

CASHEWNUIT BOARD OF TANZANIA



RULES AND CONDITIONS OF SALES FOR THE 2022/2023 CROP SEASON

The Cashewnut Board of Tanzania (CBT), wishes to inform all 2022/2023 Raw Cashewnut Prospective buyers that, the new sales and marketing season for 2022/2023 started on 1st September, 2022 and was officially opened on 8th September, 2022. Sales auctions will commence on 14th October, 2022.

CBT has already started to issue Raw Cashewnut Buying License online through Agricultural Trade Management Information System under the Ministry of Agriculture (ATMIS).

1.0. PROCEDURES TO APPLY FOR RAW CASHEWNUIT BUYING LICENCE

- (i) Register online through atmis.kilimo.go.tz
- (ii) All applications should be attached with one colored passport size picture of one of the company directors and certified copies of:
 - Taxpayer Identification Number (TIN) certificate
 - Company's Certificate of Registration/Incorporation from Business Registration and Licensing Authority (BRELA)
 - Valid Business License
 - Value Added Tax (VAT) Registration Certificate
 - Valid Tax Clearance Certificate
- (iii) Last season 2021/2022 registered companies are required to update their particulars and apply for new cashewnut buying licence with attached certified copies of:-
 - Valid Business License
 - Valid Tax Clearance Certificate
 - Valid VAT Certificate
- (iv) All online registered and verified raw cashewnut buyers are required to deposit their bid securities amounts before being issued a buying license by CBT. The bid security amount depends on the quantity of RCN intended to be bought for each auction, as per categories narrated in the table 1 below.

Note: CBT will be very strict during the auctions to monitor and ensure that buyers procure quantities of RCN which relates to deposited bond amount.
- (v) Local Processors have special arrangements to procure RCN through primary market (refer special guidelines) however they are also allowed to procure RCN in the auction in which they can buy less than 50 tons/auction and they will not be

required to deposit Bid Security, instead they will be required to submit Bank Guarantee before participating in the auctions (this arrangement is strictly for local processors only).

Table 1: Categories of bid securities as per quantity versus bid amount

TONES PER AUCTION	AMOUNT(Tshs)
50 -100	20,000,000.00
50 - 250	50,000,000.00
50 - 500	100,000,000.00
50 -1000	300,000,000.00
50 - 3000	500,000,000.00
3001 and above	1,000,000,000.00

All bid security should be deposited to either of the following CBT Bank A/c:

Bank	Account Name	Account
CRDB Bank	CBT CASHEWNUT A/C 1992/93	No. 01J1015826005

NOTE: *The Bid Securities are refundable to buyers upon written request and after fulfillment of their obligations thereof for cashew nuts bought.*

2.0. BUYING PROCEDURES

2.1 GENERAL INFORMATION

- i. A bidder must have raw cashew nut buying license for the 2022/2023 crop season issued by the Cashewnut Board of Tanzania (CBT);
- ii. The sale of RCN will be conducted through auctions in which buyers will submit their offer in sealed envelopes on the basis of one bidder, one bid for each catalogue (warehouse);
- iii. Each bidder shall physically drop his bid in the tender box at Cooperative Union offices one day before auction day from 0800Hrs to 1700 Hrs E.A.T and thereafter, tender box will be opened on auction day at auction site starting from 1000hrs;
- iv. Highest bidder/s will be announced at the auction site after the farmers have agreed to sale;
- v. Raw cashewnuts stored in the warehouse shall be sold in two distinguishable quality grades which are **Standard Grade** (Shelling Outturn \geq 48 lbs/80 Kg bag) and **Under Grade** (Shelling Outturn $< 48 \geq 44$ lbs./80 kg bag);
- vi. The minimum bidding quantity shall be 50 metric tons of raw cashewnuts, except for local processors;
- vii. The licensed buyer will be provided with sales catalogue 12 hours before bidding day;

- viii. The bidding price shall be ex-warehouse;
- ix. The sale unit shall be per Kilogram in Tanzania Shilling (TZS);
- x. Successful bidder shall collect sales invoice on the same day after the auction;
- xi. Payments for the invoice shall be in full and must be deposited within four (4) working days from auction date through respective accounts as described in the invoice by the Cooperatives Union. Delay in payment will subject the buyer to penalty (refer "**Cashewnut Marketing and Sales Guidelines for the season 2022/2023**");
- xii. A bidder shall not bid in excess of the quantity attached to his respective bid security. If that happens, he should write "commitment letter" and submit the banker's cheque with the amount value equal to the expected raw cashew nut to be bought;
- xiii. Apart from paying for RCN; The buyer shall also be required to pay gunny bags fee of TZS 80.46 per Kg, Contribution for cashew development TZS 110 per kg to respective Cooperative Union, Storage charges of TZS 52 per Kg, to the Warehouse Operator and export levy of USD 160 per metric ton or 15% of FOB value whichever the higher, to Tanzania Revenue Authority (TRA);
- xiv. Mode of payment shall be in banker's cheque/TISS to the respective bank accounts and the buyer shall receive the original Warehouse Receipt and Release Warrant from respective Cooperative Union;
- xv. The buyer shall present the original Warehouse Receipt and Release Warrant to the respective Warehouse Operator for the removal of the purchased cashewnuts according to the Warehouse Receipt Regulatory Board (WRRB) Guidelines;
- xvi. The buyer shall sign certificate prepared by the warehouse operator describing Quantity and Quality of RCN collected from the warehouse.

Cashewnut Board of Tanzania (CBT) will keep on updating buyers on Rules and Guidelines through website www.cashew.go.tz . Buyers can also visit the Cashewnut Board of Tanzania Head Quarter Office located in Mtwara OR CBT branches: Dar es Salaam, Tunduru, Tanga, Nachingwea and Manyoni.

Unlicensed buyers are not allowed to buy cashewnut in the season of 2022/2023 and therefore, if found participating without license legal actions shall be taken against the company. For more information you can visit the Cashewnut Board office or call (023) 2333536. All correspondence should be addressed to:-

DIRECTOR GENERAL,
CASHEWNUT BOARD OF TANZANIA,
P. O. Box 533, MTWARA
info@cashew.go.tz or dq@cashew.go.tz
Revised and Issued on September 19, 2022