



Cashew farmers in the process of commercialization

The Business Side of Cashew

MozaCajú teaches farmers improved commercialization techniques in *My Cashew Business* trainings

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Cashew farmers in Mozambique work hard all year to secure a good harvest from their cashew trees.

In January and February the cashew planting season begins. In March they start to prune and clean their trees. By July they are in the middle of treating the trees for protection from pests and disease. In September they are cleaning again and preparing for the harvest, which will start in October and last through December. Perhaps even more important than the harvest season itself, though, is what happens immediately after, which is referred to as the time of *commercialization*.

Commercialization is the process of making a harvest available on the market, from the initial collection, storage, and aggregation all the way through the final sale of the product. For cashew farmers it is an extremely important time because it is when they can finally reap the benefits from cultivating cashew – they may work hard all the way up to harvesting the cashew from the trees, but if they do not succeed at commercialization then they will not earn a good profit.

Traditionally, cashew farmers in northern Mozambique harvest and sell their cashew nuts all at once. Most commonly, a buyer – some local trader perhaps working alone or on behalf of a factory or warehouse – will come to a cashew producing community with a large scale and will buy as much raw cashew nut as the farmers are willing and able to sell at that time. Typically there is little negotiation between the buyer and the seller.

As most cashew producing communities are in rural areas of the country, cashew farmers are often disconnected to markets and information. Usually farmers only get one or two opportunities and if they do not sell at that time then it will be difficult for them to take their product to a market to sell later. They are at a particular disadvantage as they often have little information about the price of their product on the market, which is an important determinant of a good profit after volume of yields.

In today's world of increasing connectivity and shared technology, this problem should not exist.

Sharing knowledge on commercialization

Since 2014, MozaCajú has been training cashew farmers in the three northern provinces of Cabo Delgado, Nampula and Zambézia on commercialization techniques in order to fill the gap in knowledge and information that has prevented them from maximizing their profits. These trainings are organized into sessions on *My Cashew Business* (“O Meu Negócio de Caju”), which covers all aspects of commercialization.

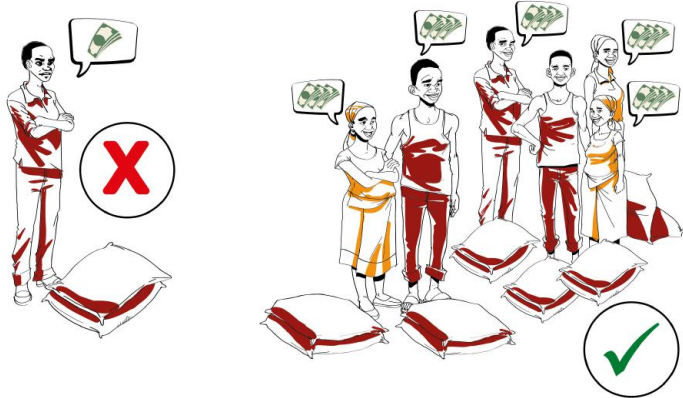


My Cashew Business training session in Pebane, Zambézia

At the final *My Cashew Business* session of in Pebane district of Zambézia province, the promoters and farmers sit under the shade of a large cashew tree, as is typical for a MozaCajú training.

António Assane, promoter from the Malema community, asks his colleagues to take particular note of the location of the training. “When the facilitators arrived,” he comments, “We were under the mango tree and they asked us to move under this cashew tree. This facilitates the approach, explanations and examples [of the training] because we will not need to move to another site looking for a cashew tree – remember that the project is called MozaCajú and not MozaMango.”

The training then turns to the various topics of the day, with both the facilitators and promoters explaining certain sessions and some invited farmers in attendance. The group learns about pre- and post- harvesting techniques, such as cleaning the ground around the tree, separating the cashew nuts from the apples without exposing them to moisture, or storing the cashew nuts in jute bags lifted off the ground.



A drawing from the MozaCajú Field Manual encourages farmers to sell their cashew in groups in order to negotiate prices

As with the other production trainings that MozaCajú conducts, these *My Cashew Business* trainings are for promoters, farmers who are known and trusted in their communities and are selected according to specific criteria, including attainment of a certain level of schooling as well as approval from the community.

These promoters are then responsible for disseminating the knowledge and information gained at the MozaCajú trainings to other cashew farmers in their community, who are formed into groups of 20 to 30 farmers each (with 7 to 8 groups per promoter).

In this way, MozaCajú is reaching over 23,000 cashew farmers with trainings on improved cashew production and commercialization techniques, through the extension services of these 168 promoters.

In order to maximize learning, the promoters and farmers receive a refresher training each year. For commercialization, these refresher trainings have been occurring throughout the month of September across the three provinces.



A drawing from the MozaCajú Field Manual shows farmers how to properly separate the cashew nut and fruit

“We have already noted that before the harvest we should do the pruning, cleaning and chemical treatment,” says promoter Mena Elsa dos Santos, “Today I will explain to you that we must also clean the crown of the tree, including the leaves that have fallen on the ground.” She proceeds to demonstrate how a cleaner area around the tree will be easier to collect cashew nuts than the areas where the cashew nuts are covered with leaves.

Later, they discuss topics such as tracking their costs and revenue by keeping records of all aspects of production, including the productivity of each tree or the application of chemical treatment. They learn that this will help them to analyze their return on investment and make smarter decisions, as understanding the yields per tree and comparing that to the investments allocated to that specific tree will help them to determine where they are efficiently spending their time and resources.

“A farmer may think after selling all his cashew that he has gained a profit, despite the fact that the production costs may have been higher,” comments promoter Selemene Colete, recognizing the importance of this topic. “We can give you all the possible techniques,” he says to the group, “But if you do not control and keep track of your costs so that after commercialization you know how much you spent and or if you had any profit, we will be working in a vacuum.”

Connecting farmers to markets via SMS

MozaCajú’s CommCare system was designed so that registered farmers can broadcast information to buyers about their production quantities via SMS. Registered farmers send a keyword to a universal number when they are ready to sell their cashew, which triggers a response from the system asking for the quantity of cashew available. The farmer replies by SMS with the quantity, and this information is transferred to the central database. From there, the GPS coordinates are used to map their location and the quantities of cashew they have available in real time. This information, as well as the farmers’ phone number, is presented directly to buyers to help with their procurement efforts.

They learn how about MozaCajú’s CommCare platform, which uses mobile technology to facilitate cashew commercialization by linking farmers with buyers through a digital platform based on SMS messages. Additionally, they learn how to organize themselves into groups and aggregate their product. This will help the farmers to negotiate with buyers for better prices as the buyers can

save money by purchasing in one location, thus passing the savings on to the farmer.

António Assane believes in the importance of this, noting that he has seen how selling cashew in groups has enabled farmers to negotiate the price, thus giving them more power over the value of their goods. He has also seen that using the CommCare platform could help farmers get better prices, as it facilitates information sharing between farmers and buyers.

They also learn to invest in and diversify their livelihoods, in order to grow their businesses further. The cashew farmers all agree that these types of trainings are very important because it is how they can learn new practices, thus replacing or perhaps strengthening the traditional knowledge they may have had previously.

Maximizing profit, spurring investment

Hilário Valentim, a promoter from the village of Nlepa in Zambézia province, is an excellent example of a farmer who has benefitted greatly from the *My Cashew Business* trainings. Not only has he been able to maximize his profits from cashew, but he has also begun to make key investments to diversify his livelihoods.



Hilário Valentim

Hilário became a MozaCajú promoter in March 2015, when he first started attending the various MozaCajú trainings on cashew production and first started implementing the new techniques on his own farm. “Before participating in the trainings, I did not clean my farm and I lost a lot of production because at the time of harvest a lot of fruit went into the trash,” said Hilário.

However in the most recent harvest season, Hilário used what he learned as part of MozaCajú on his farm of 500 cashew trees, which resulted in the production of 2,572 kilograms of raw cashew nut or 5 kilograms per tree – a five-fold increase compared the previous harvest of 1 kilogram per tree.

Though the increase in volumes of production undoubtedly contributed to an increased overall profit, Hilário was most excited about how the new commercialization techniques have brought even more money and even spurred other investments.

Hilário is part of a group of 20 farmers who have given themselves the name *Change in the Field* (“Mudança do Campo”). Last harvest season they aggregated their production – 12 tons of raw cashew nut – and met the buyer together to negotiate the price as a group.

“I was very excited about the *My Cashew Business* training,” he said, “Because in addition to learning how to care for trees before, during and after harvest, I gathered all my cashews and negotiated the price with the buyer. Because of this, I sold my cashew for 37.5 MZN per kilogram while my colleagues sold for 35 MZN per kilogram.”

“Previously I didn’t know how to negotiate the price with the buyer,” Hilário said, “But now I earn more money.”

Though a seemingly small increase – about \$.03 USD more per kilogram – this amounted to around \$100 USD increase overall, a large sum in rural Mozambique.

“The most interesting [thing I learned] was about income management. As a result of the *My Cashew Business* trainings, I learned to better manage my income by taking a percentage of the revenue from the prior harvest season to increase my farm production beyond the current use, investing in animal production as an alternative source of revenue.”



Cashew farmers receive payment for their product



Negotiating in groups can help cashew farmers get better prices

Income management and investment are particularly important topics for cashew farmers for two main reasons. Firstly, cashew brings in large amounts of money all at once, but needs to sustain a household for a whole year, as cashew is the primary source of income for many of these farmers. Knowing the best way to manage, spend and invest the money earned helps the farmers to sustain the impact of cashew farming.

Secondly, though the production of cashew could still improve with increased investments in new planting, cashew farmers must also diversify their livelihoods as land is not an infinite resource, even in Mozambique. Investing in other crops and animals will not only bring more income at different parts of the year, but allows the farmers to be more resilient overall.

“I learned that the profit could be used for other investments, so much so that I bought two cattle that I will soon breed,” said Hilário. “With cattle, I can have at least two liters of milk per day for my family, improving our health and especially for our children. I also bought two sheep. In 5 years, I will be a big cattle breeder and will have milk and meat that I can sell the community, which will also help to increase my cashew farm.”

Through the trainings that MozaCajú provides, Hilário and other farmers like him have been empowered by knowledge and information, which have not only enabled them to maximize their profits for cashew, but have helped them diversify livelihoods, strengthen their own resilience and expand their own hopes for the future.

MozaCajú is a project funded by USDA that connects smallholder cashew farmers to markets and factories in three northern provinces of Cabo Delgado, Zambézia and Nampula. For more information about the project, please see: www.mozacaju.com

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