Status of Ghana Cashew Industry

Production

Cashew is grown as a cash crop in the coastal belt; Central, Greater Accra, and Volta Regions; the transitional belt north of Ashanti, Brong-Ahafo, and guinea savanna belt, parts Northern, Upper West and East regions. The ideal rainfall regime is between 750mm – 1300mm. Cashew is a hard crop which grows well on marginal land. It is seen as an ideal crop for soil conservation and afforestation, especially in savannah areas.

Cashew cultivation in Ghana is largely a small holder activity with majority of farmers having an average farm size of between 0.8 – 2.5ha. More than 60,000 small holder farmers are engaged in cashew cultivation in the country. The major production districts are Ashanti Region (e.g. Ejura Sekyeredumase, Sekyere West, Offinso, Sekyere East), Eastern Region (e.g. Afram Plains, Suhum Kraboa and Asuogyaman), Western Region (e.g. Ahanta West, Mpohor Wassa, Bibiani and Wassa Amenfi), Greater Accra Region (Ga West and Dangbe West), Central Region (Gomoa, KEEA, Asikuma and Twifo Hemang districts), Brong Ahafo (Jaman, Wenchi, Kintampo, Nkoranza, Techiman and Atebubu districts), Northern Region (West Gonja, Bole, Yendi and Mamprusi districts), Volta Region (Nkwanta, Hohoe, Kpandu, Akatsi and Keta districts), Upper West (Nadowli, Jirapa-Lambussie and Sissala districts) and Upper East (Bawku, Builsa and Kassina-Nankena districts).

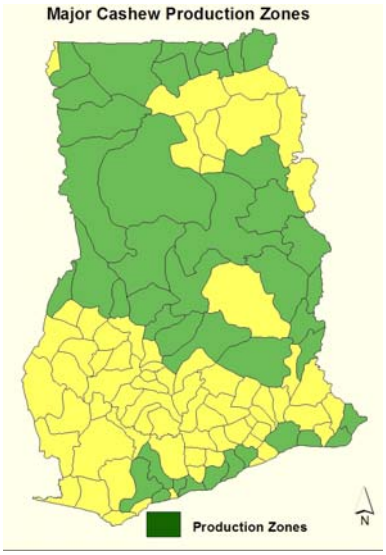

Figure 1: Major Cashew Production Areas

In recent years the interest for the crop has grown and this is evidenced by the growth of demand for cashew seed nut for planting which has increased from about 1 MT in 1994 annually to about 10 MT in 2007 annually. As at 2006, estimated area under cultivation was about 59,000 ha with annual production of about 16,000MT of raw cashew nuts. An estimated 3.24 million ha of suitable land is available for cashew cultivation in the country. Cashew takes 2 – 3 years to produce economic crop. Area under cultivation is projected at 65,000 hectares by 2020 with a projected domestic production of47,000 MT.
The standard practice is to inter-crop with crops such as maize, millet, sorghum, yam, cassava, soybean, groundnuts or chillies until the canopy closes.

New plantations generally come into bearing with about 100 kg/ ha in the third year after planting, increasing to about 1,200 kg/ha in the tenth year, for grafted trees. Seedling cashews on the other hand would normally come into bearing in the second to third year after planting. The Cashew Development Project (CDP) has, since 2003, ensured the availability of improved planting materials for establishment of new cashew farms. This intervention was to overcome the problem of farmers using planting materials from unselected trees/farms for planting which had resulted in a lot of the farms established in the 90s producing uneconomic yields.

Currently, yields range 350-400 kg/ ha. However there is the potential to increase the productivity of the cashew plantations from the present 350 – 400 kg/ha to about 800 - 1,200 kg/ha through crop improvement. Currently, the Cashew Development Project has implemented a comprehensive farm rehabilitation program through canopy substitution of old unproductive tree canopies with high yielding scion materials, selective thinning, pruning, weed, pest and disease control.

Research

CRIG is mandated to undertake cashew research. Under the Cashew Development Project, CRIG has been supported to strengthen its cashew adaptive research program and cashew by-product development research through the provision of equipment and logistics. A laboratory for cashew research has also been constructed and equipped for CRIG at its sub-station at Bole by CDP.

The research activities mainly focus on evaluating the existing germplasm, soil fertility improvement studies, intercropping studies, vegetative propagation techniques, development of strategies for canopy substitution, development of control packages for pest, disease and weeds, quality assessment of raw nuts through cashew nut profile studies. CRIG is also carrying out research trials on industrial utilization of the cashew apple into various products including animal feed, jams, alcoholic and non-alcoholic beverages among others. Gum extracts are also being used to produce chocolate pebbles. In spite of funds provided to CRIG under the Cashew Development Project, the cashew research programme is still under-funded, financially and manpower resources.

Marketing

Annual export of raw nuts reached 47,000 MT in 2006, contributing approximately US$ 23 million in foreign exchange earnings. This figure is considered very small when compared with world excess demand of 430,000MT of raw nuts, valued at US$270 Million, and growing at a rate of 5-8% per annum. Again, less than 50% of Ghana's export is derived from domestic sources and cross boarder trading accounts for rest of the exports.

Table 1: Ghana Cashew Export 2003 - 2006

Year	Quantity (MT)	Value (US$ Millions)	FOB Tema Price (US$/MT)
Yr 2003	31,335	15.67	500
Yr 2004	38,181	21.00	550
Yr 2005	40,992	28.69	700
Yr 2006	47,962	23.98	500

Source: Ghana Shippers Council

In the late 1980s CashPro Limited, a private export company established buying centers in almost all the cashew producing villages in the Brong Ahafo Region and other major producing areas.

Recently, other companies such as Olam (Gh) Ltd., Ghana National Procurement Agency (GNPA), Ghana Nuts, Bet Exports, Rals Commodities, 3F Ghana Ltd., Evans Global

Investments Ltd., NASAKA Agro Processing Ltd., Asia Commodities Co. Ltd., Grand Mark Co. Ltd., Potrodom International PVT Ltd., Wilmaroel Tld., and Isacon Co. Ltd. have joined the cashew buying business with buying centers in almost all the major cashew producing areas. The increase in the number of buyers has brought about competition on the market. These companies largely operate through commissioned agents and local purchasing agents.

Quality of nuts at farm gate is a key issue that largely influences nut prices. Proper post-production handling by farmers especially drying, packaging material used and the method of storage have a direct influence on the nut quality.

To enhance the efficiency of cashew marketing in Ghana, Cashew Processors and Exporters Association (CAPEAG) has been formed and registered. Several producer associations also exist countrywide. Under the Cashew Development Project, 7 district producer associations have been formed and registered, in close collaboration with Department of Cooperatives. The producer associations and processors/exporters associations are currently being trained on quality standards developed by the industry through appropriation of grades and standards, spearheaded by USAID TIPCEE project with support from the MOFA-CDP and other stakeholders.

Processing

At present, 6 major raw cashew nut processing companies are in operation. These are Nasaka group of processors, Winker Agro Processing, Shop Best, Nsuro, CRIG and Krobo Group of Processors with a total installed capacity of about 377 MT annually. However, about 50% of this capacity is utilized. Working capital requirements to purchase and stock raw nut all year round has been a major cause of this. Admittedly, some processors would require enterprise re-engineering to enable them become competitive and enjoy economies of scale.

Table 2: Major Raw Cashew Nut Processors in Ghana

Processing Units (Raw Cashew Nuts)	Location	Installed Capacity (Mt)
NASAKA	Kabile	79.2
NASAKA	Sampa	47.52
NASAKA	Nsawkaw	63.36
SHOP B.	Accra	12
NSURO	Accra	10
CRIG	Bole	120
Winker Agro Proc.	Afienya	45.00
TOTAL		**377.08**

The private sector has taken up the challenge of roasting kernels and as a result, more than eleven cashew roasters have also been in operation since 2003 to roast cashew kernels for the domestic market.

Processing is a recent development undertaken by unskilled personnel with a low capacity to handle large volumes required for the export market. Local demand for cashew kernels is currently estimated at over 40MT/annum while production is only about 33MT. With recent cheap imports of roasted kernels, often with improved and attractive packaging materials, the local kernel production is likely to suffer stiff competition in the next 2-3 years.

Table 3: Major Cashew Rosters

Name	Location
SPB Agro Processing Ltd	Accra
Ermak Ltd	Accra
Shopbest Ltd	Accra
Heimai Manufacturing Ltd	Berekum
Lixverward	Accra
CRIG	Akim Tafo
Nas mas Ltd	Accra
Jeo Best	Accra
Yummy	Accra
Friends Nuts	Accra
Goody Star	Accra
Others	
Total	

Processing of raw cashew nuts into kernels will add value and increase household incomes. In addition, it will create considerable employment especially for women who form about 70% of the work force in the existing cashew processing facilities.

Key Industry Players and Activities

Technical advice in the form of extension service covering farm establishment and maintenance using improved technological practices have reached more than 30,000 cashew farmers but need up scaling. Over the last decade, this support has been jointly provided by MOFA frontline personnel and some NGOs and institutions. The most active NGOs and institutions in cashew production have been TechnoServe, Ricereca e Cooperazione (RC), Adventist Development and Relief Agency (ADRA), West African Trade Hub (WATH), German Agency for Technical Cooperation (GTZ), Ghana Export Promotion Council

(GEPC), USAID-Trade and Investment Program for a Competitive Export Economy (TIPCEE) and African Cashew Alliance (ACA).

In April 2007, these key stakeholders collaborated and organized the first international cashew workshop in Ghana that highlighted the potential and benefits of cashew. Over 200 stakeholders participated in this event. This enabled them to share experience and best practices along the value chain; from research to processing and packaging.

Through the collaborative effort of CDP, ADRA and TIPCEE, cashew farms are being mapped using Geographic Information Systems (GIS) technology. The idea of farm mapping is primarily aimed at facilitating extension delivery and forecasting yields or estimating harvest volumes at any particular time. Farm mapping will also provide adequate information regarding distribution of farms. Cashew farmers will therefore be assisted through this intervention to determine ideal pooling points to bring their stock together for evacuation or even lobby with government for infrastructural development. Finally this will also allow for traceability which is a critical requirement in certification. A total of 3,500 cashew farm segments covering an area of 3,400 hectares have so far been mapped.

Credit

Although loans of at least 25.6 billion cedis have been disbursed to at least 12,000 small holder farmers under MOFA's Cashew Development Project to cultivate cashew, they still do not have easy access to farm credit to finance maintenance and expansion their operations. About 70% of the total loan amount due has been recovered.

Strict credit conditions by commercial banks with often prohibitive interest rates have made loans unattractive to most processors who require huge capital for investment in processing equipments.

Promoting Ghana Cashew Products

The promotion of the Ghana cashew industry received a boost with the establishment of knowledge and information platform www.ghanacashewproducts.com. This platform has interactive interphases that will enable buyers and sellers to interact online to transact

business. A number of presentations, including production guides and extension bulletins have been posted on this website to enhance dissemination of cashew information.