

Future-proof cashew production in Vietnam

H. Schepers, M. De Vrieze, H. van Reuler, B.D. Phan,
R. van Rensen & Hà Thi Lan Anh



Outline

- Motivation
- Approach (NL & VN)
- Organisation of the chain
- Knowledge transfer
- Financing of rejuvenation
- Use of by-products
- Current situation
 - Limitations-potential
- Conclusions



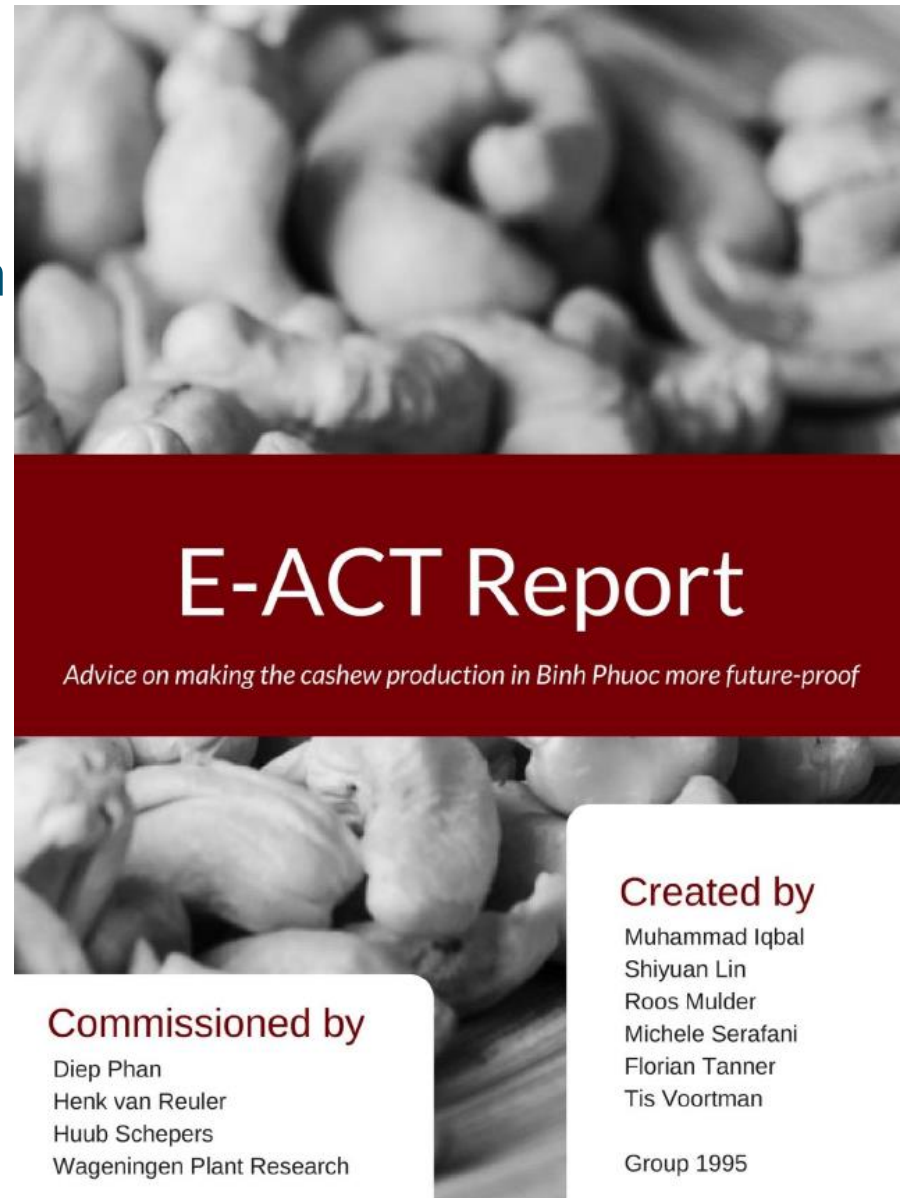
Motivation

- Vietnam is the leading supplier of cashew nuts to Europe
- Netherlands is second/third importer of cashew from Vietnam
- Binh Phuoc province is THE cashew area
- Only 30% of this supply is produced in Vietnam
- Therefore 70% is imported and re-exported
- Declining cashew yields in Vietnam



Approach: In the Netherlands

- In the Netherlands:
 - identification of 4 critical focus points with potential for improvement based on a student report
 - Cashew value chain
 - Knowledge transfer
 - Finances for farmers
 - By-products valorization



Commissioned by

Diep Phan
Henk van Reuler
Huub Schepers
Wageningen Plant Research

Created by

Muhammad Iqbal
Shiyuan Lin
Roos Mulder
Michele Serafani
Florian Tanner
Tis Voortman

Group 1995

Approach: In Vietnam

- We organised meetings with:
 - Embassy
 - Dutch companies
 - Vietnamese institutions
 - Universities
 - Research institute
 - Local Government
- Local producers / traders / processors



Organisation of the chain

- Local production mainly on small farms and poor soils
- Extensive practices, not using new varieties and climate change results in low yields
- Traders/processors import from other countries, mainly West Africa
- Few cooperatives, involvement traders/processors are limited
- Traceability is not organised
- Certified organic production is small



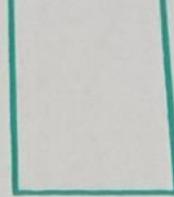
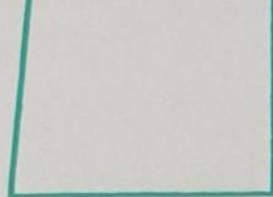






54386242

50 LBS



HAI HUNG PRODUCTION TRADING SERVICES CO., LTD
VIETNAMESE CASHEW KERNELS

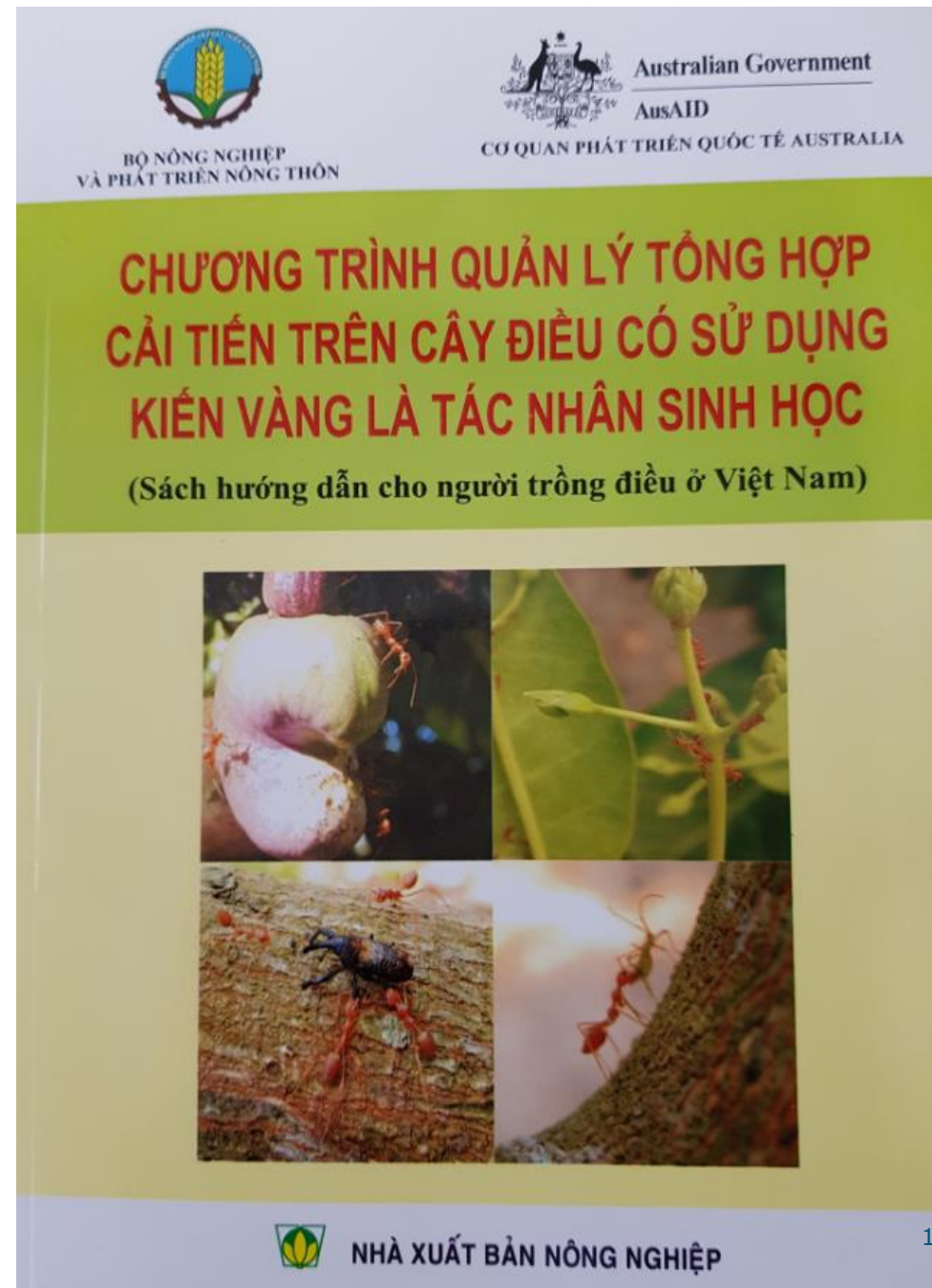


PRODUCT OF VIET NAM

Add: 4 Hamlet, Minh Hung Commune, Bu Dang District, Binh Phuoc Province, Vietnam
ĐT: +84 978591642 - Email: haihungcashew@gmail.com

Knowledge Transfer

- Knowledge transfer from high level (research institute) to farmer is insufficient
- Government and company advisors only reach small number of farmers
- Cashew Research Institute organizes 3-5 training courses per year
- In Binh Phuoc: 100.000 farmers!



Financing of rejuvenation

- Costs vary from 4.2 to 50 Million Dong/ha!!
- Financial loans are difficult to obtain
- Programmes are available but farmers have no income the first 4 years after planting
- Sometimes loans are not used for rejuvenation



Use of by-products

- Small scale production of wine/juice of cashew apple
- Now cashew apple is mainly used for compost
- Oil can be extracted from shells
- Wood can be pressed to make furniture



Current situation: limitations

- In Binh Phuoc: 200.000 ha, average farm 2 ha
 - Many small sized farms
 - Limited cooperation and logistics
 - Extensive crop on poor soils
 - Limited knowledge
- Many plantations are old (>15 years):
 - Decreasing yields
 - Cost of rejuvenation – new varieties
- A reliable sourcing system to guarantee traceability and supply of good quality cashew nuts is NOT in place.

Potential

- Potential for cashew is high
 - New varieties have good yield and quality
 - Processing knowledge & capacity are high
- Majority of growers in Binh Phuoc
 - Knowledge transfer could be organized efficiently
- Diversification with other crops is important
 - Coffee, black pepper, fruits (pomelo)



Conclusions

- Organisation of the chain
 - Extensive → Intensive in order to increase yield
 - Quality control through transparency
- Knowledge Transfer (KT)
 - Demonstrate advantages of intensive management
- Financing rejuvenation
 - Together with intensive management and KT
- Use of by-products
 - Local company wants to carry out test with 1000 kg cashew apples to produce juice
- PPP: Dutch companies? Vietnamese interest is very high

Conclusions: Role of WUR

■ Short term

- Knowledge transfer
- Intensification of the production in a sustainable way (IPM, soil fertility management)
- Making the cashew chain transparent (stakeholder management)

■ Long term

- Setting up a breeding programme
- Setting up to finance rejuvenation together with Dutch bank (as a model crop for other tree crops)

Thank you for your attention

