

11<sup>th</sup> ACA Annual Cashew Conference



# A NEW VISION FOR PARTNERSHIPS & INVESTMENTS



**Cotonou, Benin**

September 18-21, 2017

Knowledge sharing. Exposition. Field trips.



Sweet Benin – La douceur de la vie!

Sariki Yantannou, 20<sup>th</sup> September



- **INTRODUCTION TO CASHEW APPLE**
- WHAT IS SWEET BENIN?
- UPDATE FROM SEASON 2017
- WAY FORWARD
- MESSAGE TO PROSPECTIVE CASHEW APPLE PROCESSORS



# RCN harvest and processing provide various by-products

## CASHEW RAW NUT PROCESSING



### CASHEW NUT SHELL LIQUID



- CNSL is oil extract from shell of raw cashew nuts
- CNSL has multiple industrial uses

### SHELL CAKE



- Leftover shell residue from RCN processing
- Used as fuel by manufacturing industries, especially brick factories

### CASHEW APPLE



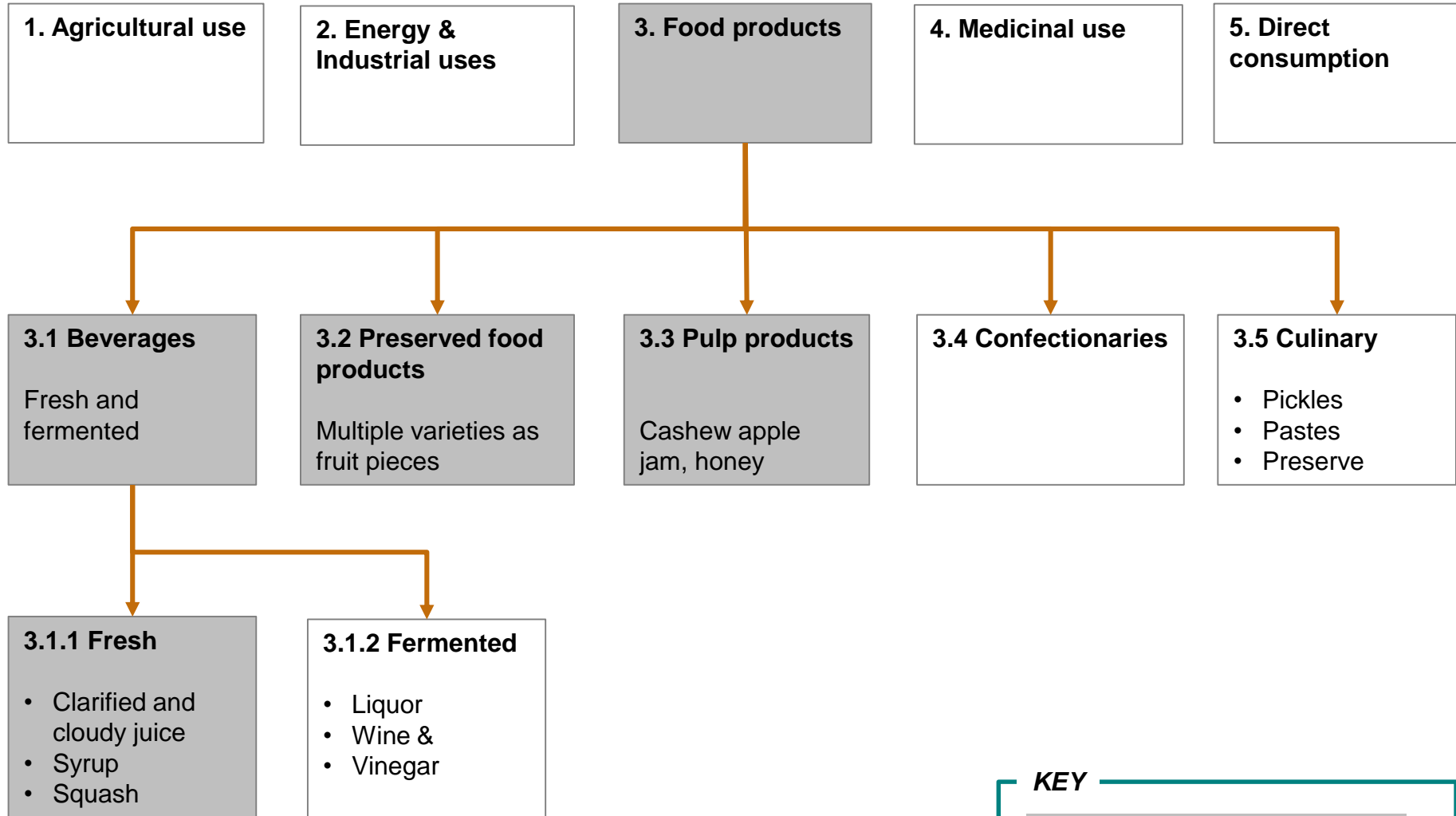
- Cashew apple is the fruit attached to the raw nut
- Cashew apple has wide variety of uses too

*Focus of this presentation*



# Cashew apple has multiple utilization avenues

- Usage for food products is currently most common

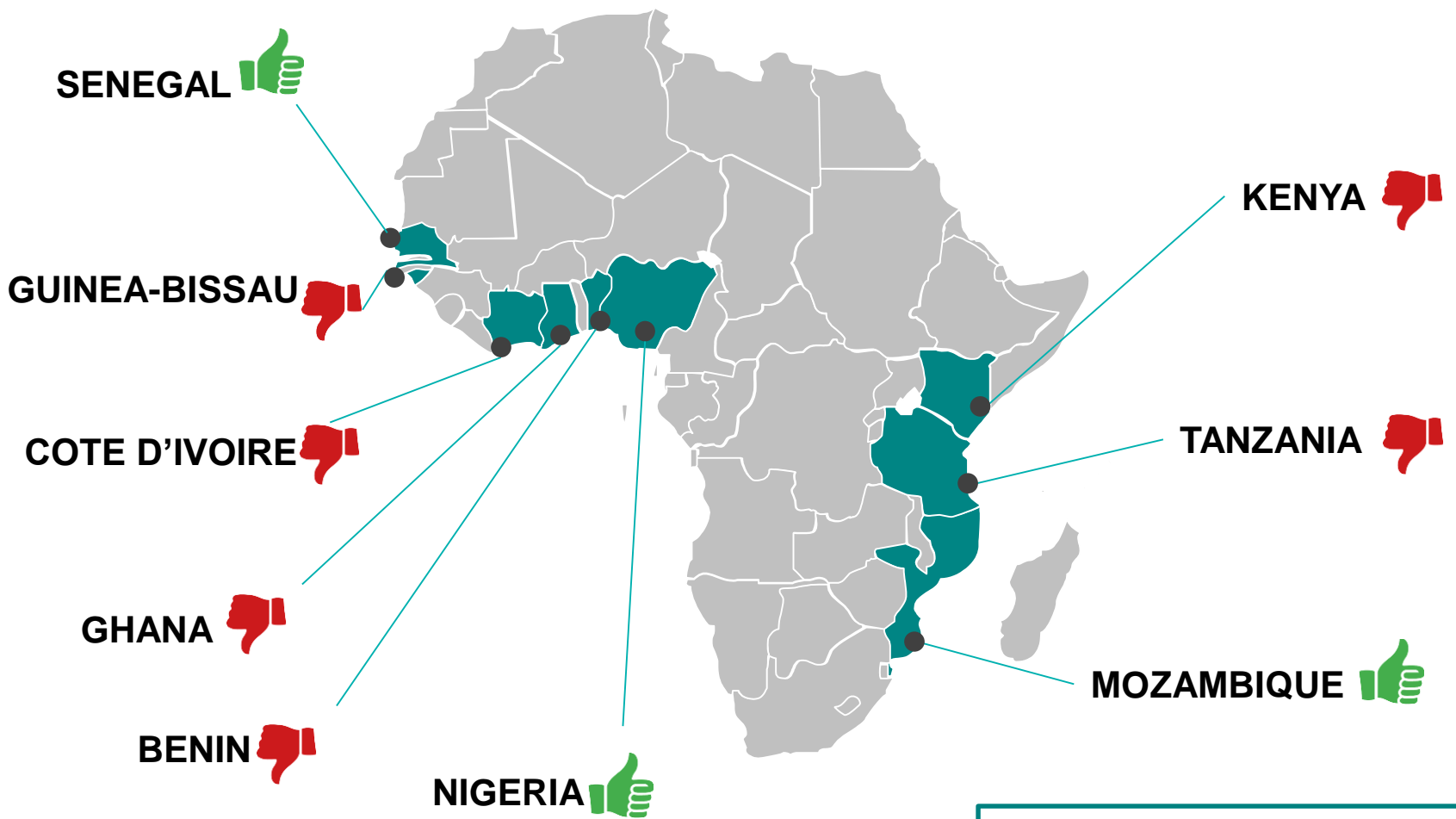


## KEY

*Major usage in cashew growing countries*

# Cashew apple usage across all RCN growing countries in Africa is insignificant

➤ No country processing >1% of its total cashew apple production



**Key:**

👍 - Multiple efforts      👎 - Little efforts

# Outlay of presentation



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# Introduction to Sweet Benin

## What is Sweet Benin ?

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*A brand mark ?*

*Service company of Cashew apple processors ?*

*'Benin Gold' version of Cashew apple juice producers?*



## Sweet Benin is cashew apple juice brand from Benin !

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- ✓ Officially launched in **March 2017**
- ✓ Brand currently aggregates produce of **4 Cashew Apple processors** from Benin
- ✓ Legal registration of company and brand name in progress





# Cashew apple processing industry in Benin is extremely fragmented

➤ Sweet Benin was created to address this problem

## Current trends of cashew apple processing industry in Benin



Multiple brand labels present in the market (15+)



Consumer not aware of right product name and standard



Processing in-efficiencies due to wrong choice of equipment purchase, incoherent installation



Haphazard help from donor agencies

## Resulting industry priorities which Sweet Benin aims to solve

- 1 **Bring in product uniformity w.r.t branding, texture, taste and food safety**
- 2 **Improve operational efficiency by streamlining processes, effective usage of equipment**
- 3 **Improve procurement process by establishing right farmer linkages**
- 4 **Gain understanding of market demand, consumer expectations, etc. to improve marketing efforts**



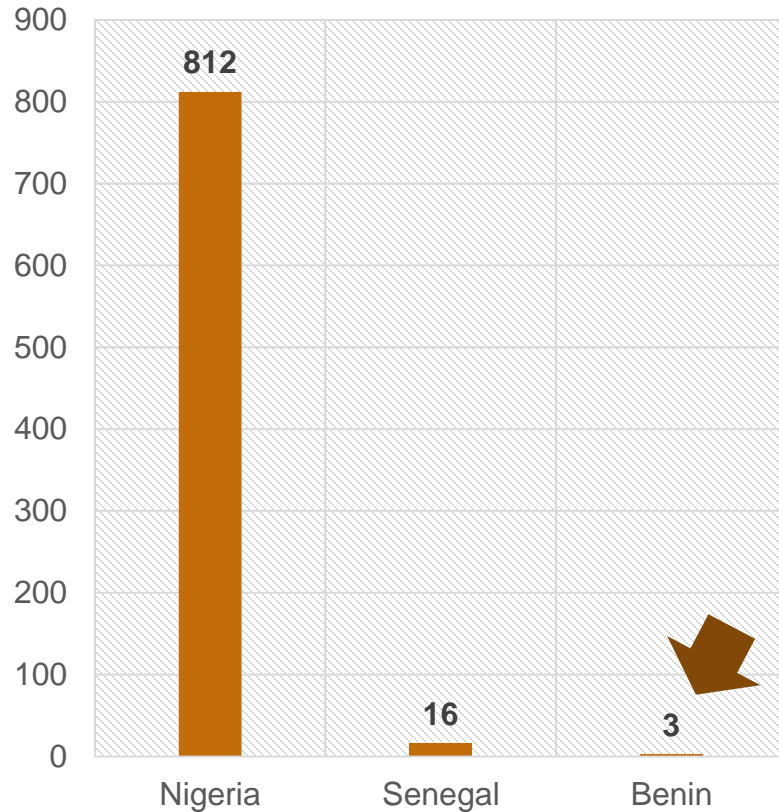


# Benin juice market estimated to be ~ \$3M in 2015 & at a nascent stage

➤ Market value projected to double by 2020

## Benin juice market extremely small compared to W.African peers

Juice consumption 2015, \$M



Population  
2015, M

182

15

11

## Benin juice market growth projection

Estimated value,  
2015



Future projected  
value, 2020

**~\$3.0M**

**\$5.5 - 6M**

*(10% - 15%  
growth rate)*

- Prices of imported juices are at least ~50% premium over price of domestically produced juices
- **Huge opportunity for domestic juice processors to undercut import juice offering and capture market share**

\*Exact Value of locally produced juice consumption is unknown & estimated based on primary interviews, case studies of other NGO's, etc.

Source: INSAE; FAOSTAT; Primary interviews; World Bank; Euromonitor; Literature search

*“The juice business is a growth business. Overall the juice market in sub-Saharan Africa is growing at an average of 12 to 15 percent”*

**Nathan Kalumbu, President – Coca Cola Africa, Oct 2011**



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# Sweet Benin: Snapshot of key metrics for 2017 season

## Pilot season of 2017 has provided promising results

No. of bottles produced	<b>~30,000</b>
No. of processors aggregated under label	<b>4</b>
% stock inventory remaining (end August)	<b>0%</b>
Avg. Net Profit margin	<b>27.2%</b>

## Efforts were focused on solving most critical challenges

Industry level priority	Current status
1. Bring in product uniformity in terms of branding, texture, taste and food safety	✓
2. Improve operational efficiency by streamlining processing processes, effective usage of equipment	✓
3. Improve procurement process by establishing right farmer linkages	Work in progress
4. Gain understanding of product demand, consumer expectations, etc. to improve marketing outreach	Work in progress

***Biggest achievement remains the massive communication around lifting the myth about product's consumability and toxicity***



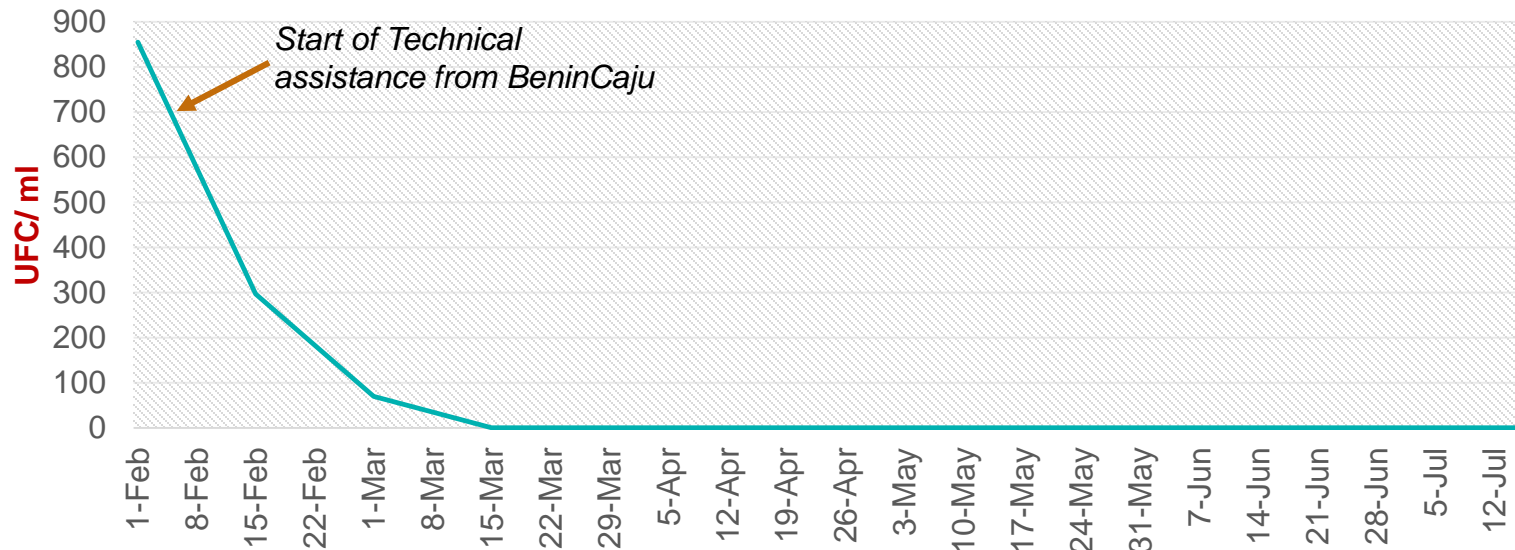
# Sweet Benin: Focus on improving product standardization and quality has reaped positive benefits

## Key actions undertaken to improve product quality

- ✓ Proper selection and treatment of raw cashew apples
- ✓ Improve production techniques; identify right clarifants to be used for removal of tannin
- ✓ Improved juice bottling process



## Germ presence per ml of juice - Lab result from LCSSA

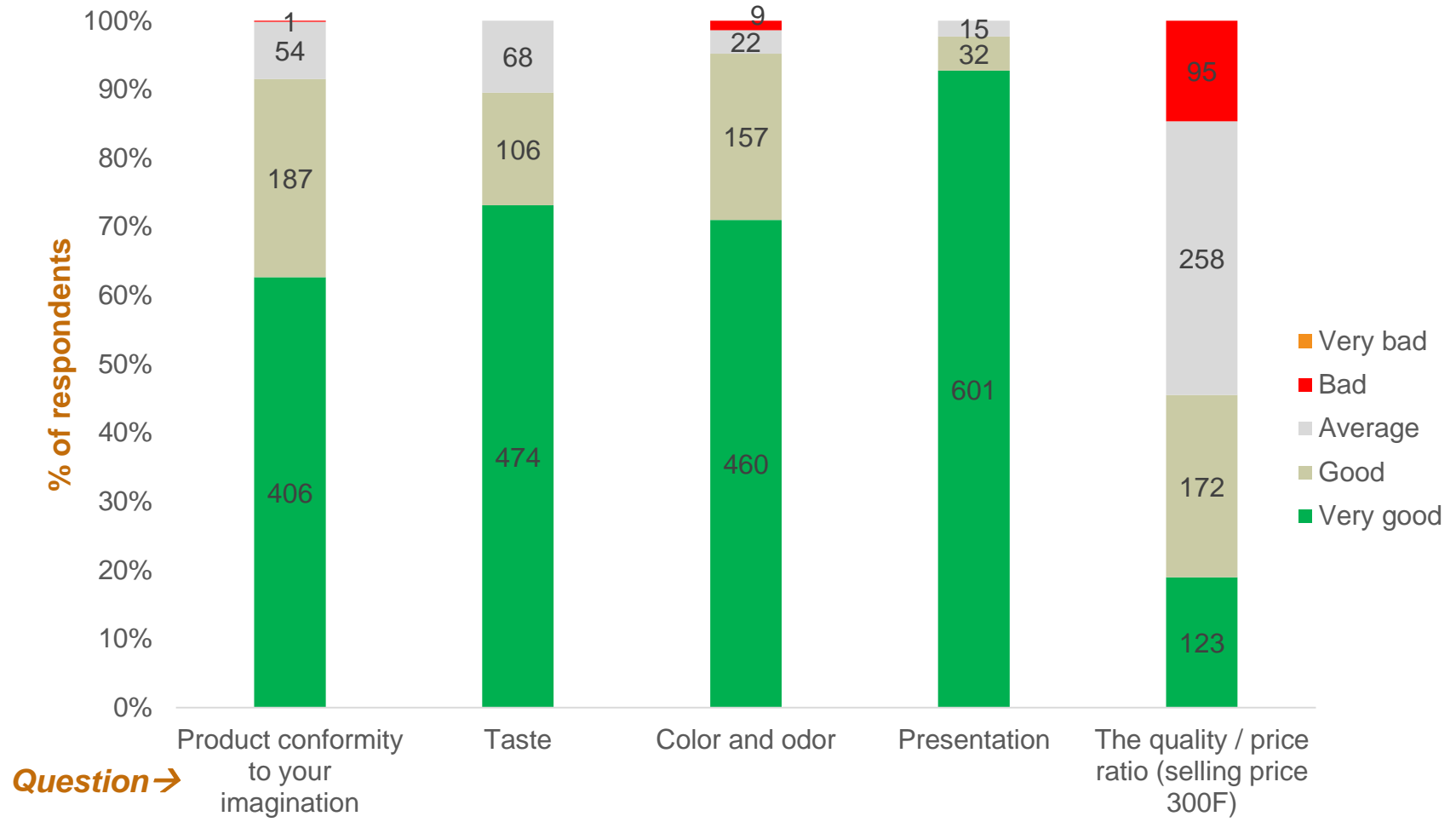


# Sweet Benin: Preliminary results from product appreciation survey looks promising



## PRODUCT APPRECIATION SURVEY RESPONSES, COTONOU, JUNE 2017

**N = 648**



# Outlay of presentation

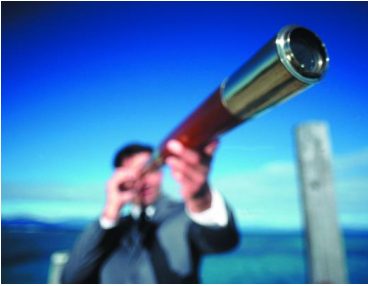


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# Sweet Benin: Way forward 2017 - 2022

## VISION



Create and satisfy a general demand for a range of cashew apple products in Benin

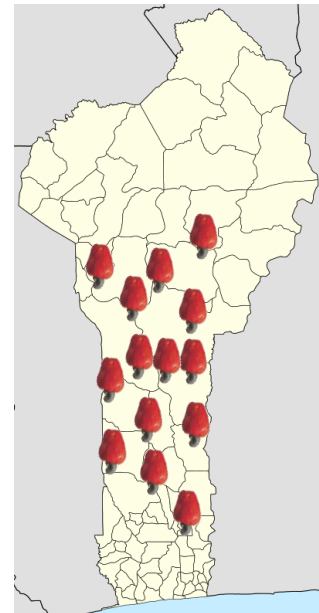
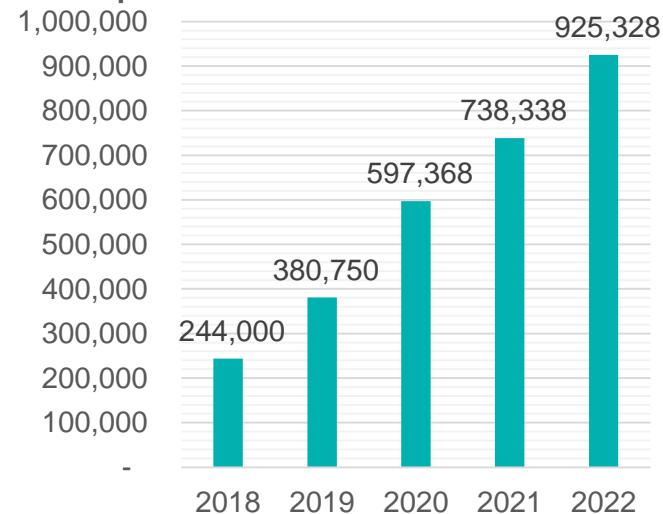
## MISSION



**1** Produce 1M bottles/ year by 2022

**2** 15-18 cashew apple processors join Sweet Benin brand

Bottles produced

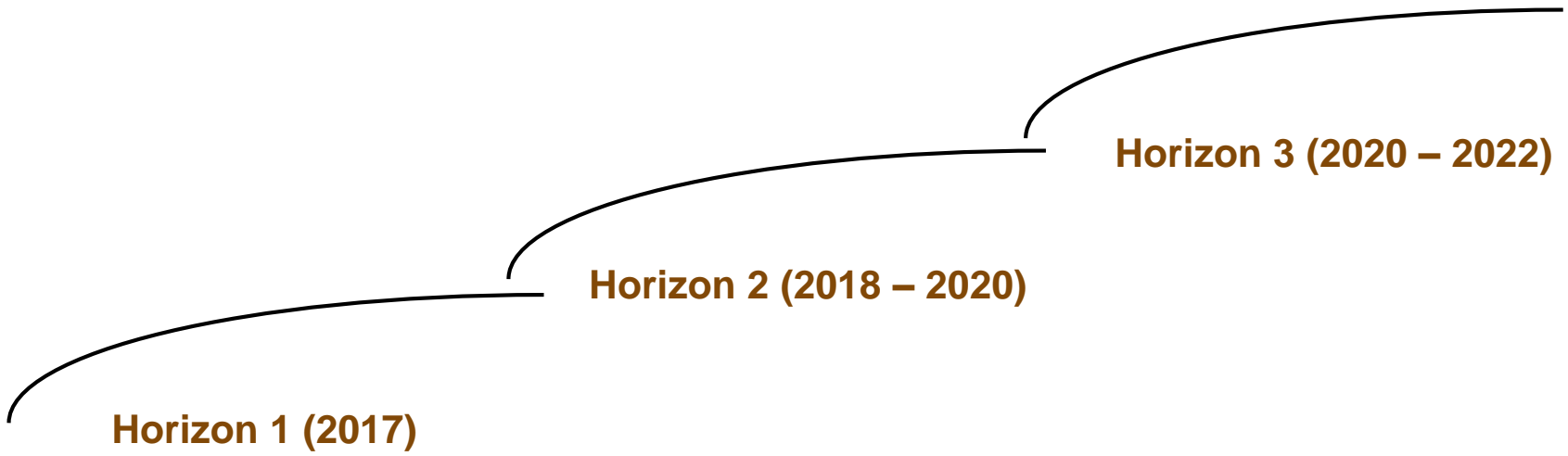


Juice processor





# Owners will take a phased approach at building the brand and the company



Time

**No of processors under brand**

- 4 - 5
- 10 - 15
- 15 - 18

**Products**

- Cashew apple juice
- Cashew apple juice
- Cashew apple honey & Jam
- Cashew apple juice
- Cashew apple honey & Jam
- Cashew apple pulp

**Target markets**

- Benin
- Benin
- Regional UEMOA zone
- Benin
- Regional UEMOA zone



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# Key learnings from Sweet Benin's pilot season

## **Invest in backward linkages**

- Direct farmer linkages is an effective strategy to ensures access to high quality cashew apples throughout harvest season

## **Pay extreme caution while purchasing equipment**

- Market is crowded with multiple equipment manufacturers; Take advice from 2 – 3 experts before purchase of processing equipment

## **Invest in communication**

- Aim to increase consumer awareness about product consumability

## **Aggregate produce under single brand if multiple processors present**

- Single most important criteria for success under this model is to maintain product consistency

## **Avoid seeking TA from multiple donor agencies**

- Advice from multiple sources can lead to production delays, average product quality, etc.