

CASHEW NUTS



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Ref ; Resurgent Agric /Cashew/Ver 01

List of Contents

S.No	Title	Page No.
1	Agricultural and Botanical details	3
2	Uses	3
3	Production	4
4	Framework	6
5	Varieties of Commodity	8
6	Consumption	8
7	Exports: Quantity and value	9
8	Major Production Organisations in India	10
9	Major Domestic sales organisations in India	11
10	Major Export organisations in India	14
11	Major importing countries of Indian Coffee	15
12	Network of origin countries and importing countries other than India	15
13	Apex bodies/Associations	16
14	Commodity Exchanges	17
15	Major Challenges in the domestic trade	18
16	Major Challenges in the Export trade	19
17	Govt Policies and Incentives to promote the production and export	20
18	Conclusion	22
19	Bibliography	23

1. Agricultural and Botanical details

The cashew tree (*Anacardium occidentale*) is a tropical evergreen tree that produces the cashew seed and the cashew apple. Cashew nuts are actually seeds, found growing on the end of the cashew apple. Also known by the botanical name *Anacardium occidentale*, the cashew is a close relative of mangos, pistachios, poison ivy and poison oak. Originally native to northeastern Brazil, it was first introduced on a worldwide scale by Portuguese explorers in the 16th century, but international trade didn't take off until the 1920s. The tree is now widely cultivated in Vietnam, Nigeria and India as major production countries. It was introduced in India during the later half of the Sixteenth Century for the purpose of afforestation and soil conservation. From its humble beginning as a crop intended to check soil erosion, cashew has emerged as a major foreign exchange earner next only to tea and coffee. Cashew nut is one of the important nuts grown in the world and ranked first. Among various nuts such as hazelnuts, almonds, etc., cashew nut enjoys an unenviable position and it is an unavoidable snack in all important social functions especially in the western countries. Sometimes called "nature's vitamin pill," cashew nuts, which now rank #1 among nut crops in the world with 4.1 billion pounds produced in 2002, have been used to promote wellness for centuries.

It can grow as high as 14 metres (46 ft), but the dwarf cashew, growing up to 6 metres (20 ft), has proved more profitable, with earlier maturity and higher yields. The cashew seed, often simply called a cashew, is widely consumed.

2. Uses

The cashew apple is used for its juicy but acidic pulp, which can be eaten raw or used in the production of jam, chutney, or various beverages. Depending on local customs, its juice is also processed and distilled into liquor or consumed diluted and sugared as a refreshing drink, Cajuína. In Goa, India, the cashew apple is the source of juicy pulp used to prepare *fenny*, a locally popular distilled liquor. The cashew apple contains much tannin and is very perishable. For this reason, in many parts of the world, the false fruit is simply discarded after removal of the cashew nut.

The urushiol must be removed from the dark green nut shells before the seed inside is processed for consumption; this is done by shelling the nuts, a somewhat hazardous process, and exceedingly painful skin rashes (similar to poison-ivy rashes) among processing workers are common. In India urushiol is traditionally used to control tamed elephants by its mahout (rider or keeper). The so-called "raw cashews" available in health food shops have been cooked but not roasted or browned.

Cashew nuts are a common ingredient in Asian cooking. They can also be ground into a spread called cashew butter similar to peanut butter. Cashews have a very high oil content, and they are used in some other nut butters to add extra oil. In an off-the-shelf package of cashews found in the United States, a 30-gram serving contains 180 calories (750 kilojoules), 70% of which was fat.

The liquid contained within the shell casing of the cashew, known as Cashew Nut Shell Liquid (CNSL), has a variety of industrial uses which were first developed in the 1930s. CNSL is fractionated in a process similar to the distillation of petroleum, and has two primary end products: solids that are pulverized and used as friction particle for brake linings, and an amber-colored liquid that is laminated to create phenalkamine curing

agents and resin modifiers. Phenalkamines are primarily used in epoxy coatings for the marine and flooring markets, as they have intense hydrophobic properties and are capable of remaining chemically active at low temperatures.

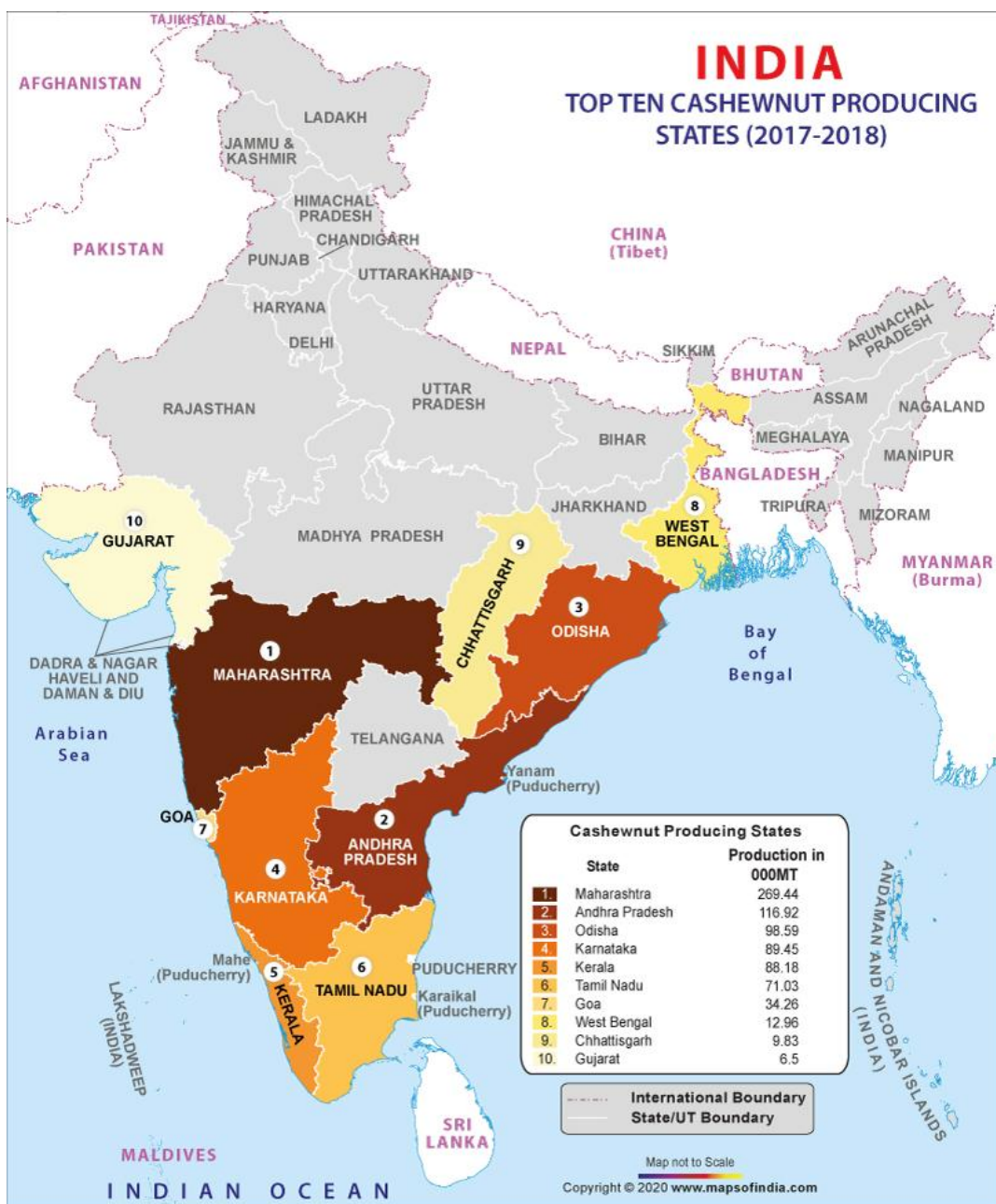
Cashew nuts are commonly eaten as food. People also use the nut to make medicine. Cashew is used for diabetes, high cholesterol, heart disease, stomach and intestinal (gastrointestinal) ailments, skin problems, and other conditions, but there is no good scientific evidence to support these uses.

3. Production

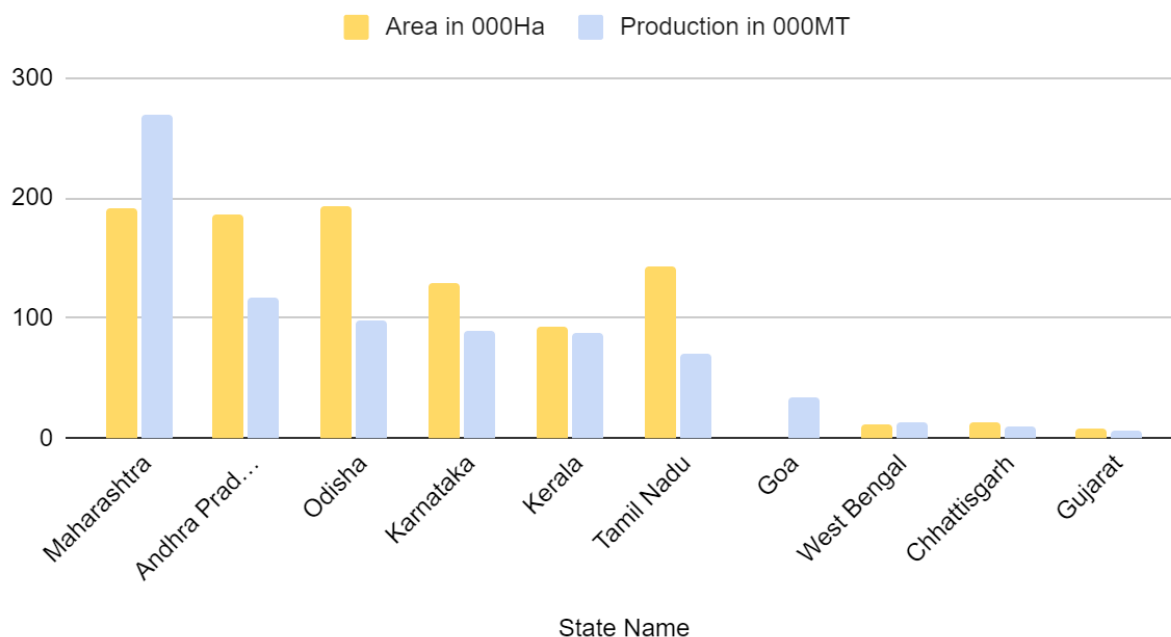
3.1.1 Worldwide

Rank	Country (2017-18)	Share in Production (%)	Production Quantity (in 000MT)	5 Year Growth in Quantity (in %)
1	Vietnam	44.9	2660	139.8
2	India	13.2	785.93	4.4
3	Ivory Coast	11.6	688	34
4	Philippines	3.9	228.61	56.3
5	Benin	3.6	215.23	8.6
6	Tanzania	2.9	171.46	34.0
7	Mali	2.8	167.62	324.4
8	Guinea Bissau	2.5	150.93	10
9	Brazil	2.4	141.42	28.9
10	Indonesia	2.3	136.4	17.6
11	Mozambique	1.8	108.14	30.3
12	Burkina Faso	1.7	103.33	-10.1
13	Nigeria	1.6	97.86	-49.2
14	Ghana	1.2	72.76	73.2
15	Colombia	0.9	55.33	1298.6

3.1.2 In India



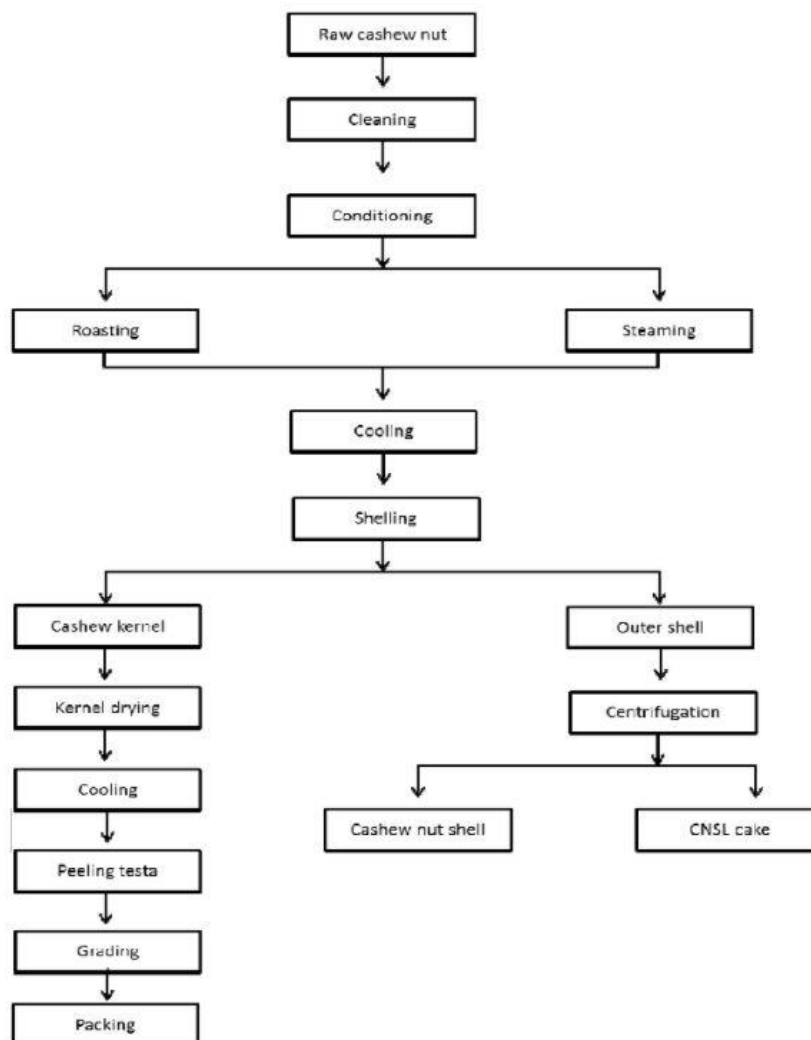
Top 10 Cashew Producing States



4. Framework forward/backward /lateral linkages

The unit operations involved in commercial cashew nut processing are explained in the figure below. Cleaning is usually done manually and eliminates unwanted extraneous materials such as stones, sand, twigs and leaves before any further processing. Soaking of nuts in water helps to avoid scorching during the roasting operation. This conditioning operation (soaking-draining-drying) is carried out until an approximate moisture content of 9 % w.b. is reached. Roasting of nuts makes the shell brittle and loosens the kernel from the shell. Simultaneously, the nut releases the dark brown coloured Cashew Nut Shell Liquid (CNSL). Most common methods of roasting include: open pan method, drum roasting method and oil bath method. While open pan and drum roasting methods involve direct heat transfer, the latter method employs non-edible oils as heat transfer medium. The effect of roasting is seen in the texture, colour, flavour and overall appearance of cashew kernels. Hence, selecting the correct roasting method is a deciding parameter of end product quality. The next step is shelling removal of the roasted outer cover. This process is done either by manual (nuts are placed over a flat surface and cracked individually with a wooden mallet) or mechanical (mechanical action of a knife to open up the shell) methods. Most Indian units have an out turn off at 50-56 % . An efficient unit produces minimal broken and splits. However, most units yield less than 70 % whole kernels. Separation of cashew kernels from broken shell pieces and unshelled kernels is the next requirement. This is done either manually (hand picking) or mechanically (using a blower). Shelled kernels thus obtained would contain the testa adhering to the surface. Kernels are passed through subsequent stages of drying and cooling to make the testa brittle. Most conventional drying systems such as hot air and kiln dryers suffer huge levels of energy losses. During this

stage, the moisture content of the kernel is observed to reduce from 7 % to 3 % w.b.. Next, the testa is peeled either manually (rubbing the kernels, followed by a knife-finish) or mechanically (air-blasting kernels passed through a series of rubber rollers). However, the testa is known to be a rich source of polyphenols (Mathew and Parpia, 1970) and catechins. These values are reported to be higher than in tea and chocolates. Ethanolic extract of testa showed significant levels of antioxidant activity. The nutraceutical of the testa has been ignored. A sorting operation is required to segregate the kernels into whole, broken and splits. Cashew kernels are finally graded based on size, colour and other standards. In India, CEPCI specifications are usually adopted for grading cashews. The kernels are finally packed in flexible polymers or metal packs, preferably under vacuum. This is to minimize the effects of deteriorative oxidative reactions that would result in development of rancid off-flavour compounds and hence, degrade market value.



5. Varieties of commodity grown in india - location and qty .Metrics of Quality Parameters and Indian produce range of parameters

State	Varieties
Tamil Nadu	Vridhachalam-1 , Vridhachalam-2 , Vridhachalam-3 , VRI 4,VRI (CW) H1
Kerala	Akshaya (H-7-6) , Amrutha (H-1597) , Anagha (H-8-1) , Anakkayam-1 (BLA-139-1) , Dhana (H-1608) , Dharasree (H-3-17) , K-22-1,Kanaka (H-1598),Madakkathara -1 (BLA-39-4),Madakkathara-2(NDR-2-1),Priyanka (H-1591),Sulabha (K-10-2)
Andhra Pradesh	BPP-1,BPP-2,BPP-3,BPP-4,BPP-5,BPP-6,BPP-8(H2/16)
Karnataka Varieties	Chintamani-1,NRCC-1,NRCC-2,Ullal-1,Ullal-2,Ullal-3,Ullal-4,UN-50
Maharashtra	Vengurla-1,Vengurla-2,Vengurla-3,Vengurla-4,Vengurla-5,Vengurla-6,Vengurla-7
Goa	Goa-1
Orissa	Bhubaneswar-1
West Bengal	Jhargram-1

For detailed information about the varieties [click here](#).

6. Domestic Consumption-quantity and value

In this section, consumption data calculated for years 2017 up till 2020 is indicated. The following factors were taken into consideration for calculation of the same:

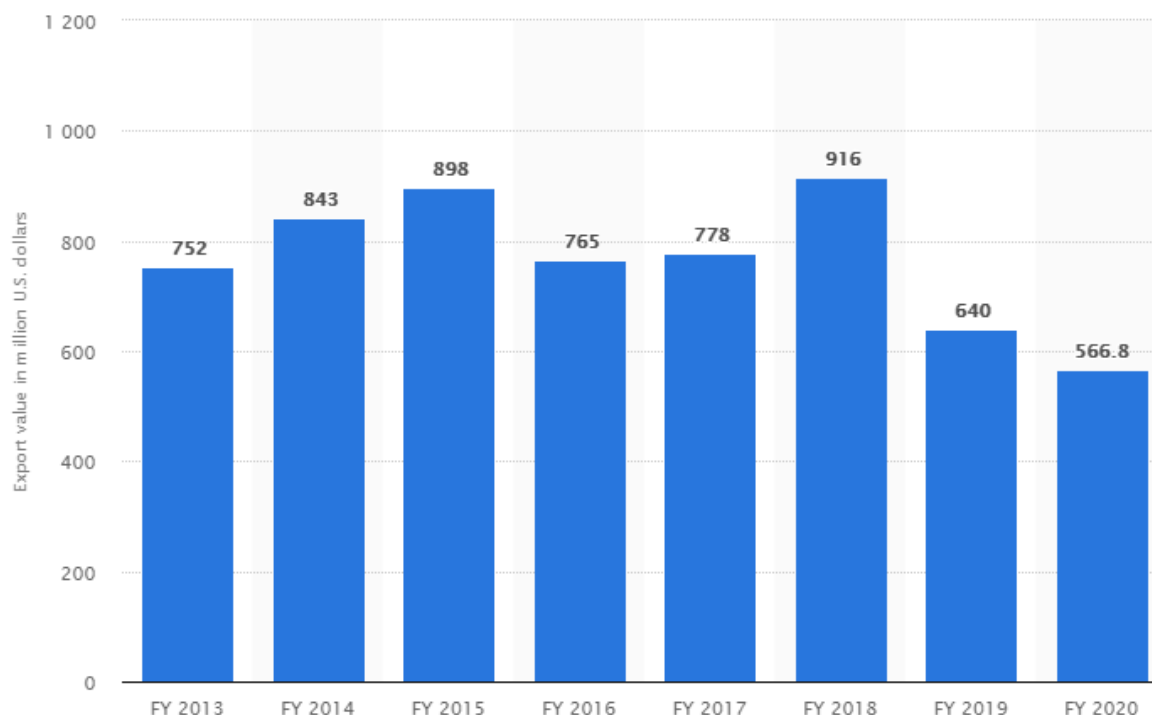
- As per NSSO, the per capita consumption of cashew kernel was 1 gm/ month for rural population and 8 gm for urban population for the year 2011-12. Hence, the annual consumption of cashew for rural population was 12 gm / annum and 96 gm / annum for urban population.
- As per census 2011, the rural population was 0.83 billion followed by urban population of 0.38 billion. Annual growth rate of urban population was 0.031 and 0.0123 for rural population.
- The growth of consumption of cashew was assumed to be 5 per cent / annum

As per field level discussion and assessment of secondary data, on an average the cashew nuts required for processing 1 kg of kernels of cashew was 3.5 kg. The total consumption of cashew kernels in 2017 was 61,917 MT. Hence, the total requirement of raw cashew for 2017 was 2.16 lakh MT.

Year wise projected population (in million) & consumption of cashew (in MT)

Year	Rural Population	Urban Population	Total Porulation	Rural Consumption	Urban Consumption	Total Consumption
2011	0.8	0.4	1.2	10,002	36,202	46,204
2012	0.8	0.4	1.2	10,502	38,012	48,514
2013	0.9	0.4	1.3	11,027	39,913	50,940
2014	0.9	0.4	1.3	11,578	41,909	53,487
2015	0.9	0.4	1.3	12,157	44,004	56,161
2016	0.9	0.4	1.3	12,765	46,204	58,969
2017	0.9	0.5	1.4	13,403	48,514	61,917
2018	0.9	0.5	1.4	14,073	50,940	64,013
2019	0.9	0.5	1.4	14,777	53,487	68,264
2020	0.9	0.5	1.4	15,516	56,161	71,677

7. Export : Quantity and Value



Key Export Destinations

- Export earnings from cashew nut in FY20 stood at US\$ 566.76 million.
- The total cashew export from April 2020 to August 2020 was US\$ 143.93 million and for the month of August 2020, it was US\$ 31.42 million*.

- Total export volume in 2019 stood at 68.40K Metric Ton which is 1.2% more than the year 2018 but decreased by 19.8% in the last 3 years.

8. Major production organisations

State	Farm/Organization	Address	Contact	Website
Maharashtra	Dave Cashew Farm	Savare	9821144996	https://davecashewfarm.business.site/?utm_source=gmb&utm_medium=referral
	Cashew Hills of Konkan	Gavane	9323273299	http://www.cashewhillskonkan.com/
	Paranjape Cashews	Madhaliwadi	9130036201	http://paranjapeagro.com/
	Kedia Organic Agro Farms	Kalyan	9699991905	http://www.kediaorganic.com/
	Samrudhi Organic Farm India Ltd	Pune	8380005555	http://www.samruddhiorganic.com/
Andhra Pradesh	Bharat Cashew Manufacturing Company	Vetapalem Mandel	NA	NA
	Prabath Cashew Industry	Vetapalem mandal, Andhra Pradesh 523187	+919346700040	http://prabathcashews.wordpress.com/
	LAKSHMI SRI CASHEW TRADERS	12/112,C/o Sai Ram Rice Mill Building, Srinivasapuram Road Godavari, Andhra Pradesh 533001	+919492973799	http://lakshmisricashews.co.in/
	V One Cashew Industries	Unnamed Road, Vellanki, Andhra	+919848130000	http://vneci.net/

		Pradesh 531163		
Odisha	Odisha State Cashew Development Corporation Ltd.	near Toll Gate, Kumarbasta, Pitapalli, Odisha 752054	+916755211611	http://oscdc.nic.in/
	Mahashakti Agro Industries	OPP Lingaraj Granite Industries, near Lingaraj Granite Industries. 761054, Balipada, Odisha	+919937426666	http://www.odicashew.com/
	KB Cashew Maker Industries (KBCMI)	2nd Ln, Ramahari Nagar, Ram Nagar, Brahmapur, Odisha 760001	+917537969583	https://cashewmaker.com/
Karnataka	Belavala organic farm	https://goo.gl/maps/XeGjgTntvmE2	contact@belavala.org 9620999203/897 1867171/963203 9866	https://belavala.org/
	Panchakshari Cashews	Soorgoli, Belve Village and Post, Kundapur Taluk Udupi District -576212 Karnataka	panchakshari@gmail.com +918970852119, +918277361215	http://panchaksharicashews.com/
	Malnad Cashews	Hengavalli	+ 91 096329 01771 info@malnadcashews.com, sales@malnadcashews.com	https://www.malnadcashews.com/
	Radhika Cashew Factory	RADHIKA	EMAIL:	https://radhikacashew.com/

		CASHEWS BELVE, KUNDAPUR A (T) UDUPI (D) KARNATAKA - 576212	INFO@RADHIKA CASHEW.COM PHONE NUMBERS : 08259-283243 ,08259-283343 MOBILE NO : 94484-64485	om/
	Karnataka Cashew Development Corporation ltd	Abbakkanag ar, 1 st Main , Kottara, Mangalore-5 75 006.	Phone No. 0824 2457227, Fax no. 0824 2457724 e-mail: kcdcltd@gmail.co m	http://kcdccashew.com/index.html
Kerala	Kerala State Agency for the expansion of Cashew Cultivation	Aravind Chambers, Mundakkal, Kollam, 691001	+919446307456	http://cashewcultivation.org/
	Alphonsa Cashew Industries	Puthoor, Kerala 691507	+914742415579	http://www.alphonsacashew.com/
	Bismi Cashew Company	Kilikolloor Juma Masjid, Bismi Cashew Company, Mangad P.O, Kollam, Kerala 691015	+914742710966	http://www.bismicashewcompany.com/
	Western India Cashew Co. Pvt. Ltd. Kollam	Opposite Collector's Bungalow, Beach Rd, Kollam, Kerala 691001	+914742760943	http://www.wenders.com/

9. Major Domestic sales organisations

Company Name	Address	Contact And Email	Website
Shivam Cashew Industry	Block No. 483, Kashiba Farm, Bakrol Gam, Sarkhej Dholka Road, Bakrol Ring Road, Cross Road, Ahmedabad - 382210, Gujrat, India	CALL 08048953509	https://www.shivamcashewindustry.com/
Siddhitech Trader	No. 110, First Floor, Ajanta Square Mall, Market Lane, Borivali West, Mumbai - 400092, Maharashtra, India	CALL 07971338650	https://www.siddhitechtrader.com/
Kd and Company	72, Ganga Sagar Jaipur - 302021, Rajasthan, India	CALL 08048883335	https://www.kdandcompany.co.in/
Shentou Traders(OPC) Private Limited	Sec 3, Ridhi Sidhi appt., new panvel east, Navi Mumbai, Thane-410206, Maharashtra, India	CALL 07971475422	https://www.indiamart.com/shentoutradersopc/
Mount Darwin Agro	90, Shaheed Nagar Shaheed Nagar, Ambedkar University, Raebareli Road, Lucknow-226025, Uttra Pradesh, India	CALL 08047026863	https://www.indiamart.com/mountdarwinagro/
AVIS IMPEX	NO. 12, SUNDARAM NAGAR, PERUMAL KOIL STREET MADHAVARAM BUS DEPOT, Chennai-600060, Tamil Nadu, India	CALL 08048799068	https://www.indiamart.com/avisimpex/
Dhara Exim	A 3 Karnavati Estate, Unison Farma, Behind HOF Furniture, Changodar, Ahmedabad-382210, Gujrat, India	CALL 08048413363	https://www.indiamart.com/dhara-exim/
Lakshmi Narasimha Agencies	306/1, Shop No. 18, Centenary Building, Albert Victor Road, Chamrajpet Bengaluru - 560018, Karnataka, India	CALL 08048967848	https://www.cashewsalmoud.com/
Sunco Cashew Company	Plot no. 82,84 and 85, Dhaniyana Cross Road, Ambaji Highway, Palanpur,	CALL 08048757653	https://www.indiamart.com/suncocashewcompany/

	Banaskantha-385001, Gujaarat, India		
Shabbir Packaging Industries	Plot no. 204, Sidhi Industrial Infrastructure Park, Near MGVCCL, GIDC Waghodia, Vadodara-390019, Gujarat, India	CALL 08048764345	https://www.indiamart.com/mandsorwalapackinhouse/

All the sellers mentioned above are taking the orders online. However, amazon.in, cashewdeal.in, bigbasket.com and commodityonline.com are top online sellers of different varieties of cashew nuts.

10. Major Export organisations

S No	Company	Address	Contact	Website
1	Silk Route Trader	B3, 304 Lok Everest Mulund West Mumbai 400080	8082208134 himanshu@silkro utetrader.in	http://www.silkroute trader.in
2	Swathy Enterprises	PB No.2156 Kollam 691013	0474 2764030 swathyent@gmail .com	http://www.swathyenterprises.com
3	Shri Balaji Overseas	Shop No. 5595 Lahori Gate Naya Bazar New Delhi 110006	01143720540	
4	Kokan Foods Impex	Room No. 5, Building No. 76 B D D Blocks, Worli Mumbai 400018	022 24975774	https://kokanfoodsimportexport.zumvu.com/
5	Ak-skyangles Import-Export	Karuppaiya Illam , Arul Traders Opposite, Dharapuram Road, Oddanchatram(TK) Dindigul 624619	04553 243424	http://www.ak-skyangles.com

6	Sita Shree International	98/18 First Floor Parrys Chennai 600001		
7	Sarbamangala Udyog	Deuli Po+Ps Belda, Paschim Medinipur 721424	03229 2255120	
8	K. G. N. International Exports & Imports	New 213, (Old No). 92, Bharathi Salai Zambazar Triplicane, (Near Sagar Hotel) Chennai 600005	044 28485036 kgn@kgnexports. org	http://www.kgnexports.org/home
9	San Marine Exports	Sakthikulangara, Govt Boat yard Road, P.O., S.P.I/702 Kollam 691581	0474 2771821	https://san-marine-exports.business.site/
10	Olam Agro India Limited	DLF Building No. 8, Tower A Ground Floor, Phase II, Cyber City Gurgaon 122002	Fax +91 124 4839977, 4267357, 2746571, 1263696, 2473361, 5242349	http://www.olamgroup.com

11. Major importing countries of Indian produce of the commodity

Country	Share in total cashew exports from india (in %)	Export Value (in M\$)	Quantity Exported (000MT)	3 Year growth in Value (in %)
UAE	21.4	120.92	14.85	-34.1
Netherlands	14	79.07	9.74	106.3
Japan	11.9	67.31	7.72	23.2
Saudi Arabia	10.9	61.9	7.37	-10.08

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United States	6.1	34.79	4.46	-74.8
Spain	5.5	30.99	3.13	73.2
Germany	3.7	20.9	2.49	-2.3
Belgium	2.6	14.74	1.79	-27.4
Kuwait	2.5	14.21	1.66	-9.7

12. Network of origin countries and importing countries other than india

Refer: <https://www.tridge.com/intelligences/cashew-nut/import>

13. Apex Bodies

12.1 Global

Global Cashew Council

A historic agreement was signed in Budapest, Hungary, May 21, 2011, by the main cashew producers, industry, the United Nations Food and Agriculture Organization (FAO), the United Nations Economic Commission for Europe (UNECE), and the International Nut and Dried Fruit Council (INC) in the name of promoting growth and sustainability of the cashew nut sector.

The Global Cashew Council aims to promote usage and consumption of cashews, initiate nutritional and health studies, promote food safety, develop quality standards, and increase awareness of the health and nutritional benefits of cashews.

Contact: <https://www.cashews.org/en/contact-global-cashew-council>

12.2 In India

The Cashew Export and Promotion Council of India (CEPCI)

The Cashew Export Promotion Council of India(CEPC) was established by the Government of India in 1955, with the active cooperation of the cashew industry with the object of promoting exports of cashew kernels and cashew nut shell liquid from India. By its very set up, the Council provides the necessary institutional frame-work for performing the different functions that serve to intensify and promote exports of cashew kernels and cashew nut shell liquid. The Council provides the necessary liaison for bringing together foreign importers with member exporters of cashew kernels. The enquiries received from the foreign importers are circulated amongst Council members. The Council also extends its good offices in settling complaints amicably in the matter of exports/imports either on account of quality and /or variation in fulfillment of contractual obligations.

Contact: <http://cashewindia.org/>

14. Commodity Exchanges of this commodity

13.1 In india

Multi Commodity Exchange of India Ltd.

National Commodity and Derivatives Exchange Ltd.

13.2 Global

K PEHERAJ COMMODITY TRADING AGENCY

K Peheraj Commodity Trading Agency is a leading commodity broking firm dealing in Agro Commodities and have experience in this field from past 12 years. They operate from India and Vietnam and have a well experienced and dedicated team. they have a world-wide network of loyal clients and a dedicated vendor base of about 200 companies and products sourced from more than 15 countries across the globe. Their core products are Cashew Kernels (Vietnam/India) and Raw Cashew Nuts (Africa/Indonesia) which are sourced from their dedicated vendor base. Their annual sales for the Year 2018 for the said products were approximately 3,000 tons of Cashew Kernels and 30,000 tons of Raw Cashew Nuts. Their product portfolio has diversified and expanded to Rice, Sesame Seeds, Pepper, Cassia, Wheat Flour, Sugar, Cocoa, Desiccated Coconut. They are additionally able to source and offer Organic Seeds, Organic Spices and Organic Nuts. These products are sourced from the vendor base at various origins. Cashew Kernels: India, Vietnam, Brazil, Indonesia, Ghana, and Mozambique Raw Cashew Nuts: Indonesia, IVC, Ghana, Benin, Guinea Bissau, Mozambique, Nigeria, Tanzania, and Senegal Rice: India, Vietnam, Thailand and Cambodia, Sesame Seeds: India Pepper: India and Vietnam Cassia: Vietnam Wheat Flour-Turkey and Ukraine Sugar: India, Thailand and Brazil Cocoa: West Africa, Ecuador, Belgium and Malaysia Desiccated Coconut: Vietnam Organic Seeds / Spices / Nuts: India

Ivory Coast: soon an agricultural commodity exchange in West Africa

The project to create an agricultural commodities exchange is progressing in Côte d'Ivoire. The project started in July 2018 and the BMPA is expected to start its activities very soon. The Ivorian Minister of Agriculture visited, on July 28 the premises where virtual listings will be centralized, at the headquarters of the UEMOA regional securities exchange in Abidjan.

15. Major challenges in the domestic trade

The **reliance on raw cashews imported from Western Africa** due to the inadequate indigenous availability of the product is the major impediment for cashew in the domestic market. It is reported that India meets over 60% of cashew processing needs from imports. What has complicated the matter is the exorbitant raw nut prices, which typically range from US\$ 2,100 to US\$ 2,400 per tonne. This has forced many units in Kerala to shut down their factories due to non-viability of the trade. For instance, In Kerala's Kollam district, 700 out of the 834 registered factories have closed their doors in the last 2-3 years due to the paucity of working capital and non-viable operations.

The average productivity of the nuts in India is far less compared to that of other leading growers. This can be attributed to higher proportion of old and senile gardens in the country most of which have seedling origin. Due to **heterozygosity** the average performance of the orchards are poor.

Much of the cashew growing area is in **poor soil fertility zones**, which has limited the crop from attaining its full yield potential.

The **fragmented land holdings** have limitations in adapting the innovative technologies in cultivation of cashew.

Much of the supply coming from **small holders**, processing is a difficult task.

Imposition of Import Duty: Basic customs duty @ 5% was imposed with effect from 1st March 2016 which has very badly affected the availability of raw material for processing. As a result closure of more than 50% of units and loss in employment to the cashew workers. Export of kernels has also declined by around 15,000MTs.

Unattainable SION: As against the required ratio of 1:6, for obtaining exportable grades, the SION norms fixed at 1:5.04 ratios is not practically attainable.

Misuse of Imports of Cashew Kernels: While importing cashew kernels for re export, broken cashews are mis-declared as wholes and sold in the domestic market for a premium and replenished with domestic material for export.

High Cost of Production : Due to higher cost of labour and inadequate modernization in India, the cost of production is almost double than the cost of production in Vietnam

Stringent Factories & Labour laws: Since most of the cashew factories are small and in the cottage sector. Hence it is difficult to comply with stringent factory and labour laws like fire safety requirements, effluent treatment etc. which are required for large scale processing units.

GST issues

- Blockage of Funds / increased working capital requirement
- Non-refund of GST paid on Exports
- High GST for job works
- Interstate branch Transfer issues

FSSAI

- Absence of separate specification for raw cashew nut under FSSAI Customs Procedures Penalty for late Clearance of Cargo
- Denial of LDC benefits for traded goods Banking Support
- Change in NPA Norms
- Support to Sick Units
- Enhanced Working Capital support in tune with enhanced unit price of Cashew.

Higher initial investment cost for setting up the processing industry

Non-availability of sufficient raw materials domestically and uneven supply of raw materials

Fluctuating domestic prices and higher cost of imported raw nuts

Unavailability of skilled manpower

16. Major challenges in the export trade of cashew

Stiff competition from Vietnam and other countries that have cheaper processing costs is cited as the main reason behind this development. Currently, Vietnam constitutes about 76% of the cashew imports by the US, for instance, where India was a top exporter earlier. Vietnam has completely mechanised cashew processing, and can process raw cashew into kernels at about Rs 900 per bag. In sharp contrast to this, cashew processors in Kerala do the same at a relatively much higher cost of about Rs

3,500 per bag. What drives up the cost of this operation is the high labour charges in Kerala. Even in other south Indian states, processing charges amount to about Rs 1,400-1,500 per bag.

Misuse of the India-ASEAN FTA is another issue plaguing exports, according to the industry. This pertains to the inclusion of roasted and salted cashews in the list of items qualified for availing duty free status in FTAs/agreements with ASEAN. Importing the commodity by declaring it as roasted cashew or as cattle feed for zero duty is hampering competitiveness (surge estimated at 3,000 MT so far). On the other hand, the import duty for Indian cashew kernels is very high particularly in South Korea, Australia and China compared to competitors like Vietnam and African countries.

The lack of access to institutional credit due to the crisis in the banking sector (bad loans & NPAs) has prevented exporters from mechanizing the production process.

Non-tariff barriers are another detriment to imports of raw cashew. “While importing raw nuts from LDCs, the customs are insisting for 100% inspection and checking each bag for markings to confirm the source country. As per the DFTP scheme, only the Country of Origin Certificate issued by the relevant authority, original Commercial Invoice, Bill of Lading and other supporting documents are required to be produced. Since, the Raw Cashew Nut is an industrial raw material, normally; the seller uses the used bags of other products. Hence instances of marking about the consignee are not practical and harassment to the importers,” explains Mr. S. Kannan, Executive Director & Secretary of The Cashew Export Promotion Council of India in an exclusive interview to TPCI.

On the home front, there are also challenges like **higher valuation for the imported raw nuts and payment of duty** at 2.5% even for the import from LDCs are the real hurdles in selected ports. For example, it has been observed in Mangaluru, a cashew hub, customs have arbitrarily fixed the floor price of imported raw cashew at almost 30% more than the present market price. This has also eroded the competitiveness of cashew exporters. Further, weak local prices in the domestic market have discouraged exporters from selling their product in India

17. Government incentives and policies to promote the production and exports

Financial Schemes

Market Development Assistance scheme for exports (MDA Scheme):

<https://howtoexportimport.com/-MARKETING-DEVELOPMENT-ASSISTANCE-SCHEME-FOR-EXPOR-4118.aspx>

Market Access Initiative scheme for exports (MAI Scheme):

<https://howtoexportimport.com/How-does-MAI-scheme-promote-Exporters-in-India--4120.aspx>

Non-financial assistance

Buyer Seller Meet:

<https://howtoexportimport.com/Buyer-seller-Meet-to-boost-exports-4140.aspx>

Trade Delegations:

<https://howtoexportimport.com/Trade-Delegations-to-support-exports-4139.aspx>

International Fairs:

<https://howtoexportimport.com/International-Fairs-support-exporters-to-find-over-4138.aspx>

Seminars:

<https://howtoexportimport.com/Conducting-Seminars-to-boost-exports-4137.aspx>

Work Shop:

<https://howtoexportimport.com/Conducts-work-shop-for-exporters-4135.aspx>

Education and Training initiatives:

<https://howtoexportimport.com/Education-and-Training-initiatives-for-Exporters-4134.aspx>

Publications:

<https://howtoexportimport.com/Publications-for-Exporters-to-increase-export-sale-4133.aspx>

Research and Developments:

<https://howtoexportimport.com/Research-and-Development-for-export-market-4132.aspx>

Visa recommendation:

<https://howtoexportimport.com/Visa-recommendation-for-Exporters-4131.aspx>

Update on latest information:

<https://howtoexportimport.com/Update-on-latest-information-on-Export-trade-4130.aspx>

Award for export excellence:

<https://howtoexportimport.com/Awards-for-Export-excellence-4129.aspx>

18. Conclusions

Cashew-nut is an important agricultural commodity that ranks second in international trade amongst the major edible nuts. During the past two decades cashew-nut gained the status of a horticultural crop. India stands second after Vietnam in terms of cashew production. A conclusive destination is that Vietnam has experienced a growth of 140% in the last 5 years whereas India has been only able to maintain the constant production level in this time period. India meets 60% of the processing needs from imports (mostly from Vietnam). Reliance on raw cashews imported from Western Africa, fragmented land holdings, high cost in processing and high labour charges are the major challenges faced by the indian cashew industry.

19. Bibliography

19.1 Key Research Papers

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2. Karthickumar Paramasivan; Sinija V r (2014) ; Indian Cashew Processing Industry-An overview

19.2 Other important resources

1. International Trade Center; GLOBAL CASHEW MARKET A SNAPSHOT OVERVIEW
2. Executive summary of Cashew Processing Units in state of Karnataka
3. Tridge; Intelligences; Cashew nuts; export
4. CRN India; Commodity; Cashew
5. ARCHYDE; Ivory Coast: soon an agricultural commodity exchange in West Africa
6. CEPCI; Mission 2020; Final revised