema to any Europe/USA international port**

#### 4.5.4 Government and Non-Governmental Agencies

- Ministry of Agriculture
- Local Banks
- Export Promotion Council
- Internal Revenue Service
- VAT Service Secretariat
- Environmental Protection Agency (EPA)

#### Non-Governmental Agencies

- African Cashew Alliance/ African Cashew Initiative : see page 5.
- West Africa Trade Hub, funded by USAID



## 4.6 Guinea Bissau

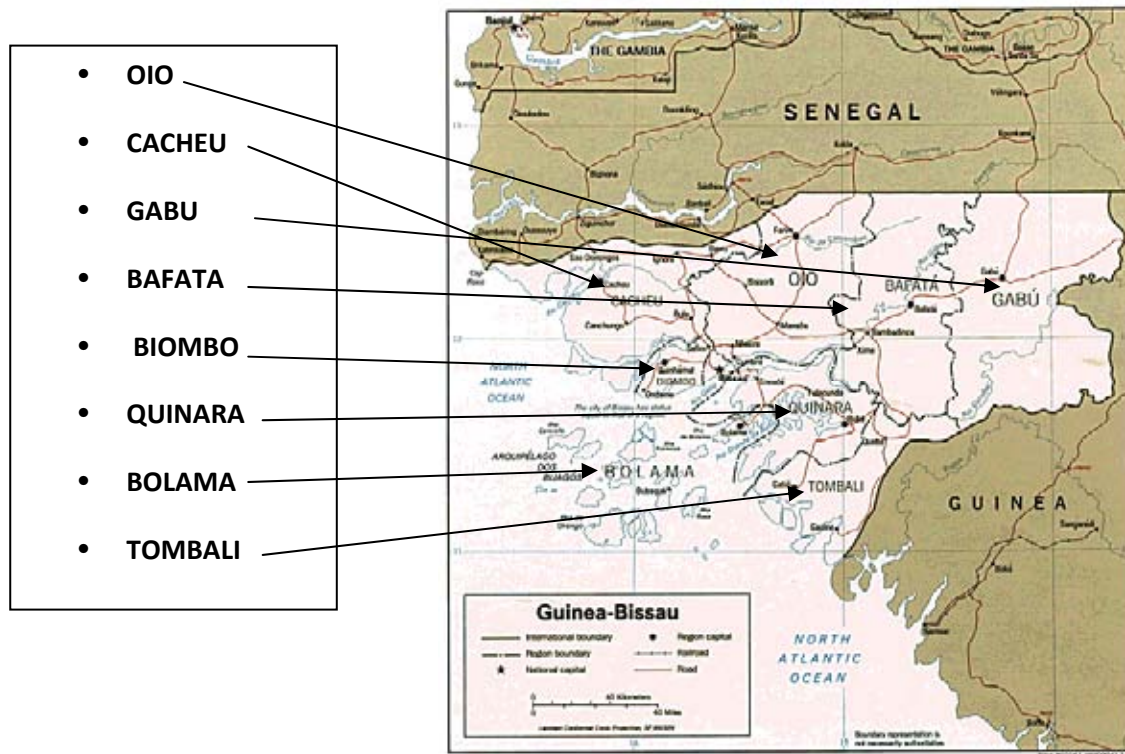
### 4.6.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system</b> Republic</p> <p>Guinea-Bissau achieved independence from Portugal in 1974 and has had a tumultuous political history ever since. Joao Bernardo Vieira has been in power during most of the country's existence. Vieira first came to power in 1980 through a military coup, and he was elected during the country's first open elections in 1994. Vieira was removed from power in 1999 during the country's civil war. In 2000, the country once again held open elections, and Kumba Yala was elected president. In 2003, a bloodless military coup brought Henrique Rosa to power. Vieira was once again elected in 2005, but was assassinated in March 2009. Malam Bacai SANHA was elected in an emergency election held in June 2009.</p>	<p><b>Gross Domestic Product (GDP)</b> \$933.4 million (2009 est.)</p> <p><b>Currency</b> FCFA</p> <p><b>Inflation</b> 3.8% (2007 est.)</p> <p><b>Depreciation</b> FCFA is on parity with the Euro.</p> <p><b>Exports</b> Cashew nuts, shrimp, peanuts, palm kernels, sawn lumber</p> <p><b>Infrastructure</b> Guinea-Bissau has 2 airports with paved runways and 7 airports with unpaved runways (2008). There are 965 km of paved roads and 2,490 km of unpaved roads (2002). Guinea-Bissau has multiple navigable waterways, and inlets and creeks provide shallow-water access to the interior of the country. The ports and terminals are Bissau, Buba, Cacheu, and Farim.</p> <p><b>Current Account Balance</b> -US\$6 million (2007 est.)</p> <p><b>Reserves</b> N/A</p> <p><b>Credit Ratings</b> N/A</p>
Geography	Labor
<p><b>Area</b> 36,120 sq km; land: 28,000 sq km; water: 8,120 sq km</p> <p><b>Climate</b> Tropical; generally hot and humid; monsoonal-type rainy season (June to November) with southwesterly winds; dry season (December to May) with northeasterly harmattan winds</p> <p><b>Terrain</b> Mostly low coastal plain rising to savanna in east</p> <p><b>Land Use</b> Arable land: 8.31%; permanent crops: 6.92%; other: 84.77% (2005)</p> <p><b>Natural Hazards</b> hot, dry, dusty harmattan haze may reduce visibility during dry season; brush fires</p> <p><b>Environmental issues</b> Deforestation; soil erosion; overgrazing; overfishing</p> <p><b>Geography</b> the country is swampy along its western coast and low-lying inland</p>	<p><b>Labor Force (age 15+)</b> 480,000 (1999)</p> <p><b>Participation Rate (age 15+)</b> N/A (Male: N/A; Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b> N/A</p> <p><b>Illiteracy Rate</b> 57.6% (2003 est.)</p> <p><b>Labor Productivity</b> N/A</p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b> 35,000 FCFA</p>

### 4.6.2 Guinea Bissau's Cashew Industry

Guinea Bissau is the second largest cashew producer in West Africa and ranks fifth in the world among cashew-producing countries. The annual production is between 120,000 and 130,000 MT. The production zones are indicated on the map below.





## Cashew Processing

### Operating processors

- D'jonde Ida
- Grupo libio – 3 units (about to start)

### Non-Operating processors

- SICAJU Ida
- Agribissau Ida
- Emicor Filhos Ida
- ANSIPER Ida
- CUCAJU Ida
- Atlanticocaju Ida
- Familias Unidas Ida
- Quade Quade Ida
- LICAJU Ida
- Gebacaju Ida
- ADPP
- Cape
- Bebecaju Ida

### 4.6.3 Infrastructure and regulations

#### Context

- Easy land facilitation – long term leasing for abandoned locations
- 4 commercial banks & 1 central bank lend for trade & processing
- Stable currency – generally
- Raw material availability with higher yield & good quantity
- Insignificant cashew processing internal completion
- Cheap labor and locally available
- Production zones are closest to processing locations
- Young organic cashew plantation

#### Investment incentives

- Initial 5 years for new investment free from industrial tax of 25%
- Import tax exemption facilities for agro-industrial equipments
- 0% export tax on cashew kernel export

**Freight costs (20-feet container)** to any Europe/USA international port: \$US 2,500.00

### 4.6.4 Government and Non-Governmental Agencies

- **Ministry of Commerce & Industry –Ministry Finance** - To register the company for taxes control
- **Ministry of Agriculture** – To obtain the phytosanitary certificate for export purpose.
- **Ministry of Justice** - For legal registration of company.
- **Municipal committee** - For publication of company registration in National bulletin
- **Investment promotion council Bissau** – To obtain Investment code, information about requirements, facilities & benefits of investment in Bissau, and to submit an investment project
- **CNC** – National Cashew Commission - To have better access of cashew production & procurement information.
- **Local banks** - To have bank account to perform the company commercial transactions.

#### Non-governmental agencies active in the cashew sector include the following:

- **SNV**- Providing assistance to cashew value chain – producers & processors small scale capacity buildings
- **NOFIANÇA**- Local technical assistance provider to small-scale cashew processors, previously financed by USAID
- **FUNDEI**-Semi Government NGO and finances industrial initiatives
- **Paz Desenvolvimento**-Supporting small scale cashew processors, financed by Spanish cooperation
- **ADPP** - Supporting producers in better cashew plantation practices, works in collaboration with FAO

## 4.7 Kenya

### 4.7.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic</p> <p>Kenya gained independence in 1963. Jomo Kenyatta served as president from 1963 until 1978, when Daniel Toroitich arap Moi succeeded. From 1969 to 1982 the Kenya African National Union was the only legal political party in Kenya, and responding to outside pressures, the country held its first open elections in 1992. President Moi was elected in 1992 and 1997 and stepped down in 2002. Mwai Kibaki was elected in 2002 and was reelected in 2007. However, the opposition candidate, Raila Odinga, alleged that the elections had been rigged, and substantial violence followed. UN-led negotiations in February 2008 resulted in a power-sharing agreement between Kibaki and Odinga, who was subsequently installed as prime minister.</p>	<p><b>Gross Domestic Product (GDP)</b> \$63.73 billion (2009 est.)</p> <p><b>Currency</b> Kenya Shilling</p> <p><b>Inflation</b> 25.5% (2008 est.)</p> <p><b>Depreciation</b></p> <p><b>Exports</b> Tea, horticultural products, coffee, petroleum products, fish, cement</p> <p><b>Infrastructure</b> Kenya has 16 airports with paved runways and 164 airports with unpaved runways (2008). There are 2,778 km of railways, 8,933 km of paved roads and 54,332 km of unpaved roads (2004). The primary port is Mombasa.</p> <p><b>Current Account Balance</b> -US\$1.859 billion (2008 est.)</p> <p><b>Reserves:</b> US\$3.116 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b>  <b>Standard &amp; Poor's</b>            Local Currency: B/Positive/B            Foreign Currency: B/Positive/B            Transfer &amp; Convertibility Assessment: BB-</p>
Geography	Labor
<p><b>Area</b> 582,650 sq km; land: 569,250 sq km; water: 13,400 sq km</p> <p><b>Climate</b> Varies from tropical along coast to arid in interior</p> <p><b>Terrain</b> Low plains rise to central highlands bisected by Great Rift Valley; fertile plateau in west</p> <p><b>Land Use</b> Arable land: 8.01%; permanent crops: 0.97%; other: 91.02% (2005)</p> <p><b>Natural Hazards</b> Recurring drought; flooding during rainy seasons</p> <p><b>Environmental issues</b> Water pollution from urban and industrial wastes; degradation of water quality from increased use of pesticides and fertilizers; water hyacinth infestation in Lake Victoria; deforestation; soil erosion; desertification; poaching</p> <p><b>Geography</b> the Kenyan Highlands comprise one of the most successful agricultural production regions in Africa</p>	<p><b>Labor Force (age 15+)</b> 16.94 million (2008 est.)</p> <p><b>Participation Rate (age 15+)</b> N/A (Male: N/A Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b> N/A</p> <p><b>Illiteracy Rate</b> 40% (2001 est.)</p> <p><b>Labor Productivity</b> N/A</p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b> N/A</p>

## 4.7.2 Kenya's Cashew Industry

Not Available



## 4.7.3 Infrastructure and Regulations

Not Available

## 4.7.4 Governmental and Non-Governmental Agencies

Not Available

## 4.8.1 Mozambique

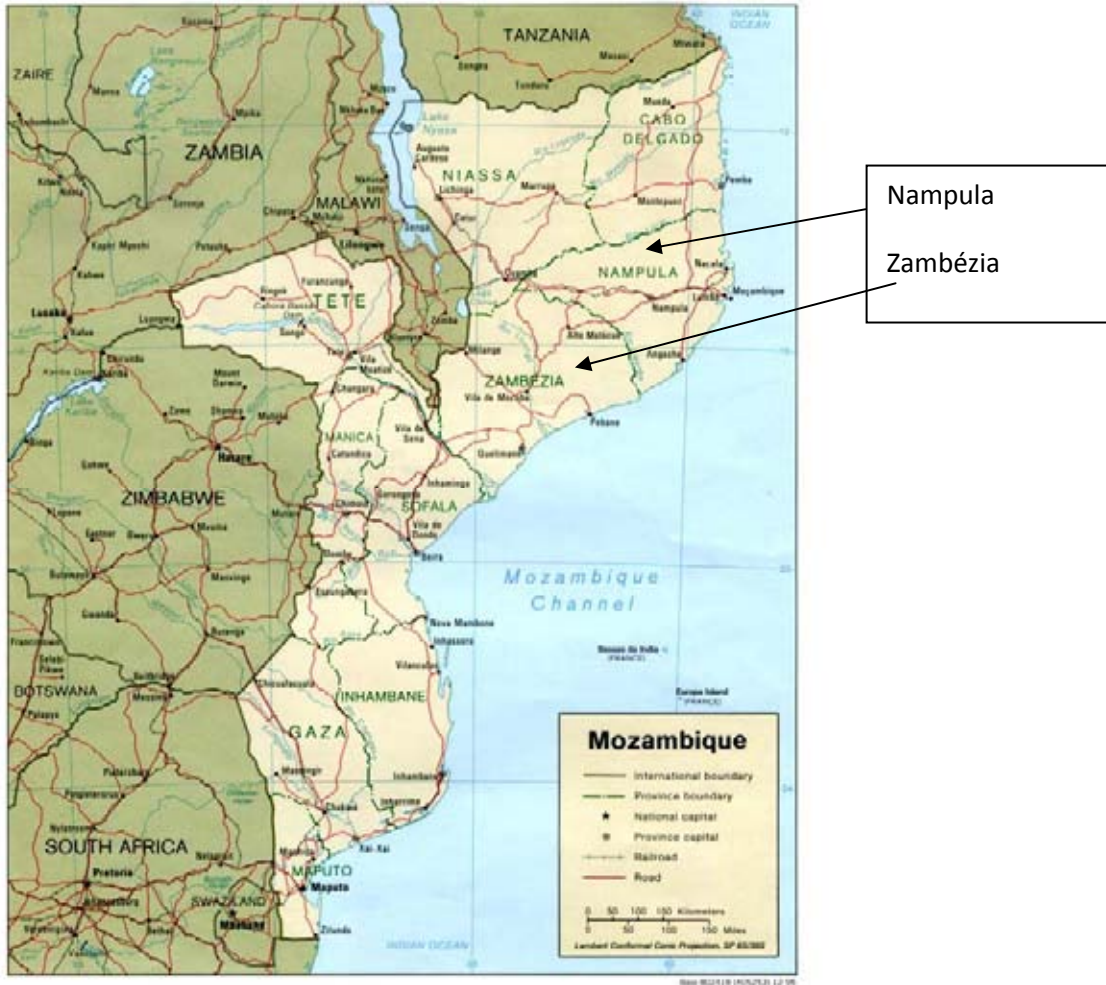
### 4.8.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic</p> <p>Mozambique achieved independence from Portugal in 1975. The country was ruled by the Marxist Front for the Liberation of Mozambique (FRELIMO), and in 1989 the party adopted a new constitution and held multi-party elections. In 1992 FRELIMO and rebel Mozambique National Resistance (RENAMO) forces signed a peace agreement to end fighting. In 2004, Armando Emilio Guebuza continued to focus on economic policy that promotes foreign direct investment. Economic growth has been very strong in the country since the end of the civil war.</p>	<p><b>Gross Domestic Product (GDP)</b> \$20.17 billion (2009 est.)</p> <p><b>Currency</b> Meticaís</p> <p><b>Inflation</b> 11.2% (2008 est.)</p> <p><b>Depreciation</b> N/A</p> <p><b>Exports</b> Aluminum, prawns, cashews, cotton, sugar, citrus, timber; bulk electricity</p> <p><b>Infrastructure</b> Mozambique has 23 airports with paved runways and 88 airports with unpaved runways (2008). There are 3,123 km of railways (2006), 5,685 km of paved roads and 24,715 km of unpaved roads (2000). Mozambique has 460 km of waterways (2008). The country has ports in Beira, Maputo, and Nacala.</p> <p><b>Current Account Balance</b> -US\$981 million (2008 est.)</p> <p><b>Reserves</b> US\$2.067 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b> Standard &amp; Poor's: Local Currency: B+/Stable/B Foreign Currency: B+/Stable/B Transfer &amp; Convertibility Assessment: B+</p>
Geography	Labor
<p><b>Area</b> 801,590 sq km; land: 784,090 sq km</p> <p><b>Climate</b> Tropical to subtropical</p> <p><b>Terrain</b> Mostly coastal lowlands, uplands in center, high plateaus in northwest, mountains in west</p> <p><b>Land Use</b> Arable land: 5.43%; permanent crops: 0.29%; other: 94.28% (2005)</p> <p><b>Natural Hazards</b> Severe droughts; devastating cyclones and floods in central and southern provinces</p> <p><b>Environmental issues</b> a long civil war and recurrent drought in the hinterlands have resulted in increased migration of the population to urban and coastal areas with adverse environmental consequences; desertification; pollution of surface and coastal waters; elephant poaching for ivory is a problem</p> <p><b>Geography</b> The Zambezi flows through the north-central and most fertile part of the country</p>	<p><b>Labor Force (age 15+)</b> 10.04 million (2008 est.)</p> <p><b>Participation Rate (age 15+)</b> N/A (Male: N/A Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b></p> <p><b>Illiteracy Rate</b> 52.2% (2003 est.)</p> <p><b>Labor Productivity</b> N/A</p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b></p>



## 4.8.2 Mozambique's Cashew Industry

Mozambique today produces around 90,000 MT of raw cashew nuts. Production is concentrated in the zones indicated on the map below.



### Cashew Processing

#### Operating processors

#### > 1,000 MT Capacity

- Miranda
- Condorcaju
- Condor Nuts
- Indo Africa
- Koroxo Lda
- MAP -Muloque agro-pro.
- Mozacaju
- Olam

#### < 1000 MT capacity

- MCM Ida
- Madecaju Ida
- Invapecaju Ida
- Madercil Ida
- IPCCM
- Cabo Caju
- Maziotela Industrial Lda
- Small Namige procesors
- Moma Caju (Jatin-Caju)
- Zambezia Caju

#### Non-operating

- Socaju Ida
- Anacardia Lda.
- EDCIL Ida
- Sunsmile de Moz. Lda
- Mulopia Caju

### 4.8.3 Infrastructure and Regulations

#### Investment incentives

The Investment Legislation, according to the value, geographical area and sector of activity provides customs and fiscal benefits to eligible projects, namely Generic Benefits with its:

- Exemptions on Import Duties on equipment of class “K” of the Customs Tariff Schedule (the exemption is extensive to Value Added Tax).
- Reduction of 50% on the real property transfer tax (SISA) on acquisition of capital goods for Industry, Agro-industry and Hotels, provided that they are acquired in the first 3 (three) years counting from the investment authorization date.

#### Investment Tax Credit (CFI)

- Fiscal Credit per Investment (CFI) during 5 fiscal exercises:
- Nampula, Manica, Maputo City and Maputo Province : 5%
- Gaza, Sofala, Tete and Zambézia: 10%
- Niassa, Cabo Delgado and Inhambane: 10%

#### There also some specific regimes for:

- Agriculture;
- Industrial Free Zones;
- Tourism and Hotels;
- Large Scale Projects;
- Rapid Development Zones;
- Investments under the Mining Law;
- Investments under the Petroleum Law.

**Freight costs (20-foot container)** to any US/Europe from any international port- \$US 2,500.00 to \$US 3,000.

#### **4.8.4 Government and Non-Governmental Agencies**

- Ministry of Commerce & Industry
- Ministry Finance
- Ministry of Agriculture
- Incaju

**Non-governmental agencies** active in the sector include the following

- Aicaju
- African Cashew Alliance/African Cashew Initiative :see page 5.
- Agrifuturo
- Technoserve



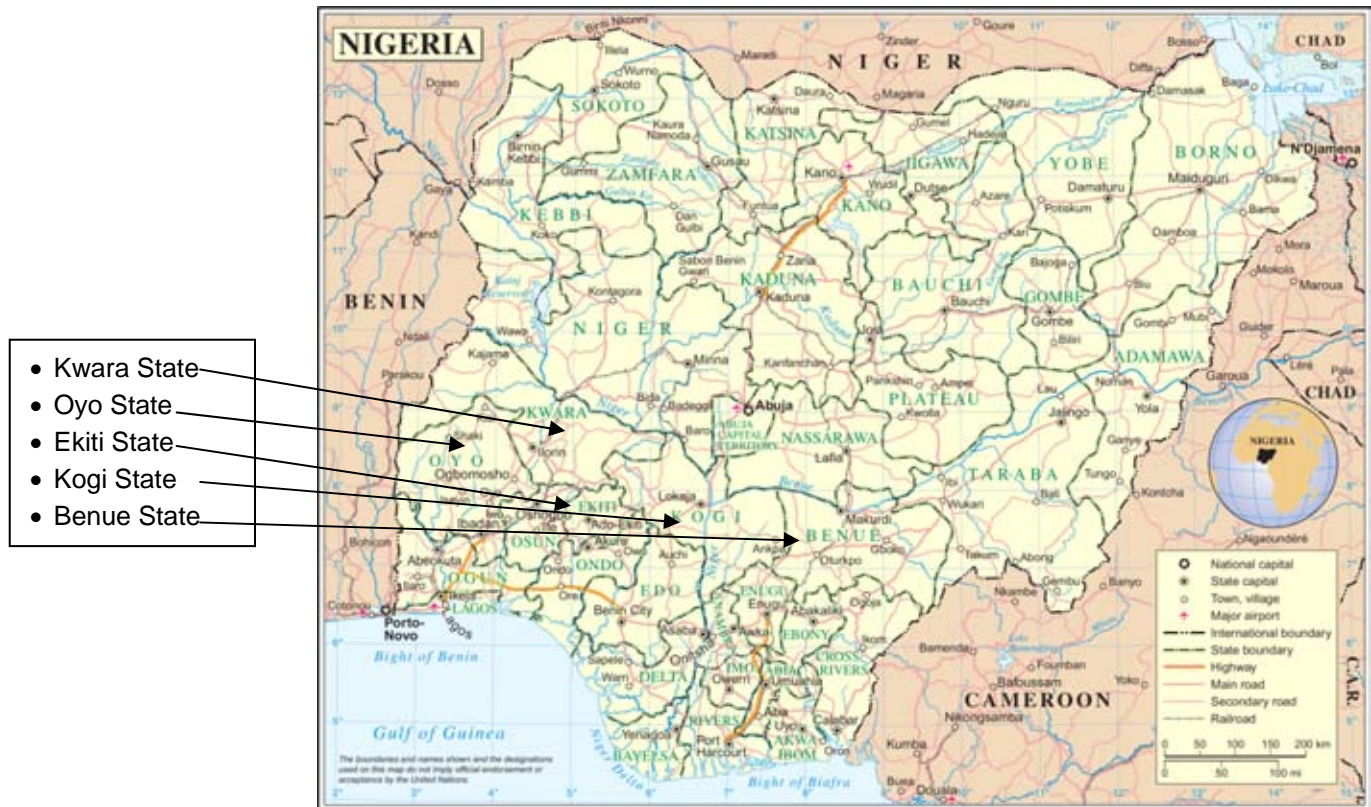
## 4.9 Nigeria

### 4.9.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Federal Republic</p> <p>Nigeria gained independence from Britain in 1960. The country adopted a new constitution in 1999 and transitioned to civilian government after almost two decades of military rule. Nigeria is working to institutionalize democracy and end the corruption and mismanagement that have at times been an issue in this petroleum-based economy. Longstanding ethnic and religious tensions continue in parts of the country as well. Although both the 2003 and 2007 presidential elections were not absent of irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. The general elections of April 2007 marked the first civilian-to-civilian transfer of power in the country's history.</p>	<p><b>Gross Domestic Product (GDP)</b> \$357.2 billion (2009 est.)</p> <p><b>Currency</b> Naira</p> <p><b>Inflation</b> 10.6% (2008 est.)</p> <p><b>Exports</b> Petroleum and petroleum products 95%, cocoa, rubber</p> <p><b>Infrastructure</b> Nigeria has 36 airports with paved runways and 34 airports with unpaved runways (2007). There are 3,505 km of railways (2006), 28,980 km of paved roads and 164,220 km of unpaved roads (2004). Nigeria also has 8,600 km waterways on the Niger and Benue rivers and on smaller rivers and creeks</p> <p>Current Account Balance US\$7.722 billion (2008 est.)</p> <p><b>Reserves</b> US\$72.04 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b>            Standard &amp; Poor's            Local Currency: BB/Stable/B            Foreign Currency: BB-/Stable/B            Transfer &amp; Convertibility Assessment: BB-Fitch            Local Currency: BB            Foreign Currency (long term/short term): BB-/B            Country Ceiling: BB-            Long Term Rating Alert: Outlook Stable</p>
Geography	Labor
<p><b>Area</b> 923,768 sq km; land: 910,768 sq km</p> <p><b>Climate</b> Varies; equatorial in south, tropical in center, arid in north</p> <p><b>Terrain</b> Southern lowlands merge into central hills and plateaus; mountains in southeast, plains in north</p> <p><b>Land Use</b> Arable land: 33.02%; permanent crops: 3.14%; other: 63.84% (2005)</p> <p><b>Natural Hazards</b> Periodic droughts; flooding</p> <p><b>Environmental issues</b> soil degradation; rapid deforestation; urban air and water pollution; desertification; oil pollution - water, air, and soil; has suffered serious damage from oil spills; loss of arable land; rapid urbanization</p> <p><b>Geography - note</b> The Niger enters the country in the northwest and flows southward through tropical rain forests and swamps to its delta in the Gulf of Guinea</p>	<p><b>Labor Force (age 15+)</b> 45,298,000 (2007 est.)</p> <p><b>Participation Rate (age 15+)</b> 54.5% (2007) (Male: 70.6% Female: 38.7%)</p> <p><b>Employment to Population Ratio (age 15+)</b> 65.1% (2007)</p> <p><b>Illiteracy Rate</b> Youth: 15.8%; adult: 30.9% (2004)</p> <p><b>Labor Productivity</b> GDP per person employed (1990 US\$): 3,576 (2005)</p> <p><b>Population (%) below US\$2 a day</b> 70% (2007 est.)</p> <p><b>Minimum wage/month</b> 7,500 Nairas (US\$50)</p>

#### 4.9.2 Nigeria's Cashew Industry

Nigeria today produces between 70- 80,000 MT of Raw Cashew Nut. Production is concentrated in the zones indicated on the map below.



#### Cashew processing

##### Operating processors

- Olam Nig. Ltd. Ilorin
- Matnad Industries Ltd
- Abod Success Nig. Ltd
- Embiks Investment

##### Non operating processors

- Abig Ventures
- A.C.E.T. (Nig.) Ltd
- KD Foods, Kaduna
- Asia Commodities Ltd
- Century Export Ltd
- Collosus Investment
- Eastern Farm Industries Ltd
- ED&F Man Nig. Ltd
- Elephant Group Ltd

- Emekacajan Industrial Co. Ltd
- Ido – Enkay Nig. Ltd
- JOF Enterprises Ltd
- Kashford
- LBM Oversens Nig. Ltd
- Pargan Nig. Ltd
- Valency International Pte/Viva Kwel Nig. Ltd

#### 4.9.3 Infrastructure and Regulations

**Context** The Nigerian Investment Promotion Council has been set-up by the government to help investors. It offers a number of incentives, including tax abatements for projects that involve significant job creation. For more information about these and other programs, see [www.nipc.gov.ng](http://www.nipc.gov.ng).

##### Investment incentives

- Five years tax holiday if granted pioneer status, i.e. located in a rural area
- Import tax exemption facilities for agro-industrial equipments
- 0% export tax on cashew kernel export
- Easy Land facilitation – long term leasing for abandoned locations
- Stable currency – generally
- Raw material availability with good yield & quantity
- 30% of export proceeds of processed products repatriated to Nigeria is given as a grant

Nigeria offers Free Zones, which provide tax and duty reductions and exemptions to businesses that invest in the country.

**Freight costs (20-foot container)** to any US/Europe from any international port – US\$3,500.

#### 4.9.4 Government and Non-Governmental Agencies

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the Industry license.
- Ministry Finance - To register the company for taxes control
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice - For legal registration of company.
- Municipal committee - For publication of company registration in National bulletin
- NIPC – Nigerian Investment promotion council – To obtain Investment code, information about requirements, facilities & benefits of investment in Bissau, and to submit your project of your investment.
- CAC– Cooperate Affairs Commission - To insure the follow up with Nigerian cooperate sector laws.
- Local banks - To have bank account to perform the company commercial transactions.

**Non-governmental agencies actives in the cashew sector include the following**

- Africa Farmers Extension Network – Association provides the consultancy to local Nigerian cashew farmers associations in global farming practices and linkage to markets. Also
- CEKARD Associate – Centre of knowledge and agricultural rural development works with cashew farmers, local traders, exporters and processors.
- NNF – New Nigeria foundation conduct services to empower the Nigerian rural cashew farmers, traders, and domestic processors.

## 4.10 Senegal

### 4.10.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic</p> <p>Senegal gained independence from France in 1960. The country has enjoyed a relatively stable political environment since then. The Casamance region in the south has experienced occasional interruptions of this stability from the Movement of Democratic Forces in the Casamance (MFDC) since 1980. The activities of the MFDC have largely subsided in recent years. Regardless, Senegal is one of the region's most secure democracies. The current president, Abdoulaye Wade was elected in 2000 and reelected in 2007.</p>	<p><b>Gross Domestic Product (GDP)</b> \$22.38 billion (2009 est.)</p> <p><b>Currency</b> FCFA is on parity with the Euro.</p> <p><b>Inflation</b> 6.6% (2008 est.)</p> <p><b>Depreciation</b></p> <p><b>Exports</b> Fish, groundnuts (peanuts), petroleum products, phosphates, cotton</p> <p><b>Infrastructure</b> Senegal has 9 airports with paved runways and 8 airports with unpaved runways (2008). There are 906 km of railways (2006), 3,972 km of paved roads and 9,604 km of unpaved roads (2003). Senegal also has 1000 km of waterways on the Senegal, Saloum, and Casamance rivers (2008). The primary port is Dakar.</p> <p><b>Current Account Balance</b> -US\$2.078 billion (2008 est.)</p> <p><b>Reserves:</b> US\$1.765 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b> <b>Standard &amp; Poor's</b></p>
Geography	Labor
<p><b>Area</b> 196,190 sq km; land: 192,000 sq km</p> <p><b>Climate</b> Tropical; hot, humid; rainy season (May to November) has strong southeast winds; dry season (December to April) dominated by hot, dry, harmattan wind</p> <p><b>Terrain</b> Generally low, rolling, plains rising to foothills in southeast</p> <p><b>Land Use</b> Arable land: 12.51%; permanent crops: 0.24%; other: 87.25% (2005)</p> <p><b>Natural Hazards</b> Lowlands seasonally flooded; periodic droughts</p> <p><b>Environmental issues</b> wildlife populations threatened by poaching; deforestation; overgrazing; soil erosion; desertification; overfishing</p> <p><b>Geography - note</b> Senegal is the westernmost country on the African continent</p>	<p><b>Labor Force (age 15+)</b> 4.973 million (2008 est.)</p> <p><b>Participation Rate (age 15+)</b> N/A (Male: N/A Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b> N/A</p> <p><b>Illiteracy Rate</b> 60.7%</p> <p><b>Labor Productivity</b></p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b> 55,000 FCFA (125 US\$)</p>

### 4.10.2 Senegal's Cashew Industry

Senegal produces 15,000MT of raw cashew nut. Production is concentrated in the zones indicated on the map below.



## Cashew processing

### Operating Processors

- ACASEN
- Organic Cashew Nuts GIE
- SCPL Sarl

### Non-Operating Processors

- APAD
- Frederic Coly
- Joseph Diamacoune
- Edouard Sagna
- Association des Handicapés de Diattacounda
- Association des Handicapés de Sarecolidian
- Malang Sane

### 4.10.3 Infrastructure and regulation

**Context** Senegal's economy remains dominated by service industries, which account for 60% to the GDP. The primary and secondary activities each contribute to 20%.



Senegal is the first country to have been rated B + / Stable / B in West Africa by the prestigious international rating agency Standard & Poor's International, this for three consecutive years. The CFA franc is pegged to the Euro at a rate of 1 € = 655,957 FCFA (100 FCFA = 1 FF). Senegal shares a common currency with the eight UEMOA countries, community organization which he belongs. A Central Bank (BCEAO) is responsible for monetary policy in the area

**Human resources** Senegal has invested very early in the education system.

The country has high-level experts in a wide range of industries. Many executives would otherwise support Senegalese serious references in European or American universities

**Modern and efficient Infrastructure** Senegal has a dense road network of 14,500 km. The road sector is currently undergoing a major restructuring with the creation of a Roads Board (CR) and an Autonomous Agency for Road Works (AATR) and the reorganization of the Directorate of Public Works. A second program, Transport Sector (PST2), is a 165 billion CFA francs investment, with 70% dedicated to the country's highways. Several projects were launched in 2004 on the construction and rehabilitation of the network, including the building of bridges. Urban interchanges and intersections improvements will be realized by 2005 to improve urban mobility. The proposed extension of northern relief roads is at an advanced stage.

#### **Investment Incentive**

- Establishing a system of tax credits for investments in an amount equal to 40% of capital investments over a period of five years and capped for each fiscal year, 50% of taxable income for new businesses and 25% for extensions.
- Demarcation between the investment phase and the operational, allowing the investor to enjoy fully the benefits of holding for the duration of (05) years and the administration to collect any information regarding the achievement of the agreed program and start-up activities.
- Compliance with the Code of the Environment.
- The abolition of minimum capital payable. In fact, tax cuts have been initiated through the reform of the patent, reducing the rate of corporation tax (from 35% to 33%) and extending the system of accelerated depreciation.

Senegal has Free Zones which provide many tax and duty reductions and exemptions to export-oriented businesses that invest in Senegal. For more information on this and other business incentives, see [www.investinsenegal.com](http://www.investinsenegal.com).

**Privileged access of regional and international markets** An economic union of eight West African countries: Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Togo, Niger, Senegal (West African Economic and Monetary Union); a market of 70 million consumers based on the free movement of persons and property.

**Freight cost 20-feet container** to USA / Europe the freight from any international port – US\$2,500.

#### 4.10.4 Government and Non-Government Agencies

- Ministry of Commerce & Industry – To get the import and export commercial license for the company commercial activities and also to secure the Industry license
- Ministry Finance - To register the company for tax control
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose
- Ministry of Justice - For legal registration of the company
- Municipal committee - For publication of company registration in National bulletin
- APIX – To obtain Investment code, information about requirements, facilities and benefits of investment in Senegal, and to submit your project of your investment
- Local banks - To have bank account to perform the company commercial transactions

#### **Non-governmental agencies actives in the cashew sector include the following:**

- ProVAEC (*Project de Valorization des ressources Agricola's et de l'Elevage de la Casamance*) - a 4 year project since 2008 helping processors in 3 fields cashew nut, mango and milk. It is funded jointly by EU and Austria
- PCE (*Projet de Croissance Economique*) - a project funded by USAID that aims to identify and develop value chains in different sectors including the cashew sector
- Wula Nafa - a program funded by USAID and run by IRG (International Resource Group). The project has worked for many years in agro-forestry helping mainly producers but also processors
- AVSF (*Agronomes & Veterinaires Sans Frontieres*)
- PROMER (*Projet de Promotion de l'Entreprenariat Rural*) - helping processors in Kaolack and Fatick region; funded by BOAD and FIDA



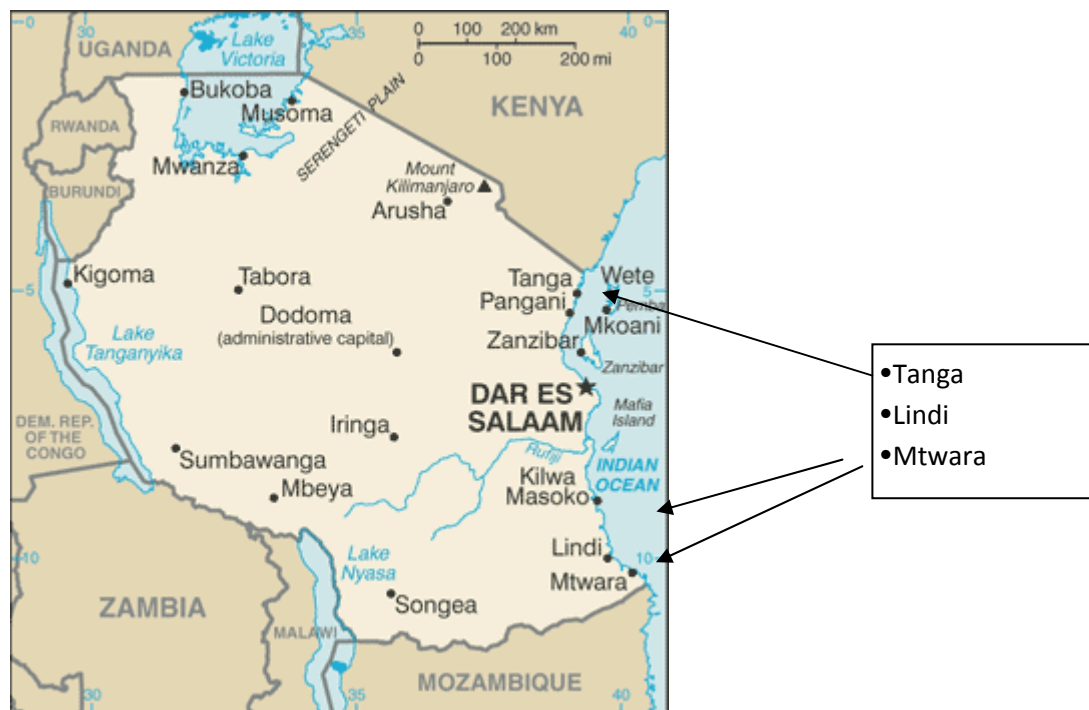
## 4.11 Tanzania

### 4.11.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic</p> <p>The country of Tanzania was formed in 1964 after Tanganyika and Zanzibar merged. In 1995, the country held its first elections since 1970s. Two additional elections have been held since 1995, although there have been claims of irregularities.</p>	<p><b>Gross Domestic Product (GDP)</b> \$57.89 billion (2009 est.)</p> <p><b>Currency</b> Tanzanian shilling</p> <p><b>Inflation</b> 9.3% (2008 est.)</p> <p><b>Depreciation</b></p> <p><b>Exports</b> Gold, coffee, cashew nuts, manufactures, cotton</p> <p><b>Infrastructure</b> Tanzania has 9 airports with paved runways and 115 airports with unpaved runways (2008). There are 3,690 km of railways (2006), 6,808 km of paved roads and 72,083 km of unpaved roads (2003). The primary port is Dar es Salaam.</p> <p><b>Current Account Balance</b> -US\$2.275 billion (2008 est.)</p> <p><b>Reserves:</b> US\$2.624 billion (31 December 2008 est.)</p> <p><b>Credit Ratings</b> N/A</p>
Geography	Labor
<p><b>Area</b> 945,087 sq km; land: 886,037 sq km</p> <p><b>Climate</b> Varies from tropical along coast to temperate in highlands</p> <p><b>Terrain</b> Plains along coast; central plateau; highlands in north, south</p> <p><b>Land Use</b> Arable land: 4.23%; permanent crops: 1.16%; other: 94.61% (2005)</p> <p><b>Natural Hazards</b> Flooding on the central plateau during the rainy season; drought</p> <p><b>Environmental issues</b> Soil degradation; deforestation; desertification; destruction of coral reefs threatens marine habitats; recent droughts affected marginal agriculture; wildlife threatened by illegal hunting and trade, especially for ivory</p> <p><b>Geography - note</b> Kilimanjaro is highest point in Africa; bordered by three of the largest lakes on the continent: Lake Victoria (the world's second-largest freshwater lake) in the north, Lake Tanganyika (the world's second deepest) in the west, and Lake Nyasa in the southwest</p>	<p><b>Labor Force (age 15+)</b> 20.38 million (2008 est.)</p> <p><b>Participation Rate (age 15+)</b> N/A (Male: N/A Female: N/A)</p> <p><b>Employment to Population Ratio (age 15+)</b> N/A</p> <p><b>Illiteracy Rate</b> 30.6% (2002 census)</p> <p><b>Labor Productivity</b> N/A</p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b> from 65,000 TZS to 350,000 TZS.</p>

#### 4.11.2 Tanzania's Cashew Industry

For the past decade, raw cashew production in Tanzania has average around 92,000MT between 1998 and 2008. The production in 2007/2008 season was almost 100,000MT. Cashew is produced in the coastal area and in southern Tanzania. Mtwara is the highest raw cashew-producing region, contributing around three-fifth of total raw cashew produced in the country. Lindi is the next region contributing about one-fifth of total production. Coast region contributes about one-tenth. And the rest of the raw cashew is from Tanga, Dar es Salaam and Ruvuma. Minimal contribution comes from Morogoro, Iringa and Mbeya (see the map below).



#### Cashew processing

Processing is mainly done in Mtwara and Dar es Salaam.

#### Operating Processors

- Masasi
- Newala 1
- Olam

#### Non Operating Processors

- Newala 2
- Licombe
- Lindi
- Mtama
- Nachinwea
- Cashew Company
- Kibaha
- Mohamed Ent.

- Uvuki
- Damros
- Export Trading
- River Valley Foods
- Premier Cashew

#### 4.11.3 Infrastructures and Regulations

Not available

#### 4.10.4 Governmental and Non-Governmental Agencies

- The Cashewnut Board of Tanzania (CBT)
- Naliendelee Agriculture Research Institute
- Cooperatives Union: TANECU and MAMCU/ILULU/ CORECU/DARECU/ and TAMCU
- AMCOS- Agricultural Marketing Co-Operative Societies

##### **Non-Governmental agencies:**

- Concern
- Farmers Associations (Tandahimba (TAFA) and Newala (NEFA))
- Processors Association

Some new opportunities are arising from *kilimo kwanza* initiative.

Efforts of upgrading trees through CDC (Cashew Development Centers) imply that production will continue to increase in the foreseeable future.

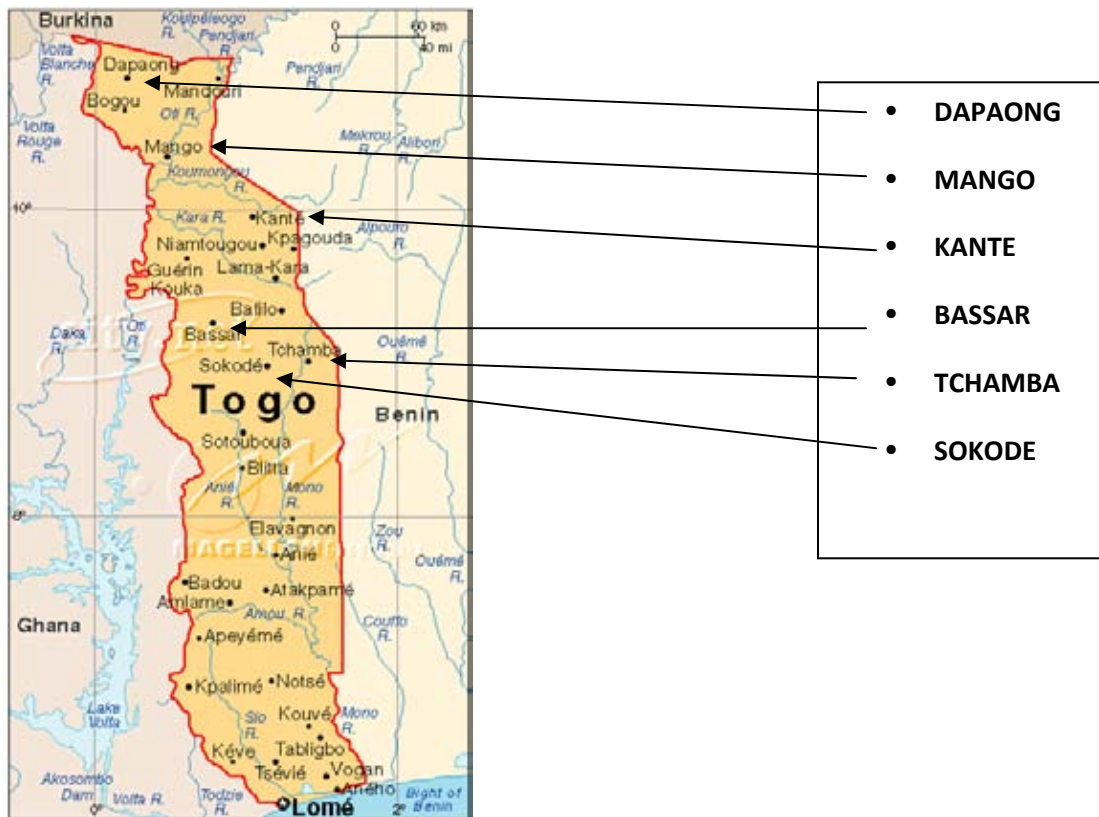
## 4.12 Togo

### 4.12.1 Country Overview

Politics and History	Economy
<p><b>Government form and legal system:</b> Republic</p> <p>Togo gained independence in 1960 and was ruled by Gen. Gnassingbe Eyadema for most of its existence. Gen. Eyadema came to power in 1967 as a military ruler and remained in power even through elections which were instituted in the 1990s. Eyadema's son, Faure Gnassingbe was given power, first through military installation and then through elections, after Eyadema's death in 2005. In 2007 Togo held its first round of free and fair legislative elections. After years of difficulties, Togo is being re-welcomed into the international community.</p>	<p><b>Gross Domestic Product (GDP)</b> \$5.202 billion (2009 est.)</p> <p><b>Currency</b> FCFA</p> <p><b>Inflation</b> 9.8% (2008 est.)</p> <p><b>Depreciation</b> FCFA is on parity with the Euro.</p> <p><b>Exports</b> Cotton, phosphates, coffee, cocoa</p> <p><b>Infrastructure</b> Togo has 2 airports with paved runways and 7 airports with unpaved runways (2007). There are 568 km of railways (2006), 2,376 km of paved roads and 5,144 km of unpaved roads (2000). Togo also has 50 km of waterways on Mono River that are navigable seasonally depending on rainfall (2008).</p> <p><b>Current Account Balance</b> -US\$433 million (2008 est.)</p> <p><b>Reserves:</b> US\$502 million (31 December 2008 est.)</p> <p><b>Credit Ratings</b> N/A</p>
Geography	Labor
<p><b>Area</b> 56,785 sq km; land: 54,385 sq km</p> <p><b>Climate</b> Tropical; hot, humid in south; semiarid in north</p> <p><b>Terrain</b> Gently rolling savanna in north; central hills; southern plateau; low coastal plain with extensive lagoons and marshes</p> <p><b>Land Use</b> Arable land: 44.2%; permanent crops: 2.11%; other: 53.69% (2005)</p> <p><b>Natural Hazards</b> Hot, dry harmattan wind can reduce visibility in north during winter; periodic droughts</p> <p><b>Environmental issues</b> Deforestation attributable to slash-and-burn agriculture and the use of wood for fuel; water pollution presents health hazards and hinders the fishing industry; air pollution increasing in urban areas</p> <p><b>Geography</b> the country's length allows it to stretch through six distinct geographic regions; climate varies from tropical to savanna</p>	<p><b>Labor Force (age 15+)</b> 2,598,000 (2007 est.)</p> <p><b>Participation Rate (age 15+)</b> 68.9% (2007) (Male: 86.7% Female: 51.8%)</p> <p><b>Employment to Population Ratio (age 15+)</b> 63.9% (2007)</p> <p><b>Illiteracy Rate</b> Youth: 25.6%; adult: 46.8% (2000)</p> <p><b>Labor Productivity</b></p> <p><b>Population (%) below US\$2 a day</b> N/A</p> <p><b>Minimum wage/month</b> 28,000 FCFA (63 US\$)</p>

#### 4.12.2 Togo's Cashew Industry

Togo produces 10,000 MT of raw cashew nut. Production is concentrated in the zones indicated on the map below.



#### Cashew processing

There is only one processor in Togo:

- Cajou Espoir

#### 4.12.3 Infrastructure and Regulation

##### Context

- Easy Land facilitation – long term leasing for abandoned locations
- Available 6 commercial banks & 1 central bank for trade & processing lending's
- Stable currency – generally
- Raw material availability with higher yield & good quantity
- Insignificant cashew processing internal completion
- Cheap labor and locally available
- Production zones are closest to processing locations
- Young organic cashew plantation

##### Tax incentive

- Import tax exemption facilities for agro-industrial equipments
- 0% export tax on cashew kernel export

Togo has Free Zones, offering tax and duty reductions and exemptions to businesses that invest in the country.

For more information on this and other programs, see [www.zonefranchetogo.tg](http://www.zonefranchetogo.tg).

**Freight cost 20-foot container** to USA / Europe the freight from any international port – US\$4,500.

#### **4.12.4 Governmental and Non-governmental Agencies**

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the Industry license.
- Ministry Finance - To register the company for taxes control
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice - For legal registration of company.
- Municipal committee - For publication of company registration in National bulletin
- Investment promotion council Lome – To obtain Investment code, information about requirements, facilities & benefits of investment in Lome, and to submit your project of your investment.
- Local banks - To have bank account to perform the company commercial transactions.

**There are no non-governmental agencies working in the cashew sector.**