



**PROSPER
CASHEW**



TechnoServe
Business Solutions to Poverty

**Changing Landscape of West African Cashew
Industry**

INC Vancouver- 8th May 2024



Purpose of the session



1

Prosper Cashew: Why, How and What?

2

The Prosper Cashew Journey: Learnings and Key Accomplishments

3

Marketing of West African Cashew Kernels

Prosper Cashew at-a-glance

TARGET

50% of domestic Raw Cashew Nut production in West Africa is processed into kernel prior to export

GEOGRAPHIES

Côte d'Ivoire, Ghana, Nigeria

DURATION

Oct 2020 - Sep 2025

BUDGET

\$28 M

DONOR



PARTNER



Cultivating an ecosystem for expanded volumes

TECHNICAL ASSISTANCE

Unique, high quality and tailored Technical Assistance to the processors.

ACCESS TO FINANCE

through financial intermediation.

SUPPLY CHAIN & MARKETING

Access to global market




SUSTAINABLE ECOSYSTEM

To outlive the life of the project




Changes in the sector: greater confidence and efficiency

- Since October 2020, a 34.2% increase in processing capacity in the region
- Utilization rate has increased from 34% to 53%

October 2020

Region				TOTAL
Number of processors				82
Installed capacity (MT)	250,000	30,000	100,000	380,000
Utilization rate (%)	40%	17%	25%	34%

Dec 2023

Region				TOTAL
Number of processors				99
Installed capacity (MT)	402,400	33,050	75,500	510,950
Utilization rate (%)	56%	49%	41%	53%

3X the share of cashews processed domestically

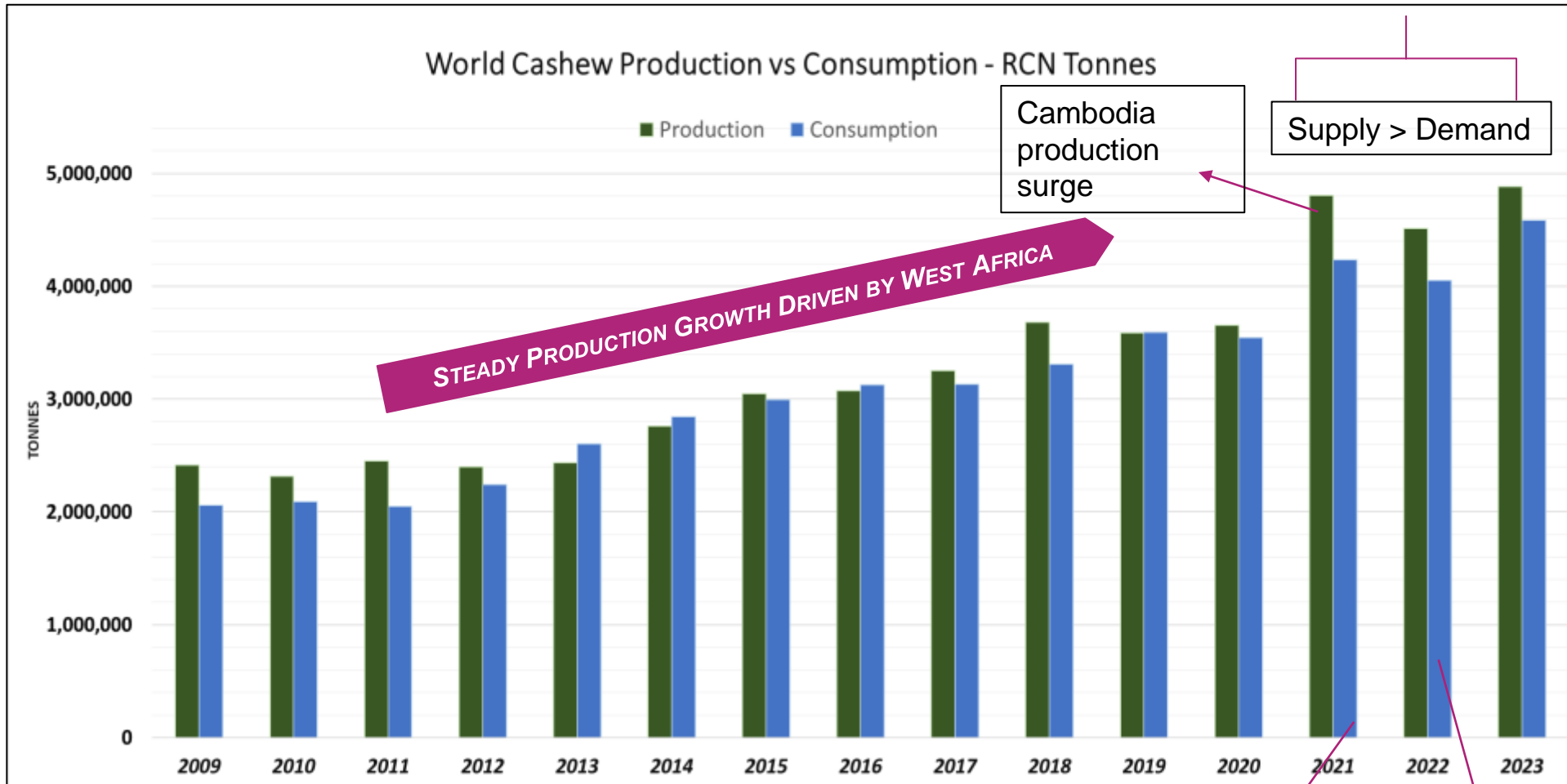
since Prosper Cashew project commenced Oct 2020

Key insights and takeaways



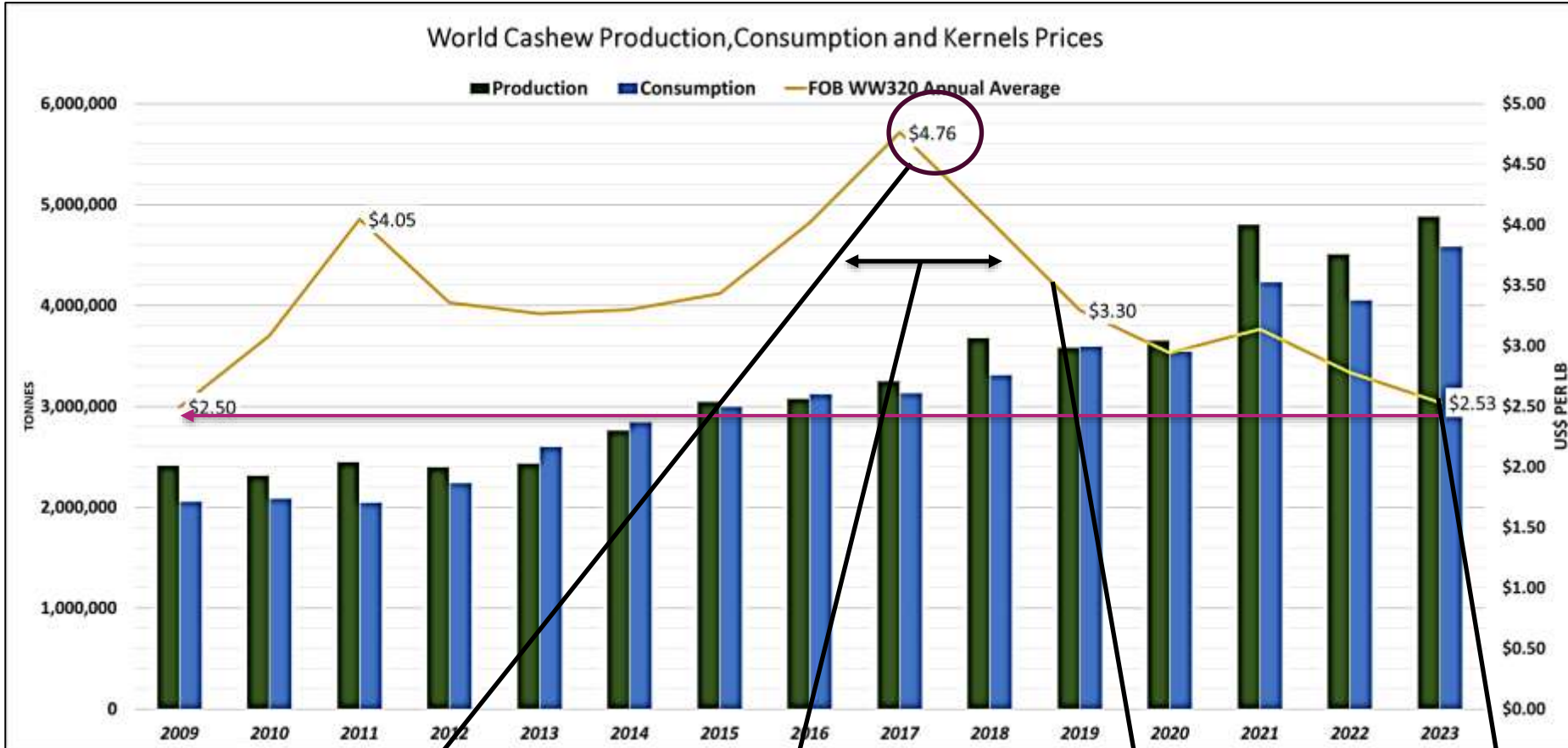
1. Setting the Stage for Financial Support
2. Lessons learnt in Establishing the Cashew Catalyst Fund
3. Government Policies Matter
4. Building a Sustainable Ecosystem
5. Beyond Efficiency: Marketing

Supply has grown faster than demand reversing the previous 10 years trend



Trends	
Supply CAGR 10-Y	5.87%
Supply CAGR 5-Y	6.38%
Consumption 10-Y	3.20%
Consumption 5-Y	3.98%

Price falls back to where it was in 2009



Price Volatility Impact

1. Damages farmers.
2. Slows demand growth.
3. Impedes investment.

It is a product of

1. Poor market information systems.
2. Absence of a marketing strategy.
3. Speculations in fragmented industry

Vietnam crop scare causes price spiral, contract defaults and a speculative bubble.

In this period Cambodian farmers planted heavily expecting high prices would stay forever.

Product launches cancelled, promotions suspended, inventories reduced. Prices collapse.

Prices fall to unsustainable levels as Vietnam's processors panic and drop prices to 14-year lows.

Discussion: Role of Marketing in the Sustainability of West African Cashew Industry

For profit to increase, it's an imperative that the sales prices move up which is possible when **demand outpaces the supply**.

For consumer demand to improve, it is important that the industry takes cues from Almond and Pistachio to orchestrate a **synchronized marketing strategy**.

- Examples- Tree nut Industry marketing spend is over USD 2 billion per annum.
- 2011-2020: Almond as a category had spend over 2 billion globally in marketing.

For West African Cashew, the challenge to penetrate European and North American markets becomes serious because of **the late entry** and **lack of pricing power**.

Discussion: Role of Marketing in the Sustainability of West African Cashew Industry

1. What are the key challenges? What **value proposition can WA cashew offer to differentiate itself?**
2. What are the opportunities and trends? Is there **any particular market or segment** where WA would create more traction?
3. How can West African **processors** strategize to navigate the marketing challenge? Would consumers pay premium for traceability, organic and fair-trade certified cashew nuts?
4. What are the **key actionable items that can be implemented?**



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Transformation starts here.

Thank you