

A background image showing a person's hands using a knife to process cashew nuts on a metal tray. The tray is filled with cashew shells and debris. Several metal bowls containing cashew products are visible around the tray. The lighting is warm, and the overall scene is focused on the manual labor of cashew processing.

Cashew production and processing in Nigeria: policy recommendations

VET Toolbox project: training of cashew producers and processors

The VET Toolbox programme aims to improve the effectiveness of VET systems in selected sub-Saharan African countries by making them more opportunity-driven, turning investments into drivers for inclusive economic growth, social development, and decent job creation. It is co-funded by the European Union (EU) and the German Government (BMZ), and implemented by the British Council, Expertise France, GIZ, and LuxDev. GIZ is implementing the VET Toolbox in Kenya, Mozambique, Nigeria, Tanzania, and Uganda."

A worker wearing a blue protective suit, a blue hairnet, and a white face mask is working on a construction site. The worker is leaning over a metal structure, possibly a railing or part of a building under construction. The background shows a clear blue sky with some light clouds. The overall scene suggests a focus on safety and hygiene in an industrial or agricultural setting.

Context

Nigeria has the potential to become a key player in the cashew industry in Africa. Agriculture has become increasingly important to the country, contributing to employment and the country's economic growth, as well as foreign exchange earnings. It is a good time to do so: worldwide demand for high-quality cashew products is growing strongly.

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For Nigeria’s cashew industry to catch up to its competitors in Côte d’Ivoire, Benin and Tanzania – indeed, to be a global competitor – two things need to happen. Firstly, it needs to grow a lot more high-quality cashew nuts than it currently does. Secondly, it needs to process them into export-quality consumer products. Both are easier said than done, however: the typical cashew producer is a smallholder farmer, unskilled in good agricultural practices and running their farm as a subsistence operation rather than a commercial business. And the Nigerian processing industry – while expanding rapidly – lacks people with the technical skills to produce exportable cashew kernels or grow the industry further. Training is thus vital.

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The VET Toolbox follows an opportunity-driven approach, accompanying investments to help improve local benefits by addressing skills gaps. In Nigeria, VET Toolbox developed and implemented training for farmers and processors to produce and process high-quality cashews and elevate the country as an industry competitor and improve the income capacities of the farmers and country. It initiated a two-year process to develop materials and capacity-building formats (through training trainers who can cascade learnings to their communities), and implement training for producers (farmers) and processing staff.

By empowering farmers with good agricultural practices – for example, around matters such as pruning, tree spacing, tree life cycle management, weeding and only harvesting ripe cashews – the VET Toolbox project is taking producers from a subsistence model, where they harvest whatever grows, to a business model in which they can plan, profit and expand.

By providing processing facility workers with the skills they need to ensure that they manufacture high-quality and exportable cashew kernels (and other products), the project is helping to expand an agro-processing sector that is still in its relative infancy in Nigeria. It is a sector that can only compete in the global market if it is managed by processing professionals who understand how to meet the highest food safety and quality standards.



Policy recommendations

Policy recommendation 1: TVET curricula for the cashew sector

The VET Toolbox project has proved that competency-based training for cashew farmers and processors delivers excellent results – and quickly. From this pilot project alone farmers have reported doubling their harvests year on year, and processors the same for their outputs. The game-changer was a pair of training curricula, divided into various modules that incorporate technical knowledge and practical skills, developed and implemented in a short timeframe by partners in the developmental and the private sectors.

The project emphasised impactful training development and implementation, based on the needs of producers and processors. The focus was on training of trainers, who would in turn pass on their acquired knowledge and skills to others. This would be possible within the project timeframe, with the integration of the training into the formal technical and vocational education and training (TVET) system by the National Board for Technical Education (NBTE) to be sought later to guarantee its long-term sustainability.

Consequently, the VET Toolbox team piloted high-quality production and processing training

curricula in close cooperation with processors and farmers; local, regional and international agricultural research consultants and expert advisers; and cashew industry bodies. The project also consulted relevant projects operating in the cashew sector: GIZ/MOVE, ProCashew and AHK Nigeria, as well as the Cashew Desk in the Ministry of Agriculture.

Subsequently, cashew industry stakeholders are unanimous: the ideal is that training should continue, rolled out across Nigeria. Various policy options exist (see recommendations below), but at a minimum a policy environment is desired that will support and sustain more formalised production and processing training within the TVET system.

The production and processing training curricula have shown their impact: much higher season-on-season yields (sometimes doubling), of better quality, meaning better incomes for producers and better-quality end products for processors. (The impacts can be more closely examined in the *Lessons Learned* document that complements this one.)



Recommendations

- Examine the existing policies, options and contributions of the Nigerian TVET system for private training providers, in-company training delivery and apprenticeship schemes, and the integration of such schemes into the NSQF; facilitate necessary improvements, promote them to the private sector; and assess what the private sector is willing to contribute
- Integrate cashew processing training modules created by the VET Toolbox project into a broader TVET food processing curriculum, based on the approximately 30% of training content that is common to all cashew producers. The remaining, more company-specific 70% of the training could possibly be delivered through practical company placements or apprenticeship schemes. This is a topic for further public-private dialogue
- In conjunction with the NBTE, create a cashew processing qualification/standard for alignment and registration on the Nigerian Skills Qualification Framework. This will allow for national recognition and flexible training delivery designs, based on specific processor needs
- Institutionalise TVET cashew processing and food safety theoretical training at educational institutions close to processing companies, which can source staff directly from the institutions or cooperate with them to provide company attachments. Training in cooperation with TVET institutions could also be part of their onboarding strategy
- While farmers – who learn on the job, are often illiterate and live far from educational institutions – have little interest in a TVET education, the production training developed for them is in line with TVET standards. These modules could form the basis of a broader tree crop qualification/standard and curriculum, including cashew, mango, avocado and any other tree crop, for farm managers and extension officers and, partly, for procurement officers
- Sector associations or federations take on a larger training role, acting as inter-company training providers or promoting apprenticeship schemes and on-the-job training through networking, provision of curricula and learning materials, a pool of trainers, quality assurance and certification

Policy recommendation 2: promoting direct business linkages, cashew product development and traceability in the supply chain

Education and training have a major role to play in growing a sustainable, globally competitive cashew sector in Nigeria. But they can only have an optimal impact when other, often not training-related, challenges are addressed in a holistic policy environment that is conducive to both skills transfer and commerce.

So, for example, it is in the interests of both cashew farmers and processors that they form strong, long-lasting relationships, and that processors assist farmers to improve and increase their yields. After all, the more high-quality raw cashew nuts (RCN) they can buy from farmers, the more they can process and profit by; similarly, farmers are able to fetch better prices for higher yields.

However, Nigerian law stipulates that foreign companies may not buy agricultural produce directly from farmers. Only licensed and duly registered local buying agents (LBAs) can buy directly from farmers, which has a chilling effect on the relationship potential between producers and processors: how can processors support farmers when they do not know from whom they are buying RCN?

Changing the LBA procurement requirement promises significant benefits: for example, a stable procurement system to ensure traceability – an essential export requirement around food safety – and access to markets. In return, processors can develop loyalties to farmer groups by, for instance, providing them with technical training or high-quality inputs.

A vital element to sustainably growing cashew production, and greatly increasing the quality and quantity of yields, is the matter of improving cashew trees themselves. There is currently no regime for improving planting materials in Nigeria. Yet low productivity is driven by poor husbandry – planting new trees and removing older ones, in particular – and the use of unimproved seeds, and farms face increased risk of diseases. Establishing





nurseries and germ plasm plots optimised for local conditions can address these issues, and also provide employment and entrepreneurship opportunities in rural communities. Grafting of cashew trees is a job done mainly by youth and women.

A further area for exploration, and thus policy regulation, is around the additional income streams that secondary product opportunities offer both producers and processors.

For producers, the highly nutritious but easily perishable cashew apple – the fleshy pseudo-fruit from which the nut hangs on the tree – can be processed to make delicious jam or for its juice, which can also be distilled. But most cashew apples are discarded, as farmers either do not know about their potential or do not know how to harvest and store them properly.

For processors, international buyers demand only a few quality grades of cashew kernels for export, so they face not finding buyers for lower-quality grades. But they are valuable to certain customers, such as restaurants that can integrate broken cashew kernels in their dishes, companies that develop value-added products such as cashew butter or cheese, and bakeries.

Along with cultivating such secondary customer bases should be policy driving the nationwide and regional promotion of the nutritional values and benefits of cashew kernels and apples, to grow public awareness of the goodness of Nigerian cashew and its desirability as a consumer product. Growing strong domestic and regional markets for cashews and value-added cashew products, which are currently relatively small, will improve farmer incomes and the competitiveness of local processing.



Recommendations

- Consider further discussions around the requirement that foreign companies may not buy agricultural produce directly from farmers, but only through LBAs. Allowing cashew processors to buy RCN from producers will be to the benefit of both
- Encourage processors to invest in the procurement system, and build capacity in the farming communities supplying them with technical training or high-quality inputs, which are ultimately crucial for the producers and themselves
- Assist farmers with better planting material, based on local research and research collaborations on national and regional levels. Establish local nurseries and a certification mechanism for improved cashew planting materials, supporting farmers to improve yields and sustainably replace old trees
- A grafting and nursery management qualification/standard and curriculum for tree crops would increase farmers' accessibility to high-quality seedlings, and improve their farm productivity and crop quality, as well as create nurseries that provide opportunities for women and youth in rural communities
- Support farmers to harvest, store and transport cashew apples, for them to derive a secondary and as-yet largely untapped secondary income stream

- Create a TVET entrepreneurship training module on cashew apple products for cashew farmers, in a mainly production-orientated curriculum setting. Cashew apples, which can be processed into jam, juice and other products, are routinely discarded but represent a potentially lucrative income stream. However, farmers must first learn how to properly harvest, store and transport the delicate cashew apples
- Support processors to find secondary markets for lower-grade cashew nuts, and also produce value-added products
- Promote domestic and regional public awareness around the nutritional and health benefits of Nigerian-grown cashews
- Support growth in domestic and regional markets for cashews and value-added cashew products





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Conclusion

Nigeria's cashew industry has great scope to improve and grow, to the benefit of cashew farmers and their communities, local processors and their workers, and Nigeria as a whole.

The VET Toolbox cashew project in Nigeria has clearly demonstrated the effectiveness of focused, expert training interventions for producers and processors alike. Lead farmers who were trained are seeing exponential season-on-season growth in their yields, and processors are enjoying similar improvement in their factory outputs. There is clearly appetite for more such training, as expressed by both farmers and processors during interviews conducted for this report.

The VET Toolbox project has proven that training produces noticeable – and almost immediate – improvements in the fortunes of both producers and processors. The need now is that the developed training successfully integrated into the TVET system and to roll it out in the cashew industry, so it can continue to produce skilled farmers and workers.

A variety of policies are thus required to roll out more training to more people, invigorating Nigeria's cashew industry, introducing essential skills, stimulating the country's economy and transforming lives.



Thank you.

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