



**Premier Cashew Limited**  
**Organic cashew nuts**  
*Organic exports from Mkuranga district,*  
*Tanzania*  
*September 2002-January 2006*

**Project End Report**

Submitted to  
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## Executive summary

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Premier Cashew Industries Ltd., based in Dar Es Salaam, approached EPOPA with the interest to explore the opportunity in exports of organic cashew. A market study carried out by EPOPA in 2002, showed that the market for organic cashew kernels was growing and that there was demand worldwide, specifically in Europe. A three-year project was developed to assist Premier Cashew Industries Ltd. in organising farmers to produce certified organic cashew nuts, to process, package and export them. The production area selected was Kerekese village in Mkuranga District, 80 km South of Dar Es Salaam.

The project ran from September 2002 to January 2006 with the objectives to convert 500 farmers to organic production of good quality cashew kernels and export 400 tons of organic cashew kernels per year. EPOPA's support included setting up of field organisation, mobilisation of farmers, training of farmers and company staff, setting up of the Internal Control System, technical assistance in production, certification and processing issues and marketing support. Technical trainers were hired from Naliendele Research Center from Mtwara, who were specialized in improved cashew management.

468 organic farmers were involved in the project at its end. Together these farmers farmed an area of 3,000 acres (1,200 ha) and 168,000 cashew trees. 430 tons of cashew kernels were exported in the last season. Farmers received between 10-20% organic premium on the sales of their raw nuts.

The expenditure of the project was SEK 1,377,342. Over the project period, the farmers benefited from organic premiums totaling SEK 1,909,550 showing that Sida's investment was paid back within the project period.

Apart from receiving a 10-20% organic premium, farmers benefited by producing nearly twice as much on the same trees. Production increased from 5.2 to 10.1 kg per tree. Obviously income has increased significantly because of this higher production, even when higher production costs are taken into account. This production increase was (mainly) achieved because the exporter did provide sulphur in time to control the Powdery Mildew Disease. Another factor contributing is that farmers have taken their crop more seriously because of the project, and more attention has been given to the cashew, although these kind of changes go very slow.

The impact survey showed higher income for the farmers; they are able to pay for education for their children, buy a bicycle, put an iron roof on the house etc.

If trade goes well PCI will still spread out, the market for organic cashew continues to grow. The sustainability of the project depends on how the world market develops and on how government interference in the cashew trade in Tanzania will influence the organic trade.