

PARLIAMENTARY NEWS



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The Ghanaian Cashew Story

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• Very Simple and Very Positive



Business for profit, not business for loss

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Re: MPs Erred On Cashew Debate

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ComCashew's main objective is to increase the competitiveness of African cashew smallholders, processors and other actors in the value chain to achieve a lasting reduction of poverty in the project countries Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique.

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Cover Story

Storytelling is an important part of our Ghanaian culture. It helps to break down complex issues into simple units for the understanding of all. It is for this reason I am resorting to using the storytelling approach to present to you, our cherished reader, what you need to know about the cashew subsector in Ghana.

So I guess it would not be out of place to start with the hilarious line that has for many years preceded storytelling; Once upon a time...

Growing up, my friends and I use to make creative roasting devices out of milk tins and copper wire to roast what is known in the local Twi language as 'atia'. The rather interesting smell that came from our roasting devices when we stocked them with hot red charcoal from our mothers' coal pots, coupled with the energy that we exert in swinging our devices are still fresh on my mind many years on.

Today, this same old fruit has developed into a global business venture, raking in millions of dollars to countries and companies across the globe.

To have a better understanding of what has brought about this boom, I met with one of the finest global brains on cashew, Rita Weidinger, to give her account of the cashew story.

Rita is the Accra-based Executive Director of Competitive Cashew Initiative (ComCashew), which was until May this year known as the Africa Cashew Initiative (ACI) - an award winning project of the German Development Cooperation.

I met this mellow woman, who is very passionate about cashew with lots of personal dreams for the growth of cashew in Ghana; not by a fire side, which is usually the setting for a typical Ghanaian storytelling moment, but by the poolside of a beautiful restaurant in Accra, as she came out of a meeting to reiterate why she describes the Ghanaian cashew story as "very simple and very positive."

Background

Cashew consumption is growing worldwide, with a global demand increasing at about 6 to 16 per cent per annum. Currently, Africa produces about 45% of the world's entire cashew, with a country like Cote D'ivoire alone, multiplying its yield by more than ten folds. Yet over 90% of cashew is consumed outside Africa, specifically in North America, India and Europe. Previously, 3% of raw cashew was processed in Africa, but now about 10%, as the volume has increased at the same time.

It was initially stronger focused to Brazil, India and Vietnam as the main

The Ghanaian Cashew Story

Sammy Obeng (sobeng@parliamentafrica.com)

producing countries. On our continent, it started in East Africa with Tanzania, and the southern African country of Mozambique has also been a leader in the venture.

West African countries started taking this seriously about 20 years ago, some a little bit earlier, with most countries using it for soil conservation, since the cashew plant, by its nature, helps to cover the soil nicely. So coun-

tries like Benin and Cote D'ivoire had not been looked at by those of us here in West Africa, and this was also because there were just a handful of trading companies, who mainly dominated the Asian market.

This situation is similar to what happened years ago with cashew in places like Sampa in the Brong Ahafo Region, Ghana's main cashew producing region. The trade systems then were absolutely informal and in the hands of



A cashew farm in the Brong Ahafo Region of Ghana

tries like Benin and Cote D'ivoire had what can be termed as cashew forests, to help against soil erosion and deforestation.

Rita recalled her observations from 1997 when she first came to West Africa: "In the case of cashew, the fruit is outside the nut. So children ate the fruit, throw the nuts away. That's how it started, and that's what I observed. People said at the time that only 'crazy Indians' bought the nuts."

But today, we see that those who were then perceived as 'crazy Indian' were perhaps, smart merchants, who then bought the nuts at no price and exported them for great gains. At the time, the economic value of cashew

a few, with traders describing it as the "wild-wild west cashew market."

This has changed with the interest of some pioneers, which included the local people and some development partners who set up some hand-cracking units to create income. These were the first ideas of making it a commodity chain, although people recount drinking what was known as cashew juice in places like Sunyani, the capital city of the Brong Ahafo Region, even before the year 2000.

In Ghana, although cashew is believed to have started in the 60s, those who planted them abandoned the trees, until the 90s when the country, as part of its Economic Recovery Program, realised that it could be one of the

tree crops that can be developed and promoted to diversify the economy. Based on this, the then Agriculture Ministry commissioned a study into the subsector, and it was recommended that the crop can be produced in Ghana and can bring a lot of economic benefits to the country in terms of foreign exchange earnings and job creation, among many others. This made Ghana one of the first countries to set up a large project on cashew known as the Cashew Development Project (CDP).

So again, I set out to meet Mr Seth Akoto, the Director of Crop Services at the Ministry of Food and Agriculture (MOFA), who is regarded as one of the foremost people in the country with unparalleled commitment to the development of cashew as a viable commodity, and one who knows all about the CDP. Seated on his office chair behind a large desk, Mr Akoto, who is touted by Rita as "visionary in

farming communities in Ghana, as farmers had access to credit on the back of this project. In fact, the many farmers in the Brong Ahafo Region I met to contribute to this story, were uniformed in their chorus which said "all that cashew is today, is as a result of the eight year CDP." Mr Akoto was also quick to add that "in fact, all what we have been able to achieve on the ground, I will say we can attribute it to the major things we did when we were implementing the CDP"

So CDP sought to increase cashew production and village level processing; as it concentrated on a value chain approach which included research, production, processing and promotion. It was piloted in ten districts, which later became 18 when some of the districts were split. These districts were situated in the Brong Ahafo, Volta, Upper West, Northern and Greater Accra Regions.

"Land area was expanded to cover 36,000 hectares from the baseline study of 18,000 hectares. We ended up doubling the area under cultivation. In those days, yield per tree per year was about 2kg. By the time we closed the project, we had reached around 5 to 6kg per tree per year" Mr Akoto hyped the achievements of the CDP.

Dynamics of the Cashew Crop

Research has shown that in places where cocoa growth has stagnated in Ghana, cashew can be a good alternative. As Rita puts it, "I always have to say cashew does not make as much money as cocoa. If you can plant cocoa, plant cocoa. Only where cocoa does not grow, cashew is a good alternative. Whatever becomes suitable for cashew is no more suitable for cocoa. But it's not competing with the high value crops."

Ghana, like many other West African countries, has suitable land and now has knowledge about cashew, thereby creating an enabling environment for the potential growth of the subsector.

Although Ghana is very advanced among her sub-regional neighbours in developing improved planting materials, there are still not enough nursery capacities and multiplication avenues.

One of the vital features of the CDP was its collaborations with the Cocoa Research Institute of Ghana (CRIG), which did some good work in research and made recommendations in the areas of planting material development and multiplication; good agronomic practices; pest and disease identification and control; and ways of developing improved clones, which resulted in the setting up of scion banks in Wenchi and Bole.

driving cashew" and "a very committed and extremely well informed and experienced cashew expert," wore a nice blue shirt with tie, representing what I will describe as the definition of an educated farmer.

Cashew Development Project

Mr Akoto explained to me that MOFA wrote a proposal to the African Development Bank (AfDB) based on the recommendations from the Ministry's earlier studies, and AfDB decided to fund the CDP. This was operationalised in the year 2002 and travelled until 2008 for its original six year period, after which there was a two year extension until 2010.

This project represents what made cashew a tree crop of relevance in

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The Ghanaian Cashew Story

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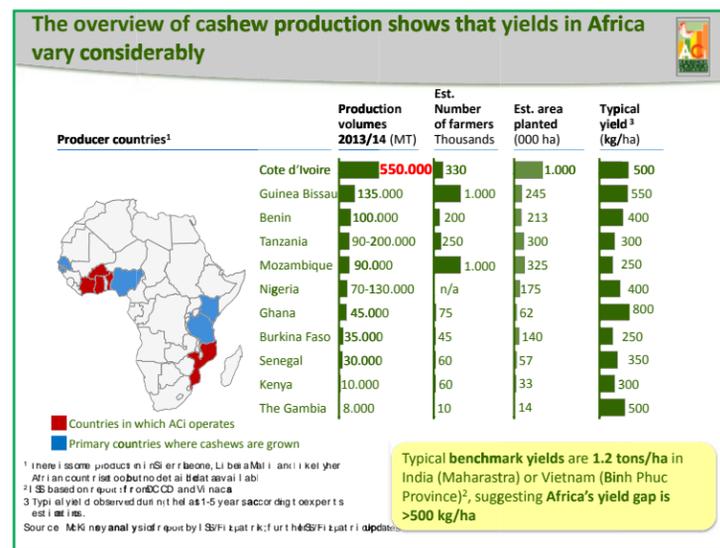
There were trips to Brazil and Tanzania to get the best planting material there, while they also selected elite mother trees here in Ghana to develop high yielding trees. With the help of the ACI, a scion garden has been set up in Nkwanta to serve the Eastern Corridor of the country.

The commodity has the following stages making up its value chain; production, processing, trading, consumption, and then an area I will call sector organization.

Production

A study conducted by ACI together with the Bill and Melinda Gates foundation on how the suitability of land in Ghana and Cote D'ivoire for cashew production will look like in 30 years from now, assuming progressive climate change, indicated that the entire country will be suitable for cashew in 30 years. For now, about half of Ghana is suitable for cashew production.

Yet the production of cashew in Ghana has lagged behind as compared to other African countries. This is evident in the figure below.



The country currently has an installed processing capacity of between 42,000 to 45,000MT, yet its production is hovering around 65,000MT, causing an unpleasant struggle between local cashew processing companies and exporters of RCN for the limited commodity.

Rita advises that "we could use cashew also, for the whole forestation of the northern region or the SADA region in Ghana. With a well-targeted approach through households and giving them out as productive trees, [this] would definitely be [an] economically viable measure for the next few years and it would reduce the climate effect

in this area."

It is estimated that there are over 100,000 cashew farmers in Ghana at the moment, with over 60,000 of them trained by ACI's project. Farmers have also been reached through outreaches on local radio stations to ensure that they learn best farming practices and get encouraged to cultivate more cashew to improve the country's production capacity. These trainings have also been extended to Master Trainers within MOFA who send the message to more farmers.

Perhaps, one major downside with farmers of cashew, as it is with farmers of other commodities in Ghana, is their inability to realise the essence of grouping themselves into farmer organisations. Farmers are currently being urged to see the added benefit in grouping themselves. Now the producers are getting more interested in organizing themselves, because they have realized certain limitations if they are not, as they need to speak to government, to processors, and negotiate to see minimum prices and trade regulations. This, Rita believes, will happen within the next 2 to 3 years.

Processing

Over the years, the processing stage of the value chain has suffered greatly with only two out of the 13 processing companies that existed, currently doing well. These are MIM Cashew and Usibras, both foreign owned processing companies.

This area, which ensures value addition to the RCN produced in Ghana, thereby creating more revenue for the country, has been neglected greatly. The employment potential that these processing companies bring is enormous. Usibras, Africa's leading cashew processing company located in Prampram, a town in the Greater Accra Region of

Ghana, has an installed capacity of over 30,000MT. They, together with MIM Cashew, employ several thousands of Ghanaians in their respective factories.

Although managerial capacity, direct business linkages and access to finance have been major determinants of the survival of these cashew processing companies over the years, access to adequate volumes of RCN for processing plays a major role in their sustainability.

It costs a lot of money to set up a processing factory. Rita estimates that, "for a 1,000 tonnes [capacity factory], you calculate about USD500,000. But the investment is one element. The other part is the need for capital for a full year. So you have the same amount, you might have upfront investment of about USD200-300,000 and then you need USD300,000 to buy your RCN, and the running cost of annual salaries before you even can make your first container selling. But your warehouse has the RCN for the whole year, and you only buy during 3 to 4 months, meaning for 8 months, you have your money blocked. This is where the high interest cost comes in."

Of course, there has been the challenge also of human resource capacities and expertise for processing factories. This is also largely because Ghana, unlike other cashew producing countries, has a history of very limited industrial development, hence fewer mechanics and fewer managers who are experienced in running a factory. "The efficiency of the labourers are at the beginning, probably 10, then 20, then 30 percent of that of an Asian employee because they have grown up with cashew. There is not much experience in Ghana on the food processing, on industrial or semi industrial skills. We don't have much. There is the food handling which has food safety aspects which have to be learnt. Ghana we don't have such a deep history.

We don't have employees who know that they have to wash their hands, they have to put something on their hair, and that they have to be tested for TBs and that it's not the CIA screening" this are experiences as recounted by Rita.

Cashew processors here in Ghana have over the years taken huge load of training costs, as there is huge labour turnover depending on where the factory is situated. Some have to transport workers with buses, which comes with accompanying need for

canteen, nursery schools for the children of these workers among others. Trading

Trading is an area that applies to more agriculture commodities now and cashew is no exception. In the past, farmers sat on their products and needed to look for markets. There was no marketing position for farmers and they were at the mercy of traders and of the market. There was no traceability, no talk about bad quality, no cooperation and the systems were very loose.

With higher prices now, there are shifts in the market power. Farmers are now in a good market position and RCN has high prices. Traders go to the last village to get the volumes of RCN they need.

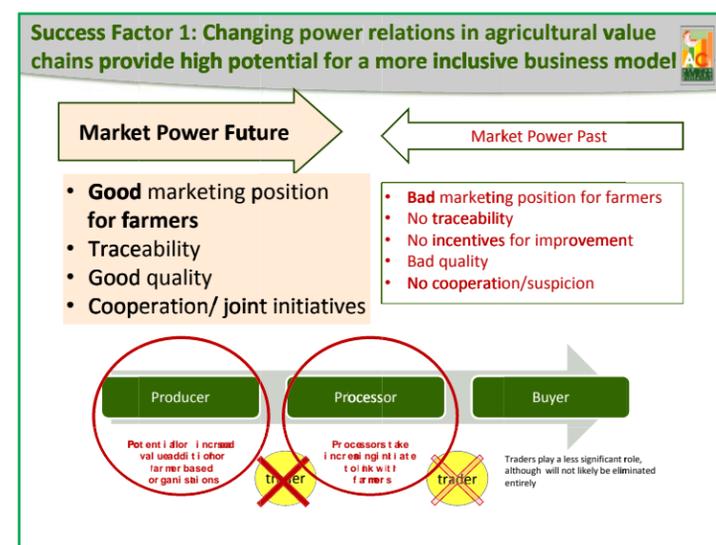
Like any other group of private business people, these exporters or traders

companies because they only stay for a very short period. Because cashew trading is only two to three months in a year, it has become an ideal place for these so-called spot traders.

They move from one country to the next and are not necessarily registered trading companies.

Active players in the cashew subsector have noted that this area should be the first regulatory point and an absolute must to check the product flow and ensure that those who have it in hand and trade it, pay the necessary tax to avoid the nation from losing money.

In fact, ComCashew has proposed a system to ensure a shorter and fairer value chain as depicted in the image below. For then, a fairer value chain means more money to those who do the real job.



are always driven by money. Yet as my story has discovered, although other actors in the cashew value chain are also driven by money, the case of traders is a rather interesting one.

For example, in the case of producers or farmers, their drive for money is also coupled with their need for long term job security issues. They want stable relationships. Their area also creates employment and there are other financial gains to the country. Processors on the other hand, beyond their profit motives, have created employment, pay tax and contribute to the country through their value addition.

Various players in the cashew value chain allege evasion of taxes on the part of many traders, who can best be described as spot traders, with claims of bribery also against them. These groups of traders are often not registered in the country as trading

Rita explains "here, this relationship is very close between buyers and processors, there are no more traders. Let's eliminate it. And that work is also part of what we have achieved as a project because we work on transparency."

Consumption

As storytelling usually resort to keeping patrons in suspense and holding the juiciest information till the end, so have I decided to keep till now the information about all the great things that come out of this commodity called cashew.

Ghana's cashew story currently revolves around the nut only. But cashew has a kernel part and an apple part. Ghana has not explored the apple part of the cashew fruit yet. A few people use it for animal fodder, while very few explore its use for juice. About 97% of cashew apple are thrown

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Special Report

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Gilbert Boyefio

All the players in the cashew value chain in Ghana have expressed the need for pragmatic measures to be put in place to ensure that the cashew business in the country becomes profitable to them, rather than a loss.

It is widely accepted that the cashew sector has the potential to overtake the cocoa industry as the number one crop earner. Currently, the country's Raw Cashew Nut (RCN) production is estimated around 68,000 metric tonnes (MT); with plans to increase production to 200,000MT in ten years. These projections, players are very optimistic about and believe are feasible and achievable given the right enabling environment.

In Ghana, cashew production started in the 60s, but along the line those that started it abandoned it until in the 90s when the Government of Ghana started the economic recovery program and realized that cashew can be developed and promoted to diversify the economy.

According to Mr. Seth Akoto, Director of Crop Services, Ministry of Food and Agriculture (MOFA), a study into the whole cashew subsector indicated that the crop can be produced in Ghana and will bring a lot of economic benefits to Ghana in terms of foreign exchange earnings and job creation.

Another research by ComCashew, formerly African Cashew Initiative (ACI), together with the Bill and Melinda Gates Foundation has corroborated the potential and viability of cashew in Ghana. That study focused on how the suitability of land in Ghana and Cote D'ivoire will look like in 30 years from now, assuming progressive climate change. The results indicate that all the country will be suitable for cashew in 30 years.

Currently, about half of the country is suitable for cashew. BrongAhafo, parts of Ashanti, Volta Region, Central Region, the whole of the Northern Region, parts of Upper East and Upper West, parts of Central and parts of the Greater Accra regions can be used for cashew cultivation.

However, despite this huge potential of the cashew industry, there are a lot of serious undercurrent issues that threaten to setback all the gains made



Factory women inspecting cashew kernel

in the sector.

The cashew sector in Ghana is mainly private sector led and has no proper structures to follow. It is currently the higher bidders market. This situation eventually creates a lot of challenges for some of the stakeholders in the value chain.

Until the recent standoff between the Ministry of Trade and Industry and some Members of Parliament (MPs) from cashew-growing constituencies, little was known of the industry by many Ghanaians and the media.

Standoff

On March 9, 2016, the Hon. Minister for Trade and Industry, Mr. Ekwow Spio-Gbrah, whose Ministry has oversight responsibilities for trade regulations and controls under Section 13 of the Import and Export Law of 1995 (Act 503) as amended in 2000, issued the following Administrative Directive on the purchase and export of RCN:

"Henceforth, all traders and processors are to note that they are allowed to purchase Raw Cashew Nuts during the main harvesting season from January to June but export of Raw Cashew Nuts is permitted only after 31st May onwards. Any raw cashew nuts that are brought to ports or borders of Ghana for export between 31st March and 31st May, 2016 shall be confiscated to

the State. The public is hereby obliged to take note and comply with this directive."

The Ministry noted among other things that, as much as 95% of Ghana's total production of cashew nuts, estimated at 68,000MT, is exported in its raw form to other countries for processing. A situation that is making local processors unable to obtain adequate supplies of raw materials for processing, due to intensive competition with purchases from traders at the farm gate.

This circumstance is stifling the Ministry's objective of promoting value addition under the National Export Development Programme (NEDP) 2016-2020, which seeks to increase earnings from the Non-Traditional Export (NTE) sector.

The survival of the industry which is processing cashew in Ghana is on the brink of collapse and will only survive on the availability of adequate supply of raw cashew nuts for processing.

However, MPs from cashew-growing constituencies, led by the MP for Banda, Hon. Ahmed Ibrahim, strongly opposed the Ministry's administrative directives, and called on Parliament to call the Minister to order.

Hon Ahmed had argued that the directive is just to allow processors take advantage to enjoy monopoly of the

sector. He further alleged that the cashew sector suffered a major price reduction from GHS4.5 per kilo to GHS2.5 per kilo within one week of the issue of the directives.

In order to ensure that the development of the cashew industry is accomplished through a comprehensive and inclusive process, the Ministry temporarily withdrew the directives.

Where are we now?

The Trade Ministry's mandate is to provide the enabling environment for doing business in Ghana, adding value to the raw materials in Ghana and also wooing investors into the country to invest. Therefore its main concern in this is to ensure that there is enough RCN for everyone; especially the processors, who are investing heavily in the country.

Laying a proper foundation or structure is very critical to attracting investment from investors and donor bodies to improve the sector.

Currently there is no structure or regulation of the sector.

The introduction of the export window was mainly to protect and provide an equal playing field for the processors to have access to the RCN.

Many of the challenges being faced by

the cashew sector are from people who are only looking at the short term gains. This situation has led to the collapsed of all the indigenous processing companies in the sector because they cannot compete.

The Ministry of Trade and Industry acknowledges that when a business is doing value addition, it is adding up cost, and therefore it becomes very difficult to buy its raw materials at the same price as someone who is just exporting.

Currently, the country is not producing huge volumes and therefore farmers want to get the best profit for their produce by selling to the highest bidder.

One major setback that the export window decision encountered was misinformation on the impact of the directives on cashew production.

According to one of the major local cashew processing companies in Ghana, MIM Cashew, "farmers were wrongly informed about the export window. It is not true that if you imposed an export window, production will go down. Benin's production increased with the export window in place.

All the successful cashew growing countries have policies that regulate the industry. Mozambique is currently processing over half of its production. They are also practicing the export window. During the export window, no one is allowed to export RCN. This allows the local processing companies to buy what they need. If you cannot export then you are going to have a lot of challenges with warehousing and other issues, which will bring you extra cost and therefore would be compelled to sell".

For Rita Weidinger, Executive Director, Competitive Cashew Initiative, the need for regulation is more profound to check tax evasion.

"There's no doubt [for] any country to put works of regulation in place and cashew slipped through all the holes. It also slipped through the holes because we had a lot of import without tax paid from Cote D'ivoire, and those doing the trade often are not even registered as trading companies because they only stayed for a very short period. Cashew trading is only two to three months in a year, so it's an ideal place for the so called spot traders.

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Special Report

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They move from one country to the next and are not necessarily registered trading companies. This for me will be the first regulatory point and an absolute must to check the product flow from where to where it goes and those who have it in hand and trade it, they have to pay some taxes. There's no escape on that. But for cashew, all these [years] was a grey market. Now it has come to the limelight with more interests, people have realized there is money in," she pointed out.

She however warned of the tendency of overestimating the benefits of the sector, which might lead the country to over tax it or over regulate it as is the case in Tanzania.

Way forward

Checks from the Trade Ministry indicate that there are ongoing broader consultations with all the stakeholders in the value chain to come out with a policy that addresses the current challenges facing the sector. The Ministry wants to lead the way and let the private sector take control of the cashew subsector.

In order to bring some order into the cashew industry in the medium to long term, the Ministry is proposing, in consultation with all stakeholders, particularly the Cashew Industry Association of Ghana (CIAG), to put in place the following measures: Support for the National Buffer Stock Company (NAFCO) to enable them purchase the RCN and establish a "Just-in-Time" inventory to ensure that the indigenous processors have an all-year-round supply of RCN; Initiate discussions concerning establishment of a credit scheme for cashew farmers; Assist indigenous processors to purchase the RCN; Examine the merits of the setting up of the Ghana Cashew Management Board to license, supervise and monitor all activities in the cashew value chain; and Work with stakeholders to propose and implement a 10-year cashew development plan for Ghana. This would seek to ensure the development and expansion of the cashew industry and also increase the country's production to at least 200,000MT by the year 2025.

Players' response to MOTI's medium to long term plan

All the players in the cashew value chain that the Parliamentary News interviewed agreed on the need for government to bring some sanity into the

sector by introducing some regulations.

They nevertheless unanimously rejected the setting up of a board to regulate the sector, opting for a regulatory body.

"It is important for government to regulate the sector but not be a player in the sector. This is the situation all over the world.

In modern commerce, governments only act as a regulatory body rather than get involved in the commerce. If a State gets involved in commerce, you will find out that it does not work out well. This is a situation all over the world and not only in Ghana. State-run businesses do not make much profit because the loss is to the state and nobody cares. But in a private sector business, profit is the only focus.

It is therefore important to make sure that the body that would be introduced by government is a regulatory one and it will not get itself involved in the commerce.

A regulatory body makes things more stabilized. They check best practices and quality of the produce that goes to promote the sector," noted Joseph Yeung, Managing Director, MIM Cashew and Agricultural Products Limited.

For members of the Cooperative Cashew Farmers Association in the BrongAhafo Region, a board will only add cost to their subsector. The Association is made up of farmers from two municipalities and four districts that produces cashew in the Region.

They were very skeptical about the CO-COBOD type of structure for the cashew subsector and unanimously reject it. COCOBOD has to buy all the cocoa in Ghana themselves and then sell it. They borrow the money to buy the cocoa. And because the interest rate is high, it affects how much they sell it.

According to the farmers, "It is the poor farmer that eventually has to pay for the running cost of the board, their traveling allowances, cars and offices."

An official of the Ministry of Trade and Industry however pointed out that the suggestion for the creation of a board was mooted by stakeholders in one of the numerous meetings that the Ministry had with them. He nonetheless maintained that since the cashew subsector is led by the private sector, if



There are ongoing broader consultations with all the stakeholders in the value chain to come out with a policy that addresses the current challenges facing the sector. The Ministry wants to lead the way and let the private sector take control of the cashew subsector



stakeholders have given a second thought to their suggestion for the creation of a board and now wants a regulator, the Ministry will have no qualms with it, adding that, "At the end of the day, we want to arrive at what can help them and the role the Ministry can play in achieving that."

Cote D'ivoire, which has a more centralized French-based governance system, set up a cashew and cotton board, which was initially a regulatory office, but has become a board structure which is fully financed by the sector, and also through taxes from RCN. Lately, there have been some agitations in the media in Cote D'ivoire about the Board's actions.

Both farmers and processors also welcomed the proposal for the establishment of a credit scheme for cashew farmers, and assisting indigenous processors to purchase the RCN.

Mr. Yeung however observed that though the proposal sounds all good, what is missing in it is where govern-

ment is going to get the money to fund it.

"We are not talking about one or two million dollars here; we are talking about twenty to thirty million dollars. Where is the money going to come from? Is it also going to come at the current interest rate? If so, then nobody can afford it. In the cashew business there is not much profit. The margins are very small," he pointed out.

He therefore proposed the institution of an export levy on RCN to fund the proposal. "It is very possible and easy to levy the export of RCN." To him, this should be a fixed amount, and the proceeds from the levy can be shared in three ways: to provide credit facilities at very low interest rates to farmers, provide low interest loans to processors, and provide revenue to the state.

Minimum price



A cashew factory machine bagging RCN

At a stakeholders meeting in September last year, it was suggested that the country look at international prices of RCN and come out with the price at which RCN can be bought in Ghana. This move has received wide acceptance among all the stakeholders that the Parliamentary News interviewed for this article.

Cashew Development Project

During the interview with the Cashew Cooperative Farmers Association, it came to light that between 2002 and 2010, a Cashew Development Project (RDP) was initiated by the government with support from the African Development Bank. They attributed the success stories of the cashew sector today to that project.

The farmers complained that after the completion of the phase one of the project, nothing again has been heard about the continuation of the project. They alleged that there was available funds at the African Development Bank (AfDB) to embark on the second phase of the project but government is unwilling to access it.

However, checks by the *Parliamentary News* indicate that the claim of available funds for the second phase of the project is false.

Explaining, Mr. Akoto said "at the end of the project, there were some gaps so as part of an exit strategy, the Ministry of Food and Agriculture thought it wise to talk to the AfDB to see whether they can fund a second phase. The bank requested for a concept paper which the Ministry did, but apparently at the time, the Ghana portfolio within the AfDB had changed. The bank was now focus-



A cashew factory machine bagging RCN

ing on infrastructure and little bit on agriculture. This eventually affected a second phase of the project ever coming to light."

Cooperatives and Collaboration

Now the farmers are getting more interested to get organized because they have realized certain limitations if they are not, as they need to speak to government and processors as a united front. They proposed that other farmers in cashew producing regions also form cooperatives.

Another group that has started organizing their front is the processors who have formed the Cashew Industry As-

Continued on Page 11

Question

Connecting Communities to the National Electricity Grid (NEG)

Hon Edward Kaale-Ewola Dery asked the Deputy Minister for Power when the following communities would be connected to the National Electricity Grid (NEG): (i) Kokorligu; (ii) Chetu; (iii) Boguno; (iv) Gyirigan; (v) Nyubule; (vi) Nichile; (vii) Bu; (viii) Dandapurigu; (ix) Tanpuri; (x) Hamile West and (xi) Konsi.

Below is the main answer provided by Hon John Abdulai Jinapor (Deputy Minister for Power on behalf of the Minister for Power) and answers to other supplementary questions posed on the matter.

ANSWERED BY Deputy Minister for Power (Hon John Abdulai Jinapor)

Mr Speaker, Chetu and Kokorligu communities have been earmarked to benefit under the upcoming SHEP-V electrification project to be implemented by the Ministry. Surveys have been carried out and the Report has been submitted to the Ministry for implementation. Installation works under the project are expected to commence in the second quarter of 2016.

Boguno, Gyirigan, Nyubule, Nichile, Bu, Dandapurigu, Tanpuri, Hamile West and Konsi communities do not form part of any of the ongoing projects currently being executed by the Ministry. However, approval has been granted for the extension of electricity to the above-mentioned communities and engineering survey is underway.

The Report is expected to be submitted to the Ministry by Friday, June 3, 2016.

Mr Speaker, with your permission, I want to confirm that the Report has been submitted to the Ministry and we have commenced work on that.

Q: Mr Dery: Mr Speaker, exactly so. In the Hon Deputy Minister's own Answers, he mentioned Chetu and Kokorligu to be part of their projects on SHEP-V. Mr Speaker, the Hon Deputy Minister mentioned that installation would have started by the second quarter and today is 7th June, 2016, and we are almost at the end of the second quarter.

Can he tell us when he thinks the installations would start at Chetu and Kokorligu?

A: Mr Jinapor: Mr Speaker, I want to confirm that the contractors should have commenced work before the end of June, 2016.

Q: Mr Dery: Mr Speaker, the other communities mentioned; Tanpuri, Nichile, Bu, and Gyirigan — Again, I would like to know, since in the Answers the Hon Deputy Minister gave, he indicated that these communities were not part of the SHEP-V. With these approvals that he is giving, can he tell the House when contractors would be at site?

A: Mr Jinapor: Mr Speaker, as I indicated, the Report has just been submitted to the Ministry. The good news is that, we have quite a lot of materials in stock, so, we would be looking at the survey works, the bills of quantities and the cost involved for the contractor to implement the project. So, with the permission of the Minister, I have constituted a team to take a look at the Report.

Once the summary is ready and we identify the cost estimate within the budget, we shall award the contract for the contractor to proceed to site.

Q: Mr Dery: Mr Speaker, I am again happy to hear that. I do not know if the officers at the Ministry have informed the Hon Deputy Minister, but I believe that, almost every Member of Parliament here would equally have a similar problem. If one goes to the grounds, to the communities where actually there are lights — for instance, Kani, Lambuse, Samua, Suke — one can count the number of houses that the lights are connected to; less than 5 per cent. Mr Speaker, can the Hon Deputy

Minister tell us what he is ensuring in the future, so that when these contractors go to the grounds — it is not just about connecting three houses and come to tell us that, for instance, Community 4 have lights but one would witness only three houses and the ninety houses are there without light.

Mr Speaker, I believe that a number of Hon Members here are facing the same problem. Can the Hon Deputy Minister tell us when the various houses would be connected to the national grid when they get to the grounds, instead of dropping three houses and coming to tell us there is light there?

A: Mr Jinapor: Mr Speaker, before we commence any electrification projects, survey works are conducted, we identify the customer population and the houses to be connected. And after the award of contracts, we have consultants who follow up to ensure that those communities are connected.

Mr Speaker, the major challenge we normally have is that, houses are supposed to be wired before they are connected. And so, sometimes, when we come to the completion of the projects, we just want to drop the cables and connect the houses, but some houses are usually not ready in terms of getting wired to be connected. And so, we would be working with Hon Members of this House to help us with the sensitisation and to educate the prospective customers so that they would wire their houses before we complete the connections.

Mr Speaker, we also have what we call intensification. So, there is post-connection in some houses due to developments and expansions; we will capture those houses and connect them accordingly. We would be working with Hon Members in that regard.



MP for Lambussie/Karni constituency, Upper West

This section focuses on Questions ordered of Ministers of State to answer in Parliament. These questions are asked by MPs and may relate to public affairs, proceedings pending in Parliament or matters of administration for which a Minister is responsible.

Photo Report: Parliament Opens its doors to the General Public



Members of the Women Ministry of the Church of Pentecost in a group photograph with Hon Esther Dapaah and Hon Gifty Kusi



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General News

DATABANK DONATES TOWARDS HFFG'S 15TH ANNIVERSARY CELEBRATIONS

Adwoa Yankson

One of Ghana's biggest and most innovative brands in the financial services industry – the Databank Group – has made a donation to Hope for Future Generations (HFFG) in support of the NGO's 15th Anniversary celebrations.

Registered as a national community based NGO in June 2001, HFFG has touched the lives of women and children in over 600 communities in all the ten (10) regions of Ghana over the past fifteen years through various programme interventions in the areas of maternal, neonatal and child health, youth empowerment, HIV, economic empowerment, sanitation and hygiene, food and nutrition, Malaria and TB as well as Ebola and Cholera prevention.

The 15th anniversary of HFFG which is being celebrated under the theme *"15 years of Championing Equal Opportunities for Women and Children through Sustainable Partnerships"* was officially launched by the Director General, Ghana AIDS Commission Dr. Angela El-Adas on the 31st of May, 2016 and will be climaxed with an Awards Ceremony in September 2016 with the wife of the Asantehene Lady Julia Osei Tutu as the special guest of honour.

The climax is estimated to cost over 10,000 Ghana Cedis of which the Databank Group has decided to absorb the cost of refreshments.

A cheque to cover this cost has been presented to HFFG by the Executive Director of Databank Asset Management Services Limited (DAMSEL) – Rev. Daniel Ogbarmey Tetteh who was supported by the Chief Marketing Officer of the Databank Group Madam

Gillian Hammah as well as the Head of Investment Advisory Roselyn Dennis and a Fund Manager of DAMSEL Deborah Akotey at the Group Head Office in Accra on Tuesday July 19, 2016.

The Chief Marketing Officer explained that the Databank Group has decided to support HFFG because they have been impressed with the NGO's work over the years.

According to Madam Gillian Hammah the donation "is just a token of our appreciation... because I know it is not easy for you to go into the hinterlands to carry out your project activities" with a focus on improving the lives of women and children.

She noted that since women are care givers, sensitizing them to uphold good sanitation and hygiene practices – which is one of HFFG's focus areas is very important to ensure that both the men and the children are safe.

"It is incredibly important because you are dealing with women and you are dealing with children and if we don't get those things right... it affects the kids, it affects the husband, it affects everybody" Madam Hammah concluded.

The Finance Manager of HFFG Rose Amuso, who received the cheque expressed HFFG's appreciation to Databank and said HFFG's

15 years of existence is based on the fact that the organization is totally accountable to donors and also uses the funds it receives prudently to impact the lives of Ghanaians.

She said there was the need to build on the partnership that has been established between HFFG and Databank and also appealed to other corporate entities to support the work of the NGO.



HFFG & DATABANK Team

Solar 4 girls: Impacting the life of the girl child student



Afi Antonio with some of the beneficiaries



Beneficiaries of the solar lamp displaying their lamps

Papa Zion

Solar 4 girls is a project to provide solar lamps for young girls in rural areas who do not have access to electricity and an enabling environment to study in the evening.

This project is being championed by Philomena Afi Antonio, a model, TV Presenter, Producer and Project Manager.

This enterprising and versatile young woman also runs Solar People, under which auspices the solar for girls project runs. Solar People is a company that market and install solar products.

According to Ms Afi Antonio, "We put a little money on the cost of our products so that we can undertake and sustain the solar 4 girls' project. If

someone needs estimation in his or her home or office as to how much it will cost them to fix a solar panel, we charge something small which also goes back to the project".

Solar 4 girls is to support the girl child in education, although the lamps are given out to both sexes.

In an exclusive interview with the Parliamentary News, Ms Afi Antonio disclosed that the solar 4 girls project is a way of giving back to society.

"I have been thinking of what I could do. Then I heard this news item about a village whose BECE result was so appalling. It dawned on me at that time that these students study under difficult circumstances and yet are expected to write the same exams as their colleagues in much endowed circumstances. I felt it was not fair and therefore decided to do something about it, hence this project".

Afi Antonio and her team are giving out free solar lamps for students in off grid areas to enable them study in the evening. The team identified a school in a village called Hobor around Amasaman.

She said the headmistress was

very excited about the initiative when we approached her, noting that, "Together with the students we were able to identify the students who need the lamps. We donated a box of the lamps to the school".

According to her, they went back another time to see how these lamps were impacting the lives of these students and also be sure that they are using the solar lamps appropriately. She said the team had to spend the night at the village to see things for themselves.

"One challenge we noticed was that some of the parents were using the lamps for their own purposes instead of their children studying with it. Another challenge we observed is that some of the children are handicap in the English language. We have therefore decided to take it upon us to provide some free tuition in addition to the lamps.

We are therefore appealing for supports to procure more lamps for the other kids who did not benefit from the last time. We also hope to expand this donation to other deprived communities in Ghana," she disclosed.

In association with



Special Report

Business for profit, not business for loss

Continued from Page 6

sociation of Ghana (CIAG).

As part of the collaborative effort, Mr. Yeung, a member of the CIAG disclosed that from next season, MIM Cashew is hoping to work together with the other small local processing companies to revitalize their processing capabilities and access to the international market. He explained that it is very difficult for the small processors to get access to the international market, noting that, "They have to comply with several standards before they can export their finished products, yet these companies cannot afford to comply.

So what we intend to do is to work together. They do part of the work but the final stage of it is done by us. So we get a uniform standard. This concept is very popular in Far East.

In Far East, there are big organisations but they do not do all the work. They spread it among the small groups and then they do the finishing."



MOFA intends to within five years, produce five million planting materials to plant 50,000 hectares. "With the planting materials that has been given to us from research, one hectare can at least give us about 800,000 kilogram per.



MIM Cashew currently commands much respect on the market due to the premium the company puts on quality.

Struggle of a processor

According to Mr. Yeung, MIM Cashew's investment in Ghana is yet to be successful because the company has not been making profit as of today due to the volumes it is currently receiving. He said the strong attachment of their investors to Ghana, coupled with the country's political stability informed their decision to set up in Ghana.

"We believe that we can make it work. We believe that our increased volumes will make it work. Even if we cannot secure enough raw materials within Ghana, we can source it from neighbouring countries. But before, we were

containers a month. That is the more reason why Ghana needs to expand.

In the cashew growing areas, there are not enough jobs around so the presence of a processing plant is refreshing news.

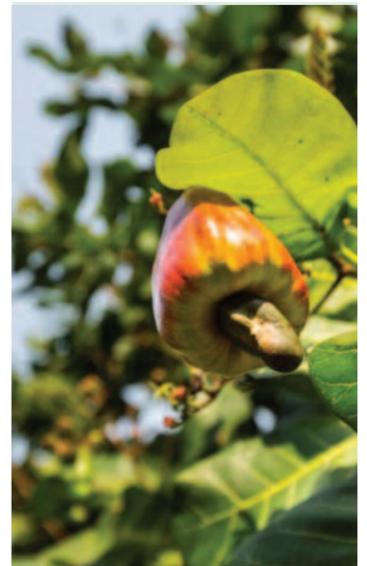
The company employs averagely 850 workers. The minimum daily wage is GHS11.00 and workers are paid according to the targets they are given for the day. The more you work, the more you are paid. Factory hands receive between GHS350-400.

In an effort to address its RCN challenges, MIM Cashew is currently undertaking its own cashew production on a 750 acreland that also houses its processing factory.

Bank funding, West African Research Fund, and developed a program with them for 5 countries to exchange on research aspect so that each country can work on one aspect more and then exchange with the others. For instance, Cote D'ivoire has done a pest and disease mapping. You can click on their website and you can see where they have found which cashew disease."

Mr. Akoto also indicated the need to set up more nurseries and multiplication centers. Though MOFA already has two nurseries at Wenchi and Bole with a total capacity of 200,000, it is not enough.

MOFA intends to within five years, produce five million planting materials to plant 50,000 hectares. "With the planting materials that has been given to us



Factory machine bagging jute sacks

getting some from Ivory Coast but now they have closed the border. We are getting some from Burkina Faso but they have also introduced policy now.

Ghana used to produce around 10 to 15 thousand tonnes of RCN. This has increased to around 50 to 65 thousand tonnes. So even with the border closing, processors in the country should be able to get enough to buy locally and making a 100 percent benefit to the country."

From year 2010, MIM Cashew was exporting an average of nine containers of processed cashew in a year. This has however increased to an average of 5

Recommendation

Rita Weidinger said the bases of improving productivity are research. She observed that Mozambique and Tanzania, as well as India, Vietnam or Brazil have all invested in research. "For me, that is the bases of improving productivity. Research in improved planting material is one, but then, other aspects are accompanying; for instance, pest and disease. Now we are increasing the scale of cashew, we need to have pest and disease forecast systems. We need to have good mechanism to respond in case this happens, and that cannot happen on a country level alone. Therefore we linked up with World

from research, one hectare can at least give us about 800,000 kilogram per. So that alone will bring on board about 40,000 metric tonnes to be added to the existing area under cultivation. If you put it together, conservatively you can say that we should be able to produce at least 120,000MT to about 200,000MT within the next five to seven years."

The next thing is to support extension by giving the seedlings to the farmers to plant.

Stakeholders interviewed emphasized that without government intervention, the cashew industry will not flourish as



So that alone will bring on board about 40,000 metric tonnes to be added to the existing area under cultivation. If you put it together, conservatively you can say that we should be able to produce at least 120,000MT to about 200,000MT within the next five to seven years."



anticipated.

For the farmers, government should embark on broader consultations before decisions affecting the industry are taken. They maintained that if more support is given to the sector, they can produce more to ensure that there will be enough for everyone; both for export and the local processors.

Republished Article

MPs Erred On Cashew Debate

This is a Repashed Publication published in our Issue No. 018-16 dated Tuesday March 22 – Monday March 28, 2016



Sammy Obeng

Key players in Ghana's cashew industry have pointed out that Hon Ahmed Ibrahim, MP for the Banda constituency and a Deputy Majority Whip, and other Members of Parliament (MPs) erred in their statements last Thursday concerning the ban on cashew export.

Where MPs Erred

Describing various publications in the media on the subject as "unfair and one sided," Mr Joseph Yeung, Managing Director of Mim Cashew & Agricultural Products Limited, one of the only two surviving local cashew processing companies in the country issued a statement over the week-end.

In his bid to clarify some inaccuracies, untruths and half truths that have been put out there after the administrative directive issued by the Ministry of Trade and Industry (MOTI) on cashew export, Mr Yeung, in an exclusive interview with the Parliamentary Newson Sunday, in the company of Mr Wayne Tilton, Director of Operations (Africa) for Red River Foods Inc., one of the biggest buyers of processed cashew from Ghana, explained his position.

"All of us have seen the result of this as 85% of the processors were forced to close down, with thousands of badly needed jobs vanished. Traders in this country are having a free-hand and it is natural that they will oppose any policy from the Government which is not favorable to them. It is the duty of the Government to protect the interest of the country. There is no 2nd option to encourage/promote/protect the enormous added value in the industry but to introduce measures to achieve this."

Mr. Yeung further argued that "in the Directive, every player is allowed to purchase the RCN without any state intervention. The RCN are to remain in

the country until a certain time, this gives the local processors a chance to purchase the nuts, from the traders as well. We experienced this during the period when the Directive was in force, we received 10 times more than our usual in-take of RCN. At the same time, we maintained the price as before the introduction of the Directive. This is a real example of the benefit and purpose of the Export Window."

In his Statement on the floor of Parliament, Hon Ibrahim argued that "processors [were] taking advantage of the situation to enjoy monopoly."

This was refuted by Mr Yeung saying "there is never a case of the processors monopolizing the purchase of the RCN. During the period of the Directive, everyone involved in the procurement are still buying and the competition remain very strong."

Again, Hon Ibrahim maintained that "the cashew sector has, however, suffered a major price reduction from GHS 4.5 per kilo to GHS 2.5 per kilo within one week, ostensibly as a result of a directive of the Hon Minister of Trade and Industry."



Hon. Ahmed Ibrahim,
Deputy Majority Whip

In a bid to clarify this also, the cashew processing entrepreneur said "the price reduction raised in the Parliament is definitely not from us, the processors. This GHS2.50 per kilo mentioned is totally unrealistic and is clearly introduced by the traders with the view to create the fear to the farmers. We have announced in and around the entire cashew belt where we are buying from that we maintain the current price of GHS4.00 per kilo at farm gate."

Import Duty In India and Its Implications for Ghana

A very interesting twist to this matter is how an import duty imposed by the Union Budget of India on March 1 on the cashew industry will have a far-reaching impact on the Indian cashew sector that depends heavily on imported raw cashew from Ghana.

That sector, which was enjoying import duty exemption for a while now has to pay 9.35 extra for every kilogram of cashew imported. It is a huge amount considering the fact that the country imports 9.5 lakh tonnes a year.

The New Indian Express reports that basic customs duty on cashew nuts in shell has been increased from nil to 5 per cent. Besides this, a 3 per cent on basic duty as education cess plus a 4 per cent special additional duty (SAD) will result in a total duty of 9.36 per cent for importers.

To this, the Chairman of Cashew Export Promotion Council of India, P Sundaran, says that the import duty would adversely affect the industry. "We have lost the advantage of export duty drawback. The government should introduce enough incentives for exports to mitigate the impact," he says.

It is interesting how this decision in India, which came into force a few days before the Ghanaian directive was announced, forced the price of RCN to reduce by over 11% from GHS 4.5 to GHS 4 per kilo.

Continued on Page 14

"All of us have seen the result of this as 85% of the processors were forced to close down, with thousands of badly needed jobs vanished. Traders in this country are having a free-hand and it is natural that they will oppose any policy from the Government which is not favorable to them. It is the duty of the Government to protect the interest of the country. There is no 2nd option to encourage/promote/protect the enormous added value in the industry but to introduce measures to achieve this."

In association with



Cover Story

The Ghanaian Cashew Story

Continued from Page 4

away. It has a highly perishable nature and hence makes it difficult to store. Transporting it abroad may result in huge losses due to the time of transit. There are currently no serious processing going on with the apple here in Ghana, although countries like Brazil have succeeded in using about 40-60% of the cashew apple. It can be used for juice, sold in supermarkets as packaged apples, or even sold on the streets. Because they are very high on essential minerals, they can be used for health product for the skin, and even for brain development in children.

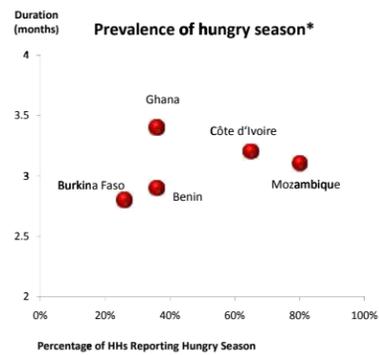
counts her love for one such carving in Yamoussoukro, "the big church, they have huge carvings made of charcoal. Very very beautiful. So we could also design our own furniture line. Surely we haven't worked on all," she smiled.

Perhaps these many parts of the cashew crop which have not been explored yet, points to why Ghana's young industry is currently faced with difficulties. Using only one part of the product does not make us competitive.

Sector Organisation

This area of the chain talks about reg-

Still 90% of farmers in Africa growing cashew live below the poverty line and encounter periods of insecure supply of food



* Source: NORC M&E data

ciation, and there is also the Ghana Cashew Industry Association, which experts say must grow to become more representative.

The earlier these groups see the need to talk with one voice, the better they can mitigate their issues, negotiate with other stakeholders and network.

story a truly beautiful one. Perhaps, the recent standoff between some Members of Parliament and the Ministry of Trade and Industry, which has brought some national attention to this commodity, should propel further actions including allocating money specifically to the growth of this subsector.



MOFA currently has a cashew desk, but this under resourced unit is unable to do much movement and coordination due to their financial challenges. This is an area government needs to surely look at to make this cashew

There is simply too much reliance on private business people and donors in this cashew subsector.

Again, Rita had a thought to share on

The kernel has the shell which contains the nut and a liquid substance known as the cashew nut shell liquid (CNSL). These shells can be used as charcoal and the CNSL for industrial purpose such as brake fluid and paints, including explosives. These parts have not been explored in Ghana, yet disposing them improperly can have negative consequences on the environment.

Beyond the main fruit, cashew leaves are very good compost materials. And lest I forget, wood from cashew trees make very beautiful carvings. Rita re-

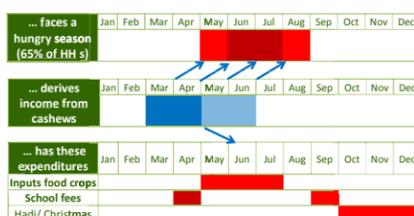
ulation, types of information systems, organisation of data, checks on exports, quality assurance, developing quality planting materials, and how the sector actors have to be set up, among many other themes.

It goes without saying, that this is the weakest link in the cashew subsector of Ghana now.

I have recounted earlier the need for farmer organisation, which will not just be at district or regional levels, but will be national in character. Processors have also now set up their asso-

Growing cashews helps households to diversify their income and to get through the period of food insecurity

"We sell cashew during times we do not have money from other sources so the money helps us feed our family. It helps us pay our children school fees." *



Source: NORC focus group discussion 2011; ACI team analysis

this; "Honestly if I were the Finance Minister, I'll put a little bit of budget there, the rest, private sector led. For me, the cashew story would look like: huge opportunity, private sector driven development, market there, processing there, production basics there, knowledge [on] how to upscale and how to support that there, [with] the government giving a little bit of push, but don't strangulate it.

Do the basics. Take the taxes from these spot traders. When they export, take your taxes. Reinvest it in research. Do your media outreach for promoting it in the North."

Conclusion

I am sure the nostalgic feeling that characterises the end of a great storytelling time; when the moonlight is fading out and the beautiful illuminations caused by fireflies and vanishing, will be greeting you now after sitting through with me and my other actors in this cashew storytelling journey. But my face and heart are lit by the beauty of the prospects of the Ghanaian cashew subsector.

Cashew is a very positive story and not a complicated one.



The country currently has an installed processing capacity of between 42,000 to 45,000MT, yet its production is hovering around 65,000MT, causing an unpleasant struggle between local cashew processing companies and exporters of RCN for the limited commodity



Republished Article

MPs Erred On Cashew Debate

Continued from Page 12

This was corroborated by Wayne Tilton, who wondered why this angle, and its immediate far reaching effects are not being looked at here in Ghana.

Economy of a vibrant cashew processing industry

Mr Yeung explained that the value of every 5,000 metric tons (MT) of raw cashew nuts (RCN) exported from Ghana is no more than USD5 million, yet the same volume of RCN when processed in Ghana, will provide USD8.5 million as foreign currency into the country.

In addition, there will be approximately 1,200 workers required to process the 5,000 MT, with a minimum of GHS4.2 million accruing to these workers each year in what is an all year round employment opportunity.

For that same volume of RCN, the Ghana Revenue Authority will receive GHS200,000 in the form of income tax.

He argued that, for Ghana's current production of 60,000 MT of RCN, the benefits of keeping the nuts in Ghana for value addition will produce 12 times the figures stated above.

Facts about the Cashew Industry of Ghana

In November last year, the Ministry of Food and Agriculture (MoFA) and MoTI held a Stakeholder Workshop on the development of a Cashew Master Plan.

The workshop, which took place in Sunyani, Ghana's main cashew production region was organized with the support of the African Cashew Initiative (ACI)/GIZ and the Business Sector Advocacy Challenge (BUSAC) Fund.

In the two-day moderated forum, farmers, research scientists, processors, associations, buyers, exporters, ministries and donors discussed key issues along the cashew value chain and defined leveraging points for the growth of a viable cashew industry in Ghana.

They resolved that an inclusive and comprehensive cashew sector strategy shall lift Ghana's raw cashew nut production from 50,000 MT to 150,000 MT, while increasing the utilization of about 65,000 MT of installed processing capacity from 5% to 75%.

The workshop marked the first stepping stone of a 10 year Cashew Master Plan to accelerate the growth and competitiveness of the Ghanaian cashew industry, and at the end of it, a cashew sub-sector working group with public and private sector actors from along the cashew value chain, coordinated by MOFA and MOTI, was established to spearhead the development and monitor the implementation of the 10 year strategic roadmap.

Ghanaian processors have for long been racing with international traders to secure raw materials. The competition is still high and many Ghanaian cashew processors can hardly compete.

Currently, only 1 new factory and 2, out of 12 existing cashew processors in Ghana are operational. USIBRAS is the newest processing factory in Ghana and has just recently started processing. MIM and CRIG processed only 5,200 MT of raw cashew nuts (RCN) last year.

All three processors import most RCN from outside of Ghana, although the country produces enough to feed its own local processing industries.

In that workshop, stakeholders suggested an export window for RCN, taxes on RCN exports as well as the reinforcement of trader licensing.

The export window was an immediate reaction to the advantage of local processors for the this season. By this arrangement, everyone, local and international processors, traders and exporter can buy RCN from the beginning until the end of harvesting season.

However, RCN exports are banned from January to March, and this was to offer a head start for local processors without distorting market prices or competition.

MOTI's Administrative Directive

The above workshop and other stakeholder engagement informed MOTI, which cited its oversight responsibilities for trade regulations and controls under the Import and Export Law (Act 503 Section 13) of 1995 as amended in 2000, to issue an Administrative Directive on the purchase and export of RCN.

In the directive, all traders and processors were allowed to purchase RCN during the main harvesting season from January to June but export of RCN was permitted only after 31st May.

They indicated that any RCN that are brought to the ports or borders of Ghana for export between 31st March and 31st May, 2016, shall be confiscated to the State.

MOTI argued that the imbalances in the sector were stifling its objective of promoting value addition under the National Export Development Programme (NEDP) 2016-2020 which seeks to increase earnings from the Non-Traditional Export (NTE) sector.

But over the weekend, the Ministry temporarily withdrew the Directive in a statement which said "the Ministry is taking steps to ensure that the development of the cashew industry is accomplished through a comprehensive and inclusive process."

"The Ministry will widen its consultations with stakeholders in order to ensure that the cashew industry becomes competitive in a broad-

based manner that would lead to job creation and the general well-being of all stakeholders."

MOTI cited the following as among the issues informing the withdrawal: the view that the timing for the implementation of the directive would be best when traders or agents who have purchased RCN for exports would not have challenges with warehousing cost, deterioration in quality and the loss in weight of RCN; acceptance of the view that ideally the directive should have been issued at the beginning of the year to enable farmers, agents and traders plan for the management of the impact; the challenge of managing the transit through Ghana from Burkina Faso of RCN for export through Ghanaian ports.

The Ministry then suggested the following measures for the medium to long term management of the situation: support for the National Buffer Stock Company (NAFCO) to enable them purchase RCN and establish a "Just-in-Time" inventory to ensure that the indigenous processors have an all-year-round supply of RCN; initiate discussions concerning establishment of a credit scheme for cashew farmers; assist indigenous processors to purchase the RCN.

Others include examine the merits of the setting up of the Ghana Cashew Management Board to license, supervise and monitor all activities in the cashew value chain; and work with stakeholders to propose and implement a 10-year cashew development plan for Ghana, which will seek to ensure the development and expansion of the



Ekwow Spio-Garbrah, Minister for Trade & Industry

cashew industry and also increase the country's production to at least 200,000MT by the year 2025.

Call for Action

The cashew processing giant concluded with the call for action saying, "in the Cashew Industry, all parties to the value chain are important partners. If there is loss of income and hardship for farmers, the industry will lose the supply of the only raw material in the chain, then there will be no industry left to speak about. Ghana is not the first country that introduces the similar policy."

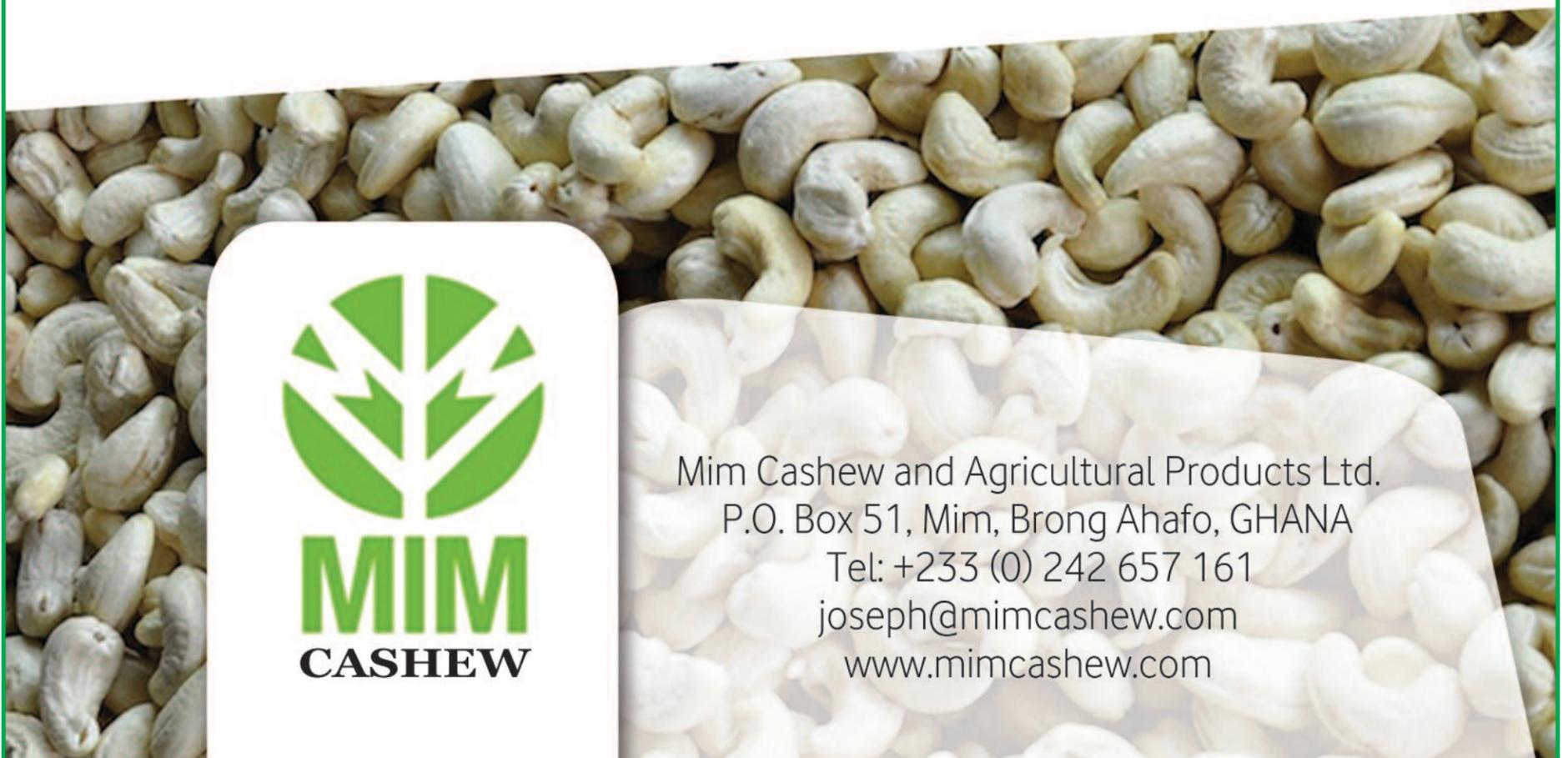
"All the cashew producing countries are having some kind of policy to encourage/promote processing, as the benefit of processing is all very clear to see. The most successful country in Africa in this industry is Kenya where the processing capacity exceed the production of raw cashew nuts leading to total export ban on raw cashew nuts. There is clear evidence that policies introduced by all the other countries do not lead to loss of income and hardship for farmers. In fact, there are increase in cashew production year after year in all the countries."



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