

11th ACA Annual Cashew Conference



A NEW VISION FOR PARTNERSHIPS & INVESTMENTS



Cotonou, Benin

September 18-21, 2017

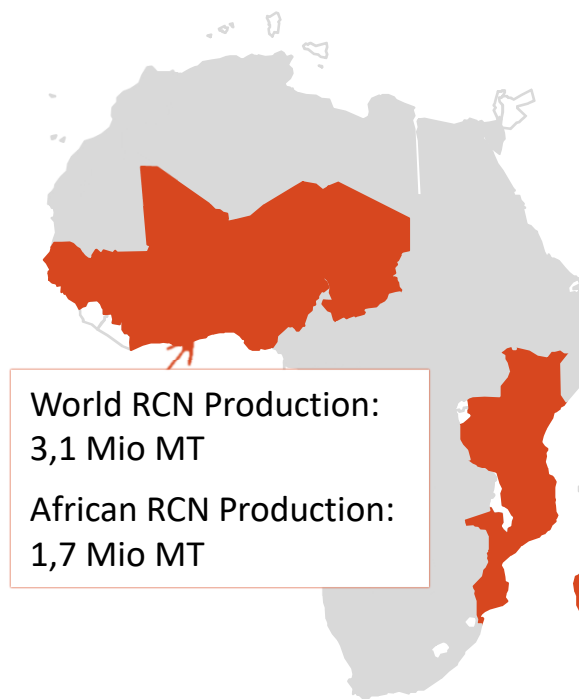
Knowledge sharing. Exposition. Field trips.




Re-thinking Processing in Africa

Sunil Dahiya (ACA Lead Consultant) 19th Sep, 2017

African Cashew Sector State, 2016

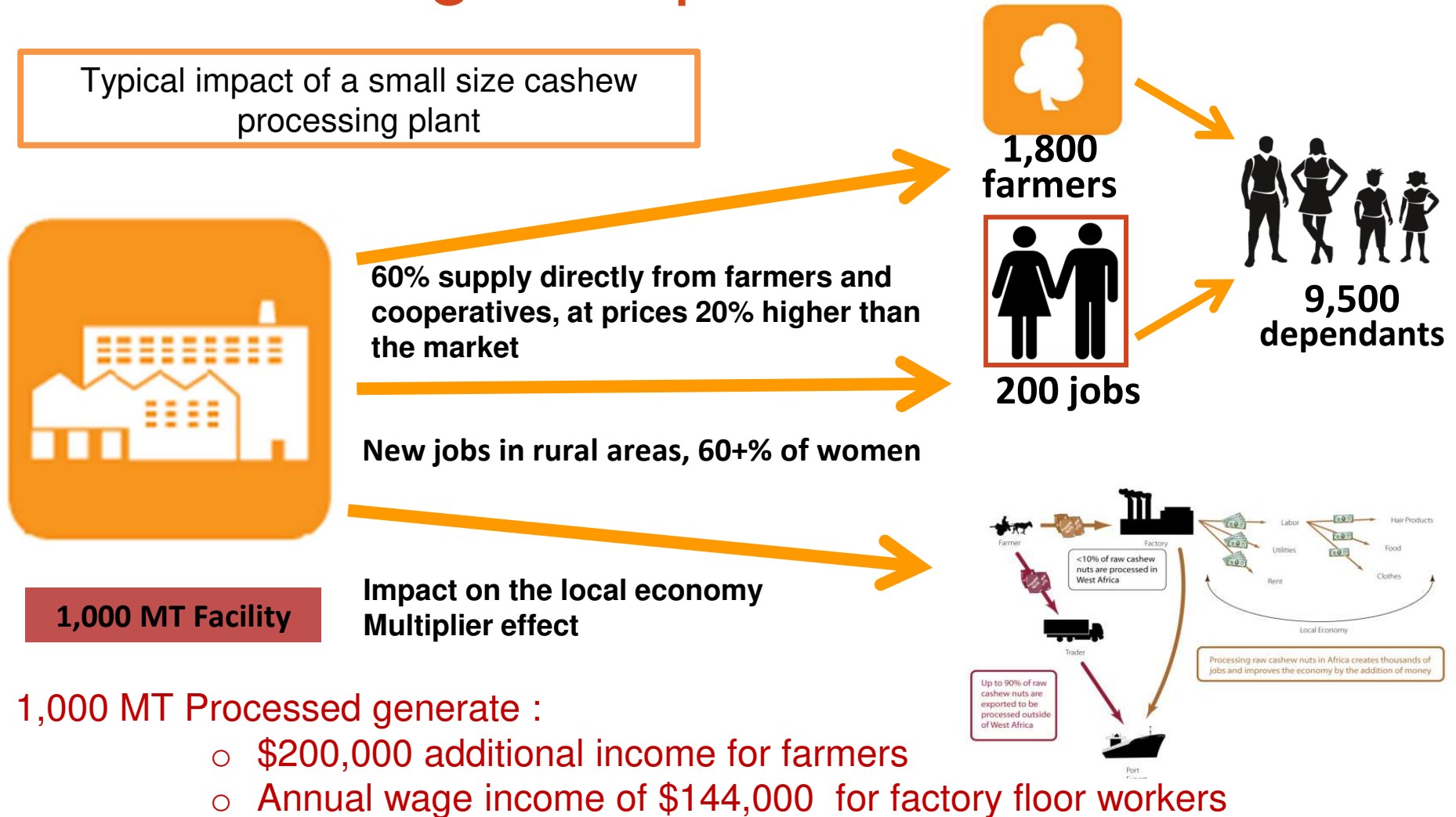


- Africa produces 58% of the world raw cashew nut.
- 6% production growth in 2015/2016
- 40% increase in raw nut price in 2016'/2017 due to a strong demand
- External processors giving harsh competition to African processors
- Since 2013 the African processing industry is stagnante for, low access to finance, cashew price fluctuation and weak business environment
- Africa processed about 8% of its raw nut production in 2016

 ECOWAS targets 30% agricultural raw material by 2030 in West Africa region
Opportunity to streamline efforts with African Stakeholders Vision targeting 100% processing of raw cashew nut by 2027.

 However processing in Africa is still challenged largely by business environment loop holes

Processing is Important in Africa



Processing Potential in Africa

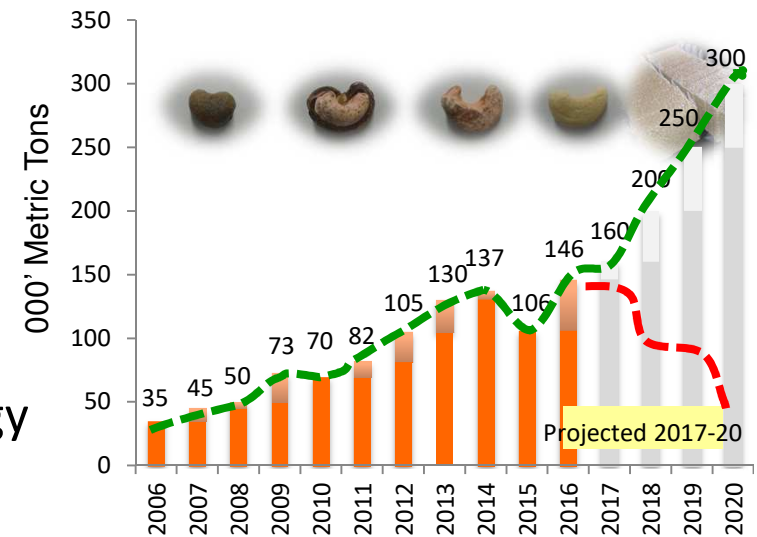
- ✓ **Traceable Cashew Demand Increasing!** More Scope for domestic value-addition industry in Africa
- ✓ **Improving Recognition!** Most African governments recognized cashew as strategic crop and dedicating for more value-addition
- ✓ **Cashew Processing Investment Potential!** Over 1 Million MT raw materials availability p.a.
- ✓ **Geographical Advantage!** Reduced export time and -200% carbon footprint
- ✓ **By-Product Processing Potential!** Access to untapped by-product market worth of over \$7 Billion p.a.



Africa is still virgin land for cashew sector potential and multiple opportunities to be explored fully

Processing Difficulties in Africa

- Investment Protective Environment lack
- Timely and Competitive Financing
- Higher Cost of Starting & Doing Business
- RCN Access at Reasonable Price & Quality
- Limited Skilled Labor
- Out-sourced Expensive Equipment & Technology
- No Local market for By-products
- Rising Costs chasing Margins
- Consumer and Regulatory bodies grown Expectations (FSQA)



Business Competitiveness remain biggest challenge above all