Vietnam Cashew Industry Committed towards Cleaner Production for Community’s Health

Radio Frequency Processing – A Chemical Free Thermal Process for Disinfection of Cashew Kernels

Vietnam’s Cashew Miracle

Changing Dynamics of Indian Cashew Market

We are a global corporation with a seamless supply chain for sourcing, processing and delivery of some of the world’s finest agro commodities.

We are one of the leading exporters of Raw Cashew Nuts from West Africa under the brand name FLUDOR. Brand Fludor signifies supplier of Premium quality Raw Cashew Nut.

We are strategically placed to meet your requirements of Raw Cashew Nuts from various origins across the globe.

We have a Semi Mechanical modern Cashew Processing Factory in Benin, Operating under the name of Fluder Benin SA producing excellent quality Kernels catering to the market across the world.

Contact: Sadanandan G.Nair
BUSINESS HEAD - CASHEWS
VINK CORPORATION DMCC
Ph: +971-4-4201140, Fax: +971-4-4201167
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Product Description:
Infra red conveyorized modular drying equipment is suitable for drying, infestation treatment, and baking large quantities of all kinds of nuts. Nuts drying equipment integrates automatic PID temperature control system, automatic visual alarm system and variable frequency speed regulation systems, thus making it suitable for all sorts of in line operation, simple or complex, offline operations with vibratory feeder etc. Infrared wavelength of nuts dryer matches the wavelength of the material to be dried, which fully uses the resonance of maximum absorption peaks and makes the drying of material to reach the perfect quality with high heating efficiency, and low operating costs. It is available in heating lengths 5 metre, 7 metre, 10 metre etc as per process requirements.

Product Feature:
• The Machine is built sturdily and durable with visual interface for convenient use
• Simple installation and easy to upgrade later for other applications
• Power saving controls for energy conservation
• Heats uniformly and produce high quality edible products

Technology Advantage:
• Infrared can destroy infestation, bacteria and can dehydrate quickly by heating food products without damage to the color and quality of products.
• Multideck high temperature belt conveyor for tumbling of nuts
• The drying time is short; drying speed is fast; energy consumption is low and the quality is perfect.
• Energy saving, saving energy upto 20-30%, sometimes 40-50% depending on product type
• PLC integration for automatic and precise wave length control.

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The Competitive Cashew initiative – ComCashew (formerly African Cashew initiative – ACi) presents a new and innovative model of broad-based multi-stakeholder partnership in development cooperation. ComCashew is a private-public partnership project under the implementation the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, with funding for its third phase from the German Federal Ministry for Economic Cooperation and Development (BMZ).

ComCashew’s main objective is to increase the competitiveness of African cashew smallholders, processors and other actors in the value chain to achieve a lasting reduction of poverty in the project countries Benin, Burkina Faso, Côte d’Ivoire, Ghana and Mozambique.

Beyond increasing farmers’ direct income, improving cashew-processing capacity in Africa, developing sustainable supply chain linkages and supporting a better organisation and coordination of the cashew sector are integrated into the project. ComCashew strengthens initiatives in the cashew sector and responds to questions regarding investment and processing.

ComCashew shares the valuable experience and knowledge it has accumulated in the production and processing of cashew nuts and its by-products with industry, notably processors and potential investors in the cashew-processing sector in Africa. ComCashew aims at ensuring that by 2018, each of the 500,000 cashew farmers it trains will earn an average additional annual family income of at least $600.

The African Caribbean Pacific Secretariat requesting to join our efforts and upscale the scope towards more African but also Caribbean countries.

Since 2009 huge progress and impact has been made for over 400,000 farmers and about 40 processing companies

- US$ 120m total investment for cashew sector development
- 400,000+ farmers trained (22% women)
- US$600* additional family income/
- US$ 200m added annual family income
- US$ 26m add. annual income through processing
- 5,800 new employments (75% Women)
- 27 matching grant projects at US$ 10m
- US$ 30+m new taxes annually for selected cashew producing countries
Dear Readers,

Greetings and best wishes!

We are extremely pleased to bring this special issue of Cashew Week to you on the occasion of the 8th Vinacas Golden Cashew Rendezvous 2016 scheduled between 10 and 12 November, at Da Nang, Vietnam. This is one of the most important National Trade Promotion Programmes of Vietnam, organized by VINACAS and supported by The Ministry of Industry and Trade of Vietnam. I congratulate and compliment the government of Vietnam, VINACAS and the entire Vietnam cashew community for ensuring continued leadership of Vietnam in global cashew exports for nearly a decade.

The 8th Golden Cashew Rendezvous themed as “VIETNAM CASHEW INDUSTRY COMMITMENT TOWARDS CLEANER PRODUCTION FOR COMMUNITY’S HEALTH”. Considering the raising global awareness with regards to hygiene and food safety, VINACAS has chosen the right theme for discussion. I thank Chairman Vinacas for a clear message outlining the plans and programmes from here till 2020. I also thank all the experts – Mr Ranjeet Wallia of Chi Commodities, Ms. Parastoo Yaghmaee of RF Biocidics, Mr. Vu Thai Son of Longson, Mr Phani Raghavalu of Eat Cashews, Mr. Nguyen Thi Nhung of TANI-MEX and Mr. Mohan Ramesh Anand of Canopus Inter-Trade Pte Ltd who have spared their time to contribute to this special edition. I thank the patrons who have chosen to brand their products and services in this special publication. I also thank the team at cashewinfo for their efforts in bringing out this special edition. Hope you find the edition useful for your business. We welcome your comments and suggestions.

Good luck and best wishes.

G Srivatsava
President
Foretell Business Solutions Pvt Ltd,
Bangalore, India
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Muskaan has set up more than 70 plants in Africa. We are a Process engineering company, into cashew processing equipments and turnkey projects.

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Vacuum Packing Machine with Nitrogen Flushing
Tin Filling Machine and Tin Packing Machine
Cashew Kernel Roasting and Frying Machine (Flavouring Machines)
Ladies and Gentlemen,

On the occasion of the 8th VINACAS Golden Cashew Rendezvous 2016 to be held from 10th to 12th of November 2016, in Da Nang city, Vietnam cashew industry commits to produce cleaner cashew kernels for the community’s health.

Five months ago, on the 1st of July 2016 in Ho Chi Minh city, the community of Vietnamese cashew stakeholders decided four key development programs for Vietnam cashew industry during the period 2016 - 2020:

- The first program on accompanying with Vietnamese cashew growers "Cashew Rejuvenation and Intensive Farming" has been implemented in collaboration with local cashew growers, cashew plantation owners, cashew clubs and cashew co-operatives. The program has been specially supported by the State, Central Ministries and assisted by local cashew researchers, cashew enterprises and bankers. The program targets the cashew production in Vietnam to reach 600 thousand tonnes of raw cashew nuts in shell by 2020 that is much higher than 2016.

- The second program is about supplying the highest-quality and food safety and hygiene cashew products for "Cleaner Production". VINACAS is encouraging its members to restructure and upgrade their processing factories in relation with the international standards, including ISO - HACCP - BRC - FSSC 22000 - SA 8000. The local cashew factories should have a strong connection with the plantation owners, cashew clubs and cashew bio- and organic cooperatives. According to VINACAS objectives, one hundred percent of cashew products produced by VINACAS members must be ensured for food hygiene and safety.

- The third program on enhancement of Vietnam cashew value thru the following programs:

    Firstly, focus on processing of value added products and diversification of product lines.
Secondly, arousing hidden demands of local consumers aimed at reaching the targets of cashew kernel domestic consumption volume of about 30,000 metric tonnes until 2020, when compared with the 2015’s figures of around 15,000 metric tonnes.

Thirdly, building Vietnam National Food Trademarks for cashew products and encouraging all cashew stakeholders to participate in the program named “Vietnam Value”. In order to implement this program, VINACAS has collaborated with the State and Central Ministries to perform a number of projects, including new cashew variety researches, cashew rejuvenation and intensive farming, trade promotion, building National Food Trademarks for cashew industry etc. VINACAS has co-operated with Vietnam-HCMC Nutrition Center, Thanh Nien (Youth) Media & Communication Group, Vietnam Agriculture Daily, Club of Agricultural Economic Reporters, etc to research and promote healthy nutritional value of cashew kernels of Binh Phuoc and Dong Nai origins. As a result, the 2015’s domestic cashew consumption volume increased by one hundred percent in compared with 2014.

- The fourth program is trade promotion and export boost. As you are aware, for almost 10 years Vietnam has been the world leading cashew kernel exporter. We are proud of that and today the world people “Talk about Cashew, Think about Vietnam”. We are striving our best so that in the near future, the global citizens would “Talk about Cleaner and Greener Cashew, Think about Vietnam!”.

At the 8th Golden Cashew Rendezvous 2016 Da Nang, VINACAS is preparing to announce our specifications on cleaner and greener cashew kernels. We have successfully upgraded the group G20-VCS plus into Group of Vietnam Leading Cleaner Cashew Processors and Exporters. The group’s members are reputed cashew stakeholders in Vietnam who satisfy the criteria on risk managements, product quality, hygiene and food safety, according to the international quality standards including ISO - HACCP - BRC - FSSC 22000 - SA 8000, etc. Our cashew stakeholders commit with buyer’s community that all marketed cashew products will be ensured for quality and food safety and hygiene. Members of the Group of Vietnam Leading Cleaner Cashew Processors and Exporters also assure to strictly honor the contract by shipping in time and fully in the spirit of mutual benefits.

We believe on the fast growths of Vietnam industry within the last 5 to 10 years and do hope that the worldwide buyers continue being trustful with us and provide us further opportunities. We guarantee to go on working much better to satisfy your good demands.

Finally, we would like to send the profound thanks to Cashew Info.com for facilitating us to convey this message on their magazine.
Kính thưa Quý vị,


Cách đây 5 tháng, ngày 01 tháng 7 năm 2016 tại Tp. Hồ Chí Minh, cộng đồng các doanh nghiệp sản xuất kinh doanh điều đã lựa chọn 4 chương trình ưu tiên phát triển cho ngành điều giai đoạn 2016 – 2020:

• Chương trình thứ nhất: đồng hành cùng nhà nông với đề án “Ghép cải tạo – Thâm canh điều”. Đề án này được thực hiện thông qua các hộ nông dân trồng điều, chủ trang trại, các câu lạc bộ, hợp tác xã trồng điều với sự giúp đỡ của Nhà nước, các nhà khoa học, đặc biệt là sự vào cuộc của các doanh nghiệp, ngành ngân hàng với mục tiêu đến năm 2020 Việt Nam sẽ có sản lượng thu hoạch 600 ngàn tấn hạt điều thô, tăng đáng kể so với năm 2016.

• Chương trình thứ hai: “Sản xuất Sạch hơn” với mục tiêu của chương trình này là cung ứng ra thị trường các dòng sản phẩm chất lượng cao, an toàn vệ sinh thực phẩm. VINACAS đang vận động các doanh nghiệp tái cấu trúc lại doanh nghiệp, nâng cấp nhà máy theo hướng đạt tiêu chuẩn quốc tế ISO – HACCP – BRC – FSSC 22000 – SA 8000,..., liên kết với chủ trang trại, các câu lạc bộ, hợp tác xã trồng điều sạch, điều hữu cơ (organic). Mục tiêu đề ra là ngay từ năm 2016, 100% sản phẩm của các thành viên VINACAS đều phải đảm bảo an toàn vệ sinh thực phẩm.

• Chương trình thứ 3: làm tăng giá trị kinh tế của cây điều thông qua các đề án như: Một là, đẩy mạnh chế biến, đang dạng hóa các dòng sản phẩm. Hai là, kích cầu tiêu dùng trong nước với mục tiêu đến năm 2020, sản lượng tiêu dùng trong nước vào khoảng 30.000 tấn, tăng gấp đôi so với năm 2015 là 15.000 tấn.

Ba là, xây dựng thương hiệu điều Việt Nam và khuyen khích các doanh nghiệp tham gia chương trình xây dựng thương hiệu quốc gia. Nhằm thực hiện mục tiêu này, VINACAS đã phối hợp với các Bộ Ngành TW thực hiện một số dự án như: Tuyển chọn giống điều,
Ghép cải tạo vườn điều, Xúc tiến thương mại, xây dựng thương hiệu quốc gia cho ngành điều,... VINACAS đã hợp tác cùng Trung tâm Dinh dưỡng Tp. HCM, Tập đoàn truyền thông Báo Thanh Niên, Báo Nông nghiệp Việt Nam, Câu lạc bộ phóng viên Kinh tế Nông nghiệp,... nghiên cứu và quảng bá giá trị dinh dưỡng của hạt điều Bình Phước, Đồng Nai,... Kết quả là năm 2015 lượng điều tiêu dùng trong nước tăng trên 100% so với năm 2014.

- Chương trình mục tiêu thứ 4: Xúc tiến thương mại và đẩy mạnh xuất khẩu: Chúng ta đã biết từ 10 năm nay, Việt Nam luôn là quốc gia xuất khẩu hạt điều hàng đầu của thế giới. Chúng tôi tự hào vì ngày nay thế giới “Nói tới hạt điều là nghĩ đến Việt Nam”. Chúng tôi phấn đấu để trong tương lai, mọi người sẽ “Nói tới điều sạch, nghĩ đến Việt Nam”.


Chúng tôi cho rằng ngành điều Việt Nam đã lớn mạnh hơn cách đây 5-10 năm và hy vọng người mua trên toàn thế giới hãy tiếp tục tin tưởng và trao thêm cho chúng tôi cơ hội mới. Chúng tôi đảm bảo rằng sẽ tiếp tục làm việc tốt hơn để đáp ứng những đòi hỏi của các bạn.

Xin cảm ơn Tạp chí Cashew Info.com đã tạo điều kiện cho chúng tôi truyền tải thông điệp này trên tạp chí của các bạn.
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Vietnam is the number one exporter of cashew kernels in the world. To understand this phenomenal achievement, we will take a quick tour of their origin and growth. Cashew trees arrived in Vietnam in the late 1800s. Initially it was planted as an ornamental garden tree and then for afforestation in the hills. Up until the late 1980s, the raw nuts in the shell were exported mainly to India. This, however, changed when 33.6 metric tonnes of cashew kernels were shipped to France. The Vietnamese government realised that there was excellent value in these trees and encouraged farmers to plant more cashews.

Cashews provided farmers with income; the young labour force found decent wages in the rural areas and this was a good source of foreign exchange for the country. By 1990, 70,000 hectares was under cultivation, 28,000 metric tonnes of RCN were harvested and China had become the main market for the kernels. There were less than ten government export companies including Thanh Le, Agrex Saigon, Donafoods, Philong, Lafooco who employed thousands of workers. The year 1994 saw the first containers exported to America, included in these were 6 containers of WW320s via CHI to the USA east coast and 9,526 metric tonnes of Kernels with a value of USD 75 million was shipped from Vietnam. By 2010, Vietnam’s cashew exports had reached USD 1 billion and over USD 2 billion by 2014.

In the 1990s, the in shell was cracked manually after an oil bath, the grading was done by hand, cashews were shipped in tins and whole WW320s looked like pearls. As the crop increased, the government owned enterprises could not handle the volumes and the banks encouraged the private sector to setup cashew-processing factories. By 2006, these private factories found that labour was becoming a challenge and they looked to technology to improve efficiency. Steaming the raw in shell nuts replaced oil as a method of cooking the nuts, as it was more efficient and environmentally friendly. There was also tremendous pressure from the buyers relating to food safety issues. By 2005, Vietnam had developed a cracker for removing the kernels from the in-shell, peeling machines to remove testa. The industry had also locally developed grading and sizing machines and colour sorters for the first, second, whole and broken grades. They had also begun to use air aspirators, gravity separators, and x-ray machines to remove foreign matter. Today, these machines are being exported to Africa and India. As a result of these rapid changes, Vietnam’s productivity increased; their processing costs are now the lowest in the world and the Indian cashew kernel exporters who had dominated the export market for decades, were buying from Vietnam and importing kernels to India.
Historically, cashews prices tend to be very volatile due to: small farms, lack of strong financial support in some producing nations, political instability and long transit times from Africa to processing countries like Vietnam and India. Vietnamese banks have been supportive and at the same time vigilant in providing fiduciary aid to the private exporters. From 2011 to 2016, we saw stable prices that led to the exponential global growth of the kernel market. In 2015, Vietnam exported 328,000 tonnes of kernels, valued at USD 2.39 billion, an increase of 6% in volume and 9% in value from the previous year. According to the Vietnamese Ministry of Agricultural and Rural Development, in the first nine months of this year, the cashew industry exported more than 255,000 tonnes of cashew nuts. This brought in about USD 2 billion, exceeding the export plan in terms of both volume and value.

According to Vietnam Cashew Association (VINacas), there are now approximately 375 cashew exporters in Vietnam. There has been tremendous pressure from buyers and import nations to improve food safety resulting in an increase in the number of processing units that have GMP, ISO, BRC, and HACCP certificates. 2016 has been a challenging year due to smaller northern crops and a compliance of pricing by some of the stakeholders. This has resulted in performance issues, including untimely deliveries and quality issues. There maybe some fallout from this year’s volatility that could result in a short-term reduction of global demand, but we feel this is a temporary hiccup that will eventually strengthen the industry. During this evolution, VINacas has very ably shepherded the multiple stakeholders.

Today, Vietnam has planned to increase its domestic plantation and set a target to cover 300,000 ha with an average yield of 1.5 Mt/hectares by 2020 and then by 2030 to achieve 400,000 ha with a yield of 2 Mt/hectares. Vietnam’s cashew industry has also formed alliances with Cote d’Ivoire for kernel processing and provided saplings for Cambodian plantations. Going forward, the Vietnam processors are very keen to develop value added products like roasted and salted retail pack cashews to promote the consumption in their domestic market, thus increasing demand. If they continue at the same pace as they have in the last two decades, they should achieve and possibly exceed the targets that they have set. The Vietnam cashew industry is an example of the resilience and the success of this nation.

All statistical information has been obtained from VINacas, the Café Control and the Vietnamese Ministry of Agricultural and Rural Development.

Profile
Ranjeet Wallia is the founder and CEO of CHI Commodities Handlers Inc, a major importer of cashew and almonds since 1985. VINacas has awarded CHI as being the top buyer in the region for five consecutive years. Born in Mumbai, India, Ranjeet graduated from St. Stephen’s College in Delhi in 1977 and has been a premier tree nut importer for the last thirty-eight years. He has also served as a board chair for Markham Stouffville Hospital in Canada, a not-for-profit government institution, where he still acts as an executive board member.

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List of Important Events

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WORLD CASHEW CONVENTION

For the industry, by the industry

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Radio Frequency Processing – A Chemical Free Thermal Process for Disinfection of Cashew Kernels

Ms Parastoo Yaghmaee, RF Biocidics

Nuts are generally thought to have a low risk of causing food borne illness because they are consumed as dry, and their moisture content and water activities are low. However, the increasing number of outbreaks due to Salmonella and Escherichia coli, and ensuing costly recalls has proven otherwise. Although the water activity of nuts (generally less than 0.7) does not support bacterial growth, contact with even a small number of live pathogens can represent a serious food safety hazard.

It is becoming increasingly necessary to include a treatment step in the processing line to address the risk of pathogens. Exporters of nuts and other agricultural products face an increasing number of rejections and warning notifications. In fact, almonds grown and sold in the United States have been required since 2007 to undergo bacterial disinfection against Salmonella at the log 4 reduction level. Recent Salmonella outbreaks traced to the consumption of raw cashew nuts are demanding the cashew nut industry to reexamine its safety protocols, and seek similar pasteurisation processes.

In the United States, the Food Safety Modernization Act (FSMA) of 2011 was enacted to ensure that the U.S. food supply is safe by proactively preventing contaminated product from reaching the market, rather than responding to food borne illnesses via recalls. The gradual implementation of FSMA in the US is another force that is compelling importers of cashew and other tree nuts to implement a disinfection process.

One of the most common industrial processes for disinfection and disinfestations of cashew nuts is chemical fumigation. Depending on the region and the level of advancement of the processing plant, fumigation may be carried out from as simple as under a tarp in the middle of the field with no protection or control, to as sophisticated as in a closed chamber with continuous monitoring of the concentration of chemicals.

However, the use of chemicals for food processing is increasingly coming under scrutiny due to public concern over the impact of chemical compounds has on the human body and the environment. International pressure to replace chemical treatment for disinfestations and disinfection of agricultural products, specifically nuts, seeds and grains, is driving adoption of alternative and innovative technologies.

Conventional non-chemical alternatives have employed thermal treatment. One of the difficulties of using conventional thermal treatment for bacterial reduction of products such as cashews is the slow heating rate and necessary long treatment time. For some nuts, conventional thermal processing also results in undesirable taste, visual changes, as well as nutritional degradation. Radio Frequency (RF) processing is a new type of thermal treatment specifically suited for tree nut characteristics. This technology has been proven successfully to reduce microbial populations in nuts, seeds, and grains. In a RF system, the RF generator creates an alternating electric field that changes polarity between two electrodes. The product
enters the field and, while passing through the RF system, the polar molecules (mainly water) and ions within each kernel rotate and vibrate at a rate of millions of times per second, producing heat throughout the entire volume of the product, not just at the surface - as in a conventional thermal treatment. This disinfection and disinfestations effect is purely derived from this thermal phenomenon. Due to the volumetric heating of the product, the heating rate is higher than in conventional heating, and therefore the process time is shorter.

With no gas emissions (such as with steam pasteurisation), the process is environmentally friendly, and as the process does not require chemicals, it is particularly well suited for organic producers.

RF Biocidics, a California based company, is a solution provider for the food industry, specialising in radio frequency and microwave equipment for the disinfection and disinfestations of low moisture food products. With units operating worldwide, RF Biocidics’ radio frequency equipment is being used for industrial pasteurisation of bulk almonds, as well as disinfection of chia seeds and sesame seeds in polywoven bags.

RF Biocidics has developed an industrial RF process for disinfection of cashew nuts and cashew pieces. At a processing rate of at one ton/ha, cashew pieces or whole cashews are continuously carried by a conveyor belt through the RF chamber. Once cashews enter the RF field, heat is generated volumetrically in the product. The volumetric heating of the cashew kernels affect the microorganisms on the surface and the inside of the nut simultaneously, decreasing their populations. Initial temperature and initial moisture of the product are among factors that determine the amount of RF power and the exposure time required to achieve a certain log kill reduction. At the end of the process, treated product is cooled down to room temperature by passing through a cooling tunnel before packaging. The assessment of the above process using Enterococcus faecium as a surrogate for Salmonella enteritidis Pt30 showed a minimum of 4 log reduction. In addition to the advantages of being non-chemical and having superior thermal effects, RF treatment provided by RF Biocidics’ equipment is designed to be highly energy efficient, and has been shown to have lower all-in operating costs than alternatives such as steam pasteurization and propylene oxide (PPO) fumigation, decreasing your payback time.

As a solution provider, the company works with customers to configure the equipment and develop process parameters to meet their specific processing goals. We integrate the RF process into the customer’s processing environment, and assist in formal validation trials, for both internal as well as external regulatory requirements. As a leader in RF technology for food safety, RF Biocidics is constantly striving to bring our clean, effective, and economical solution to the cashew, tree nut, and low moisture food industries.

For more information, please contact RF Biocidics at RFBiocidics.com.

References:
- Cashew – A Monograph, M. Abdul Salam, K.V. Peter. Stadium Press (India) Pvt. Ltd. 2010
- Food & Drug Administration Recalls. www.fda.gov/Safety/Recalls
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LongSon’s Success Mantra: Build Factories With High Food Safety Standard And Carefully Study Buyers Need

Vu Thai Son, Founder and owner of Long Son

considering the fact that Europe, the US, Australia and others have their own set of quality specifications?
We are able to supply because most advanced countries like USA, Europe and Australia require very high quality product, high food safety standard, traceability and social responsibility. In Long Son factories, we reached the entire high standard like HACCP and BRC. We are also taking very much care while building our factories in a very high food safety standard. We study carefully the quality standard that our buyers request and we will do according to their quality specifications.

How different is it to handle a company in Vietnam when compared to that of America, Ivory Coast or Mozambique?
To handle a company in Africa like Mozambique and Ivory Coast is much different like in Vietnam, because in Africa, we are foreigners. So, we have to carefully choose the right partner in Africa and co-operate with them for the business. Managing company in America is a bit easier because in America the company is just doing selling our product and I have our family people in USA, who help me to manage the company.

How will you get kernels from Mozambique through agents or directly?
We do not buy kernel from Mozambique.

You are one of the largest suppliers of kernels to Chinese markets; could you please share the Chinese quality specification for kernels?
Yes we are one of the largest suppliers of kernel to Chinese market. Chinese market always need very dry cashew, they do not want high moisture cashew. They pay good price for white color and dry cashew. But they buy all quality, they buy many low quality grades, so no worry, they can buy everything, just grade them according to their specifications and make it dry.

Longson has grown 20% per year during the last five years, which is phenomenal, how was it possible with in such a short span of time?
Yes Long Son has grown more than 20% each year during the last 5 years. We made it possible because:
• We always re-invest our profit every year to expand the business
• We always buy more factories through M&A every year
• We pay very much attention for training our staffs, so that they can manage the new factories that we set up and by standardizing our production system of all factories in the group

How are you able to supply cashew kernels to over 40 countries?
What is the growth of value added and branded cashews exported from Longson over the years?
Growth of value added: still not very much, but we are now selling with our Long Son brand in Wal-Mart, and we hope that the growth of value added cashew will increase very soon.

Vietnam and Cambodia has a good share of fine quality of RCN and what % of RCN does Longson procure?
Long Son is now processing around 15-20% of Cambodia cashew, so we procure around this percentage.

As food safety is gaining important, mention some of the best practices/methods to identify foreign matters and also to prevent infestation of cashews.
About food safety: I think the best way is to construct very high food safety factory and to follow all food safety regulation in processing like HACCP and BRC, then you can achieve desired food safety.

What are your success mantras which can inspire the young entrepreneurs across the world?
I think, first you need to graduate from University to have very basic knowledge; this will help you to learn very fast in cashew business.

Secondly you need to work with all your heart, must love the job you do then you will be successful.

---

Are you planning to invest in new processing factory or modernize existing cashew processing factory in India?
Cashew cultivation is expanding into new areas in India. Cashew processing too is being taken up in non-traditional areas. Entrepreneurs face several questions when starting a new project, such as, which technology to choose, what should be the scale, should we choose manual vs. semi-automatic vs. fully automatic processing lines and where to set up the plant, what is the demand in my region and what is the forecast and what are the risks in investing and so on.

The consulting arm of Cashewinfo.com would be happy to assist businesses in conducting Techno-Economic Feasibility studies for either establishing a new factory or modernizing an existing factory. Let us know your requirements, we would provide you with best advice. It is wise to talk to us before investing your money.

Please write to swapna@fbspl.com or talk to Swapna at +91 93428 40609.

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Born: 1962 in Ha Noi - Vietnam
Nationality: Vietnamese
Graduation: College of Foreign Affairs. Graduate 1984
Foreign language: English
Founder and owner of Long Son Joint Stock Company – Viet Nam since 2000.
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a subsidiary of AMES International, Inc. USA

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BVO ISO 22000 Certified
Wide set of capabilities

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India is the World’s Second Largest Producer of RCN—Raw Cashew Nut of 6.8 lakh metric tons, next to Ivory Coast.

India is the World’s Largest Producer of CK—Cashew Kernel of 3.35 lakh metric tons.

India is the World’s Largest Importer of RCN—Raw Cashew Nut of 9.58 lakh metric tons.

India is the 2nd Largest Exporter in CK—Cashew Kernels of 1 lakh metric tons approx.

India is the World’s Largest Consuming country of CK—Cashew Kernels of over > 2.4 lakh metric tons approx.

The robust growth in domestic consumption of cashew kernels over the years resulted in decline in cashew kernel exports from India. This is evident from the fact that export of kernel from India has come down from the 15-year average of 1.20 lakh metric tonnes to 1.11 lakh metric tonnes in 2015. From a major export oriented commodity, the cashew kernel has now been locally demanded commodity.

Most of the Indian states have expanded their area under Cashew cultivation; however, the processing industries rely on the imported raw nuts, mostly from African countries, as production in India has not scaled up to meet its ever growing domestic demand.

### Estimations

<table>
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The growth in the cashew industry in India has brought out a phenomenal change in the structural pattern of the industry. Until the year 2000, the industry comprised of units based mainly in Kerala, Tamil Nadu, Andhra Pradesh, and Karnataka later witnessed mushrooming of small and tiny units in all the areas like Orissa, West Bengal, and Gujarat etc. The change of phase saw the small and tiny units out-numbering the big units.

Until the year 2000, Vietnam was exporting its entire production of raw cashew nuts (RCN) to India. In 2000, they set their foot in cashew processing industry and within the first few years, they had attained enviable growth. Due to huge cost involved in automation, it was a roller coaster ride for them in the initial years. But unstilted support from their Government had
helped them to overcome all the initial obstacles and since then become a strong player in the global market.

**Challenges facing Indian cashew exports**
- Export Incentives have been withdrawn from 7% to 3%.
- Recent Tax initiation of new budget policy in dropping Import Duty on Imported RCN of 9.36%
- Import and Export Norms using the AA.
- Deteriorating of Indian Crop due to Ageing of the trees, Global Warming, Real Estate and other.

The biggest challenge for India is to increase the RCN production. This is something the industry alone cannot do and it has to partner with the government, farmers and other stakeholders to promote raw cashew nut cultivation.

**How do RCN import duty and export incentives affect the Indian cashew industry?**

Recently, Indian Government has imposed custom duty of 5%+SAD+Cess all together totalling 9.36% (Earlier it was zero percent) on imported RCN. i.e. if someone imports RCN at 1700 USD he needs to bear a tax of 159.12 USD which equals to 1859.12 USD shall be his purchase price which the industry is unable to bear as the consumer price shall go so high, added to it there shall be local taxes to the kernel on sale. Even Import Export Norms are not so easy to satisfy the officers, which shall be liable to penalise. The other aspect is in terms of financial aspect. The investments got a huge shortfall due to this, which made the manufacturers production drop down from 50% to 60% is one side of the truth and caused them to drop down their productions to 50% is one reason and unable to get RCN is the other side. This has shown the market with huge kernel shortage which raised the prices from INR 550 to >INR 700 for W.320 in domestic.

**What are the necessary actions which will help the Indian Cashew Industry to retain its top rank in exports?**
- Development of Cashew crop cultivation and buy back guarantee of RCN
- Replacing of aged trees with hybrid varieties which gives best yield
- Export Incentives have to be raised from the current 3% to 8% min, which will encourage the new, small entrepreneurs to export
- Import Export Policy should be given practically on considering the production outputs
- RCN Import duty has to be withdrawn till Indian attains self sufficiency in production to cater its domestic consumption

**What about domestic sales? Will the market further move still higher?**

In both 2015-16 season and so far in 2016-17 season cashew market has witnessed high volatility, especially in the domestic segment.

**Reasons:**
- This year’s season was delayed in many parts of the country.
- As the price have touched their life time high, and climate (Summer Season) hasn’t supported the manufacturers of the Ice Cream and Biscuit industries for further purchase of the raw materials.
- IVC crop delayed by a month, Benin first crop has failed in quality and production is expected to be less.
- Budget jolt- import duty hit cashew industry hard in 2016. In its general budget policy, the government of India has imposed a 9.36% duty on imported RCN (inclusive of SAD+Cess), which was Zero percent earlier, gave a big JOLT to the manufacturers. This has dragged the industry to the corner. The Exports have fallen in record. The Duty made the Indian Manufacturers less competitive in the World market.
- The duty has given the manufacturers a fear of the shortage of RCN and made the Manufacturers pay more price to the Local RCN which started with INR 8000/- and made a peak level mark of INR 11000/- in the starting stage and now it has crossed the mark of 12200/-. It is expected to go further high due to duty as well as less availability of quality materials, but luckily by the way of agreements made by Indian government under LDC with African countries, has saved the industry to some extent temporarily.
- The recent such agreement was done with Togo, Chad and Guinea Bissau.
- On the kernel side prices in the domestic segment has touched the record high of around INR 750 per kg for most
sought W320 grade, while W240 was traded in excess of INR 800 per kg, and LWP at INR 680 to 700 per kg.

• The initial Indonesia RCN new crop is quoted at 2200USD for 54 pounds and later in the Tanzanian season also it is expected to trade higher/closer to this mark. Hence there shall be very less chances of the kernel prices coming down in domestic market.

• GST: The new Taxation policy of GST which is likely to be implemented (tentatively) from April 2017 is shivering the industry more as the sales are likely to get affected as the basic tax in GST is likely to be around 16% (which is yet to be fixed) or more which is currently at 5%.

The Launch of BeninCajù: A New Era for Cashew in Benin

Katarina Kahlmann, highlights TechnoServe’s extensive experience in supporting the cashew industry in several countries and shared how honoured TechnoServe is to continue the work through this project.

The official ceremony launching the project BeninCajù was held on Thursday, June 2 in Cotonou, with representatives from the Government of Benin and the Director of USAID, Benin.

The launch of BeninCajù hopes to usher in a new era, which will boost greater agricultural production, trade and industrialization. USAID Benin Director Jonathan Richter explained, “USDA’s support on this project once again, which illustrates our commitment to support the development of agriculture in that country.

TechnoServe’s Regional Director for West Africa,
Product Description:
Infra red conveyorized modular drying equipment is suitable for drying, infestation treatment, and baking large quantities of all kinds of nuts. Nuts drying equipment integrates automatic PID temperature control system, automatic visual alarm system and variable frequency speed regulation systems, thus making it suitable for all sorts of in line operation, simple or complex, offline operations with vibratory feeder etc. Infrared wavelength of nuts dryer matches the wavelength of the material to be dried, which fully uses the resonance of maximum absorption peaks and makes the drying of material to reach the perfect quality with high heating efficiency, and low operating costs. It is available in heating lengths 5 metre, 7 metre, 10 metre etc as per process requirements.

Product Feature:
- The Machine is built sturdily and durable with visual interface for convenient use
- Simple installation and easy to upgrade later for other applications
- Power saving controls for energy conservation
- Heats uniformly and produce high quality edible products

Technology Advantage:
- Infrared can destroy infestation, bacteria and can dehydrate quickly by heating food products without damage to the color and quality of products.
- Multideck high temperature belt conveyor for tumbling of nuts
- The drying time is short; drying speed is fast; energy consumption is low and the quality is perfect.
- Energy saving, saving energy upto 20-30%, sometimes 40-50% depending on product type
- PLC integration for automatic and precise wave length control.

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<th>Drying Type</th>
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<td>IR Drying</td>
<td>12-16 KW</td>
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N. Satheesh Kumar, Managing Director, Mob. +91 9447123506
Cashew production in Vietnam has increased quite rapidly over the last decade. Vietnam now accounts for about one third of total Asian production and largest cashew processor in the world. Previously, many types of the raw nuts were exported to India for processing, to over come the shortfall that India experienced when African supplies dried up. Now, however, Vietnam has about more than 200 processing plants, with a capacity of 1.5 million tonnes of raw nuts. Annual cashew production is often less than this and thus Vietnam has become an importer of raw nuts from East and West Africa and South East Asia.

"According to my personal experiences and witnessed during cashew processing at Vietnam factories, they do control all kind of infestation and is been controlled by the following ways;

They maintain all processing areas with more clean and better hygienic conditions having specific areas for cashew husking, grading and all other processing areas.

The kernels are most vulnerable when dry, being both brittle and susceptible to insect infestation. Therefore, at this stage that must be handled with care and moved to the next stage of peeling as quickly as possible.

Successful business activity is depends on adequate food safety and hygienic practices. The main ways in which a producer can harm consumers are by selling food that:

- Contains poisonous materials,
- Contains bacteria or moulds or the poisons they produce,
- Contains glass or other contaminants would cause harm if eaten.

Safe food can be produced by giving careful attention to hygiene and by the use of proper quality control. It can be achieved by providing heedful efforts to the cleanliness of the processing equipment and the personal hygiene of food handlers. Proper quality control measures such as;

- Selection of good quality raw materials,
- Correct processing conditions,
- Precise temperature and time of heating,
- Preventing contaminating materials such as dirt, metal and stones, from becoming mixed with the food,
- Use of suitable packaging materials to protect the food after processing.

Personal Hygiene is another important factor, where the processor should not smoke, eat or chew anything while preparing food. They should never spit near the food being prepared or cough or sneeze over foods as it spreads bacteria and can contaminate the food. Everyone who touches food should wash his/her hands properly, using soap and clean water, especially after every visit to the toilet and between handling raw meat or poultry and any other food stuff, to avoid cross contamination.

using of special pest controls bags and pest control systems in the processing and packaging areas to ensure all their kernels are not infested during process or packaging, attention is paid to the infestation hazards of cashew kernels.

These hazards are more prevalent at some times of the year than others; however a good processor will be vigilant all the time. The main insect pests are:
The most important defense against infestation of any type is cleanliness and is essential in the rooms used for drying, peeling, grading, conditioning, and packaging. Floors and walls must be sound and free from cracks. They should be kept white-washed regularly. Some processors have filled the corners and places where the wall meets the floor with a curved filling so that the room can be properly swept, all corners having been eliminated.

Finally all the products are packed as per the international safety standards like HACCP and ISO and they use all modern equipment's and technologies.
Tani-Mex Value Added Product, ‘Casna’ Shares 20 Percent of the Total Exported Quantities

*Nguyen Thi Nhung, Tani-mex*

Tani-mex has invested an Australian model factory in Vietnam. In what way it differs from Vietnamese model. TANIMEX (C&N) has referred Australian model to build production plant in area 1 and 2, internal shipping by forklift, but the machines we used to process raw cashew kernel are of Vietnamese made.

As you are planning to expand cashew market to Russia in the near future, could you please share the ways in which cashews are being consumed in Russia?

These days TANIMEX (C&N) hasn’t sold much of cargoes to Russian market.

You are one of the largest suppliers of cashews to Chinese markets. Could you please share your views on why the prices for Chinese markets are always higher than that of EU and US? It is not always true, however, Chinese prices are higher than EU and US market mostly, because export charges were lower, advance payment, seldom to have commercial dispute and more multiple qualities of products (there are many different grades can be sold to Chinese market while EU and US markets don’t buy).

What is Tani-mex-CASNA share of valued added products in terms of your overall exports?

Value added products named CASNA is exported about 20% out of our total quantities.

What are the measures taken up by Tani-mex to reduce the Costs of production by 5% in 2016 and to save 3% of energy costs every year?

In 2014 TANIMEX (C&N) attended a seminar on Cleaner production program, which was sponsored by Canadian government. We have improved Insulation systems to reduce electricity costs by 25%. Moreover, TANIMEX (C&N) has invested up to two million USD within two years for machinery automation in production to cut down production costs by 5% in 2015.

How Tani-mex is able to generate consistent export revenues in excess of USD million dollars over the years?

Strictly adhering to commitments made to the buyers and stabilizing product quality are some of the ways, TANIMEX (C&N) builds and maintains trust with our partners.

What is Tani-mex-CASNA share of valued added products in terms of your overall exports?

We are promoting nutrition value of cashew nuts in domestic market to enhance consumption. Moreover, we stabilize quality, assure products hygiene and prestige.

How Tani-mex is able to generate consistent export revenues in excess of USD million dollars over the years?

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Member: AFI, CEPCI, FIEO
Vietnam Cashew Market

- Imports of Raw Cashews into Vietnam has increased by 5% in Quantity and 25% in Value when compared to that of last year.
- Ivory Coast stands first with a share of 44% of the Vietnamese imports so far, while Cambodia is a share of about 10%.
- Cambodia’s share of exports of RCN into Vietnam has decreased dramatically by 27% in Quantity due to drop in production in 2016 by about 15-20% as against 110,000-115,000 tonnes produced in 2015.
- Cashew kernel exports from Vietnam during Jan-Sep’16, totalled 259,552 tonnes valued at USD 2056.77 million.
- Meanwhile last year exports during Jan-Sep’16 totalled 247,136 tonnes valued at USD 1794.811 million wherein it has increased 5% in Quantity and 14% in Value when compared to same period in 2015.
- US is the largest buyer with 34% followed by China 14%, Netherlands 13%, UK and Australia both with 5%.
- Vietnam cashew kernel exports are likely to be at a new record in the region of 340,000-350,000 tonnes in 2016.
- Vietnam RCN production is likely to drop by about 10% when compared with last year and is estimated at 360,000-380,000 tonnes as against 400,000-420,000 produced in 2015.
- Vietnam local RCN prices hit an all time high of VND 52,000 per kg during this season.
- Overall Vietnam RCN imports are likely to be in the region of 900,000 and 920,000 tonnes as against 865,000 imported during 2015.
- We can observe egregious change in the Fob prices, W240 has increased 50%, W320 has shown a positive change of 35%, W450 with 36% hike when compared to that of Jan against Oct 2016.
Source-Wise import of Raw Cashew Nuts into Vietnam

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Jan- Sep 2016</th>
<th>Jan- Sep 2015</th>
<th>Change in (%) Qnty 2016 vs 2015</th>
<th>Change in (%) Value 2016 vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>78,390</td>
<td>112,20</td>
<td>1,08,860</td>
<td>136.93</td>
</tr>
<tr>
<td>Indonesia</td>
<td>26,769</td>
<td>43.65</td>
<td>24,572</td>
<td>34.68</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>3,45,095</td>
<td>518.34</td>
<td>2,94,420</td>
<td>364.85</td>
</tr>
<tr>
<td>Others</td>
<td>3,41,324</td>
<td>522.21</td>
<td>3,29,772</td>
<td>432.44</td>
</tr>
<tr>
<td>Total</td>
<td>7,99,632</td>
<td>1213.44</td>
<td>7,57,624</td>
<td>968.91</td>
</tr>
</tbody>
</table>

Indian Sashew market – 2016

- Indian 2016 cashew season started on a poor note with imposition of custom duty on RCN imports by government of India in its annual budget from the month of February.
- Decline in local production to 670,300 tonnes in 2015/16 as from 725000 tonnes in 2014/15, further added to the misery.
- The RCN import duty along with SAD and other cess added 9.36% additional burden on RCN imported in to India.
However, RCN imports from LDC will be exempted from duty.

- Import duty came as dampener to the industry, which has been already suffered by the effect of sharp increase in RCN prices in the last two seasons and on lack of parity with kernels.
- RCN prices in the domestic market increased by about INR 90 per kg when compared with 2013 price of INR 60 to 70 per kg, this is leading to closure of many small scale processing units in India.
- One more point to note is that, rupee depreciation since 2013, Indian rupee which averages 58.5 in 2013, depreciated drastically over the years to average above 64 in 2015 and close to 67 so far in 2016. In percentage terms the decline is 14.5 percent. From the above it is amply clear that Indian cashew processors suffer on multiple fronts.
- As a result of this RCN imports during the first ten months of 2016 declined substantially to 679,110 tonnes as against 88,453 tonnes imported during the same period in 2015.
- Overall Indian RCN import in 2016 is estimated in the region of 760,000 and 780,000 tonnes.

From the table above, RCN imports in 2016 declined mostly from Benin, Ivory Coast, Ghana, Nigeria and Tanzania. At the same time RCN imports so far in 2016 increased from Guinea Bissau, Gambia, Mozambique and Senegal.

### Indian Cashew Kernel Exports - Jan-Oct 2016 vs 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Qty tons</th>
<th>Value INR mln</th>
<th>Value USD mln</th>
<th>Change in (%) 2016 vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>BELGIUM</td>
<td>1,543</td>
<td>874</td>
<td>13</td>
<td>2,488</td>
</tr>
<tr>
<td>FRANCE</td>
<td>1,389</td>
<td>793</td>
<td>12</td>
<td>2,393</td>
</tr>
<tr>
<td>GERMANY</td>
<td>1,978</td>
<td>1,133</td>
<td>17</td>
<td>3,625</td>
</tr>
<tr>
<td>JAPAN</td>
<td>4,119</td>
<td>2,426</td>
<td>37</td>
<td>6,591</td>
</tr>
<tr>
<td>KUWAIT</td>
<td>1,068</td>
<td>660</td>
<td>10</td>
<td>1,222</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>3,133</td>
<td>1,719</td>
<td>26</td>
<td>5,921</td>
</tr>
<tr>
<td>OTHERS</td>
<td>10,103</td>
<td>3,340</td>
<td>80</td>
<td>13,984</td>
</tr>
<tr>
<td>SAUDI ARABIA</td>
<td>4,799</td>
<td>3,076</td>
<td>46</td>
<td>6,097</td>
</tr>
<tr>
<td>SOUTH KOREA</td>
<td>1,833</td>
<td>1,082</td>
<td>16</td>
<td>2,531</td>
</tr>
<tr>
<td>SPAIN</td>
<td>1,105</td>
<td>844</td>
<td>10</td>
<td>2,168</td>
</tr>
<tr>
<td>UAE</td>
<td>13,850</td>
<td>8,309</td>
<td>126</td>
<td>15,956</td>
</tr>
<tr>
<td>UK</td>
<td>2,021</td>
<td>649</td>
<td>10</td>
<td>2,843</td>
</tr>
<tr>
<td>USA</td>
<td>15,653</td>
<td>6,149</td>
<td>93</td>
<td>28,438</td>
</tr>
<tr>
<td>GRAND TOTAL:</td>
<td>62,649</td>
<td>32,917</td>
<td>495</td>
<td>94,259</td>
</tr>
</tbody>
</table>

Indian cashew kernel exports has come down from the 10 year average of 1.19 lakh tonnes to 1.06 lakh tonnes in 2015. The figures in the first ten months of 2016 was not encouraging and going by the current rate, exports are projected to drop towards 75,000 to 80,000 tonnes in 2016. Traditionally, from a major export oriented commodity the cashew kernel now is locally demanded commodity.

### Indian Domestic Cashew Kernel Price for Various Grades

<table>
<thead>
<tr>
<th>Grades</th>
<th>Place</th>
<th>Jan-01-2016</th>
<th>Min</th>
<th>Max</th>
<th>Avg</th>
<th>Oct-31-2016</th>
<th>Change in (%)Oct 2016 vs Jan 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>W320</td>
<td>Delhi</td>
<td>582.5</td>
<td>580</td>
<td>805</td>
<td>676</td>
<td>805</td>
<td>38</td>
</tr>
<tr>
<td>W320</td>
<td>Mangalore</td>
<td>591</td>
<td>582</td>
<td>802</td>
<td>665</td>
<td>802</td>
<td>36</td>
</tr>
<tr>
<td>W320</td>
<td>Jeypore-Odisha</td>
<td>630</td>
<td>567</td>
<td>825</td>
<td>667</td>
<td>800</td>
<td>27</td>
</tr>
<tr>
<td>W320</td>
<td>Kollam</td>
<td>573</td>
<td>573</td>
<td>772</td>
<td>650</td>
<td>772</td>
<td>35</td>
</tr>
<tr>
<td>W400</td>
<td>Mangalore</td>
<td>573</td>
<td>573</td>
<td>772</td>
<td>661</td>
<td>750</td>
<td>31</td>
</tr>
<tr>
<td>W400</td>
<td>Kollam</td>
<td>556</td>
<td>529</td>
<td>725</td>
<td>599</td>
<td>728</td>
<td>31</td>
</tr>
<tr>
<td>K</td>
<td>Mangalore</td>
<td>542</td>
<td>529</td>
<td>705</td>
<td>592</td>
<td>705</td>
<td>30</td>
</tr>
<tr>
<td>K</td>
<td>Jeypore-Odisha</td>
<td>555</td>
<td>515</td>
<td>720</td>
<td>577</td>
<td>720</td>
<td>30</td>
</tr>
<tr>
<td>LWP</td>
<td>Mangalore</td>
<td>534</td>
<td>511</td>
<td>688</td>
<td>574</td>
<td>688</td>
<td>29</td>
</tr>
<tr>
<td>LWP</td>
<td>Kollam</td>
<td>547</td>
<td>485</td>
<td>705</td>
<td>568</td>
<td>705</td>
<td>29</td>
</tr>
<tr>
<td>S</td>
<td>Mangalore</td>
<td>560</td>
<td>529</td>
<td>750</td>
<td>608</td>
<td>750</td>
<td>34</td>
</tr>
<tr>
<td>S</td>
<td>Kollam</td>
<td>551</td>
<td>549</td>
<td>728</td>
<td>610</td>
<td>728</td>
<td>32</td>
</tr>
<tr>
<td>JH</td>
<td>Mangalore</td>
<td>569</td>
<td>560</td>
<td>754</td>
<td>633</td>
<td>750</td>
<td>32</td>
</tr>
<tr>
<td>SWP</td>
<td>Mangalore</td>
<td>520</td>
<td>503</td>
<td>617</td>
<td>536</td>
<td>617</td>
<td>19</td>
</tr>
<tr>
<td>SWP</td>
<td>Kollam</td>
<td>485</td>
<td>476</td>
<td>617</td>
<td>513</td>
<td>617</td>
<td>27</td>
</tr>
</tbody>
</table>

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Indian domestic kernel price for various grades gained significantly ranging from 19 to 38 percent since January 2016. The difference between wholes, splits and broken narrowed down considerably.

### Tuticorin-India (USD/lb fob)-Export Prices

<table>
<thead>
<tr>
<th>Grades</th>
<th>2016 (Jan to Oct)</th>
<th>Change in (%) Oct 2016 vs Jan 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>W240</td>
<td>Place</td>
<td>Jan-01-2016</td>
</tr>
<tr>
<td></td>
<td>Tuticorin</td>
<td>3.80-3.90</td>
</tr>
<tr>
<td>W320</td>
<td>3.55-3.65</td>
<td>3.50-3.70</td>
</tr>
<tr>
<td>W450</td>
<td>3.45-3.50</td>
<td>3.40-3.55</td>
</tr>
<tr>
<td>SW320</td>
<td>3.40-3.45</td>
<td>3.40-3.50</td>
</tr>
<tr>
<td>SW360</td>
<td>3.20-3.30</td>
<td>3.20-3.30</td>
</tr>
</tbody>
</table>

Indian cashew kernel export FOB grades have also gained substantially since the beginning of this year. But India couldn’t capitalize on exporting more kernels due to ever increasing raw materials price, imposition of import duty which totals 9.36%, export tax on RCN in African countries-as they wanted to increase their processing capacity, steady depreciation of Indian rupee and lack of parity on kernels.

GST (Goods and Service Tax), the path breaking One Nation, One Tax, which is likely to be (tentatively) effective from April-2017, might add further complication in this largely SME dominated processing industry. A four-tier GST tax structure of 5%, 12%, 18% and 28%, with lower rates for essential items and the highest for luxury and de-merits goods that would also attract an additional cess, was decided by the all-powerful GST Council in the first week of November.

Cashew kernels may come under the tax rate of 5 or 12% and yet to be notified by the council, which will be known in the coming weeks.

**US Cashew Market**

- Cashew kernel imports into US in first eight months of 2016 decreased by around 10 (9.54) percent quantified as 91,721 tonnes as against 1,01,395 tonnes imported during the same period in 2015.
- Vietnam share in US kernel imports is about 74%, followed by India at 11% and Brazil at about 6%.
- When compared to last year (first eight months) Vietnam’s cashew export into US has declined by 2.23%, and meanwhile India which had supplied 20% of cashew kernel into US in 2015 has now declined to around 11%. India, lost its no.1 exporter to US status to Vietnam in 2007.
- Fluctuating production led to decline in export share of Brazil from 2009. However, in 2015 Brazil in the first eight months exported 5839 tonnes of cashew kernel in to US as against 3804 tonnes exported during the same period in 2015.
- Increase in US imports from countries like Canada, Ghana, Indonesia, Mexico and Mozambique have turned out to be positive when compared to yester years.
- Cashew kernel imports into US touched a record high of 152,588 tons in 2015, as consumption gained momentum as its economy activities gained momentum.
- Going by the trend so far, US imports of kernel are likely to decrease by around 10-12% in 2016.
African Cashew Market – 2016

- Tanzania cashew crop for 2016 is expected to be very good. RCN production is expected to be in the region of 200,000 tons for 2016 against 155,000 tons produced in 2015. However, the season is bit delayed and auction commenced from October 14, 2016.

- Under the leadership of the President of Tanzania, CBT is convinced that area under cashew nut would grow in the next three to five years to fulfill the President’s wish of 5000 cashew trees in every village of Tanzania by 2020.

- The RCN buyers in India are urged to deal with only licensed exporters. The list of licensed exporters is available with Cashew nut Board of Tanzania to prevent cheating and frauds cases

- Reasonable measures have been taken to address congestion at port. These include earmarking specific ports for crops from specific regions (such as Lindi and Mtwara to go through Mtwara port only), exploring the possibility of transhipment in small barge from Lindi to Dare salaam and so on. So, CBT expects considerable reduction in congestion during 2016/17 season

- CBT has revised the EMD to 25% of the bid value to prevent malpractice and encourage genuine buyers. Accordingly, all bidders must submit a bank guarantee or a banker’s cheque to the tune of 25% of the bid value. The successful bidder would pay the balance 75%, while unsuccessful bidders can take their cheques back.

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THE FABULOUS CASHEW

CROSS-SECTION OF THE CASHEW NUT

Coriaceous epicarp
Spongy mesocarp
Stony endocarp
Skin covering of nut
Edible nut

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