

13th ACA Annual Cashew Conference



FOSTERING SYNERGIES INFLUENCING MARKET DYNAMICS



Dar es Salaam & Zanzibar
Tanzania

7-9 November, 2019



The Cashew Sector Organisation Debate

Jim Fitzpatrick



A debate.

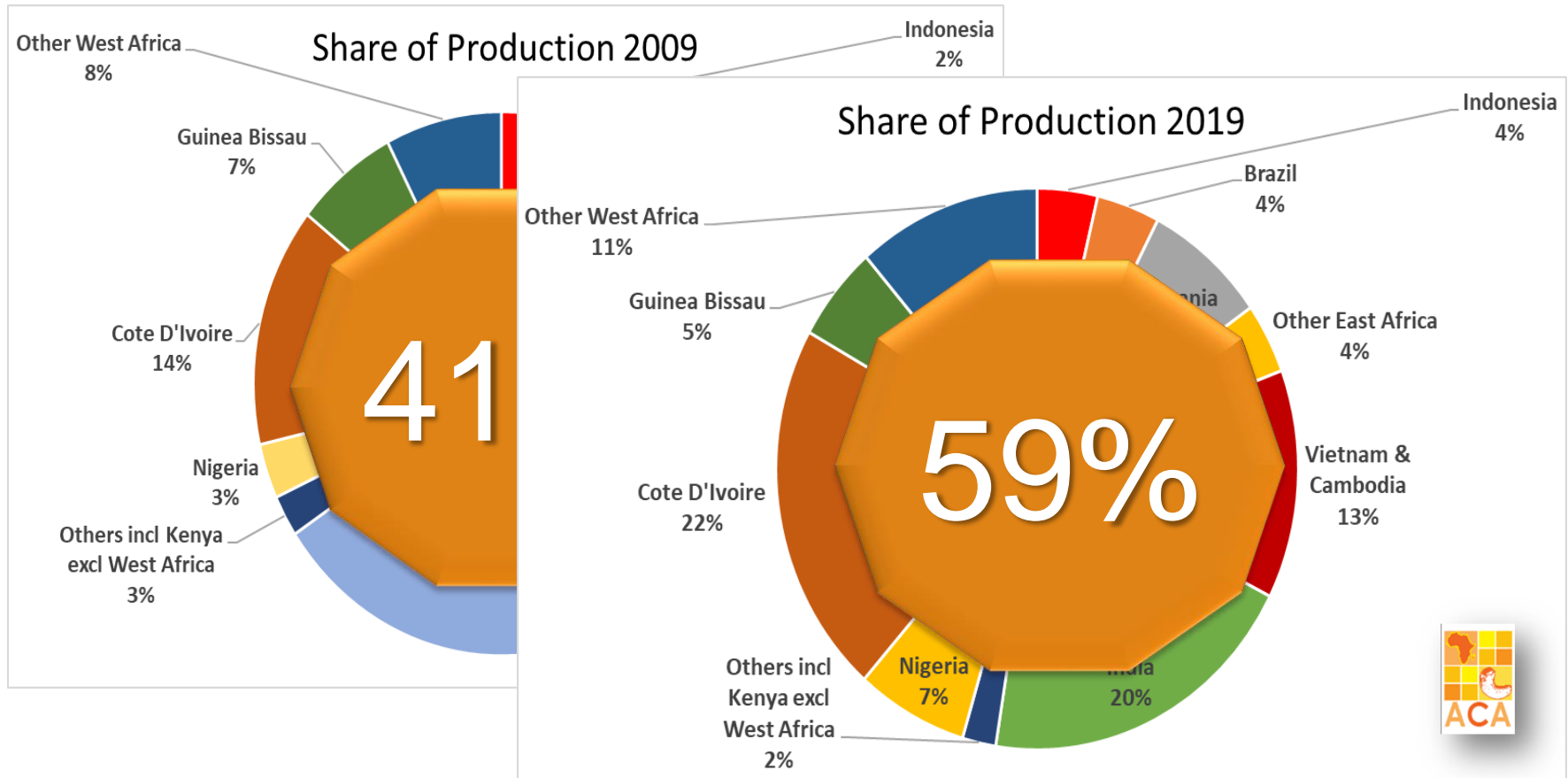
Cashew Sector Organisation.

Has the organisation of the cashew sector failed to support steady, equitable and sustainable development for stakeholders?

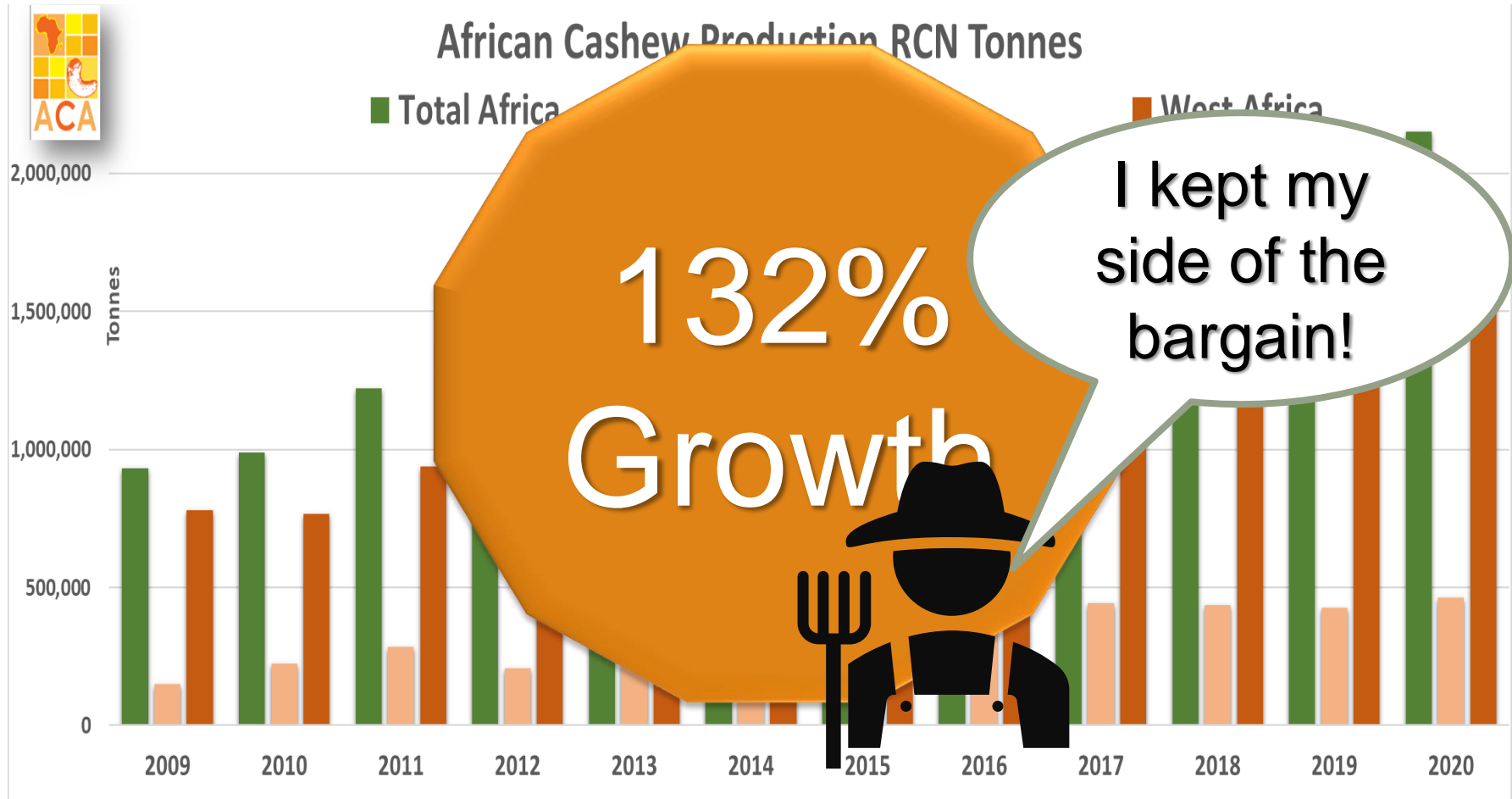
How will this work ?

- *I will argue for “No”.*
- *Our panellists will tell us why I am wrong.*
- *You, the delegates can then contribute.*
- *Finally you vote “Yes” or “No” by a show of hands.*

This should be a golden age for the African cashew sector.

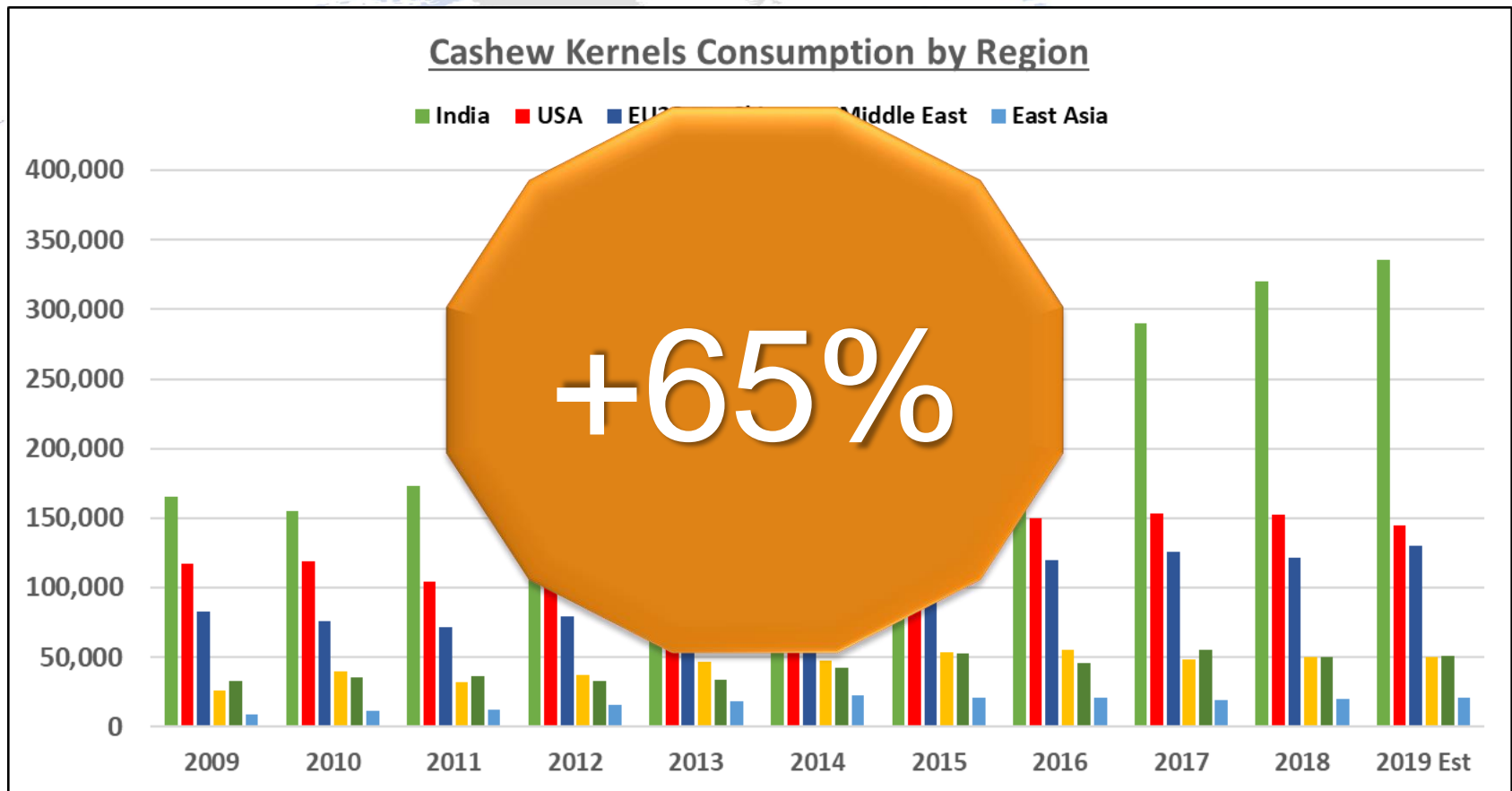


Production success !



Consumption explosion!

World Cashew Consumers 2018



Cashew Crisis

Despair in Kerala as banks start seizing cashew factories

Several businessmen in India's cashew industry hub have defaulted on loans since 2016, and at least three lakh workers have lost their jobs.

Cashew exporters facing rough weather

ET Bureau | Feb 16, 2018, 05:48 PM IST

THE CITIZEN

Confusion reigns in cashew nut business

23:05 IST
23:05 IST

MONDAY OCTOBER 7 2019



Government

BUSINESS

Last update 16:00 | 17/07/2018



VN cashew producers in crisis due to lack of capital

Việt Nam News
THE NATIONAL ENGLISH LANGUAGE DAILY

HOME POLITICS & LAWS SOCIETY ECONOMY

[Viet Nam News](#) > [Economy](#)

Cashew factories shut down due to lack of nuts

TOGO FIRST
INVEST IN TOGO

NEWS ENTREPRENEURS LOGISTIC HUB

Togo imposes tax on cashew nut export



Cashew nuts steepen price decline

Is the sector in crisis ?

- Farm gate prices at lowest level for 10 years.
- Governments legislate more.
- Demand growth slows.
- Contract risk increases.
- Buyers less likely to try unproven sources.
- Warehouse fill with broken cashews.

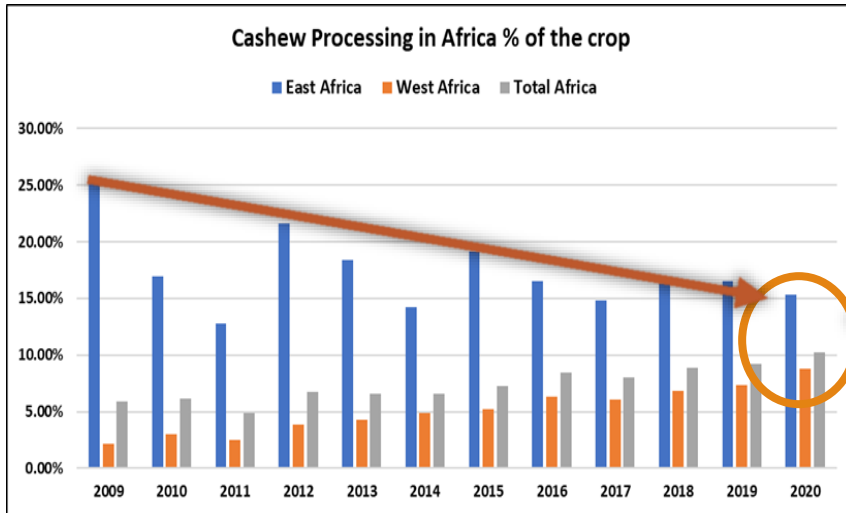


Is the sector in a crisis ?

- **Unpredictable supply chain.**
- **Contract default common.**
- **Banks get nervous.**
- **Credit tightens.**
- **Investors struggle to understand.**
- **Supermarkets stop promoting.**
- **Conferences debate .**
- **Consultants prosper.**

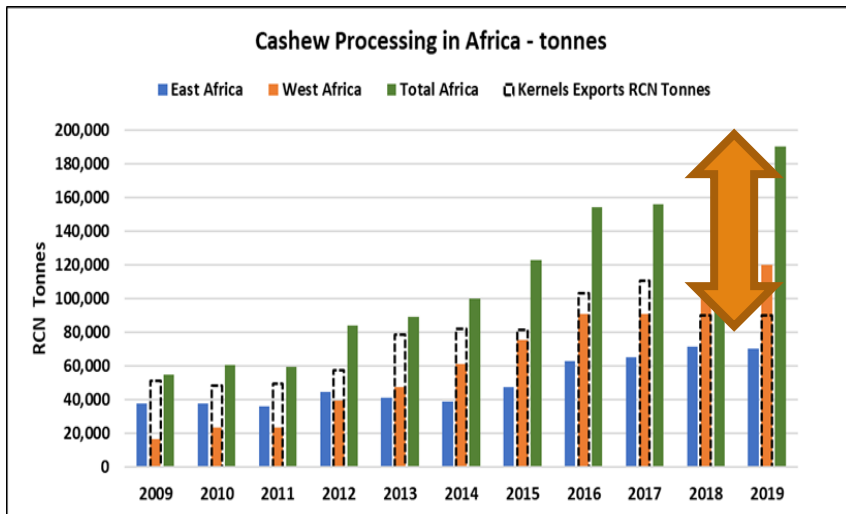


Processing



% share of the crop processed in Africa has only increased from 5% to 8% since 2009.

In East Africa it has actually fallen



Kernels produced in Africa are less than 40% of the actual processing capacity available.

Market Share

2009
African Cashew
Kernels Market
Share
3%

2018
4%

Cashew Kernels exports from Africa fell by 12.5% 2017 to 2018

Vietnams share 78% 2018 ; Growing by 20% in 2019.

PSO's & BSO's

What would stakeholders wish them to deliver ?

1. An enabling environment for investment & growth.
2. Support for investment e.g. inputs, finance & tech..
3. Policies & Regulations in tune with the market realities.
4. Timely decision making on regulations.
5. Realistic protection of the poorest link – the farmers.
6. Consistent, fair policy and prices that all can live with.
7. Promotion of the sector with financial institutions and government.
8. Sector management in a crisis.

We ask a lot.

Is it delivered? Do stakeholders themselves frustrate delivery?

Are we asking for too much ?

Can any organisation control the cashew roller coaster?

Over to our panellists.

- *Listen carefully and contribute after the presentations.*
- *Then vote on the motion*