



Hochiminh City, September 11, 2021

THE CONTENTS OF THE SPEAKING AT THE OPENING SESSION
15th Annual Conference of the African Cashew Association (ACA)
from 15th to 17th September 2021.

Dear Mr/Ms
Ladies and Gentlemen, Distinguished Guests,

First of all, on behalf of the Executive Committee of the Vietnam Cashew Association (VINACAS) and the President of VINACAS, I would like to send my warmest greetings to the entire Conference. Taking this opportunity, we would like to thank the African Cashew Association (ACA) for inviting VINACAS to attend the Conference and speak at the opening session of the Conference.

Ladies and Gentlemen, Distinguished Guests,

The Vietnam Cashew Association (VINACAS) is a professional social organization established in 1990, after more than 30 years of operation, up to now, the Association has 500 members operating in all fields from cultivation, production, processing to import and export of cashew nut.

Realizing the importance of the African market for the cashew industry, since the 2000s, we have started to establish partnerships (association level) with cashew industry organizations in the African region. including African Cashew Association (ACA), partners in Ivory Coast, Nigeria, Ghana, Benin, Guinea Bissau, Tanzania, Mozambique, etc.

Before 2019, when the Covid-19 pandemic had not yet occurred, every year we held the VINACAS Golden Cashew Rendezvous under the national program on trade promotion with the auspices of the Ministry of Agriculture and Rural Development, Ministry of Industry and Trade. These events are very interested and attended by international cashew organizations and customers, the suppliers and the buyers, especially from Africa.

Ladies and Gentlemen, Distinguished Guests,

Attending today's conference, we would like to share some experiences of Vietnam's cashew industry on sustainable cashew production and business:

As you know, Vietnam is a country located in Southeast Asia with similar soil and climate conditions to some countries in West Africa, so our crop usually starts in February, March and ends in May, June. With the attention of the Government, cashew trees have been widely planted, most concentrated in the Southeast region with a production of 2021-2022 crop is approximately 400,000 tons of raw cashews. The average yield is over 1.2 tons of raw nuts/ha. Cashew nuts have good quality and the average outturn is 50-52 lbs/80 kg.

The strategy of Vietnam's cashew industry is to maintain the existing area and increase the production and quality of cashew nuts. With the support of the Government and the Ministry of Agriculture and Rural Development, we are constantly researching and improving farming methods; select good varieties for production, meet the needs of processing and export well and renovate and replant old cashew areas appropriately. Especially, the close coordination between processors and farmers to develop local raw material areas to ensure quality.

We are also working towards organic farming and good production practices, post-harvest loss reduction practices in the cashew industry, etc. These are the directions that we see African friends are implementing well with the support of international organizations.

However, unlike Africa, currently, Vietnam's land fund is limited and cashew trees have to compete fiercely with many other key export industrial crops such as coffee, rubber, pepper, and fruit trees. ... Therefore, we only aim to maintain the existing area and increase the productivity and quality of cashew nuts through technical advances.

In addition, we have strengthened cooperation with Cambodian partners to develop the cashew area in Cambodia, aiming for an output of 1 million tons of raw cashew nuts as expected by the Cambodian Government in the shortest time.

Regarding processing and export, from 2006 until now, Vietnam is the leading processing and exporting country in the world, the processing capacity is constantly increasing. Currently, our processing capacity reaches approximately 2 million tons of raw cashew nuts per year with an export turnover of over 3.2 billion USD. Our main export markets are the US, EU, China,...

Our current strategic motto is to maintain stability in quantity and improve the export quality through improvement of processing technology. With the contribution

of "made in Vietnam" machine manufacturers, now our processed products are able to meet the needs of foreign customers, and the required food safety as well.

To ensure sustainable development in processing and exporting, we constantly apply new technologies; focus on treating exhaust gas, wastewater and industrial waste, etc. to ensure environmental friendliness. Eliminating all discriminatory factors, paying attention to social equality issues, serious policies to prevent sexual abuse and harassment, child labor abuse issues... Large-scale enterprises are integrated incorporates advanced international standards such as SMECTA, BRC, ISO 22000, HCCP. We are also focusing on developing fair trade both domestically and internationally.

In the new period, we focus on processing for consumer's markets and diversifying export products as well as developing the domestic market with 100 million people of Vietnam. This is a large potential market, which can support the consumption of 100% of domestically produced cashews.

Ladies and Gentlemen, Distinguished Guests

Africa has an important role in the Vietnam cashew industry and Vietnam is also very important to Africa.

Concentrated heavily in West and East Africa, the total cashew harvest in the 2021-2022 crop has reached approximately 2.1 million tons of raw cashew, accounting for over 55% of the total global cashew harvest (3.8) million tons). (according to the data of the International Dry Nut Council - INC and the Global Cashew Council - GCC).

In general, this is the largest and very important raw cashew import market of Vietnam in recent times. Every year, Vietnam imports over 1 million tons of raw cashew nuts from this market, most of which are concentrated in countries such as Ivory Coast, Ghana, Nigeria, Guinea Bissau, Tanzania,...

We must still remember the big deals of Vietnamese enterprises that made a historic mark on the world raw cashew market in 2018-2019. Thereby, Vietnamese enterprises have officially signed large-value direct contracts with private partners and state units of African countries.

What we have longed for has come true, which is to "reduce buying and selling through intermediary levels and move forward to buying and selling directly"...

Ladies and Gentlemen, Distinguished Guests

We have seen from last year, and especially this year, the cashew industry in Vietnam, same as global cashew industry, has been facing many difficulties. At this time, in Vietnam, most of us are in the social distancing or in locking down due to the Covid-19. Resulting to many shipments of raw cashew nuts still floating or undischarged for months. The logistics and transportation are also big issues. The biggest issues are the very expensive container freight and the shortage of containers causing an extremely in cost. Besides, the price of raw cashew is tending to increase again, but the price of cashew kernels has not kept up with the raw cashew price, etc., so cashew enterprises are facing the risk of downing both production and raw cashew import. In the near future, if this happens, it will be a risk to all of us because currently, Vietnam is the world's largest raw cashew buyer (accounting for 70% of the total volume of imported raw cashew nuts of the whole world).

Ladies and Gentlemen, Distinguished Guests

Taking the opportunity to speak at the Conference today, I suggest that the Government of Vietnam, as well as African countries, are interested in creating favorable conditions to focus on fighting Covid by giving priority to 100% vaccination for enterprises, organizations and individuals operating in the cashew industry. It is hoped that two doses of the vaccine will be covered by December 31, 2021.

Currently, Vietnamese businesses cannot sell cashew kernels to the US, Europe and China at high prices, so they will not be able to buy raw cashews at high prices. Besides, with the current Covid situation, "stability in raw material prices, input and output " is essential to ensure sustainable development. Therefore, we hope that the Governments of African countries will pay more attention to the cashew industry and apply tax exemption and reduction policies and increase incentives, creating trade facilitation for raw cashew exporters in the current context so that partner-enterprises can offer products at prices that are acceptable to Vietnamese enterprises.

We respectfully call on the business community in the global cashew industry to seriously implement contracts with partners according to custom and international commercial law. Vinacas wishes to cooperate more closely with the ACA and the Cashew Association of other countries in the mediation of disputes to contribute to building a healthy, fair and win-win business environment.

In addition, the remaining problems as we mentioned above such as sea transport, logistics, lack of empty containers, etc. also need the attention of all parties.

We always evaluate "cashew" as a "cash crop" of many African countries and also of Vietnam. Therefore, the governments of countries and Vietnam should pay attention to creating more conditions for the cashew industry. As AFI President Bob Bauer of America put it, "Without necessary action, we will be very concerned about a loss that we have built for a long time, if lost, there will be no regained".

Finally, I wish you health and safety through the Covid pandemic.

Best regards!

**On behalf of the President of VINACAS
Vice President cum Trade Promotion
Director of VINACAS**

Tran Van Hiep (Alex Tran)