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African Agribusiness  
and Agro-industries  
Development Initiative

June 2011

## Meeting Report

# Validation of MIT/UNIDO Diagnostic Study and Development Support Programme for Tanzania's Cashewnut Value Chain

17 -18 June 2011, at Kibaha



The United Republic of Tanzania



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT  
ORGANIZATION



INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT



FOOD AND AGRICULTURE  
ORGANIZATION OF THE  
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## 1. Background

The cashew value chain experts' workshop was organised by United Nations Industrial Development Organisation (UNIDO) and the Ministry of Industry and Trade (MIT). The main objective was to bring experts and stakeholders in the cashew value chain (see list of participants in Annex 3) together to review and provide comments on a diagnostic study on cashew nut value chain and discuss recommendations on the basis of existing constraints and opportunities. Objectives of the WS were:

- Cashew Value Chain Diagnostic study report validated.
- Elements of a Value Chain Development Support Program identified.

## 2. Programme

- Opening Session
- Session 1: Presentation of the diagnostic and Group Work
- Session 2: Group Work to validate the diagnostic and discuss recommendations on Activities to be supported
- Session 3: Summary Comments and presentation of the recommendations on the support programme (Cashew Value Chain Development Support programme (VCDSP))
- Warp Up and Closing

## 3. Workshop

### Opening Session

The workshop was opened officially by Eng. Elli Pallangyo, Assistant Director for Industry at the Ministry of Industry and Trade (MIT) on behalf of the Director for Industry Development. The remarks of MIT underscored the need to improve production as well as processing capacities, so as to enable farmers, processors and the country to withstand the global trade challenges of liberalization and globalization, which have been acknowledged to be posing enormous challenges on the achievement of fast and sustainable development. The ministry also introduced the proposal to define interventions that would be inputted to the Cashew-nut Value Chain Development Support Program which would focus on improving the competitiveness of cashew agro industries through value addition in both production and processing, and marketing of cashew products.

The official opening session was followed by introductory remarks from other key policy and regulatory institutions namely, the Ministry of Agriculture, Food Security and Cooperatives (MAFC) and the Cashew Board of Tanzania (CBT), and facilitated by Mr. Tillmann Guenther. The comments from CBT focused on opportunities for development of the cashew industries sector and the challenges especially in processing with regard to machinery, equipment, energy and energy use. CBT vision document 2002 highlights already the problem of aged trees, and replanting in the previous years failed, primarily because the entire value chain was not addressed in the sense that government was only focusing on farmers (fungicide subsidy, technology promotion through mass media, leaflets, fliers, farmers days, were aiming at the farmer.

According to CBT, the Cashew Industry Development Fund was in place, financed by contributions from processors, local government and 65 percent of 15% export levy<sup>1</sup> (while the 35% of the 15% goes to treasury. This fund will make it possible to address the entire value chain, with attention on value addition (of cashew and by products) and marketing. Director General of the CBT drew attention of participants to the relevance of the experts meeting and thanked UNIDO, MIT and MAFSC for creating the fora for stakeholders to chat out an integrated support intervention that would not be limited to discussing problems or challenges which is well presented by the diagnostic report, but to also be able to identify together the solutions and opportunities for development of the sector. The Director General of CBT informed about new small-scale factories that had been commissioned across the country in 2010/2011 that they would provide information to the expert to be

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<sup>1</sup> Cashew Export levy was raised in 2010 in line with the agreement of government and processors to increase the levy gradually as a means of encourage local processing; the levy was increased from 10% to 15% in 2010

reported in the diagnostic, in addition to the 12 large-scale factories, which were established under Cashew Nut Authority of Tanzania (CATA) in the 1980's. The small factories were mainly selling packaged products on local markets were reported to have been installed with technical support of CBT at Kibaha, Tanga, Masasi, Mkuranga, Pwani, Ruangwa, Bagamoyo and Rufiji. The experts from CBT also expounded on the challenge of financing bulky purchase of raw nuts for local processors. They proposed to introduce investment co-financing as a grant to the Cashew Industry Development Trust Fund (CIDTF) with contribution by the government, private investment funds, International Financial Institutions (IFIs) and CIDTF, for bulky of raw cashew nuts for local processors to re-buy at market value.

The PowerPoint presentation on overview on the workshop programme, objectives and method concluded this opening session followed by introductions. The presentation set the context of the workshop with regard what the two days meeting of experts was intended to achieve, and logistical arrangements.

### **Session 1: Presentation and Comments on the diagnostic**

Session 1 of the programme was intended for the experts to share technical comments on the diagnostic and the VC as a whole with regard to challenges, opportunities and areas for support; starting with a presentation of the diagnostic by Dr. Peter Masawe, Lead Expert, and comments on the report findings by MIT, CBT, MAFC, Tandahimba and Newala Cooperative Union (TANECU) and Cashew Processors Alliance (CPA). The session was chaired by Ms. Pallangyo, A/DID and facilitated by Mr. Guernther from UNIDO country office.

Members from policy and regulatory institutions gave comments on the diagnostic, and started with comments from the MIT member to the national taskforce on Africa Agribusiness and Agro Industry Initiative (3 ADI), who highlighted the potential of cashew product diversification, differentiation and branding as a strategy for strengthening forward and backward linkages, and value added across the chain. The Director of Marketing of CBT commended the organisers of the workshop on the inclusiveness of the tool developed by UNIDO and used in undertaking the diagnostic approach and the quality of dialogue initiated on design on the support programme. They also commented on the issue of transparency and openness of the auction system as reported in the diagnostic report; and clarified that there seemed to be some misunderstanding on the concept of blanket bidding process, which had assisted government to counteract cartels by the few buyers. The expert further clarified that the information needed for a MIS was available to stakeholders, but there was no system for actors to access it easily at each beginning or end of the marketing season, leading to complaints and suspicion of cheating by unsuccessful bidders on the auction.

The issue of information (on price, quantity sold and to whom, when and where) was commented on by other experts, with the proposal to improve the existing information system to captures data at village, Primary Cooperative Societies (PCS), districts and regional authority offices, processors and Warehouse Receipt System (WRS) regulators. The facilitator from MIT proposed to include an activity to this effect in the support programme. Existing information systems were reported namely the UNIDO-BIC under Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) Mtwara, the World Bank's e-commodity exchange project and the CBT e-auctioning system could be the stating inputs to an integrated and more robust MIS; the CBT DG proposed. The expert from MAFC, also a member of the 3ADI task Force, commended the analysis presented in the cashew value chain diagnostic report. He focused on the analysis on inputs, and underscored the supply challenges which often results in insufficient application and inappropriate use of fertilisers. The expert commended the analysis on farmers' affordability of inputs, timely availability, information on the appropriate uses and application rates. The expert indicated that the diagnostic did not adequately cover issues regarding input subsidy targeted to a limited number and range of inputs (fungicides, insecticide and motorised blowers); and proposed it to be incorporated in the report and support activities. The expert proposed inclusion of a section on the global value chain of cashew and the policy of Tanzania compared for instance to Mozambique's quota on processed volumes, Brazil non-export policy of Raw Cashew Nuts (RCN).

The expert from Prime Ministers Office - Regional Administration and Local Government PMO-RALG commended the diagnostic study, specifically on the focus at three levels of the value chain namely production, processing and marketing. Challenges with regard to the age of trees, input cost and limited access were reiterated as identified by the diagnostic and mentioned by other experts. The expert informed of the monopoly of inputs as an underlying constraint in input supply, and called on review of the current system of principal agency, especially since the cost of all inputs has been increasing year after year, with no market competition among local suppliers. The representative of Regional Cooperative Union also supported the recommendations of diagnostic study that primary societies had the capacity to access and support farmers

more efficiently. He proposed to have a promotion campaign for more farmers to join primary cooperative societies, to improve collective bargaining power with buyers and processors. He proposed that Unions and Cooperatives be allowed to engage in cashew processing, although that would require redefining of the structure, service costs, and function - which is currently restricted to be a facilitator of farmer marketing through warehouse receipts system.

At processing level, the experts proposed government commitment to sustain fair price for farmers, while at the same time, improving the buying relationship with exporters and internal processors. The representative from processing industry, also a trustee of CIDTF on behalf of the processors emphasised the challenge of access to long term financing, because most banks in the country were commercial and considered the industry as highly risky. Another challenge indicated was in regard to financing and capacity for stocking of raw material, which could be minimised through the promotion of satellite processing, was proposed and dialogue with agro-financiers especially the banks on the feasibility of cashew processing on financing requirements for long term investment, at reasonable interest rate and repayment duration. He cautioned that local processors would hardly compete with exporters who had the most influence in the value chain on the lending policies of financing institutions; and especially the main buyers from India who get local financing as well as a subsidy of \$100 per tonne of RCN. The speaker representing processors also felt that under the current system of marketing, models that were working elsewhere such as satellite or cottage processing might face the same problem of competition with buyers for raw nuts, and generally the processors emphasised concern that the marketing system through warehouse receipt might be completely incompatible with the vision of increased processing and value addition to raw cashew nuts. The members proposed to draw lessons from innovative solutions that had been applied in other commodities such as tea; for instance a system where PCSs could supply RCN directly to processors as shareholders and share profits.

The representative of the processor association, CPA called on interventions that were good for the farmers while ensuring competitive operation of the value chain. Specifically and in line with previous speakers, the chair of the processors association appreciated the achievements realised since introduction of the WRS, but cautioned that the marketing system if not streamlined could be a snag for processors. The limitation of technical expertise, training opportunities, labour mobility was also mentioned as key operational challenges especially for processors.

The expert from Confederation of Tanzania Industries (CTI) commented on need to focus on appropriate technology for processing cashew nuts in Tanzania, specifically which technology was valid, limitations where machines were outdated, expertise and utilisation capacity. More analysis on access to credit such as the Tanzania Investment Bank (TIB) Agriculture Window, and on consumer demand as presented by the diagnostic section on end-markets, including the processing and use of by-products.

Members from processing industries, as well as the expert from Commission for Science and Technology (COSTECH) emphasised the potential role of government commitment to encourage processing, which can generate multiplier benefits of correcting subsidies by RCN importing countries, retention of employment and incomes; and could even consider permitting the importation of raw nuts for processing, at favourable/selective tax regimes, in times of low production.

The processors appreciated that the WRS had attracted a sense of belonging for farmers and Local Government Agencies (LGAs), highlighting the need not to consolidate the price and marketing efficiency gains, but not compromising processing capacity. According to CBT representatives, the ongoing programme of CBT and IFC on bulk buying of raw cashew nuts (RCN) is to be launched soon; and with an integrated VC support programme, the production output could be increased three fold from 150MT in 2010/2011 to 400MT per year.



**Specific comments on the diagnostic:**

- The basis for ranking the production quantity of cashew nuts and the \$ value generated as reported in the production dimension be specified, as to whether it is based on national income or agriculture sector production.
- The inclusion of a section on cashew in the global value chain was also proposed, with the aim to give a comparable indication on practices in other markets such as the subsidies for major export buyers.
- The proposal on dialogue with banks was another suggested action that could be pioneered by sector ministries, notably MIT.
- On page 17, the number of processing capacity captured only the 12 large factories and CBT members were requested to provide the information on capacity of the small scale, micro and household processors in the country and their location.
- On subsidies to exporters, recommendation on what should be done to counteract the potential distortion, if that was the case, was to be explored in discussions on activities. The duration of processing which takes at the minimum 7 days was highlighted, as well as product flow and the role of PCSs.
- The profitability of processing was specifically discussed and brought up the need to clearly define who would be the processor, the technology choices, funding of processing, raw material supply and marketing.
- Comment was on clarification to members on the role of PCSs which act as agents of farmers; they collect RCN from farmers and deliver to the Warehouse; wait for auction and payment; and transmit returns back to farmers, at a service cost. The PCSs participate in the Auction Committees chaired by CBT with representatives from farmers, PCS, Unions, Banks, and the Warehouse Board (WHB).
- Status of processing of by products such as Cashew Nut Shell Liquid (CNSL) was also understood to be at zero level, and this baseline situation should be indicated in the report.

**Session 2: Group Work**

The group work session was organised in four groups which could adequately cover the entire value chain. The aim of group work was to validate the diagnostic and develop recommendations on activities to support the development of agro industries in the cashew value chain. The groups were provided with guiding questions to structure the discussion (Annex 1).

The group discussions were guided by this set of questions around key value chain dimensions, as follows:

GROUP 1: Increasing productivity, quality and output in primary production

GROUP 2: Extend and improve processing of raw cashew nuts

GROUP 3: Pervade/ expand markets for cashew products

GROUP 4: Improved organisation and governance of cashew value chain

Results were reported back to the plenary (by means of data show and flip chart presentation) where they were evaluated and discussed.

**Session 3: Plenary discussion on the way forward**

The presentation by the four groups was followed by a PowerPoint presentation on the proposed support programme. The session was facilitated by the participant from SUA Agribusiness Department. The results of the group works and subsequent discussions in the plenary are summarised in the tables in Annex 2.

### **Wrap up and Closing**

The workshop was officially closed with remarks from the lead expert Cashew diagnostic study, Dr. Peter Masawe. Comments on the diagnostic and the proposal of programme elements from the workshop would be incorporated in the diagnostic and support programme by end of week. The concrete action points with respective responsibilities and timelines are summarized below.

<b>Action Point</b>	<b>Specific Activity</b>	<b>Responsible</b>	<b>Timeline</b>
1. Workshop report	Finalise and share with all the updated matrix and diagnostic for final written comments	UNIDO/ MIT	Monday 27 June 2011
2. Diagnostic report	Consolidate and incorporate final comments in diagnostic report	Lead Expert	Monday 04 July 2011
	Edit and print the report	UNIDO	<i>July 2011</i>
	Distribute the report	UNIDO	<i>July 2011</i>
3. Value Chain Development Support Program	Finalise Cashew Value Chain Development Support Programme		<i>August 2011</i>
	Launch of the Support Programme		<i>August 2011</i>

## Annex 1: Questions for the Working Groups

### Group 1: Increasing productivity and output in primary production



- Identify a member of the group who will present the results to the plenary after the tea break
- Discuss in the group what is needed to increase productivity and output in primary production, focus particularly on:
  - A) Activities (also prioritize according to urgency)
  - B) Actors to be engaged
- Take in consideration existing initiatives/programs/activities (which the program does not need to repeat)
- Further to your own experience you may draw from/discuss information of the diagnostic study (dimension 1)
- Present the results with means of flip chart / pin board / slide show
- Make sure your records go to the organizers

### Group 2: Extend and improve processing of raw cashewnuts



- Identify a member of the group who will present the results to the plenary after the tea break
- Discuss in the group what is needed to extend and improve processing of raw cashewnuts, focus particularly on:
  - A) Activities (also prioritize according to urgency)
  - B) Actors to be engaged
- Take in consideration existing initiatives/programs/activities (which the program does not need to repeat)
- Further to your own experience you may draw from/discuss information of the diagnostic study (dimension 2, 5 and 6)
- Present the results with means of flip chart / pin board / slide show
- Make sure your records go to the organizers

### Group 3: Pervade markets for cashew products



- Identify a member of the group who will present the results to the plenary after the tea break
- Discuss in the group what is needed pervade markets for cashew products, focus particularly on:
  - A) Activities (also prioritize according to urgency)
  - B) Actors to be engaged
- Take in consideration existing initiatives/programs/activities (which the program does not need to repeat)
- Further to your own experience you may draw from/discuss information of the diagnostic study (dimension 3, 4 and 6)
- Present the results with means of flip chart / pin board / slide show
- Make sure your records go to the organizers

### Group 4: Improve organization and governance of cashew value chain



- Identify a member of the group who will present the results to the plenary after the tea break
- Discuss in the group what is needed to improve organization and governance of cashew value chain, focus particularly on:
  - A) Activities (also prioritize according to urgency)
  - B) Actors to be engaged
- Take in consideration existing initiatives/programs/activities (which the program does not need to repeat)
- Further to your own experience you may draw from/discuss information of the diagnostic study (dimension 4,6 and 7)
- Present the results with means of flip chart / pin board / slide show
- Make sure your records go to the organizers

## Annex 2: SUMMARY OF FEEDBACK FROM GROUP WORK (4 Groups)

### GROUP 1: Increasing productivity, quality and output in primary production

Baseline: Area Under cultivation – 80-90,000 Hactares; Limited Input range

Target: Double cultivation area; Availability and Financing for the range of inputs; varieties

Proposed Output	Proposed Activities	Proposed Responsible Actors	Existing/ Complementary Programmes
1. Availability of reliable market	<ol style="list-style-type: none"> <li>1. Strengthened information system on cashew market trends– linkage platform for CBT MIS; UNIDO-TCCIA BICs; WB e-auction</li> <li>2. Establish system to promote cashew farmers membership to cooperatives/ associations</li> <li>3. Sensitization of farmers to join cooperative societies to become credit worth, access input and market information</li> <li>4. Registration of farmer groups to facilitate efficient marketing, linkage to input suppliers, extension services and traceability</li> <li>5. Training for farmers, processors and exporters on economic principles and market-orientation</li> <li>6. Training for CBT and extension officers on skills to undertake assessment of global trends in cashew markets</li> <li>7. Establish an integrated MIS on price, volumes and market demand trends</li> </ol>	MAFC, MIT, CBT, SIDO/MUVI	<p>Multiplication of Planting Materials – NARI</p> <p>Cooperative Reform and Modernisation programme (CRMP) – <i>little has been done</i></p> <p>Subsidy Programme from the Export Levy (65%) – <i>actors propose government/ Treasury to release 100% for VCD through CDTF</i></p>
2. Availability of affordable inputs and timely access by farmers	<ol style="list-style-type: none"> <li>1. Conduct gap analysis of input supply and financing system</li> <li>2. Introduce revolving fund and international tendering for bulk purchase of inputs from suppliers</li> </ol>	MAFC, CBT, CDTF, LGAs, RS, STOCKIST/SUPPLIER	
3. Access affordable credits to farmers and input suppliers	<ol style="list-style-type: none"> <li>1. Identify source of financing cashew nut sector - AfDB, IFAD, WB, AGRA, CIDTF</li> <li>2. Convene partnership meetings between financial institutions and cashew producers - TIB, PMO-IFAD/AfDB windows</li> <li>3. Provide information on financing to farmers through Primary Cooperative Societies</li> <li>4. Training for financiers to define credit lines and products for businesses in the cashew nut value chain</li> <li>5. Create a system that facilitates farmer access to credit - – lease financing, input financing -</li> <li>6. Training for PCs on feasibility assessment suitable for farmer’s needs</li> </ol>	AGRO COMM. BANKS, TIB	
4. Expansion of existing and new areas under cashew using improved varieties	<ol style="list-style-type: none"> <li>1. Campaigns by LGAs and PCs on replanting and use of improved varieties</li> <li>2. Training trainers by NARI for farmer training on use of improved technology and best practices on cashew production</li> <li>3. Introduce improved varieties to rehabilitate and upgrade abandoned and unproductive farms, and introduce improved varieties</li> <li>4. Strengthen Cashew Development Centres (CDCs) and introduce new ones to be able to produce adequate improved planting materials</li> <li>5. Improve and introduce equipment hiring centres</li> </ol>	FARMERS, NARI, CBT, CDTF, LGAs, RS, NGOs	

**GROUP 2: Extend and improve processing of raw cashew nuts**

**Baseline:** 60% raw cashew nut export; 20% for local market; limited export of processed cashew

**Target:** 80% RCN processed domestically; 30% marketed on domestic and regional markets in Africa; Value Added from cashew nuts and by products (apple, CNSL, testa) increase by additional USD 70 million

Proposed Output	Proposed Activities	Proposed Responsible Actors	Existing/complementary Programmes
1. Upgrade and extend existing processing capacities and quality for market access	<ol style="list-style-type: none"> <li>1. Create awareness and training to farmers on quality control of raw cashew nuts</li> <li>2. Training on grades and quality management; experts, technologist and trainers to work in factories, laboratory, machinery operation and cashew nuts products design</li> <li>3. Construction of buildings and installation of equipment to ensure proper handling of raw cashew</li> </ol>	CBT, NARI, Processors, Warehouse Operators, DPs	CBT introduction of small scale processing centres
2. Strengthen processor's capacities in the field of infrastructure, management and business administration	<ol style="list-style-type: none"> <li>1. Create policies and incentives to enable local processing of cashew nuts (fiscal and infrastructure incentive)</li> <li>2. Organise satellite shelling groups and equip them with appropriate infrastructure (sub-contacting)</li> <li>3. Assess needs for rehabilitation of existing factories</li> </ol>	CBT, LGA, NARI, MAFS, MIT	NARI cashew apple product development project
3. Facilitate products diversification in the cashew nuts industry with appropriate technologies	<ol style="list-style-type: none"> <li>1. Initiate the processing of cashew apples</li> <li>2. Explore and propagate the development of other by-products</li> </ol>	CBT, LGA, MIT, MAFC, Private Sector, DPs	
4. Improve processors access to funding, especially for raw material supply	<ol style="list-style-type: none"> <li>1. Identify financing institutions and agriculture targeted guarantee funds and promote interactions with viable investments</li> <li>2. Promote partnerships with local private sector and foreign Investors – with the focus to recapitalise non-functioning private processing investments</li> <li>3. Promote cashew business financing for producer groups through links with rural community funds (PMO-IFAD/AfDB)</li> <li>4. Training farmers, cooperatives and processors on financial management, business management and credit/investment financing</li> <li>5. Study possibility for making the contract framing/buying system operating</li> <li>6. Design model for possible linking of processors to satellite cashew processing groups as a means of contract financing incentives through vertical integration of VC actors (PCS, processors, banks.)</li> <li>7. Design models for financing mechanism to enable increased availability and processing of raw cashew</li> <li>8. Link registered farmer groups to credit guarantee schemes and training programmes on financing (PASS, MUVI)</li> </ol>		
5. improve packaging of cashew products	<ol style="list-style-type: none"> <li>1. Conduct gap analysis of packaging material; and define incentives package for production or import of packaging materials</li> <li>2. Simplified import of packaging materials (PP, tins for confectionery) – import duty exemption on raw materials, packaging materials.</li> <li>3. Introduce bulk purchase and promote local production of packaging material</li> <li>4. Strategies on product branding and differentiation by markets</li> </ol>	MSTC, MIT, COSTEC, Privates Sectors, DPs	

**GROUP 3: Pervade/ expand markets for cashew products**

Baseline: High price of RCN for farmers

Target: Sustained price increase; diversified markets; premium quality and value

<b>Proposed Output</b>	<b>Proposed Activities</b>	<b>Proposed Responsible Actors</b>	<b>Existing/ Complementary Programmes</b>
1. Introduce and promote the application of principles of quality control and food safety	<ol style="list-style-type: none"><li>1. Training farmers, extension service providers, PCS and processors on market standards</li><li>2. Awareness on standards for quality raw cashew nuts and kennels for export certification</li></ol>		
2. Expand domestic marketing and promotion of consumption/utilisation by industries of cashew and cashew products	<ol style="list-style-type: none"><li>1. Set up a market information system that provides efficiently information on prices for raw and processed cashew nuts to all stakeholders</li><li>2. Study on launch of a branding and marketing campaign</li><li>3. Awareness on coding for RCN</li><li>4. Packaging for kennel and other products</li><li>5. Local market promotion</li></ol>	MAFC, MITM	
6. Favourable environment for market access by local processors	<ol style="list-style-type: none"><li>1. Define system with policy guidelines for marketing RCN</li><li>2. Rationing; Quota System; Stocking</li><li>3. Identify potential markets for cashew by-products</li></ol>	MAFC, MITM	

#### GROUP 4: Improved organisation and governance of cashew value chain

Baseline: Cooperatives functions and services

Target: Improved dialogue and supply relations

Proposed Output	Proposed Activities	Proposed Responsible Actors
1. Strengthen the Cashew nut Processors Association of Tanzania	<ol style="list-style-type: none"> <li>1. Information campaigns on value and services</li> <li>2. Training on membership mobilisation and advocacy</li> <li>3. Develop products and services that are relevant to small and large scale members</li> <li>4. Linkage of CPA, Tanzania with International associations</li> </ol>	Cashew Processors Association (CPA)
2. Strengthen the cooperatives and their unions	<ol style="list-style-type: none"> <li>1. Information campaigns on value and services</li> <li>2. Training on membership mobilisation and advocacy</li> </ol>	CBT, MITM, MAFC
3. Strengthen regulations, licenses and cost structure that are required to sell, buy and trade cashew products	<ol style="list-style-type: none"> <li>1. Study gaps in regulation, tax and cost structure for simplified trading of cashew nuts and products</li> <li>2. Awareness campaigns on provisional costing, regulation and roles of players – concept of shrinkage</li> <li>3. Enforcement on payment and early collection of RCN from Warehouses by winning bidders</li> <li>4. Revise the existing regulations on tax and service cost structure</li> <li>5. Translation of regulations and guidelines in cashew sector in Kiswahili, and other popular versions for wider local use</li> </ol>	
4. Promote an improvement of the relationships between producers/cooperatives /groups and processors/buyers	<ol style="list-style-type: none"> <li>1. Convene periodic consultative platforms, fora and meetings for stakeholders</li> <li>2. Education campaigns by farmers on buyer contracting</li> <li>3. Define and create awareness on each actor's roles, responsibility/interest and shared vision (All Actors)</li> <li>4. Training for extension service providers, fora/ zonal meetings, offices of Weights and Measures Agency (WMA) established and equipped</li> <li>5. Create stockist firm to improve availability of supply and coordination with PCS</li> </ol>	
5. Explore options for combined finance of production and processing	<ol style="list-style-type: none"> <li>1. Study on introduction of contract farming and/or contract buying of cashew in line with WRS</li> <li>2. Introduce quota or rationing for local processing, and maintain WRS services/benefit to farmers – Annual revision of quotas, with a limited duration (5 ears)</li> <li>3. Assess possibility to make export drawback system functioning</li> <li>4. Link producers to guarantee funds and negotiation for reduced interest rates</li> <li>5. Assessment of financing requirements for cashew producers and processors for access to Agricultural window under TIB</li> <li>6. Introduce cashew financing requirements in ongoing activities to establish the 'Agricultural Bank'</li> </ol>	
6. Strengthen the Cashew Board of Tanzania (CBT) as value chain facilitator	<ol style="list-style-type: none"> <li>1. Review actors' functions for improved coordination of the Cashew Value Chain</li> <li>2. Training and provide facilities for product quality testing and certification</li> <li>3. Set up a coordination committee for the value chain (various actors)</li> </ol>	
7. Promote provision of value chain support services such as technical and business advice, R&D, input provision, planting material multiplication, etc	<ol style="list-style-type: none"> <li>1. Conduct training and capacity needs assessment for value chain support services</li> <li>2. Training of BDS providers on quality, accurate information (based on TNA)</li> </ol>	



**Annex 3**

**LIST OF PARTICIPANTS - Cashew VC Experts and 3ADI Task Force:**

**Dates: 16-18 June 2010**

**Venue: Kibaha Conference Centre - Coast Region**

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