Cashew In Africa: The Unprocessed Billion-Dollar Gap

A strategic look at market size, demand drivers, business models, and the path to operational scale.

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Africa produces more than half of global raw cashew nuts yet processes less than 15% domestically, shipping the rest to India and Vietnam where the real margin is made.

The investment thesis is clear: close the processing gap and capture 4–8x more value per kilogram.

With AfCFTA, rising processing capacity (+51% in 2025), and government export bans accelerating local value addition, the window is opening now

Sector	Geography
Agri-commodity	West/ East Africa

Risk Rating	Growth Scope
Medium	High

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Snack & Retail

Whole roasted, salted, and flavoured kernels. 35.7% of Africa cashew consumption by volume. Premium snack markets in EU and North America demand whole kernels.

Culinary ingredients

Cashew paste, flour, and pieces used in baked goods, confectionery, chocolate, and granola bars. Growing fast in food manufacturing.

Dairy alternatives

Cashew milk, butter, and cream. Rising plant-based diet adoption drives double-digit category growth in developed and urban emerging markets.

Nutrition & therapeutic

Cashew-based RUTF (ready-to-use therapeutic food) for malnourished children. UNICEF-backed programmes in East Africa source locally.

The bigger opportunity is owning the value chain:
sourcing raw cashew nuts from farmers, improving quality, processing locally, packaging for export, and building branded consumer products.

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Climate and Temperature

Temperature

24°C to 32°C

Sunlight

Full sun exposure

Dry Season
Important for flowering and nut development

Cashew performs best in warm tropical climates with plenty of sunlight.

Rainfall

Rain during the growing stage

No waterlogging around the roots

Cashew grows well in areas with **800mm to 1,500mm** of annual rainfall.

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Global cashew demand has grown at ~6% per year for two decades, driven by health-conscious snacking, plant-based food trends, and urbanisation.

The US and Europe account for over 60% of global cashew imports. China and the Middle East represent fast-growing new demand centres.

India and Vietnam remain structurally dependent on African raw supply, making Africa the upstream bottleneck with embedded pricing power.

USD 1.24B

Africa market projected by 2034 (4.2% CAGR)

2.9M MT

Africa raw cashew production in 2024

8.5x

Price uplift farm gate EU retail shelf

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- **Cultivation & agronomy**
  Optimal zones: 25–35°C, 1,200–1,500mm rainfall. Suitable in West Africa (Côte d'Ivoire, Ghana, Nigeria, Benin) and East Africa (Tanzania, Mozambique). Trees begin bearing in 3–5 years; lifespan 30+ years. Hybrid grafted seedlings improve yields significantly.

- **Harvesting & collection**
  Seasonal — crop falls naturally; collection windows are 2–3 months. Smallholder dominated (~70 trees/farm). Cooperative aggregation models improve farmer pricing and buyer access.

- **Grading & primary processing**
  Shelling and peeling to extract raw cashew kernels (RCK). Generates 80–200 jobs per 1,000 tonnes processed, depending on mechanisation level. Moisture control is critical — cashew oil (CNSL) is corrosive and requires careful handling.

- **Secondary processing**
  Roasting, salting, flavouring, packaging. Grading into whole kernels, pieces, paste, butter. Each step adds 30–60% price premium. Full container loads of single grade required for institutional buyers.

- **Export & market access**
  Primary export destinations: EU, US, China, Middle East. Food safety compliance (GlobalG.A.P., SQF, organic certification) unlocks premium segments. AfCFTA reduces intra-Africa trade barriers for regional distribution.

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Africa Has The Raw Supply

Africa Produces A Major Share Of The World's Raw Cashew, Especially From West Africa

Multiple revenue streams

Businesses can sell raw nuts, kernels, roasted cashews, cashew butter, oil, and by-products.

Global demand is strong

Cashew is used in snacks, food production, health products, and plant-based alternatives.

Export Opportunity Is Clear

Cashew Has Strong Demand Across Europe, Asia, The Middle East, And North America.

Value Can Be Added Locally

Processing, Roasting, Packaging, And Branding Create Higher Margins Than Raw Export.

Farmer aggregation creates power

A business that controls reliable farmer supply can negotiate better prices and contracts.

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Threat of New Entrants: Medium
Easy to start aggregation, harder to scale processing, export, and quality control.

Bargaining Power of Suppliers: Medium to High
Farmers and aggregators control raw nut access, especially during peak season.

Bargaining Power of Buyers: High
Exporters, processors, and bulk buyers can pressure prices due to many supply options.

Threat of Substitutes: Moderate
In-house merchant delivery, informal dispatch riders, and customer pick-up remain alternatives.

Competitive Rivalry: High
The market attracts many entrants, but only a few build density, reliability, and contribution margin.

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PHASE 1: Market Understanding

Goals

Understand the cashew business before spending heavily.

Study how cashew is bought and sold.

Identify the main buyers:

- processors
- Exporters
- Supermarkets
- Hotels
- Restaurants

Best starting point:
Start with aggregation and small-scale branded packaging.

PHASE 2: Supplier Network

Goal: Build a reliable source of cashew.

- Identify cashew farmers and local aggregators.
- Build relationships with farmer groups and village agents.
- Understand the harvest season and supply areas.
- Agree on basic buying terms.
- Create a simple supplier database.

Key warning:
Do not depend on one supplier. Cashew supply can be inconsistent.

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PHASE 3: Basic Setup

Goal: Put simple operations in place.

What you need:

- Business registration.
- Buying point.
- Weighing scale.
- Moisture meter.
- Drying mats or tarpaulins.
- Jute bags
- Storage space.
- Transport arrangement.
- Basic record-keeping system.

Key warning:
Poor storage and poor drying can reduce your profit quickly.

PHASE 4: Pilot Trading

Goal: Test the business on a small scale

What to do:

- Buy a small quantity of raw cashew.
- Sort and dry it properly.
- Check quality before storage.
- Sell to a processor, exporter, or local buyer.
- Track every cost.

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PHASE 5: Processing Test

Goal: Test Value addition without building a factory

What to do :

- Take part of your raw cashew to an existing processor.
- Convert it into cashew kernels.
- Compare the cost of processing with the final selling price.
- Check the quality of the processed kernels.

Key warning:

Processing can create more value, but it can also expose you to losses if recovery rates are poor.

PHASE 6: Product and Packaging

Goal: Create simple cashew products for the market

Start with:

- Plain roasted cashew.
- Salted cashew.
- Small snack packs.
- Corporate gift packs.
- Bulk packs for hotels and restaurants.

Keep it Simple

Do not launch too many products at once. Start with 2 or 3 products and improve them.

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PHASE 7: Sales and Distribution

Goal: Build Steady Customers

Sell to:

- Supermarkets.
- Corporate offices.
- Hotels.
- Restaurants.
- Gyms and wellness shops.
- Food distributors.
- Export buyers.

What to focus on

- Consistent quality.
- Good packaging.
- Reliable delivery.
- Clear pricing.
- Repeat customers.

Key warning:
Do not rely only on one big buyer. If they delay payment, your cash flow can suffer.

PHASE 8: Compliance and Certification

Goal: Make the business formal and trusted

You may need :

- Business registration.
- TIN.
- Food and Drugs Authority approval.
- Ghana Standards Authority compliance.
- Export documentation.
- Proper product labelling.
- Food safety processes.

Key point:
Compliance becomes more important if you want to sell to supermarkets, corporate buyers, or export markets.

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Poor quality nuts	Check moisture, sort properly, and inspect every batch before buying.
Price changes	Start small, monitor market prices, and secure buyers before buying large volumes.
Unreliable suppliers	Work with multiple farmers or agents and use simple supply agreements.
Storage damage	Store nuts in a dry, ventilated space using jute bags and pallets
Cash flow pressure	Buy in manageable quantities, keep records, and avoid holding stock for too long.

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