

# Cashing in on cashews

*Cashew nuts have a great export earning potential for the SADCC region which has scarcely been tapped.*

**M**ozambique's war-weary economy owes a debt of gratitude to the humble cashew nut. Exports of the hardy cash crop have helped sustain the nation in the last decade when all else failed in the face of instability and drought.

The cashew nut has done well in Mozambique simply because it is tough. As an evergreen nut tree that can grow up to 12 metres tall, it does not require the intensive care that goes into crops like tobacco and tea. It is suitable as both a plantation and a smallholder crop. It grows in poor soils with lots of rain and is therefore ideal for coastal regions. Its

resistance to the ravages of war and its tolerance for less fertile soil would be enough to commend it to peasant farmers all over the SADCC region. It also has a lot of potential for earning foreign exchange and diversifying one-crop economies.

Coming originally from the Americas, the shelled and roasted fruit of the cashew trees is considered a delicacy, especially in the West, where it far outranks the peanut. Edible oil can be extracted from the nut and oil from the shells is used in making wood preservatives, varnish, and cable insulation. The trunk can be made



into matchsticks and cardboard for packing.

Mozambique has long been Africa's largest producer of cashew nuts. The crop and its by-products are her major agricultural export, topping tea, sugar and cotton. Currently cashews account for around 16 per cent of Mozambique's annual foreign exchange earnings of US\$100 million. However, production has fallen dramatically since the 1970's. From a peak of 204,000 tonnes at independence in 1975, it plunged to 40,000 tonnes in 1988, according to figures from the Food and Agriculture Organisation. In 1985 the African Development Bank lent Mozambique US\$9.6 million to rehabilitate the plantations and increase production.

As with other Mozambican crops, the protracted war with Renamo wreaked havoc on the cultivation and harvesting of cashew in the coastal provinces of the country. The problems of war were compounded by marketing inefficiencies on the part of the state farms and lack of transport. Government policy changes in the wake of Frelimo's August congress should help in boosting the output of key cash crops such as cashew nuts, especially if they succeed in attracting foreign investment in agriculture and the necessary infrastructure.

Tanzania, like Mozambique, used to be among the top five cashew nut producers in the world, but, again like her neighbour to the south, she has suffered a dramatic decline in production in the past decade. According to the World Bank, output has declined by 85 per cent since the 1970's as a result of inappropriate pricing, ineffective marketing policies, lack of inputs and the inability to fight off disease in cashew nuts.

Tanzania's then agriculture minister, Mr. Jackson Makweta, announced last July that new plantations of cashew nuts would be started in the coastal strip from the Mtwara to the Tanga region. He confidently estimated an annual increase in output from last year's 26,090 tonnes to 30,000 tonnes in 1990 and 45,000 tonnes by the end of the century.

Under the rehabilitation project, seven cashew nut development centres will be established to distribute trees and seeds to the farmers. Research will be expanded to develop more disease-resistant and drought-tolerant varieties, and extension and research workers will be trained.

The farmers, of course, are essential to success, and they have not been left out of the package. They will get credit facilities to buy supplies of seeds and other inputs. But farmers are still unhappy over the crucial matter of product prices. At present they only receive 25 US cents per kilo for cashews, a sixth of the world price

of US\$1.48, while they face increasing costs for imported inputs.

On top of that, Tanzanian farmers are having to cope with an outbreak of a parasitic fungus in their cashew trees. On a recent visit to the coastal growing areas in Ruvuma and Mtwara regions, Mr. Rashid Kawawa, secretary-general of the ruling Chama Cha Mapinduzi party was so shocked by the devastation that he directed that fungicides should immediately be made available. The trouble is that the price of fungicides, like that of all imported inputs, is beyond the reach of most farmers. Until producer prices begin to keep pace with input costs, cashew growers will be reluctant to plant more trees.

Malawi also has a small but growing stake in cashews. Output has recently been stepped up as part of the government's policy of boosting non-traditional export crops. Smallholder farmers have introduced the crop to Karonga, Nkhata Bay, Kasungu, and Mangochi districts; but cashew growing is still dominated by the big estates such as Press Farming which has 30,000 cashew trees on 300 hectares of land.

Up till now, farmers have sold their crop to ADMARC, the state marketing

board, at a price this year of 37 US cents per kilo — up from 27 cents last year. It may be good news for them that the government had decided to remove ADMARC's marketing monopoly. However, the sector is still underdeveloped in Malawi, and extension services are not as freely available as for traditional cash crops like tobacco, tea and sugar.

Zambia is another recent convert to cashew nut production. Its Interim National Development Plan states: "The policy objective in respect of cashew nut during the INDP is to further promote production of the commodity by correcting institutional bottlenecks that have so far hindered its development."

In conjunction with the Zambia Cashew Company, small-scale farmers in the Western Province have been encouraged to expand their plantations. Spraying against pests and disease has been promoted to increase yields.

The Commonwealth Development Corporation (CDC) is providing the funds for the project.

Cashew nut production in Mozambique was 184,000 tonnes in 1970, 95,000 tonnes in 1980 and 25,000 tonnes in 1985. The corresponding figures for Tanzania are