



Senegal Cashews Processing Project

July 2001 — December 2005

EnterpriseWorks launched activities to develop local cashew-processing capacity in Senegal's southern Casamance region in July 2001. Although cashew cultivation and trade flourish in the Casamance, small farmers primarily sell their crops to exporters as raw, unprocessed nuts. The tangible economic benefit of local cashew processing and export has great potential to restore and expand the livelihoods of the area's rural population, which has suffered under recent political and social unrest. Preliminary analysis shows that farmers could more than double their earnings by selling processed instead of raw cashews.

EnterpriseWorks' primary interventions to foster a viable and sustainable market for locally processed cashews include:

- Identifying and adapting efficient and affordable processing technologies.
- Identifying and training local equipment manufacturers and processing enterprises.
- Developing supply and distribution channels for manufacturers and processors.
- Linking cashew processors with national and international exporters.
- Executing a general marketing campaign to promote cashew processing and export.



Project Budget
\$798,177

Funder
USAID/Senegal

OBJECTIVES

- Develop affordable technologies for cashew processing and train at least one local artisan to manufacture and sell the equipment.
- Train 60 enterprises to process cashews using improved methods and locally available equipment.
- Link local processors with marketing enterprises to sell 30 tons of cashew nuts.
- Directly benefit 180 cashew processors and 250 cashew farmers from market development activities.

PROGRESS REPORT

- **The project has trained 20 enterprises to process cashews.** Together these enterprises have processed 110,843 kg of raw cashew nuts since the project's inception, resulting in 27,710 kg of processed cashew kernels.

- **The project has led to the creation of more than 300 jobs in the cashew processing sector.** Cashew processing activities have generated 16,000,000 FCFA (~US \$31,000) in incomes for employees of cashew processing units.
- **EnterpriseWorks-assisted cashew processors are selling regionally and internationally.** With the ability to produce top-quality cashew nuts, the processors have begun to move beyond the Casamance region and are now selling to large distributors in Dakar and abroad. In Spring 2004 the processors sent 700 kg of cashew kernels to a distributor in Italy, representing their first shipment to Europe. EnterpriseWorks-assisted processors in Guinea-Bissau contributed to this shipment since regional demand for the Casamance cashews has become so strong. As both projects begin to sell internationally, collaboration will sometimes be necessary in the initial stages to meet the quantity demands of the export market.
- **Processing activities are on the rise** as the active processing units are improving and new ones are joining the market. Cashew processing rose dramatically from 21,152 kg in 2002 to 55,705 in 2004, which illustrates the maturation of this subsector in terms of technical improvement, access to credit, and management and market development.
- **EW/Senegal is partnering with Handicap International (HI)** to train handicapped people for economic reinsertion via the cashew processing sector. Ten handicapped individuals have already been trained as part of the initiative. The EW/HI partnership not only provides handicap people with the opportunity to learn a skill and receive gainful employment, but it also provides participating processors with a unique marketing opportunity as the HI label is well established in Europe.

LESSONS LEARNED

- **Prepare for a limited supply of raw cashews.** Establishing a reliable micro-lending source at the beginning of this project would have possibly allowed for greater productivity in the early stages. A ready source of capital gives the processors flexibility to stock up on raw cashews at the lowest market price and allows them to remain profitable throughout the year.