

Entering the European market for cashew nuts

Food safety certification combined with reliable and frequent laboratory testing helps create a positive image for cashew nut producers wishing to export to Europe. Sustainable production and the implementation of corporate social responsibility measures will help emerging suppliers gain an additional advantage. The toughest existing competitors for new suppliers of shelled cashew nuts are Vietnam and India. Vietnamese and Indian companies have the power to keep prices of cashew nuts relatively low because of their large-scale production and mechanised processing methods.

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1. What requirements must cashew nuts comply with to be allowed on the European market?

What are the requirements?

All foods, including cashew nuts, sold in the European Union (the EU) must be safe. Imported products are no exception. Additives must be approved. Limits are placed on levels of harmful contaminants, such as pesticide residues and mycotoxins. It should also be clear from the labelling that nuts can cause allergies.

Contaminant control in cashew nuts

The [European Commission Regulation](#) sets maximum levels for certain contaminants in food products. This regulation is frequently updated and, apart from the limits set for general foodstuffs, a number of specific limits apply to contaminants in particular products, including cashew nuts. The most common requirements regarding contaminants in cashew nuts relate to the presence of mycotoxins, pesticide residues, micro-organisms, and heavy metals.

Mycotoxins

The presence of mycotoxins (aflatoxins, in particular) is the main reason why nuts may be banned on the European market. The level of aflatoxin B1 in cashew nuts must not exceed 5 µg/kg and the total aflatoxin content (B1, B2, G1 and G2) must not exceed 10 µg/kg. However, the incidence of aflatoxins is lower in cashew nuts than in other nuts, such as groundnuts. Most, but not all, sources agree that aflatoxin is not an issue in cashew nut production. The main reason for this is that their shells contain cardol, which inhibits the development of aflatoxins.

Pesticide residues

The European Union has set maximum residue levels (MRLs) for pesticides found in and on food products. Products containing a higher concentration of pesticide residues than allowed are withdrawn from the European market. However, it is fairly uncommon to encounter excessive levels of pesticide residues in the cashew nut trade. This is because the shell, in which residues may accumulate, is removed before the nuts are imported into Europe.

The EU regularly publishes [a list of pesticides](#) which are approved for use in the European Union. This list is updated frequently. In 2019, the European Commission set the following pesticide residue limits and effective dates for cashew nuts (see Table 1)

Table 1: Pesticide limits published for cashew nuts in 2019

Pesticide name	Residue limit	Effective date
Fenpicoxamid	0.01 ppm	January 2019
Lambda-cyhalothrin	0.01 ppm	January 2019
Azoxystrobin	0.04 ppm	April 2019
Fenpyroximate	0.05 ppm	April 2019
Fosetyl-Al	500 ppm	April 2019
Diphenylamine	0.05 ppm	May 2019
Triflumizole	0.02 ppm	May 2019
Triflumuron	0.01 ppm	May 2019
Bispyribac	0.01 ppm	July 2019
Denatonium benzoate	0.01 ppm	July 2019
Fenpyrazamine	0.01 ppm	July 2019
Aclonifen	0.01 ppm	July 2019
Flurochloridone	0.01 ppm	July 2019
Quizalofop-P-ethyl	0.01 ppm	July 2019
Quizalofop-P-tefuryl	0.01 ppm	July 2019
Tebufenozide	0.01 ppm	July 2019
Propaquizafop	0.01 ppm	July 2019
Etofenprox	0.01 ppm	August 2019
Paclobutrazol	0.01 ppm	August 2019
Penconazole	0.01 ppm	August 2019
Bromadiolone	0.01 ppm	August 2019

Bromuconazole	0.01 ppm	August 2019
Pyridaben	0.01 ppm	August 2019
Fenbutatin oxide	0.02 ppm	August 2019
Buprofezin	0.01 ppm	August 2019
Diflubenzuron	0.01 ppm	August 2019
Ioxynil	0.01 ppm	August 2019

In addition, the European Safety Authority proposed a reduction of maximum residue level for the pesticide Fenbuconazole from 0.05 ppm to 0.01 ppm and for the pesticide Metam from 0.02 ppm to 0.01 ppm. Moreover, two pesticides were banned: Ethoprophos and Chlorothalonil.

Microbiological contaminants

The presence of very low levels of salmonella and E. coli in ready-to-eat or processed foods, including cashews, is an important cause of foodborne illness. Tree nut processors should consider salmonella and E. coli as major public health risks in their hazard analysis and critical control point (HACCP) plans.

Tips:

Follow the Codex Alimentarius [Code of Hygienic Practice for Tree Nuts](#). For cashew nuts, specifically, it is important to control moisture level during storage and transport (<65% relative humidity) in order to avoid the product being damaged by mould and enzymatic changes.

Read more about MRLs on the European Commission [website on maximum residue levels](#). To be prepared for any new changes in the MRLs, read the [ongoing reviews of MRLs in the European Union](#).

What additional requirements do buyers often have?

Quality requirements

The quality of cashew nut kernels is determined by the percentage of defective produce, by number or weight, and by their size, shape and colour. The industry has defined several quality criteria but some of them, such as taste and flavour, are subjective and cannot easily be determined on the basis of physical characteristics.

Specific cashew nut quality requirements are established in several standards. The most widely applied standard in Europe is the standard established by the [United Nations Economic Commission for Europe](#) (UNECE). Similar but slightly different standards are also developed by several producing countries such as India, Brazil, Vietnam, Tanzania, Kenya and the Association of Southeast Asian Nations. The most important criteria used to define the quality of cashew nuts are as follows:

- Class — The European Union does not have an official standard for cashew nut classification. However, the UNECE classification is widely used in the market. In this classification, cashew nuts are divided into three main classes: Extra Class, Class I and Class II, according to the permissible defects and colour of the kernel's skin.

- **Grading** — The European Union has not officially defined grading categories for cashew nuts. The most frequently used grading classification, also from the UNECE, corresponds to the United States cashew nut standards. According to the US standards, whole kernels are graded based on the number of cashew nuts in one pound (0.454 kg) or in one kilo — for example, 210 nuts per pound equals 465 nuts per kilo. Broken kernels are graded according to the diameter of the pieces.
- **Style and skin colour** — In practice, quality and price are usually determined based on the characteristics of the cashew nuts, thereby combining the style (whole, splits or pieces) with the grade and look of the skin. The skin may be white, or have been scorched or darkened to some degree during the roasting and shelling process.

Food safety certification

Although food safety certification is not obligatory under European legislation, it has become a must for almost all European food importers. Most established European importers will not work with you if you cannot provide some type of food safety certification.

The majority of European buyers will ask for certification recognised by the [Global Food Safety Initiative](#) (GFSI). For cashew nuts the most popular certification programmes, all of which are recognised by GFSI, are:

- [International Featured Standards](#) (IFS)
- [British Retail Consortium Global Standards](#) (BRCGS)
- [Food Safety System Certification](#) (FSSC 22000)

Please note that this list is not exhaustive and food certification systems are constantly under development. The majority of food safety certification programmes are based on existing ISO standards like [ISO 22000](#).

Although different food safety certification systems are based on similar principles, some buyers may prefer one management system in particular. For example, British buyers often require BRC, while IFS is more common for German retailers. It should also be noted that food safety certification is only a basis from which to start exporting to Europe. Serious buyers will usually visit/audit your production facilities within no more than a few years.

Corporate Social Responsibility

Companies have different requirements as regards social responsibility. Some companies will require adherence to their code of conduct or to common standards such as the Supplier Ethical Data Exchange ([SEDEX](#)), Ethical Trading Initiative ([ETI](#)) or Business Social Compliance Initiative code of conduct ([BSCI](#)).

Packaging requirements

There is no general rule for the size of packaging for exported cashew nuts, but the most common type of export packaging is 10 kg to 25 kg polybags. In order to prolong the shelf life, bags are often vacuum-sealed by extracting the air and injecting carbon dioxide and nitrogen. Cashew nuts are also packaged in airtight tins.

The use of paper or stamps bearing trade specifications is allowed, provided the printing or labelling has been done with non-toxic ink or glue. The packaging is often formed in a cubic shape in order to efficiently use the pallet and container space. Dimensions can vary but all are compatible with standard pallet and container dimensions.

Labelling requirements

The name of the product must appear on the label and either “cashew nut kernels” or “cashew nuts”. Other trade names pertaining to form can be used in addition to “cashew nut kernels”. It is common for export package labelling to also include the crop year. Information about bulk packaging has to be indicated either on the packaging or in accompanying documents. Bulk package labelling must include the following information:

- Name of the product
- Lot identification number
- Name and address of the manufacturer, packer, distributor or importer
- Storage instructions — storage and transport instructions are very important due to the high oil content and sensitivity to high levels of moisture, which can negatively influence quality if not dealt with properly.

The lot identification number and the name and address of the manufacturer, packer, distributor or importer may be replaced by an identification mark.

In the case of retail packaging, product labelling must be in compliance with the [European Union Regulation on the provision of food information to consumers](#). This regulation specifies requirements for nutrition labelling, origin labelling, allergen labelling and clear legibility (minimum font size for mandatory information). Please note that this regulation lists cashew nuts as a product which can cause allergies or intolerances and therefore allergen information must be clearly visible on the retail packaging.

Tips:

Read our study about [buyer requirements for processed fruit and vegetables](#) for a general overview of buyer requirements in Europe.

Become familiar with the different standards used by the cashew nut producers and traders on the [CashewInfo](#) portal. The portal also includes the new product standard applied by the [Vietnamese Cashew Association](#), which was published in June 2019.

Read more about the [transport and storage requirements](#) for cashew nuts on the website of Transport Information Services.

Do a self-assessment using the producer starter kit via the [BSCI website](#).

What are the requirements for niche markets?

Organic cashew nuts

To market cashew nuts as organic in Europe, they must be grown using organic production methods according to [European legislation](#) in this respect. Growing and processing facilities must be audited by an accredited certifier before you are allowed to use the European Union's organic logo on your products, as well as the logo of the standard holder (for example, the [Soil Association](#) in the United Kingdom or [Naturland](#) in Germany).

Note that importing organic products to Europe is only possible if you are in possession of an [electronic certificate](#) of inspection (e-COI). Each batch of organic products imported into the EU has to be accompanied by an electronic certificate of inspection, as defined in Annex V of the Regulation [defining imports of organic products from third countries](#). This electronic certificate of inspection has to be generated via the [Trade Control and Expert System](#) (TRACES).

Sustainability certification

The two most commonly used sustainability certification schemes are [Fair Trade](#) and [Rainforest Alliance](#). Fair Trade international has developed a [specific standard for nuts](#) intended for small-scale producer organisations. This standard defines protective measures for workers in cashew nut processing facilities. In addition, the standard defines the terms of payment and FairTrade Minimum Price for conventional and organic raw cashew nut kernels from Africa.

In order to improve the sustainable production and sourcing of cashew nuts, a group of primarily European

companies and organizations formed the [Sustainable Nuts Initiative](#) in 2015. The main objective of this initiative is to improve the circumstances in nut-producing countries and work towards sustainable supply chains.

Ethnic certification

The Islamic dietary laws (Halal) and the Jewish dietary laws (Kosher) impose specific dietary restriction. If you want to focus on Jewish or Islamic ethnic niche markets, you should consider implementing [Halal](#) or [Kosher](#) certification schemes.

Tips:

Consult the [Sustainability Map database](#) for sustainability labels and standards

Check the [guidelines for imports of organic products into the European Union](#) to familiarise yourself with the requirements of European organic traders.

Read our study on [Trends on the European processed fruit, vegetables and edible nuts markets](#) for an overview of the developments in terms of the sustainability initiatives in the European market

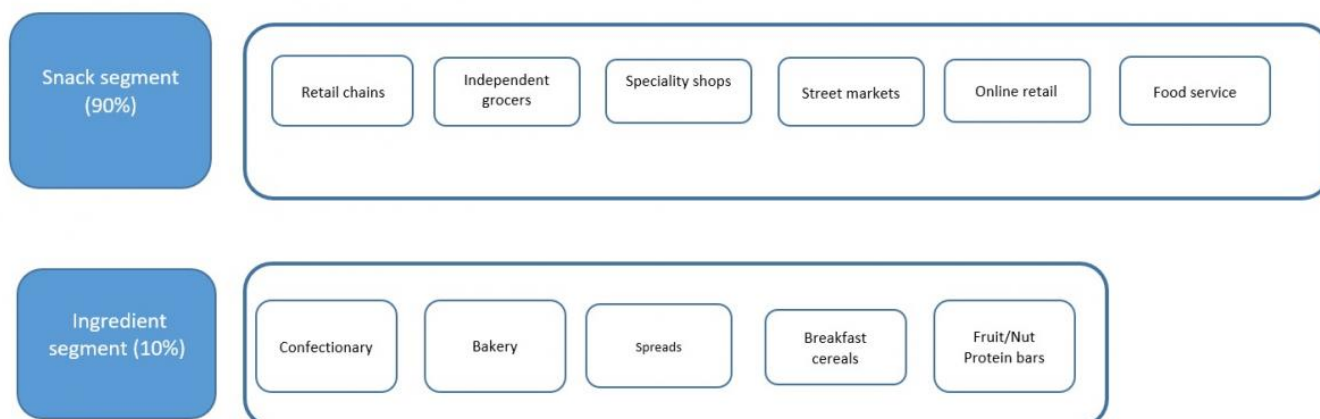
2. Through what channels can you get cashew nuts on the European market?

Cashew nuts are mostly used as a snack in Europe. They are also used as an ingredient in the food processing industry. The ingredient application market is much smaller, but is growing faster than the snack application market.

How is the end market segmented?

The largest user of cashew nuts in Europe is the snack segment. Approximately 90% of imported cashew nut kernels in Europe are sold as snacks, predominantly as roasted salty snacks. Cashew nut kernels are also increasingly used by food processing industries as ingredients.

Figure 1: End market segments for cashew nuts in Europe



In 2018, the retail value of the savoury snacks market in Europe amounted to around €17 billion, which is nearly 1.5% of the total European food and drinks market. The largest market for savoury snacks in Europe is the UK, with an estimated value of around €5 billion. The most consumed salty snack in Europe is still potato chips, but nuts (including cashew nuts) are increasingly consumed and perceived as a healthier option. Snack nut consumption in the EU increased by almost 80% between 2009 and 2018.

Within the snack segment, two different trends are influencing consumption. One is the development of different roasting flavours in order to diversify the offering and match it with different taste preferences. Another trend is the increasing range of unsalted and unroasted cashews as a healthier alternative to salted snacks.

Food processing segment

The food processing segment accounts for roughly 10% of the European cashew nut market. It is expected that this food processing segment will gain market share over the next several years. Several important product launches and developments are described in [the trends chapter of this study](#). The most common cashew ingredient users include the following:

- The confectionary industry mainly uses pieces and bits of cashew nuts to produce chocolate snacks. Also, chocolate-coated whole cashew kernels are increasingly offered as a new product following successful sales of chocolate-coated almonds in several European markets.
- The bakery industry uses splits and whole raw cashew nuts as spreads in cookies and pastries.
- Cashew nut spreads are a new product in several European markets and are promoted as a healthier alternative to peanut butter. In addition, cashew nut butter is mixed with other ingredients to offer a wider range of flavours to consumers.
- The breakfast cereals industry is launching new nut-rich granola products which frequently use cashew nuts.
- Protein and fruit-nut bars are increasingly offered as an alternative to sugary and chocolate snacks. Cashew nuts are often used as an ingredient in those products as a source of vegetable protein.
- Other segments cashew nuts are used in include: ready meals and sauces, such as pesto, where it is used as an alternative to the more expensive pine nuts.

Tips:

Monitor market developments within the European snack segment by visiting the news section of the website of the [European Snack Association](#).

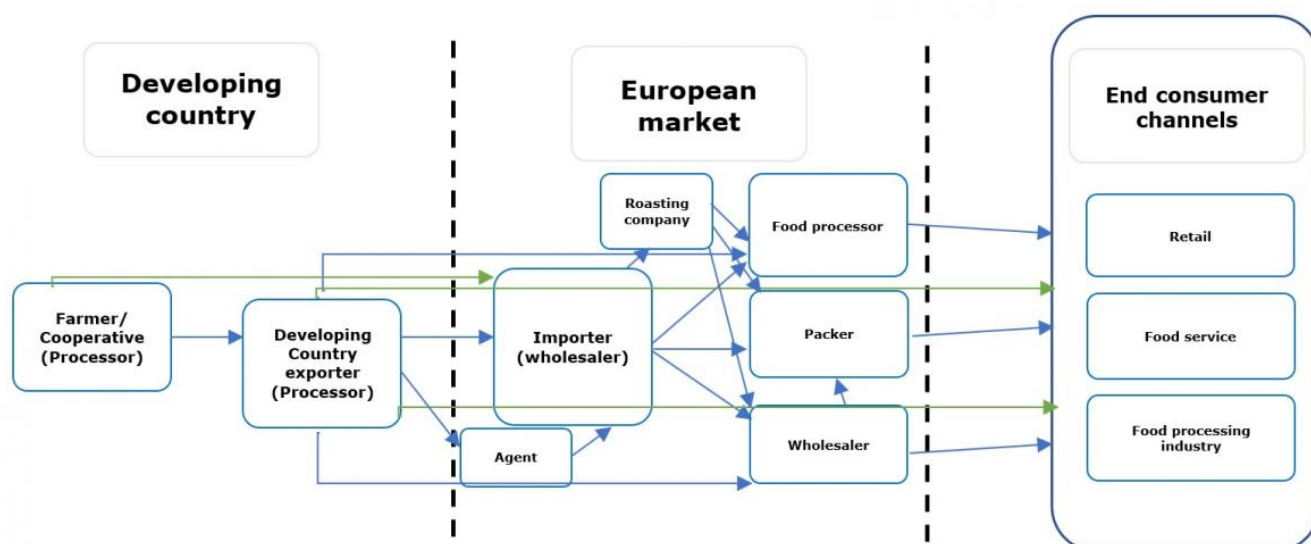
Search the list of exhibitors of the specialised trade fair [Fi Europe](#) to find potential buyers for your cashew nuts within the food ingredient segment.

Through what channels do cashew nuts end up on the end market?

Specialised nut importers represent the most important channel for cashew nuts in Europe. There are also several alternative channels, such as agents, food processors or food service companies.

Important players in the cashew nut segment include roasting and packing companies. Some roasting companies have specialised in selling roasted, salted and spiced cashew nuts to packers in bulk. Some important roasting companies in Europe include Ireco (Luxembourg, no website), [Intersnack](#) (Germany/International), [Max Kiene](#) (Germany) and [Trigon](#) (the UK). Many packing companies have roasting facilities in their factories, enabling them to develop different products which they can sell directly to consumer segments.

Figure 2: European market channels for cashew nuts



Importers/wholesalers

In most cases, importers act as wholesalers. They very often sell cashew nuts to roasting companies which process cashew nuts and package them for sale to consumers. Some importers also have their own processing and packing equipment, so they can also supply retail and food service channels directly.

Importers usually are usually quite knowledgeable when it comes to the European market and they closely monitor developments in cashew nut producing countries. Therefore, they are your preferred contact, as they can inform you in good time about market developments and provide practical advice about exports. Cashew nut importers normally import other types of edible nuts and dried fruit as well, so offering other products in addition to cashew nuts can increase your competitiveness.

For new suppliers, the challenge is to establish lasting relationships with well-known importers, as they usually already work with selected suppliers. Established importers perform audits and visit producing countries on a regular basis. Many new contacts find they must offer the same quality at lower prices than their competitors, at the start of the relationship.

The positions of the importer and food manufacturers are put under pressure by retailers. The higher demands imposed by the retail industry determine the supply chain dynamics from the top down in the chain. The pressure translates into lower prices but also added value in the form of “sustainable,” “natural,” “organic,” or “fair trade” products. As a result, transparency in the supply chain is needed. To achieve this, many importers develop their own codes of conduct and build long-lasting relationships with preferred developing country suppliers.

Agents/brokers

Agents involved in the cashew nut trade typically perform two types of activities. Agents normally act as independent companies that negotiate on behalf of their clients and as intermediaries between buyers and sellers. Typically, they charge commissions ranging from 2% to 4% for their intermediary services.

Another activity performed by these parties is the supply of private labels for retail chains in Europe. For most developing country suppliers, it is very challenging to participate in the demanding private label tendering procedures. For these services, some agents, in cooperation with their cashew nut suppliers, participate in procurement procedures put out by the retail chains.

Cashew nut agents in the leading European markets include the following: [Hpm Warenhandelsagentur](#)

(Germany), [MW Nuts](#) (Germany), [Global Trading](#) (Netherlands), [QFN](#) (Netherlands), and [Nutfully](#) (Belgium).

Retail channel

Retailers rarely buy directly from developing country exporters. However, certain developing country exporters (processors) package their products directly for private label or even their own label brands. Recently, the retail sector has become increasingly polarised, seeing a shift towards either the discount or the high-level segment. Consolidation, market saturation, fierce competition and low prices are key characteristics of the European retail food market.

The leading food retail companies in Europe differ per country. The companies with the largest market shares are Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeka, Leclerc, Metro Group, Rewe Group, Auchan, Intermarché and Ahold (Delhaize, Albert Heijn and several other brands).

Foodservice channel

The foodservice channel (hotels, restaurants and catering establishments) is usually supplied by specialised importers (wholesalers). The foodservice segment often requires specific packaging of cashew nuts in weights of 1kg to 5kg, which is different from the requirements for bulk or retail packaging.

World cuisines, healthy food and food enjoyment are the major driving forces in the foodservice channel in Europe. The fastest-growing business types tend to be new (healthier) fast food, street food and pop-up restaurants, as well as restaurants serving international cuisines and sandwich bars.

Tips:

Search the [list](#) of members of the European Trade Federation for Dried Fruit and Edible Nuts (FRUCOM) to find buyers from different channels and segments.

Understand the pressure from retailers for sustainable products and increase your competitiveness by investing in different certification schemes related to CSR, organic foods or food safety. Having food safety certification is the minimum requirement if you want to tap into the retail segment.

What is the most interesting channel for you?

Specialised importers seem to be the most useful contact if you aim to export cashew nuts to the European market. This is specifically relevant for new suppliers as supplying the retail segment directly is very demanding and requires considerable investments in the area of quality and logistics.

However, packing for private labels may be an option for the well-equipped and price competitive producers. Still, private label packing is often done by importers that enter into contracts with retail chains in Europe. In addition, in order to have full control of the processing, it is easier to roast and pack cashew nuts for the snack segment within Europe. As the cost of labour in Europe is increasing, cashew nut importers sometimes search for more cost-effective roasting operations, in Eastern Europe or developing countries, for instance.

3. What competition do you face on the European cashew nut market?

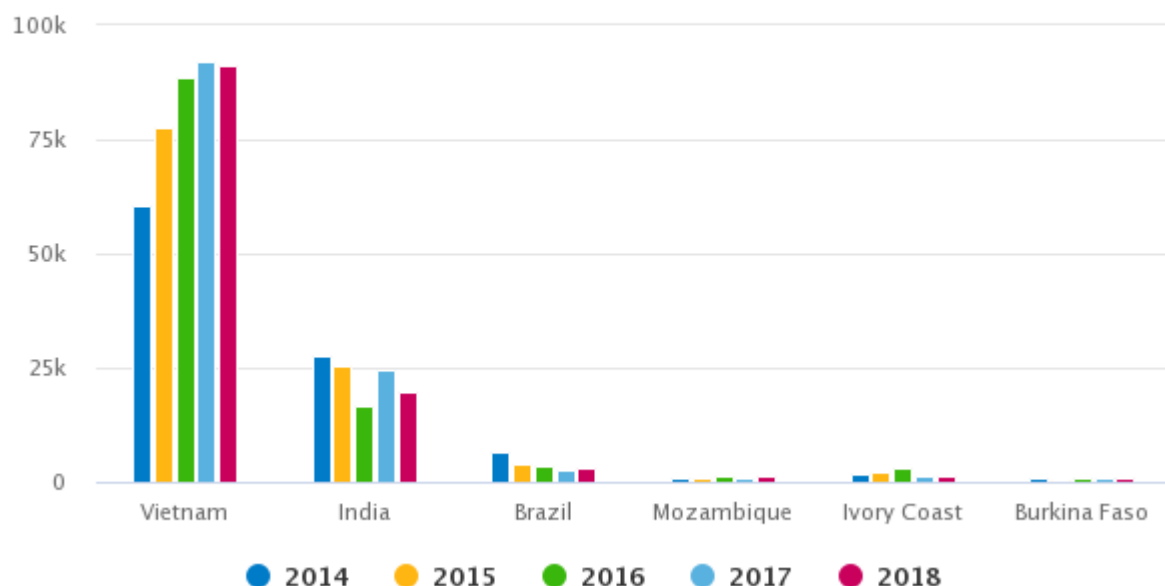
Which countries are you competing with?

Vietnam and India are the key competitors for emerging suppliers of cashew nuts to Europe. These two countries supply more than 90% of all cashews to Europe, followed by Brazil which has a market share of

approximately 3%. Apart from these three leading suppliers, no other country holds a European market share of more than 1%. However, there are a lot of initiatives in Africa to increase processing capacity. This is already boosting imports from African destinations.

Figure 1: Leading suppliers of cashew nuts to Europe

in tonnes



Source: Eurostat

Vietnam by far the leading supplier of cashew nuts to Europe

Vietnam is the leading exporter of cashew nuts to Europe and the rest of the world. In terms of tonnes of in-shell cashew nuts, Vietnam actually produces less than Ivory Coast and India. In 2018, Vietnam produced around 77,000 tonnes of shelled cashew nut kernels but exported 3.5 times more (around 270,000 tonnes). This is explained by the installed shelling capacity in Vietnam which means a much greater quantity can be handled than for domestic production alone. In order to utilise these shelling facilities, Vietnam imports in-shell cashew nuts from Ivory Coast, Cambodia, Tanzania, Ghana, Nigeria and other producing countries.

Most of the shelled cashew nuts (kernels) produced by Vietnam are exported, with only around 5% being consumed locally. In 2018, Vietnam exported 266,000 tonnes of cashew nut kernels, with the United States as the leading export destination. Around 30% are exported to the European Union. 50% of Vietnamese exports of cashew nuts to Europe go to the Netherlands.

The Binh Phuoc province accounts for 50% of Vietnam's total cashew production. The harvesting seasons depend on weather conditions but frequently last from January to May. The practice of manually cracking has almost been eliminated in Vietnam due to unavailability of workforce. Instead, the in-shell cashews are cooked and then cracked by machines.

To maintain the leading position in the world's cashew supply, the Vietnamese cashew industry receives support from various governmental and industry organisations. Investments in new cashew plantations and productivity are supported by the [Vietnamese Ministry of Agriculture and Rural Development \(MARD\)](#). In addition to the development of domestic production, MARD also cooperates with Cambodia to develop reliable sourcing for the domestic processing industry. The [Vietnam Cashew Association \(VINACAS\)](#) supports the development of technology and promotional activities, while the [Vietnam Trade Promotion Agency](#) supports export activities.

India, the world leader in cashew nut production and consumption

With a crop of 198 thousand tonnes of kernels, India was the top producer in 2018/19, followed by Ivory Coast, Vietnam and Tanzania. In contrast to Vietnam, India consumes large quantities of cashew nuts locally. According to the International Nuts and Dried Fruit Council, India consumes around 30% of domestic production of cashew nut kernels. Domestic consumption in 2017 was estimated at 254,000 tonnes, which is 100,000 tonnes more than the second-largest market worldwide, the US.

Production facilities are mainly located in coastal regions with Maharashtra as the leading producing region. Harvesting usually takes place in March, April and May. Although Indian cashew production continues to increase, productivity is still lower than in Vietnam because of the frequent use of manual processing.

The production and export of Indian cashews are supported by the [Cashew Export Promotion Council of India](#). The Indian government supports efforts to increase the production area and the replanting of old trees. Still, the large processing capacities are larger than needed to handle domestic production and large quantities of in-shell nuts can be imported from Western African countries – Ivory Coast, Benin, Tanzania, Ghana, Guinea-Bissau and others. The main export market for Indian cashew nuts is the United Arab Emirates, followed by the Netherlands, Japan and Saudi Arabia.

Brazil

Brazil accounts for 4% of global cashew kernel production and 2% of global exports. Cashew nut production in Brazil is concentrated in the northeast of the country with around 95% of cashew nuts produced in the states of Ceará, Piauí and Rio Grande do Norte. Similar to Vietnam and India, Brazil imports in-shell cashew nuts from Africa in order to utilise processing capacities. A specific characteristic of Brazil is that imports in-shell cashew nuts only from Ivory Coast.

Due to its geographic location, Brazil exports most of the cashew nuts to the United States – around 45%. In 2018, 24% of Brazilian cashew nuts were exported to the European Union with the Netherlands as the top export destination. Export promotional activities are undertaken by the [Brazilian Trade and Investment Promotion Agency](#) (APEX Brasil). APEX Brasil arranges for national stands at European trade fairs and other trade events.

Mozambique, emerging developing country supplier

European imports of cashew nuts from Mozambique have increased significantly since 2014, with only 755 tonnes imported in 2014 compared to 1200 tonnes in 2018. Still, Mozambique's share represents only 1% of total European imports. Most of Mozambique's cashew nuts go to the Netherlands (50%), followed by Portugal (18%) and the United Kingdom (13%).

Currently, Mozambique exports more than 80% of its cashew nuts as raw in-shell nuts to Vietnam and India. However, processing capacities are increasing. Within just one year, processing capacities doubled, from 50,000 tonnes of in-shell nuts in 2017 to more than 100,000 tonnes in 2018.

The [National Institute of Cashew](#) is implementing the government's Cashew Master Plan for the period from 2017 to 2020. This includes several interventions such as the replacement of the old trees, introduction of new technologies, promotion of the processing industry and creation of new jobs. In order to promote processing, the government of Mozambique is levying export taxes for in-shell nuts while no tariff applies to kernels. Apart from the national support, the cashew sector in Mozambique receives aid from international projects such as [ComCashew](#) financed by Germany (GIZ), [MozaCajú](#) financed by the US (USAID) and the World Bank programme [Let's Work](#).

Ivory Coast, the world's largest in-shell producer

Ivory Coast is the world's number one in-shell producer of raw cashew nuts, producing an estimated 800,000

tonnes in 2019. Ivory Coast does not have sufficient processing capacity for shelling, so the country exports most of its cashews, like other African countries, as in-shell nuts to Vietnam and India. However, Ivory Coast receives national and international support (including from [CBI](#)) and investments in processing capacities.

Exports of shelled cashew nuts from Ivory Coast increased from 6000 tonnes in 2014 to almost 10,000 tonnes in 2018. Still, Europe is not the main target market for cashew nuts and the exports to Europe decreased between 2016 and 2019 from about 3000 tonnes to 1200 tonnes, respectively. The sharp rise in exports of shelled cashew nuts from Ivory Coast to Vietnam was the most striking development. Exports to Vietnam have increased more than 8-fold over the last five years, from 500 tonnes in 2014 to more than 4000 tonnes in 2018.

The Cotton and Cashew Board (Conseil du Coton et de l'Anacarde) regulates cashew production and marketing and promotes processing in Ivory Coast. The government supports investments in processing through various different subsidies. For example, it was recently announced that cashew nut processors in Ivory Coast will be exempted from customs duties and value-added taxes for processing equipment purchased in the next five years.

Burkina Faso

Production and processing of cashew nuts are increasing in Burkina Faso. In 2018, the crop of in-shell cashews was estimated at 100,000 thousand tonnes and exports at 130,000 tonnes (including some stocks from the previous season). However, almost all of these cashews were exported as in-shell nuts for further processing. In 2018, the key destinations were re-exporting countries, primarily Ghana and Singapore. In 2018, the export of shelled cashew nuts to Europe increased to 1000 tonnes with the Netherlands as the main destination.

The production of cashew in Burkina Faso is supported by the National Union of Cashew Producers (UNPA), the National Association of Processors, and the National Union of Cashew Nut Exporters. In addition, Burkina Faso is included in the activities of [African Cashew Alliance](#) (ACA), [ComCashew](#) and [Self Help Africa](#).

Tips:

Visit VINACAS' [Golden Cashews Rendezvous](#) event to meet producers and learn more about the development of the cashew industry in Vietnam.

Participate in the World [Cashew Convention](#) to gain insight into the global cashew industry.

Attend the ACA's [Cashew Conference](#) to inform yourself about the development of cashew production and processing in Africa.

Visit [weOK](#) sites of the national cashew associations of the leading suppliers such as the [National Institute of Cashew](#) (Mozambique) to gain a better understanding of other supplying countries.

Which companies are you competing with?

There are thousands of companies around the world that produce, process and export cashew nuts. One company stands out, as one of the most important influencers in the cashew community. That company is [Olam International](#), the largest cashew nut exporter in the world, which processes cashew nuts in several countries.

Olam runs more than 15 cashew processing facilities in Asia and Africa. In India and Vietnam, Olam uses fully-mechanised shelling facilities. In the supply of cashew nuts, Olam pays considerable attention to food safety. Olam also invests in sustainability through different programmes such as the [Olam Livelihood Charter](#) (helping smallholders and local communities improve their standard of living) or participation in projects such as the [Sustainable Nut Initiative](#).

A quick overview of some leading companies per supplying country is given below.

Vietnamese companies

According to VINACAS, Vietnam is home to nearly 400 companies which export in-shell cashews and around 150 processing companies. The top exporter of Vietnam's cashew kernels is Olam International, with around 10% of the total export share. However, Olam cannot simply be considered a Vietnamese company only, as it is a multinational (headquartered in Singapore) with cashew nut processing operations in several countries. After OLAM, the largest Vietnamese cashew nut processor is the company [Long Son](#).

Long Son, is Vietnam's largest processor with ten processing facilities across the country. Long Son is constantly growing as a result of mergers with and acquisitions of other processors in Vietnam. Moreover, Long Son owns several companies outside of Vietnam.

The other three exporters among the top five are [Thao Nguyen](#) (also famous for the production of cashew cardanol oil), Minh Huy, and [Hoang Son 1](#). Other companies that are thought to be among the top ten exporters and/or processors in Vietnam are [Cao Pat](#), [Phu Thuy](#), [Rals Vietnam](#) (a subsidiary of Indian company Rajkumar Impex), [Da Kao](#), [Lafooco](#) (part of PAN Food), Tanimex, Tan Hoa, [Haprosimex](#) and [Hapro](#).^[A3] [Phuc An](#), [My An Co](#), [Tan Lon Group](#) and [Dan On Foods](#) are also important processors. The remaining companies are much smaller as compared to the top exporters; the next 40 companies in the ranking account for only about 1% of the total export value.

Indian companies

India is home to many cashew nut processing and exporting companies. Many of these are located in the Kollam (district and city of the Indian state of Kerala). According to India's Cashew Promotion Council, more than 90% of exported cashew kernels are processed in Kollam. More than [150 companies](#) are listed on the page of Kollam's cashew processors. In addition, the Cashew Promotion Council of India publishes a longlist of some [190 exporters of cashew nuts](#).

Like Vietnam, Olam International is an important cashew processor in India. Other notable Indian exporters include [Bismi Cashew Company](#) (with seven factories and two packing centres), [Fernandes Brothers](#) (one of the leading exporters, in operation for several decades), [Bola Surendra Kamath & Sons](#) (a large exporter which also the imports almonds and pistachios to India) and [Paranjape Agro Products](#).

Cashew companies from Brazil

In order to utilise the existing processing capacity, Brazilian companies also started investing in production in Africa, similar to Vietnam and Indian companies. The largest processor is [USIBRAS](#), with business units in Brazil ([Nutsco](#)), Ghana and the US. Usibras processes over 35% of the Brazil's total cashew crop (70 thousand tonnes annually). Examples of other Brazilian cashew companies are [Amedoas](#), Cione and Carino.

African cashew suppliers

Olam International is also the largest cashew nut processor in Africa. Aside from Olam, there are many other cashew companies that are increasing their exports to Europe.

- Mozambique – The largest processor is Olam. [Condor Nuts](#) is the largest local processor with three factories and an annual processing capacity of 25,000 tonnes. Together, Condor and Olam process around 50% of the raw cashews produced in Mozambique.
- Ivory Coast – Olam is the largest processor with a processing capacity of more than 40,000 tonnes per year. Other large processors include CILAGRI, [SITA](#), [FMA](#) and Cajou des Savanes (CASA) followed by several other companies.
- Burkina Faso – As in other African countries, OLAM is an important processor in Burkina Faso. The largest local processor is Anatrans, followed by several others. Organic importer and wholesaler Gebana, which is

headquartered in Switzerland, was active in Burkina Faso for 12 years, but recently went bankrupt. However, in November 2019, Gebana announced the company's [rehabilitation and a fresh start of operations](#).

Tips:

Monitor activities of the [Global Cashew Council](#) to stay informed about the activities of the largest cashew-producing, processing and trading companies. You can also participate in the World [\[A4\] Cashew Convention & Exhibition](#).

Participate in the VINACAS [Golden Cashew Rendezvous](#) to meet the leading cashew companies in Vietnam.

Take part in ACA's annual [Cashew Conference](#) to stay informed about the cashew industry in Africa and to meet representatives of African companies.

Use the services of your national export promotion agency and actively participate in the creation of export strategies.

Regularly visit major European trade fairs to meet competitors and potential customers. [ANUGA](#), [SIAL](#) and [Food Ingredients](#) are just a few examples.

Which products are you competing with?

Cashew nuts have unique flavour. It is therefore unusual for buyers to consider alternative products.

Cashews are often consumed as part of a salted nuts mix. In such a mix, the proportions of the various types of nuts may vary and will in part determine the price of the mix. The nuts which are most similar to cashews in terms of flavour are probably peanuts, while in terms of popularity, almonds are the toughest competitor of cashews. Almonds, like walnuts and hazelnuts, are traditionally used as ingredient in confectionery, breakfast products, and as topping, more so than cashews.

One of the advantages of almonds is that they cost less than cashews. The FOB price of almonds is on average 60% lower than that of cashews. Additionally, the consumption of almonds is promoted more aggressively by the US, the leading supplier of almonds to Europe, than the consumption of cashew nuts is promoted by the leading cashew suppliers (India and Vietnam).

Tip:

Read [CBI's study](#) on almonds to understand the almond industry and learn about promotional tools used by the almond suppliers.

4. What are the prices for cashew nuts?

Depending on the country, retail chain and brand, the prices of the cashew nuts sold to end consumers vary significantly across Europe. The prices of salty roasted cashew nuts usually range from €20/kg to €25/kg, while prices of natural unsalted kernels commonly vary between €12 and €15/kg. These price ranges do not tell cashew nuts suppliers a lot, as the final price is very different from the export price due to the addition of many other costs, such as transport, roasting, packing, sales and profit margins. The approximate breakdown of cashew prices is shown below.

Table 1: Breakdown of retail prices for cashew nuts

Steps in the export process	Price breakdown
Farmers, traders and shipping	29%
Shelling and processing	16%
Shipping and warehousing	3%
Roasting, packing and distribution	22%
Retail margin	30%

The export price of cashew nut kernels has fluctuated considerably since 2012. Between 2012 and 2015, the price was stable. Between 2015 and 2017, prices rose sharply and subsequently declined in 2018 and 2019. In 2019, the average price for cashew kernels even fell below €8/kg. This is just the average price, as the prices vary depending on the type of product. For example, in 2019 the FOB price of Vietnamese W320 kernels was around €7.70/kg, while the price for splits and pieces was – unsurprisingly – significantly lower.


Tip:


Subscribe to the [IEGVu](#) portal, which is one of the most respected market information services for food ingredients, including cashew nuts. Subscribers have access to overviews of cashew nut export prices which are published regularly and updated frequently.


This study was carried out on behalf of CBI by [Autentika Global](#).

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