

### Value addition of other products

Value addition for cashew by-products (apples, shells, testa) have not been adequately exploited as additional source of income and improving efficiency in cashew processing industry.

(i) Cashew Apples constitute viable raw material for value added products like beverages, snacks, Juice, wine, jam and dried cashew apples

(ii) Cashewnut Shell can be used to produce Cashewnut Shell Liquid (CNSL) used to manufacture brake linings, clutch facings, paint, varnish, chemicals for wood material etc

(iii) Cashew Kernel can be used to produce Jam, cashew milk, cake, flavouring, salad, snacks, butter, edible oil etc

(iiii) Cashew testa used as animal feed and contains condensed type of tannins good for commercial production of tannin and pigment.

### Investment into supply of machinery/equipments and spare parts

Government initiative to promote Cashew nut processing factories in the country has created increased demand for machineries/ Equipment's and spare parts for cashew factories. The Government invites investors in the supply of machineries, Equipment and spare parts for cashew nut processing and for value addition of other cashew by-products.

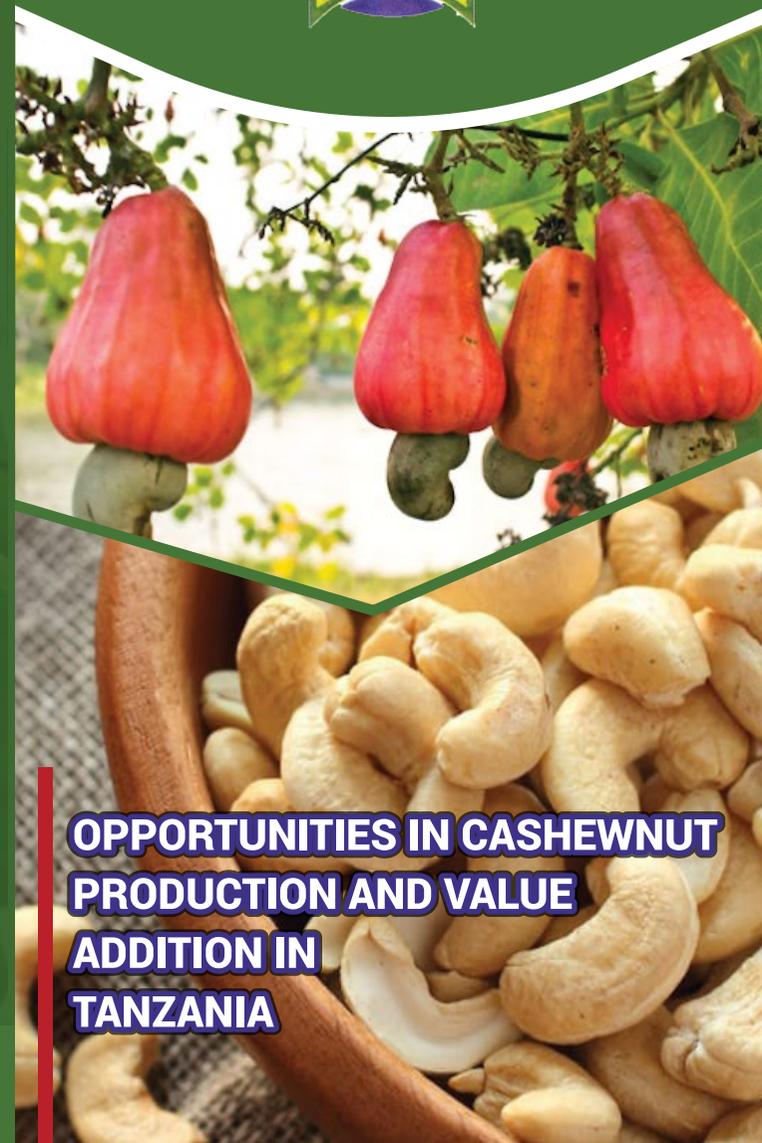


### CONCLUSION

Tanzania produces premium quality cashews in terms of taste/ flavor, colour and size compared to other countries in the international markets. Based on the information given above, it is evident that Tanzania's cashewnut industry has investment potentials, with promising returns within short, medium and long-term prospects.

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## BODI YA KOROSHO TANZANIA



## OPPORTUNITIES IN CASHEWNUT PRODUCTION AND VALUE ADDITION IN TANZANIA

## 1.0 Introduction

Most of the Tanzanian cashewnut crop, i.e. about 90 percent is exported to India, Vietnam and China as raw cashew nuts (RCN) and only a small portion, which is less than 10 percent, is processed locally. With less than 10% of raw cashewnuts processed locally and very little value addition in cashew by-products, there are immense opportunities to companies contemplating to invest in the cashewnut sector in Tanzania as elaborated below.

## 1.1 Opportunities in Cashewnut Production

Production of cashewnuts in Tanzania is characterised by small-holders' farmers operating at subsistence level. Cashewnuts plantations are rare or non-existent especially in southern regions of Mtwara and Lindi where most of cashewnuts are produced. Due to this fact there is wider unexploited potential to grow cashew plantations in the country of which very little have been practiced except in Singida region where block cashewnut farming has been initiated. Tanzania is endowed with huge fertile and arable land where large plantations can be established to feed into processing factories and export markets. This opportunity is open to both local and foreign investors looking for areas to develop viable business ventures in agriculture.

### Availability of Extension Services to Cashew

#### Farming

(i) The Government of Tanzania has introduced District Subject Matter Specialist (DSMS – Cashew) in every cashew growing district in the country.

(ii) Availability of extension services to cashew farmers through village and ward extension officers.

(iii) State of the Art Research information on Cashew including availability of high yield seeds at TARI

(iiii) Training program on Good Agricultural Practices done by TARI Naliendele & CBT every crop season



### Cashew inputs availability to farmers

i) The Private Sector through cooperative union ensures availability of Cashew farm inputs through bulk purchase system. There is also room to invest in improving farm inputs application using modern technology for example uses of drones in inputs application. Most of the highly required and demanded cashew inputs in the country are pesticides (both sulphur dust and water based), gun bags (jute/sisal bags), blowers and its spare parts, and protective gears.

ii) There is also room to invest in establishment of plants for manufacture of pesticides, jute bags and other inputs used in Tanzania.

### Opportunities in Cashewnut Value Addition (Processing)

(a) Opportunities are available through the following investment options:

- i) Joint ventures with already established factories through investments in technologies and management skills to turn around the idle capacities to productive ventures;

- ii) Establishment of new factories in preferred areas to tap the available potentials of availability of raw materials and cheap labour force;

- iii) Value chain integration by establishing vertical linkages between the farmers and other chain actors on one hand with horizontal linkages with major players in the markets;

and

(b) Benefits of local cashewnut processing includes:-

- (i) No export levy on cashew kernel exportation

- ii) Opportunity to invest through Export Processing Zones Authority (EPZA) or Tanzania Investment Center (TIC) areas, where you get further tax relief including being granted an operating tax exemption for a period of one year and more depending on the size of the investment. More information can be obtained from the respective Institutions.

- iii) Availability of land for factory building, availability of cheap labour, good road network where cashew is produced and reliable source of energy like electricity, available small cashew processing groups who can act as satellites.

- iv) The Government through Presidents Office Regional Administration and Local Government (PO- RALG) has earmarked areas for establishment of cashew nut processing industries in all cashew nut Growing regions.

- v) Availability of raw materials enough to carry out cashew processing business throughout the year.

- vi) Initiative by the Government to enable local processors to procure RCN direct from AMCOS instead of competing in the Auctions