Objectives and results

Since April 2011, the African Cashew initiative, in cooperation with USAID AgriFUTURO, supported the cashew processors association AICAJU in its first attempt to directly link some of their members to strong farmer groups in Nampula. AICAJU hired a staff member - the so-called group consultant - to facilitate the process.

At the moment, three processors and six farmer groups are involved (see table). Several more farmer groups are identified and remain on the “waiting list”. In November 2011, the company OLAM, who is currently expanding the number of its factories, announced that they would like to participate as well; and a first meeting with the consultant already took place.

In a first step, the farmer groups received fuel and oil to secure their tree spraying. In a joint meeting in October 2011, farmer representatives and processors planned together the amount of raw cashew nuts (RCN) to be later provided. Part of the production pays back the inputs that the farmer groups received earlier.

In the end of November, 275 metric tons (MT) had already reached the factories. The producer groups negotiated a price of 18 MZN/kg, while the average market price of RCN in November was around 13-16 MZN/kg.

Cashew production this year is reportedly low because of climatic circumstances. Heavy winds during the treatment season apparently reduced the spraying impact. Thus, it is expected to reach 75% of the objective of 5.186 MT directly marketed RCN within this project.

Success story: Ekorosho gives pre-financing credit of around 33,000 USD to Nanhupo Rio farmers!

An impressive relationship of mutual trust has developed between the association of Nanhupo Rio in the District of Mogovolas and Ekorosho, the cashew processing factory in the District of Chiure. The association of Nanhupo Rio has only 60 members, but possesses 80 spraying machines and employs some additional spraying operators. 122,000 cashew trees could be sprayed with the assistance of Ekorosho, resulting in an expected yield of around 1.200 MT. But this yield belongs to a large extend to individual farmers surrounding the association who benefitted from the spraying service of the Nanhupo Rio farmer group. Only a small part is the yield of the actual members.

In order to secure the 1.200 MT for Ekorosho, the Nanhupo Rio group needed to purchase up front the RCN of its spraying clients. In some cases this also includes the production of the farmer groups’ spraying clients.

The association of Nanhupo Rio and the Ekorosho representative, Sr. Shrikanth (blue shirt), are very content with the cooperation so far. Having realized the problem of not having money to buy the nuts from the individual farmers, Ekorosho decided to pre-finance the purchases. Demonstrating an enormous amount of trust, the processor handed over 900,000 MZN to the farmer group in October 2011. The first 37 MT already reached the factory; the commercialization is ongoing until January 2012.