

13th ACA Annual Cashew Conference



FOSTERING SYNERGIES INFLUENCING MARKET DYNAMICS



Dar es Salaam & Zanzibar
Tanzania

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CONDOR

Processing In Mozambique – a new cycle

Gonçalo Correia, November 2019

Condor – A Leading Cashew Processor in Mozambique

Condor started its operations in Cashew in 2004 with the opening of the **Nametil Factory** – a manual de-shelling >1.000 tons/year units

In 2008 Condor opened its **2nd Factory** in the outskirts of Nampula, introducing from 2010, the first de-shelling machines (stand-alone)

In 2018 we inaugurated the **3rd Factory**, the only one processing in Southern Mozambique and with an integrated semi-mechanized system

Condor – A Leading Cashew Processor in Mozambique

Also in 2018, Condor fully refurbished its two Northern Factories – implementing the same semi-mechanized Indian Technology System as in the Southern factory

Together we are operating at a level of around 20.000 tons of RCN/year

Main markets are the EU, USA and the Middle East (especially for broken grades)

Strategic objective is/was to internationalize its operations to other geographies, after consolidating in Mozambique – as a way to mitigate our single origin dependance



Mechanization – Counteracting the Impacts of Globalization but also Protectionism from Asia

We saw mechanization as the only means to survive to the structural changes in the cashew processing world:

- **Vietname** reinforcing its role as the “world’s processor” with very aggressive policies to support its industry
- **India** trying to counteract this, by unforeseen protectionist policies to give advantage to its domestic processors at the expense of the Indian consumers

Africa can no longer “hide” behind it’s geographical location and distance to processing countries – Raw Materials are increasingly processed in different locations from where they are grown



Our Process – selecting an equipment solution that suits our needs but works in the Mozambican environment

In our factories we took special attention to the selection of an equipment that suits our needs – **Production Increase & Labour efficiency** - but that is also down-to-the-earth in terms of easiness to **operate, maintain and integrate** in na African work environment



RCN
Warehouse

&

RCN
Calibrator



Semi-mechanized Boiling, Shelling and manual Scooping



1. Manual fed Boiling with Elevator
2. Semi automated De-Shelling
3. Manual Scooping for re-Works

Ovens and Automatic Peeling and Color Sorting



1. Ovens
2. Automated Peeling with manual re-work
3. Automated color sorting but not size sorting

Serious challenges post-2017 – The end of the Industry as we know it, in Mozambique?

The 2017 world's market crash made both India and Vietnam take measures that were not matched by East African Governments (at the Processing Level):

- The **Protectionist Indian Import Tax** means that for each \$1 of product that an Indian Processor sells, he has up \$0,70c of extra revenue, thus using this extra income to pay for Raw Material, prices that cannot be matched by African Processors
- **Cheap financing, grant support for investment, reliance in different markets for supply of RCN** alongside with many other efficiencies also mean that Vietnam can procure Raw Material in Africa at a level that cannot be matched by African Processors

African Governments must understand – without Protectionism there is no Development

A wake up call for African Governments is needed: If we don't fight the Protectionist policies in our own countries, the Industry will not be viable in Mozambique:

- Adapt the National Export Tax to the new Indian Import Tax
- Study (in due time), the introduction of a subsidy to the industry in relation to the produced kernel
- Prioritize the Raw Material supply to the factories in a practical way

The End

Cashew Processing is one of the few
(existing) Industries that is Truly African!

Let's not sacrifice it at the hand of
Predatory Policies from foreign agents!