

## A Different Approach to Spurring Farmer Investment

By Sierra Frischknecht  
*Volunteer Consultant, MozaCajú*

**“I have two wives,” he said—in English, surprisingly—then burst into laughter. That was the only English I exchanged with Teotonio Pereira from Uala.**

I’d arrived in Mozambique less than a week before, and the combination of a new culture and language made me unsure about whether he was joking or not. Continuing in my uncertain Portuguese, I clarified that Teotonio does not actually have two wives (though that wouldn’t be unheard of), but he so frequently travels the several hours journey between his farms that it sometimes feels like it. Teotonio owns a fair number of cashew trees, and has a large amount of land for other crops as well. He is also a savvy businessman, and recognizes that making further investments in his cashew crops could bring large growth opportunities.

We were meeting with Teotonio to discuss the MozaCajú grants program, and how larger cashew producers like him with could leverage their own business investments in cashew. This is part of a three-week trip around Mozambique’s Zambezia, Nampula, and Cabo Delgado provinces to encourage farmers to make the investments that will take their business to the next level.

### Grants to Leverage Investment

One of MozaCajú’s primary objectives is to improve the competitiveness of the cashew industry along the value chain: *from tree to trade*. In practice, this means MozaCajú has built strong relationships with cashew producers, cashew-processing factories, traders, agricultural extension workers, and others that participate in the various stages of growing and selling cashews. MozaCajú uses targeted interventions for each group. Thanks to MozaCajú, for example, many farmers now have new trees to replace those that have passed their productive period or have been trained on new production and post-harvest technique.

However, for some producers, the challenge is not a lack of technical capacity. They may have a large number of trees and want to expand their business, but lack the capital (or the impetus) to make necessary investments. **We’ve been meeting with larger producers and associations to learn more about what *they* need to bring their cashew production to the next level, and what their ability is to make those changes on their own.**

For those producers with a defined idea and the willingness to invest to make it happen, MozaCajú’s grants program is the perfect opportunity. Farmers with innovative ideas can invest up to US\$50,000 of their own funding while receiving the same amount through a MozaCajú grant. The number of grants is limited, so farmers will have to complete an application and be evaluated in order to receive funding.

### What Will Make a Difference?

One goal of the grants program is to encourage producers to seriously consider how their own cashew business could be improved. The grant itself is an incentive to producers to take that idea and turn it

into reality, with the benefit of having MozaCajú cover half of the cost of the investment. **We are meeting with dozens of producers and processors over several weeks to introduce the grants program and application, offer assistance, and brainstorm what investments could transform their businesses.**

The exact project will depend on the farmer. Some producers might consider buying a tractor to plant large tracts of cashew trees, while others may need spraying machines to keep their trees pest-free.

Teotonio Pereira, with his “two wives,” is an excellent example of how grants can cause broader business investments. With his amount of land, he runs OLINOTU, a fair-sized agricultural business that includes cashew production. He also serves as president of the local Forum of Cashew Associations, the umbrella organization that combines the efforts of half a dozen local cashew-growing associations. Individual members (53 percent of which are women) vary in their number of cashew trees, with some owning only a couple hundred and others thousands. But when they come together in an association, their combined production can be significant enough to attract the attention of the major processors.



*Teotonio Pereira (center left, in a gray striped shirt) and other representatives from local cashew-growing associations who joined our presentation of the MozaCajú grants program.*

Sr. Pereira is the kind of man who sees business opportunities and makes the most of them, and wants to help others make the most as well. He is quick to welcome strangers into his home, and quick with a joke at every turn of conversation. When some of the association leaders looked intimidated by the documentation required to qualify for a grant, he jumped in with a slap on the back and a promise to help out with the application and technical requirements. You see, he’s been through the process before. Several years ago, he received assistance through a USAID AgriFUTURO project to buy new agricultural equipment. Sr. Pereira is well aware that this type of investment can be transformational.

The first application window for the MozaCajú grants program closed in early June, with additional opportunities to apply in July and August. Whether or not Sr. Pereira is selected to receive part of MozaCajú’s grant funding, he (and similarly business-minded producers) are critical to MozaCajú’s goals of strengthening the cashew industry at all stages. To see the Request for Applications and for more information on the MozaCajú grants program, see [www.mozacaju.com](http://www.mozacaju.com).