



ANNUAL REPORT 2010



AFRICAN **C** ASHEW ALLIANCE

Growing the African Cashew Industry!

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African Cashew Alliance: An Overview

The African Cashew Alliance (ACA) is a business association that brings together cashew stakeholders sharing the vision of a globally competitive African cashew industry that provides economic benefits and employment along the entire value chain. Its more than 100 members include cashew farmers, processors, traders, retailers as well as other private and public sector stakeholders. The ACA promotes African cashew on international markets and links processors to suppliers of raw material, technical experts, policymakers and buyers. In 2010, ACA directly facilitated cashew exports worth more than US\$5 million.

ACA Vision: A globally competitive African cashew industry that benefits the value chain – from farmer to consumer

ACA Mission: Support the African cashew industry by:

- Providing technical assistance and facilitating investments
- Promoting market linkages and international standards
- Sharing information and best practices

Objective: Increase cashew processing in Africa by 100,000MT between 2011 and 2015.

Letter from the ACA President

April 24, 2011



Dear Cashew Colleagues,

'Being the President of the ACA is the beginning of a hard work. We have to work hard for the African cashew sector.' These were the words of Cherif Hibrahima, may his soul rest in peace,

shortly after he was elected the new President at the Annual ACA Conference in Maputo, Mozambique in September 2010. Cherif was ready for the challenge, determined to build on ACA's achievements and take the organization to the next level. Africa's cashew business community lost a great man, a man who had devoted his life to growing cashew nuts and who had just fulfilled his dream with the opening of his cashew processing factory in his home town, Touba, Côte d'Ivoire. Shortly after his death in March 2011, the Executive Committee appointed me as Acting President until the vacancy in the Executive Committee is filled at the September 2011 conference.

As a member of the ACA Executive Committee since 2008, I believe we can look back at 2010 as a successful year for the African cashew industry

and for ACA. Our association, founded by a handful of believers in the potential of the African cashew industry in 2005, counted more than hundred paying members in December 2010. ACA is becoming a gateway for doing business in Africa for buyers and investors from around the world.

In December 2010, the newly elected Executive Committee outlined the key elements of a new strategy for ACA for the coming five years based on a study conducted by McKinsey.

More than 200 participants adopted a set of guidelines and recommendations to governments for the growth of the African cashew industry, the Maputo Declaration, at the annual conference. Cashew business stakeholders also pledged to abide by a number of principles to 'grow the industry sustainably!', the first Business Code of Conduct for the African Cashew Industry, developed by the industry.

Let us celebrate our achievements in 2010 in this report! Let us come together in 2011, and inspired by Cherif's words, let's work hard to continue growing the industry and its association!

Yours sincerely,

Idrissa Kilangi

ACA Acting President

ACA Organizational Structure

The Executive Committee (EC) creates strategy, provides direction and industry information. The EC has a networking and fundraising role and promotes ACA membership. It meets twice a year and is elected for two year terms by the ACA membership. The EC consists of five private sector representatives from African cashew countries and two international companies with investments in African cashew. It elects a president for the duration of its tenure.

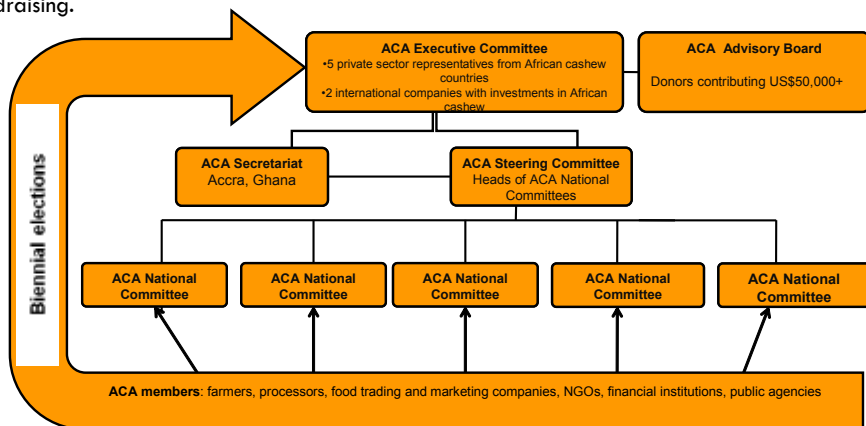
The Advisory Board consists of delegates from organizations providing more than USD \$50,000 of funding per year. The Board has veto rights regarding the use of the ACA funds and provides guidance on ACA programming.

The Secretariat manages program development and implementation, and is responsible for the daily ACA operations, including activities, event management, marketing & promotion, communications, elections, membership and fundraising.

The Steering Committee provides input and is responsible for presenting proposals and country-specific information to the Executive Committee. It consists of the National Representatives elected by ACA National Committees.

ACA National Committees consist of cashew stakeholders of each cashew producing country in Africa, newly established or on the basis of existing structures. Their role is to disseminate information on relevant cashew developments, promote the ACA to policymakers and donors and to elect two national representatives to participate in the Steering Committee for a 3 year term.

ACA Members: Members are individuals or private or public institutions involved in the cashew sector. They pay an annual membership fee. Every two years ACA members elect the Executive Committee.



ACA Partners:

African Cashew Initiative: ACI is financed by the Bill and Melinda Gates Foundation and private industry and led by ACA member German Technical Cooperation (GTZ). The four-year project will improve the cashew sectors of Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique through technical assistance at the farm and processing levels, as well as through marketing, policy and investment incentive frameworks and access to finance.

USAID West Africa Trade Hub: The USAID West Africa Trade Hub is a co-founder of the ACA. The Trade Hub formally housed the ACA in Accra from 2006-2009 and continues to support it in pursuing its goals, especially in market linkages and access to finance for processing companies, as well as providing administrative and technical support.

Overview of the African Cashew Industry

The cashew business is a budding industry in Africa's overall economy. It is growing fastest in East and West Africa and is attracting increasing interest by Brazilian, European, and United States (U.S.) investors.

The African cashew industry could benefit immensely by capturing the value of its raw nut production through increasing processing on the continent. Currently, West Africa processes only 5-6% of its production, and East Africa processes only 20-30% of its production. Increased processing in Africa would add tens of thousands of jobs and generate hundreds of millions of dollars in revenue for the continent. It is estimated that each \$1,000 of cashew sales creates 120 jobs as well as an additional \$1,430 in the local economy via the multiplier effect. Increasing African RCN processing by even 25% would create more than \$100 million in net household income.

The ninety percent of raw cashew nuts that are not currently processed in Africa are exported to India and Vietnam. There, the nuts are processed and then sold via international traders to European and North American roaster/retailers, who then distribute them to consumer markets. Selling cashew kernels directly from West Africa into these consumer markets would reduce time and cost of transport and increase food safety due to increased traceability.

However, there are positive signs this is changing. Processing volumes in Africa reached 73,000MT in 2010, an increase of more than double since 2006, when only 35,000MT were processed within the continent. This large growth is estimated to have created about 10,000 new jobs. In 2010 alone, almost \$20 million was invested in cashew processing in Africa.



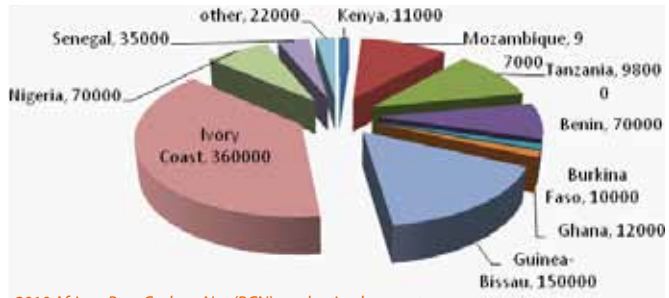
2010 featured extensive investments in mechanized cashew processing



As cashew processing increases, thousands of jobs are created for local women in rural communities

Overview of the African Cashew Industry

Production



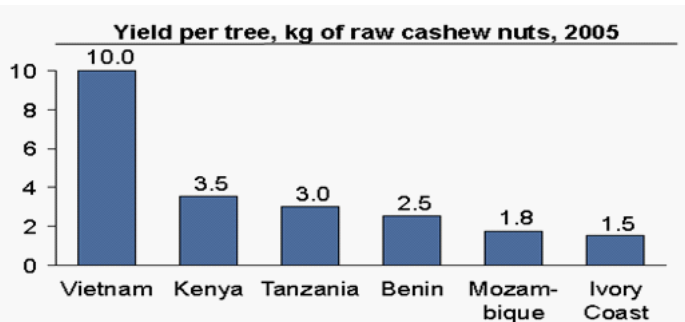
2010 African Raw Cashew Nut (RCN) production by country

Cashew trees originate from northern South America although they now grow in tropical regions throughout the world including in Brazil, Africa, and Southern Asia. The English name “cashew” actually derives from the Portuguese name for the nut, “caju,” which in turn derives from the indigenous Tupi name, “acaju.” In Africa, cashew grows throughout Western Africa as well as in Tanzania, Kenya, and Mozambique in Eastern Africa.

Africa’s two million smallholder cashew farmers produce about 40% of the world’s cashew crop. In total, cashew provides income for about 10 million people in Africa. Between 2000 and 2010, production of cashews in Africa has more than doubled, from around 400,000MT to an estimated 940,000MT. The largest producing countries include Côte d’Ivoire (370,000MT), Guinea-Bissau (150,000MT) and Tanzania (98,000MT). Growth has been particularly strong in the West African countries, which today produce 80% of the African crop. Tanzania and Mozambique in east and southern Africa have a longer-standing history in the cashew business and are more experienced in cashew processing.

The cashew tree starts to bear fruit after 2-4 years gestation period, although its peak production begins 10 years after planting. After this it will continue to produce for 25-30 years with a substantial yield decline after 30 years. The fruit of the tree is the kernel enclosed in a nut, which is attached to an apple –shaped ‘false fruit’. When the cashew apple falls down, farmers collect it and detach the nut from the apple. The nuts are sold to exporters or processing centers by local traders.

Given the general upward trend cashew nut prices have followed over the past years, smallholder farmers in Africa are likely to plant more cashew trees, further increasing production yields. Currently, productivity, or yield per tree, is relatively low in Africa compared to South Asia (1.5-4kg/tree versus 7-11kg/tree). Better agricultural and post-harvest practices could greatly improve the farmers’ return on the crop.



Overview of the African Cashew Industry

Harvest

Almost all year long, smallholder farmers collect cashew nuts in one of the major producing regions in Africa. In West Africa, the season goes from February to June with Nigeria and Benin's peak starting early and Guinea-Bissau finishing the harvest in June. In eastern and southern Africa, picking starts in mid-September through to late January. The average West African farmer household collects between 500-1,200kg of raw cashew nuts. The nuts are sold to consolidators who sell to exporters, sometimes via other intermediaries.



Processing

African cashew is either locally processed or exported for processing through traders. When raw cashew nuts arrive at a processing facility they undergo a five step process to extract the cashew kernel from its shell. First, the nuts are roasted or fried, either by applying steam or a hot oil bath. Next, nuts are shelled to produce clean, whole kernels free of cracks. Shelling can either be done manually or by mechanization. In manual shelling, nuts are cracked with a hand mallet. An average sheller can open about 10 nuts per minute. In mechanized shelling, machines equipped with knives break open the shells. Most of the small-scale processors in Africa practice manual shelling, while the larger plants tend to be mechanized. After shelling, the kernel is still covered with the testa. To facilitate its removal, the kernels are dried. This causes the kernel to shrink, which allows the testa to more easily be removed. The testa is removed in the process known as peeling, which typically occurs by hand. Mechanized peeling operations exist but typically result in many breakages due to the delicacy of the nuts in this process. The last step is grading, when kernels are classified into one of 26 grades according to size, color, and condition (broken vs. whole).



Hand shelling machine

Overview of the African Cashew Industry

Processing (continued)

Processing cashew is labor-intensive, so it has the capacity to generate employment for large numbers of people for shelling, peeling and grading the nuts. It is estimated that an average-sized processing plant, which can process four MT of raw cashew per day can employ no less than 200 workers.

Mozambique and Tanzania are currently the highest cashew processing countries in Africa, with processing volumes of 23,450 MT and 9,610 MT respectively.



Processed kernel ready for export

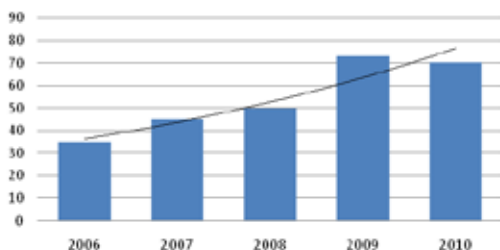
Access to finance is a key constraint to the growth of the processing industry in Africa. Because of the seasonality of the crop, a processor requires large amounts of liquidity during the harvest season to buy and store an entire year's stock of raw material for processing. Banks in Africa focus mainly on financing short-term raw nut trade transactions instead of year-long processing of cashew nuts.

The ACA along with its partners the African Cashew Initiative (ACI), the USAID West Africa Trade Hub, and TechnoServe supported processors, investors and entrepreneurs in 2010 to increase processing levels in Africa. For example, ACA and ACI provided support to processors on machinery choices and trained workers on processing steps.

And cashew processing in Africa has augmented significantly. From 2006 to 2009, West African processing capacity multiplied by ten, from less than 500MT to 5,500 MT, generating 5,500 new jobs, predominantly for illiterate women in rural areas. This was due to extensive investments in small and medium scale processing units. Olam also led the way with significant expansions and the building of new plants.

In East Africa, Mozambique has experienced an impressive revival in their cashew processing industry. Mozambique had led African cashew production in the 1970s, but political unrest caused the industry to be entirely wiped out by 2001. However, due to the collaborative work of ACA, Technoserve, AICAJU (the Mozambican processors' association), and private sector partners, the industry has strongly rebounded in the past ten years, now producing almost 80,000MT of RCN in 2010 and processing over 20,000MT within the country.

RCN Processed in KMT –
Africa-wide



Cashew World Market

Over the past ten years, the global demand for cashew nuts has approximately doubled, driven by appreciation for cashews' taste and health benefits as well as the increasing purchasing power of Asian economies.

The average price for raw cashew nut varies annually and seasonally and depends on world market dynamics, including factors such as the quality of nut (including size, kernel output, and packaging), international demand, and the exchange rate between the US\$ and the currency in which the raw nut is traded. Delay in the harvest and uncertainty in production volumes stress market decisions.

2010 Prices

Prices throughout 2010 were higher than the historical average, and rose throughout the year. The historically high prices in 2010 can largely be attributed to a delay in harvest and uncertainty of production volumes due to poor yields from Brazil, India, Indonesia, and Vietnam. Brazil in particular experienced an extremely short crop, 30% lower than normal. Political unrest in Cote d'Ivoire also contributed to lower than normal supply in the international market, which drives prices upwards.

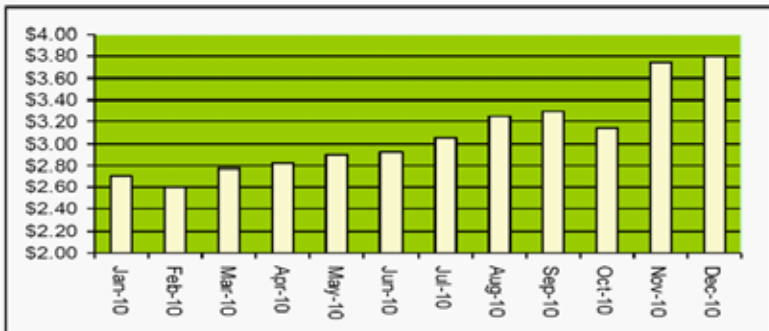
Raw cashew nut (RCN) prices increased sharply in the course of the 2010 harvest in West Africa: Ivorian RCN increased from \$725/MT (CNF India) in February 2010 to \$950/MT or a 30% increase in three months. East African RCN prices also increased significantly during the 2010-11 crop and compared to 2009-10, to up to \$1845/MT (CNF India) or 45% more than last year.

Kernel prices continued their steady upward climb following the crash of 2008. In January 2010, FOB kernel prices were 40% higher than the previous year. Despite these high levels, prices in 2010 still followed seasonal trends, with for example prices largely being flat in May through July and experiencing a steep increase in November.

While the overall high RCN prices were good news for producers, processors in Africa struggled to raise sufficient working capital to procure stock for a year's processing. Most West African processors had been waiting for a drop in prices to buy. Many processors were thus not able to secure sufficient stock for the year due to the high prices.

It is expected that in 2011 there will be greater demand for West African raw cashew from Brazil, India, and Vietnam. In Vietnam, for example, imports of RCN have already increased from 70,000MT annually in 2005 to 250,000MT in 2009. As cashew exports from India and Vietnam to US and Europe decline due to stagnating production and increasing Asian demand, Africa is increasingly seen as the future source for cashew.

2010 International Prices for W320s by Month



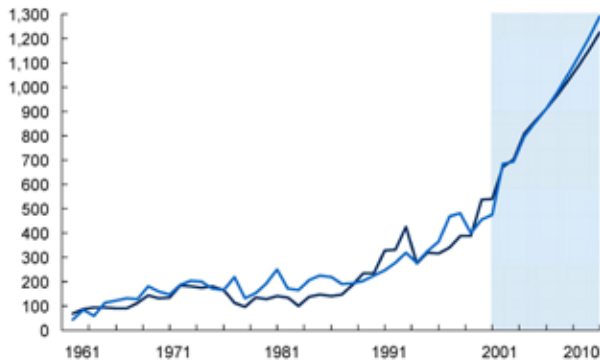
Cashew World Market

Consumption

The market prospects for cashew are excellent. Trade and consumption of cashew kernels has grown strongly over the past ten years. Asian economies have seen a particularly remarkable increase in domestic consumption as cashew is not only a popular snack nut but also used as an ingredient in a variety of savory and sweet local foods.

In the US and Europe, cashews are most commonly consumed as a roasted and seasoned snack food. In the US and most European countries, cashew tops the list of consumers' nut preferences. In the United States, cashew consumption has grown by more than an average 5% annually since 2000. The American market has potential for further growth. Consumers prefer cashews over other nuts and cashew has health benefits which have not been widely exploited in marketing campaigns. Europe has seen a sharp increase in consumption over the past ten years, 8% on average. Similar to the U.S., there is a significant potential for further growth by promoting cashew's health benefits and cashew as an ingredient.

Global Cashew Demand, 1961 - 2010



India, currently the world's largest processor of cashew, is seeing the sharpest increase in domestic consumption. In 2010, it overtook the U.S. as the world's largest consumer of cashew. This has significantly affected the rest of the industry in the kernel-consuming and the nut-producing countries. India imports more than half of its processed volumes, most of it from Africa. Over the past five years, India's imports of raw cashew nuts have risen, while the volumes of kernel exports have gone down. As this trend continues, many see Africa in an advantageous position to supply geographically close markets in Europe, the Middle East and the US.

Africa's domestic consumption is growing, albeit slowly and from a very low starting point. In sub-Saharan Africa, consumption is strongest in Nigeria and South Africa. The African domestic market is mainly supplied by small-scale processors and roasters. The main retailers in the West African regional cashew sector are independent supermarkets, small shops, gift shops, roadside stands, and hotels.

The international market applies the specifications of the Association of Food Industries (AFI) to distinguish cashew kernels into 26 quality grades by color, size and shape. A processor needs to reach a critical volume of production to enter the export market, generally 6 containers per year or more. Furthermore, a processor needs to maximize the share of wholes, kernels fetching the highest prices, and find markets for the less desirable quality grades. African cashew processing is largely small or medium-scale, producing a limited amount of containers per month, usually with at least 10-15 different quality grades. To ensure a steady cash flow, the processor needs a buyer who can use or market all of the different grades produced. Much of Africa's cashew kernels reach European and North American markets via importers and brokers who can consolidate and market all of the different cashew grades.

Socio-Economic Impact of African Cashew Industry

Multiplier Effect Study

More than 2 million smallholder African farmers grow cashew, each with five to six dependents. On average, cashew contributes between 20-30 per cent of household income. Africa's growing processing industry today supports the livelihoods of more than 140,000 farmers by buying their raw nuts for a total of US\$15 million.

Because of Africa's abundant land and raw material base and the availability of labor, the potential for growing the cashew business in Africa is undisputed. But what are the social benefits of growing the cashew industry in Africa? In 2010, USAID, the University of Wisconsin and the University of Accra, examined the economic multiplier effects of increased cashew business in Ghana and Burkina Faso, i.e. the benefits for a local community of exporting cashew. They found that for every US\$1,000 of raw cashew purchased from farmers, processors spent an additional US\$822 on labor plus an additional US\$1,176 in other household income. This includes, for example, workers' expenses for their children's education and health care as well as other goods and services produced in the local economy.



The Maputo Declaration



Maputo, Mozambique, 14-16 September 2010

Based on cashew industry developments, recommendations from ACA Annual Conferences since 2006, and the ACA's mission to advocate for favorable public policy for the industry, cashew stakeholders at the 2010 ACA Conference endorsed the Maputo Declaration, a commitment among all stakeholders to promote the following guiding principles to achieve the potential of the African cashew industry:

1. Train and equip farmers on quality, productivity, and crop handling
2. Empower farmer groups
3. Invest in research and development
4. Implement investment incentives for cashew processing utilizing best practices
5. Undertake a sustained global marketing campaign



ACA Activities

Annual Conference

Former President of Mozambique welcomes more than 200 Participants to 5th ACA Conference in Maputo



ACA President Carlos Costa, HE Joaquim Chissano, and ACA Managing Director Christian Dahm

The ACA Annual Conference is developing into the largest and most important annual cashew event for the international nut industry. The conference is a platform for established and emerging cashew business people to network, conduct business and learn about the latest trends and innovations in the cashew business in Africa.

More than 200 participants from 24 countries attended ACA's Fifth Annual Conference in Maputo, Mozambique from 14-16 September. Over 200 participants from 24 countries attended, including more than 60 participants from Asia, Europe, Latin America and North Africa. The event was opened by HE Joaquim

Chissano, former President of Mozambique and AU Chairman. Mozambique's Prime Minister Aires Bonifacio Aly underscored his government's support to the cashew sector at a speech during the gala dinner. Conference participants agreed on a Maputo Declaration a set of guidelines for governments and private sector advocates aiming to develop the cashew industry in their countries.

An international cashew buyer said, "It's by far the best conference in the industry. Everybody attends it. I can meet every stakeholder. It is well worth the participant and membership fees."



Cherif Hibrahima, Carlos Costa, Hon. Kwesi Ahwoi, Hon. Soares Nhaca and Filomena Maiopue cutting the ACA cake.

Quality and Sustainability Promotion

Stakeholders endorse the ACA Business Code of Conduct

At the ACA Annual Conference in Maputo in September 2010, participants reflected on what sustainability would mean for the African cashew industry. How do we achieve growth in production as well as processing, distributing the benefits along the value chain while protecting the environment? All agreed that Africa needs to establish itself as a supplier of high-quality products in the international market. The conference adopted the ACA Business Code of Conduct for the Sustainable Growth of the African Industry.

In the Code, African cashew businesses commit to producing high-quality products, ensuring food safety while growing their business sustainably by following business best practices based on the following principles:

- Good financial and corporate governance
- Valuing human resources
- Respect for the environment
- Fair compensation of farmers
- Working together on growing the industry

ACA is now developing a training program focused on food safety and quality aspects for African cashew shelling units. The program is designed by internationally recognized food safety, quality and regulatory experts from companies buying and roasting cashews in the destination markets.

ACA Activities

Training and Technical Assistance

ACA and its partners are addressing targeted challenges facing stakeholders in the sector: access to finance and technical training for processors, increasing the awareness of Africa's financial sector of the potential of the cashew business to earn revenue, and improving yields on good quality raw cashew nuts for farmers. Recent activities in these areas are highlighted below.

More than \$14 million in access to finance facilitated

ACA along with the USAID West Africa Trade Hub signed a Memorandum of Understanding with the ECOWAS Bank of Investment and Development (EBID) to support and finance targeted cashew processors. Under the agreement, EBID committed to making available direct funding for up to CFA 7 billion (approx. USD 14 million) per annum to finance new investments in cashew processing supported by the ACA and USAID through targeted technical assistance.

In addition, access to finance was improved through ACi initiated guarantee funds to provide collateral for selected cashew processors. In parallel, the ACA organized training sessions for bankers and processors. In addition to smaller meetings, large trainings took place in Guinea Bissau and Togo.

Investors trips lead new buyers and investors to enter African cashew industry



American buyers visit cashew country in Burkina Faso, accompanied by the ACA

As a direct result of ACA facilitated trips, several international buyers have begun sourcing cashew nuts from Africa for the first time. In November, a Brazilian company made its first shipment of 250 MT of raw cashew nuts – all procured in Ghana – to Brazil for processing, with plans for more in 2011 with the possibility of setting up a processing facility in the country. In March, the ACA National Representative in Ghana, the Director of the Ministry of Agriculture's Cashew Development Project, had facilitated the introduction of the Brazilian investors to the Minister of Agriculture, who assured them of his support for the project. An American firm also began sourcing thousands of metric tons of nuts. In total, ACA facilitated 8 buyers and investors trips in 2010 to Benin, Burkina Faso, Cote d'Ivoire, Ghana, Guinea Bissau, and Nigeria.

29 processors expand or restart operations with ACA assistance

In 2010, ACA provided technical assistance to 29 targeted cashew companies in Burkina Faso, the Gambia, Guinea Bissau, Kenya, Nigeria, Senegal and Togo. With the support of ACA experts, 5 companies developed business plans that were submitted to banks. Three Nigerian companies secured credit for working capital as a result of these business plans. ACA assisted a cashew processor in Burkina Faso to conclude a financing and assistance agreement with an ACA member international buyer and as a result they were able to re-launched processing. ACA provided particularly intensive support to a Togolese processor significantly expanding its operations.



ACA Business Advisor consults with the manager at a cashew processing firm in Togo

Farmers trained in methods to improve nut quality

ACA assisted the Guinea Bissau National Cashew Committee and the Ministries of Agriculture and Commerce & Industry to organize a farmer training for 65 participants, including farmers groups, associations, local traders, and local processors. The training created awareness about how nut quality can be preserved, improved and assessed, with a focus on improving farmers' practices in harvest & post-harvest handling. Trainers distributed an Outturn Test tool and guide and harvest and post-harvest recommendations posters.

ACA Activities

Market Linkages

To build a reputable brand, gather information, share ACA experiences, and meet international African cashew stakeholders, the ACA has connected with a variety of international associations involved with cashew, such as the International Nut and Dried Fruit Council Foundation (INC) and the Peanut and Tree Nut Processors Association (PTNPA). ACA actively participates in their targeted events across the globe to represent the African cashew industry and promote investment and sourcing opportunities on the continent.

2010 INC Congress: Former ACA President Carlos Costa represented the African cashew industry during negotiations to establish a Global Cashew Association. These meetings occurred in Beijing, China alongside the INC Congress, the largest annual international nut event. Along with the major cashew associations in Brazil, India, and Vietnam, Cost discussed joint and possible areas of collaboration to promote cashew globally. INC also committed to support the process of forming this association by handling the negotiations and administrative process.

2010 PTNPA Convention: More than 20 buyer linkages were made at the annual convention of the major organization for the American nut industry. ACA Managing Director Christian Dahm represented the ACA and engaged in many discussions about marketing cashew from Africa. He encountered a greater willingness to buy cashew from Africa than ever before, along with significant interest from buyers for ACA to enhance the African cashew brand.

Association of Food Industry (AFI) Convention: At the AFI annual conference, the topic on everyone's lips was new US food safety regulations which may have a major impact on exporting to the American market. ACA Communications Officer Xenia Defontaine received updates on this situation for communication back to ACA stakeholders. The strong emphasis on food safety makes activities like the ACA Business Code of Conduct even more crucial. In addition, Defontaine promoted the ACA Conference and discussed options for sourcing African cashew kernels with interested buyers.

Communications

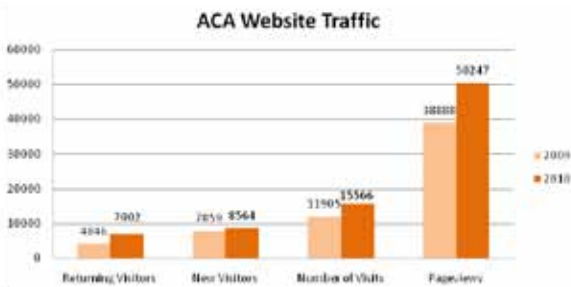
ACA disseminates crucial industry information to members

In 2010, ACA circulated three newsletters in English, French, and Portuguese to more than 1,000 cashew industry stakeholders. The newsletters contain updates on ACA activities as well as crucial industry information such as production volumes, prices, export volumes, etc. ACA also produced and disseminated a cashew investment guide featuring all the key information an investor needs to understand the cashew business environment in Africa and begin to invest in it.

The ACA Website continued to evolve as a crucial portal for the industry. Total visitors increased 30% from 2009, as did page views. The ACA website registered over 50,000 views in 2010.

Many in the cashew industry, especially newcomers, are not aware that Africa produces and processes cashew kernel for the international market. In addition, producers and processors in Africa often lack current information

about the international market to make smart business decisions. In order to bridge the gap in information, ACA has committed to providing regular market information to its paid members, available. The complete Market Information System is currently in development and should launch on the ACA website in 2011.



ACA Activities

Building National Platforms

ACA sponsors “Cashew Weeks” in Nigeria and The Gambia

ACA, together with the Nigeria Export Promotion Council, the National Cashew Association of Nigeria, and Olam organized the first Cashew Week in Nigeria in Ibadan on March 2-5, 2010. By the end of the event, stakeholders agreed upon a draft Cashew Development Plan to boost the sector in the country and elected a new representative for the ACA National Committee to implement the strategy.

Participants discussed major industry issues at all the steps in the value chain. Roger Brou and Judson Welsh of the USAID West Africa Trade Hub addressed access to finance for processors, roasters, and buyers. ACA Business Advisor and Processing Specialist Sunil Dahiya made a thorough technical and business-oriented presentation on cashew processing. Many participants visited the Olam processing facility in Ilorin, which is West Africa's

largest cashew processing unit, employing over 700 people and processing 5,000 MT of cashew annually. The Nigerian cashew sector has immense potential: If 80,000MT of RCN were processed, this would add an additional US\$285 million to the economy and create thousands of jobs with limited education.



The newly elected ACA National Committee - Nigeria



Panelists speak at The Gambia Cashew Week

The Gambia also hosted its first Cashew Week in November 2010, sponsored by ACA and the USAID West Africa Trade Hub. At this event, attended by more than 80 stakeholders from the country, a constitution was adopted for the Cashew Alliance of The Gambia and representative farmers, traders, and processors were elected. The core role of CAG will be policy advocacy for the cashew industry and a platform for sharing information in the sector. Speakers at the opening session, Deputy Permanent Secretary of the Ministry of Agriculture of the Gambia Honorable Sheriffo Bojang and Deputy Chief of Mission of the U.S. to The Gambia Cynthia Gregg, focused on the potential of cashew to expand The Gambian economy, particularly through job creation. Although The Gambia is a relative newcomer in the cashew world, they plan to “start small and go far,” in the words of ACA Executive Committee member Ram Mohan. Although The Gambia's cashew crop in 2010 was only 8,000-10,000MT, its efficient port and ideal geographic location resulted in 67,000MT of cashew exported from Banjul. Thus, The Gambia is becoming a natural cashew trading hub for the region.

ACA 2010 By the Numbers

| | |
|---|---------------------|
| Members | 93 |
| Number of Processors Receiving Direct Assistance | 29 |
| Cashew Exports Facilitated | \$5,610,462 |
| New Investments in Cashew Processing | \$19,021,000 |

Budget 2010 (in US\$)

| ACA BUDGET ITEM | ACI | | USAID | | PRIVATE CONTRIBUTIONS* | | TOTAL |
|-------------------------------------|----------------|--------|---------|--------|------------------------|--------|----------------|
| | | | | | | | |
| Annual Conference | 70,116 | 16.35% | 3,552 | 2.60% | 47,067 | 45.61% | 120,735 |
| Communications | 49,851 | 11.62% | 3,672 | 2.69% | 1,556 | 1.51% | 55,078 |
| Market Linkages | 90,262 | 21.05% | 3,607 | 2.64% | 3,048 | 2.95% | 96,917 |
| Business Advisory Access to Finance | 59,090 | 13.78% | 120,480 | 88.24% | 36,989 | 35.85% | 216,560 |
| Partnerships and Outreach | 93,592 | 21.82% | - | 0.00% | 7,558 | 7.32% | 101,150 |
| Administration | 65,919 | 15.37% | 5,224 | 3.83% | 6,971 | 6.76% | 78,114 |
| Subtotal | 428,830 | 100% | 134,534 | 100% | 103,188 | 100% | 668,554 |
| TOTAL | 668,554 | | | | | | |

In-Kind Contributions 2010

| ACA BUDGET ITEM | ACI | | USAID | | PRIVATE CONTRIBUTIONS* | | TOTAL |
|-------------------------------------|----------------|--------|---------|--------|------------------------|--------|------------------|
| | | | | | | | |
| Annual Conference | 20,000 | 5.65% | 140,000 | 76.98% | 4,509 | 2.43% | 164,509 |
| Communications | | | | | | | |
| Market Linkages | 13,707 | 3.87% | 2,044 | 1.12% | 38,925 | 20.94% | 54,676 |
| Business Advisory Access to Finance | | | | | 137,557 | 74.01% | 137,557 |
| Partnerships and Outreach | 25,455 | 7.19% | 39,810 | 21.89% | | | 65,265 |
| Administration | 294,690 * | 83.28% | | | 4,884 | 2.63% | 299,574 |
| Subtotal | \$353,852 | 100% | | 100% | \$185,875 | 100% | \$721,581 |
| TOTAL | 721,581 | | | | | | |

*Includes consultancy on ACA strategy

Projected Budget 2011 (in US\$)

| ACA BUDGET ITEM | ACI | | USAID | | PRIVATE CONTRIBUTIONS* | | TOTAL |
|---|------------------|--------|---------|---------|------------------------|---------|------------------|
| | | | | | | | |
| Annual Conference | 13,818 | 2.34% | 5,000 | 3.80% | 161,340 | 42.17% | 175,158 |
| Communications | 54,890 | 9.28% | 5,845 | 4.44% | 3,896 | 3.25% | 64,631 |
| Market Linkages | 285,548 | 48.27% | 13,316 | 10.12% | 56,035 | 9.90% | 359,899 |
| Business Advisory and Access to Finance | 49,267 | 8.33% | 100,429 | 76.31% | 30,835 | 25.69% | 180,531 |
| Partnerships and Outreach | 149,394 | 25.26% | - | 0.00% | 30,43 | 11.19% | 179,828 |
| Administration | 38,549 | 10.64% | 7,020 | 5.33% | 59,360 | 7.80% | 104,929 |
| Subtotal | 591,466 | 100% | 131,610 | 100.00% | 341,900 | 100.00% | 1,064,976 |
| TOTAL | 1,064,976 | | | | | | |



African Cashew Alliance founding members:



Global Trading & Agency B.V.



Intersnack



The Richard Franco Agency, Inc.
Food Brokers

