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# Alliance Collaboration to Empower Farmers through USAID TIME Grant

The African Cashew Alliance, in collaboration with the Global Shea Alliance and the Borderless Alliance, has been awarded a grant under the USAID Toward Inclusive Markets Everywhere Annual Program Statement (TIME APS). The Alliances will lead the program, titled "Industry Alliances Working Together to Empower Poor Rural Women in the Cashew and Shea Sectors" which focuses on engaging rural farmers to improve quality and meet international standards in both sectors. The grant will last a total of three years, targeting farmers in Benin, Burkina Faso, Cote d'Ivoire, Ghana, and Nigeria. Within three years, the project is expected to create 2,000 new jobs, impact 120,000 small-scale cashew/shear farmers, and generate \$3 million in additional income each year.



Collectively, the Alliances bring together more than 300 members and stakeholders from various value chains. Throughout the duration of the program, they will leverage this broad membership base to complete grant activities and to ensure a sustained impact even past the three year project period. The Alliances will be focusing specifically on improving product quality, increasing consumer awareness, and fostering market linkages in the cashew and shea sectors in an effort to link rural women farmers to international value chains. This is the first time that this type of USAID initiative will be taken on by industry-led alliances.

Under the TIME grant, the African Cashew Alliance will be developing a traceability standard for cashew processors which will provide farmers with

the opportunity to improve their income through stronger linkages with the local value addition industry. This will be the first such effort in the global cashew industry.

These The African Cashew Alliance's activities under this grant include Under this grant, the ACA will roll out a traceability standard that will help promote best practices, as well as market linkages to the international value chain. ACA will be utilizing its vast network of processors in the five countries to reach farmers. The African Cashew Alliance is excited to work with their neighbors, the Global Shea Alliance and the Borderless Alliance over the next three years to improve livelihoods for farmers throughout West Africa.

## Country Update: New Growth and Focus on Cashew in Cote d' Ivoire



Cote d' Ivoire is a giant in the global cashew industry: In 2013, the total raw cashew nut (RCN) production in the country reached 500,000 tons, accounting for 20% of global production. It currently stands as the largest cashew producer within Africa and the second largest cashew exporter in the world. The Ministry of Industry and Mines predicts that production in Cote d' Ivoire will continue to grow, reaching an estimated 616,000 tons in 2016 and 1,030,000 tons in 2020.

Cote d' Ivoire also has the potential to excel in the sector of cashew processing. In 2012, the country's installed capacity of 52,000 tons accounted for 11% of total production. In reality, only about half of that installed capacity was utilized, with just over 5% of production in 2012 being transformed within the borders. Currently, more than 90% of cashew produced in the country is exported as raw cashew nut.

The country's current president, His Excellency Alassane Ouattara, has designated cashew as a key element in the newly developed National Development Plan, which aims at establishing Cote d' Ivoire as a key emerging economy in the World by 2020. Specifically, the plan focuses on beefing up the processing capacity within the country to consequently increase RCN transformation before export.

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## ACA Participates in Invest in Cote d'Ivoire Forum 2014

Air France's first Airbus A380 landed in francophone Africa on 27 January with Côte d'Ivoire's First Lady Dominique Ouattara and a large delegation of French businessmen aboard, kicking off the Invest in Côte d'Ivoire 2014 (ICI 2014) forum in Abidjan.



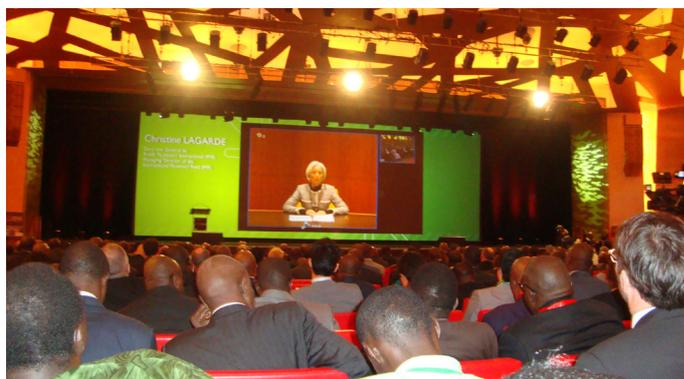
Organised by the events division of Groupe Jeune Afrique and the Centre for the Promotion of Investments in Côte d'Ivoire (CEPICI), the forum brought together over 4,000 participants from 113 countries. The combination of B-to-B meetings, lectures by 130 speakers and an exhibition with nearly 200 exhibitors successfully presented the economic issues of Côte d'Ivoire and West Africa.

"Côte d'Ivoire is extending its hand to you for a win-win partnership," Ivorian Prime Minister Daniel Kablan Duncan told investors. He spoke in the presence of key figures such as Mohammed Namadi Sambo, Vice-President of Nigeria; Luc-Adolphe Tiao, Prime Minister of Burkina Faso; Donald Kaberuka, President of the African Development Bank; Makhtar Diop, Vice-President of the World Bank for the Africa region; Jean-Philippe Prosper, Vice-President of IFC; and Christine Lagarde, Managing Director of the IMF, who addressed the forum by video link.

Four representatives from the African Cashew Alliance attended the ICI Conference. Xenia Defontaine, ACA PR Manager, Roger Brou, ACA

Managing Director, Peter Nyarko, ACA Seal Coordinator, and Sunil Dahiya, ACA Business Advisor all participated in the three day event in various capacities.

On the 28th of January 2014, ACA Managing Director Roger Brou and ACA Public Relations Manager Xenia Defontaine attended a workshop with various stakeholders from the financial sector in Cote d'Ivoire. The workshop, which was co-organized by the African Cashew Alliance and the Ministry of Industry and Mines, took place at the Golf Hotel in Abidjan, Cote d'Ivoire. Two Ministers were present at the beginning of the event: Mr. Jean Claude Brou, Minister of Industry and Mines of Cote d'Ivoire, and Mr. Mamadou Sangafowa Coulibaly, Minister of Agriculture of Cote d'Ivoire. There were 50 participants at the workshop. The objective of this event was to present the cashew value chain and the national strategy of the government for industrialization and exchange to the participants. The workshop also focused on the issues that the cashew sector faces with access to finance.



From 29th - 31st January, 2014, Sunil Dahiya, ACA Business Advisor together with Peter Nyarko, ACA Seal Coordinator hosted the ACA booth at ICI 2014 (Invest in Cote D'Ivoire Forum). During the conference, Dahiya and Nyarko shared their individual expertise and promoted ACA service packages as well as the upcoming World Cashew Festival. More than 50 companies approached the African Cashew Alliance booth during the three days. Several companies showed interest in becoming ACA members Dahiya and Nyarko further individually assisted new investors in their cashew processing ventures and planning.

## ACA Bids Farewell to Long-Time Team Member

The African Cashew Alliance bid farewell to Xenia Defontaine, who served as the Public Relations Manager for 4 years with the organization. During her time at ACA, Xenia developed an entire communications strategy for the organization, including five periodic communications materials focused on cashew market information and ACA activities, organized the program for 4 annual ACA conferences, and managed the ACA partnerships. She also oversaw the making of ACA's first film: Un-shelling Cashew, Improving Livelihoods. The Secretariat celebrated her time at the African Cashew Alliance along with ACi at the Cashew House in Accra on Friday, February 7th.

Check out these photos from Xenia's time with the African Cashew Alliance.



## Equatorial Nut Processors Ltd. Joins ACA Advisory Board as First African Company

The African Cashew Alliance is excited to announce that Equatorial Nut Processors Ltd. (ENP) has officially joined the ACA Advisory Board as the first African-based company in the body. ENP, one of East Africa's leading nut processors, is based about 120 km from Nairobi in Muranga, Kenya and became an ACA member in 2012. The company was established in 1992 and initially focused on processing macadamia nuts.



Prior to 1992, there was a single Macadamia Nut Company in Kenya which controlled the large Macadamia Nut sub-sector. Upon a Judicial High Court Judgement, Equatorial Nut Processors Ltd was authorised to break more than two decades of monopoly control and enter the sector. Following this decision, ENP promoted macadamia cultivation by small-scale farmers and enacted a variety of incentives for the farmers which included access to credit, scholarships for children of the poor farmers and provisions of grafted and high yielding macadamia seedlings. This sub-sector expanded tremendously and moved from a capacity of about 10,000 MT to approximately 30,000 MT of Nut In Shell (NIS). On account of these efforts, Mr. Peter Munga, the Founder of ENP, was granted a laureate of Yala Award in 2009 for his entrepreneurship and for enabling millions of smallholder farmers to access affordable savings and credit facilities.

In January 1993, ENP established a nut processing plant in Muranga and commenced operations with initial export of Macadamia Kernel to Marc farms in Hawaii, USA. The processing capacity has since expanded from the initial 2,000 MT of Nut In Shell (NIS) to 9,000 MT of NIS.

ENP has shown incredible growth over the past couple of years and

continues to surpass industry benchmarks. Today ENP occupies a state of the art agro-processing facility located on a 15 acre site in Muranga County. This has enabled the company to expand its product range to include cashew nuts, peanuts and fortified foods. The cashew nut processing unit began with an output of 2400 MT in 2012 and has since expanded to 3000 MT. The board is committed to increasing this capacity further in the coming years. ENP currently supports over 100,000 small scale farmers and employs over 2000 workers, of which 80% are women.

ENP has received certification from HACCP, an internationally recognized certification required by the EU, and ISO 22,000 a global food safety management standard. Additionally, ENP became the 5th ACA-Seal approved company in September 2013, meeting the necessary food quality and safety benchmarks.

The African Cashew Alliance is especially excited about ENP joining its Advisory Board because the company will be the first African-based AB member ever since the inception of the ACA in 2006. This represents an important landmark for the Alliance. The Advisory Board is the governing body that provides strategic advice to the ACA's Executive Committee and Secretariat. As an Advisory Board member, ENP will make an annual contribution to the ACA budget of at least US \$50,000 and join the ranks of others promoting the African cashew industry: USAID, GIZ, the Bill and Melinda Gates Foundation, Intersnack (Europe's largest snack manufacturer) and KRAFT Food (one of the world leading food processor) and OLAM International a Singapore based global trading commodities company. Financial commitment from the private sector to ACA is growing rapidly as the international industry increasingly recognizes ACA's essential role as the single cashew industry platform in Africa.



## Country Update: New Growth and Focus on Cashew in Cote d' Ivoire

At the Invest in Cote d' Ivoire 2014 forum in late January, the Ivorian Minister of Agriculture, Mamadou Sangafowa Coulibaly, stated the climate within the country "is favorable for agriculture". He continued by asserting that agriculture remains an incredibly important aspect of Cote d' Ivoire's economy, employing nearly 2/3rds of the population and creating 25% of the wealth. Furthermore, the Honorable Minister revealed untapped potential by stating that only 40% of the arable land is cultivated. Cashew production can certainly play a strong role in taking advantage of favorable climate conditions and un-used arable land.

In an effort to spur growth within the cashew sector, the Ivorian government recently enacted new reforms and re-organized the governing bodies. First, the regulatory authority of the cashew and cotton markets was replaced with the Council of Cotton and Cashew Nuts (CCA) which is tasked with the following responsibilities; to optimize the production, improve the quality of the cashew nut, ensure a remunerative price to producers, ensure the transparency and reliability of the marketing system, increase the value added by processing and improve the framework and living conditions of the producers. Another objective of the new body is to establish a multi-stakeholder body which will bring

together representatives of producers, cooperatives, exporters, buyers, and processors.



## NEWS AND INFO

One of the first activities of the CCA was to identify and approve all of the primary operators and shops involved in the cashew sector within Cote d' Ivoire. By early February, official documents stated that 705 organizations had already been approved; 453 of whom were individual buyers, 199 cooperative societies, and 53 commercial companies. The list of licensed buyers has been published on the CCA website, promoting greater transparency in the sector than in past years.

The CCA also handles price control for the cashew sector, basing minimum prices on a variety of factors. Normally, the producers should receive 60% of the FOB price that is marketed at the port. Traceability of transactions is an important aspect in getting a read on the market and setting price controls, therefore the CCA has introduced a variety of new required documentation for this season. All transactions must now be tracked with a receipt of storage, the allotment, and the establishment of The marketing will be around central stores with the use of new market instruments such as the receipt of storage and allotment.

The Ministry of Industry and Mines has the objective of transforming 35% of the production, or an estimated 230,000 tons by 2016, and 100% of local production by 2020. In order to meet these objectives, the Minister has put together a comprehensive framework for investment. The first aspect of this framework is the establishment of a fund of investments that are to be directed toward increasing processing capacity within Cote d' Ivoire. In addition, a system of receipt of third party warehousing detention will be established to ensure the agricultural

appropriations of the stocks, traceability, and the availability and quality of cashew nuts.

Let us hope that investors, bankers and other potential industry stakeholders seize the opportunities present in Cote d' Ivoire to increase transformation, and in turn transform a sector and livelihoods throughout the country.



## ACI UPDATE

### Core Partner Meeting

From 13th to 14th February, the African Cashew initiative (ACi) holds its bi-annual Core Partner Meeting in Abidjan, Côte d'Ivoire. It offers ACi partners from the private and public sector to exchange on recent developments in the sector. Participants revisit and discuss ACi's strategy, its current and upcoming activities as well as objectives to be achieved within the second phase of implementation. Especially, the cashew reforms in Côte d'Ivoire and its consequences on ACi interventions and for the cashew sector at large will be a hot topic for debate. On the 14th, participants are invited to visit OLAM satellite processing units in Bouake, north-east of Abidjan.



### Cashew Calendar 2013 - 2014

#### March

7-11

ACA - ACi Master Training in Bouake



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