

It is a great honour to have been given this opportunity, to officiate the opening of the **Tanzania International Cashew Conference (TICC)** on behalf of Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, who could not be here to preside over the opening ceremony of this conference due to other equally important national commitments. I thank all participants for accepting invitation. Please welcome to Tanzania and feel at home. For our guests from outside please set aside a few days after this conference to sample the beauty of Tanzania and am sure you will love the unforgettable tourist attraction across the country both on mainland and Zanzibar as well as the unmatched hospitality of our people.

I commend the African Cashew Alliance for collaborating with the Ministry of Agriculture and the Cashewnut Board of Tanzania (CBT) in organizing this important Conference which has brought together farmers, processors, cooperatives, traders, regulators, consumers, financial institutions, development partners, policy makers and other stakeholders in the cashew value chain. I am delighted to note that this Conference has attracted nearly 400 experts and stakeholders to discuss and exchange views on pertinent issues and strategize on how to boost the cashew industry. I wish to extend special thanks and commendation to the cashew farmers and cashew researchers for their significant contribution to the national economy in terms of jobs , foreign exchange and goods.

Hon. Ministers, Esteemed Leaders and Distinguished Participants;

The cashew industry has a great potential to stimulate economies due to its global market potential, which was estimated at USD 7 billion in 2022 and is expected to further increase to USD 10.5 billion by 2031. Therefore, this Conference has come at an opportune time to enable cashew producing countries to realign our strategies; promote value addition; expand regional cashew trade and related products; remove tariff and non-tariff barriers to trade affecting this strategic cash crop; enhance awareness on the economic opportunities in the cashew industry; share information on efficient technologies in cashew processing and to provide a platform for data collection and sharing on the industry.

Hon. Ministers, Esteemed Leaders and Distinguished Participants;

Under the agriculture sector transformation agenda 10/30, Tanzania is set to increase the growth of the agriculture sector from the annual average growth rate of 5% to 10% by 2030. Similarly, production of raw cashews is projected to increase from an annual average of 220,000 tons over the last ten years (2013/14-2022/23) to 1,000,000 tons per annum by 2030, with intermediate targets of 400,000 tons in 2023/24 and 700,000 tons by 2026/27. Tanzania also aims to process 60% of raw cashew in order to add value and broaden its market, as well as promotion of local consumption of cashew nuts and its by-products such as jam, juice, cashew milk, wine, ethanol and oil. These interventions are expected to scale up cashew nuts production and maintain Tanzania's position as one of the top three producers in Africa. Furthermore, Tanzania has liberalized the cashew trade, enhanced private sector participation, reviewed its laws and regulations, ensured timely payments of farmers' claims and introduced a regulated market through the Warehouse Receipt-Based Auction System. This market arrangement, coupled with other reforms, have contributed to increased outputs, exports and producer prices and thereby boosted morale of small-holder cashew farmers.

Other measures undertaken include, scaling up the agriculture budget four-fold over the past three years, improved extension services through supply of extension service kits including soil test kits, support to research institutes through re-stocking and refurbishment of laboratory facilities, rolled-out subsidized farm inputs including pesticides and distribution of high-yielding seedlings countrywide. In tandem, cashew nut research through the Tanzania Agricultural Research Institute (TARI) - Naliendele Centre has contributed greatly to development of the crop. For instance, cashew nut research has enabled expansion of cashew growing areas from 5 to 18 regions; production of several cashew varieties; distribution of seedlings to farmers and control of pests and diseases.

One of the objectives of this conference is to chart out a workable cashew industry financing model. In that regard, Tanzania in the year 2011 established the Cashew Nuts Development Trust Fund (CDTF) to ensure reliable finance for the cashew industry. The Fund facilitates farmers to obtain farm inputs and has addressed issues of hiked farm input prices as well as unreliable supply of inputs. To support the Fund, Tanzania has recapitalized the Tanzania Agricultural Development Bank; and in collaboration with commercial banks have re-established the credit and export guarantee scheme to address shortfalls in collateral among Agricultural Marketing Cooperative Societies (AMCOS). The Central Bank of Tanzania on the other hand, has introduced a facility to support

affordable agriculture financing with interest rate not exceeding 9%. These interventions have had several positive effects such as an increase in the share of cashewnuts export earnings in total value exports of cash crops from 16.5% in 2012/13 to 31% in 2021/22.

Hon. Ministers and Distinguished Participants;

Although several strides have been made, cashew growing countries, including Tanzania, still face some challenges. Please allow me to lay out a few challenges i chain for participants of this conference to digest:

First, is the issue of limited cashew value addition. About 90% of produced cashew nuts is exported in raw form, thus fetching low prices. As a result of exporting raw cashew, several by-products such as jam, juice, cashew milk, wine, ethanol and cashew apple meat are lost. Export of raw cashew nuts is also tantamount to exporting jobs and earnings i.e. those that are associated with extraction of the by-products. Therefore, every effort must be made to invest in modern processing facilities, roasteries, and packaging techniques of our cashew prior to exportation. I am happy and satisfied by ongoing work to establish a cashew industrial park at Karanje.

Second, is the issue of wanting extension services and inputs. As we all know, this is a critical component for increasing productivity. In particular, cashew farmers need support to deal with pests and diseases which affect yields adversely. It is my hope that this conference, will deliberate on this matter and share best practices on improving extension services and timely inputs delivery to cashew farmers starting with registration of smallholder cashew farmers.

Third, inefficient cashew marketing system is an area that calls for due attention of this conference. Despite measures undertaken by Governments to boost cashew production around the world, efficient marketing of the crop has remained elusive. There is collusion and cartels among buyers/exporters/brokers, evidenced by limited number of buyers at the auctions who are well informed about the market prices while cashew growers have little market information. As a result, cashew growers have succumbed to unfair prices. I challenge this Conference to brainstorm on solutions to redress asymmetric information in the world cashew market.

Hon. Ministers and Distinguished Participants;

Before I conclude, I would like to extend a special invitation to potential investors to invest in the Tanzania's Cashew Industry. Tanzania has a

comparative advantage in the cashew industry, manifested in its vast arable land and favorable weather conditions. Tanzania's cashew harvest period (September-December) is the off season for other main producers (India, Vietnam and West Africa). Additionally, Tanzania's soil and weather support growing of the large-sized cashew nuts species that have proven to have a relatively high natural yield per hectare and are quite profitable.

I would also like to call upon African countries to work on reducing cashew consumer prices so as to promote increased national and regional consumption of cashew nuts and its related products, given Africa's huge market potential of an estimated 1.4 billion people under the AfCFTA. Cashew nuts are a nutritious food, which is rich in protein, vitamin K, fats and oils with numerous health benefits. Let us buy and consume cashew nuts produced in our continent. But for this to happen, consumer prices must be affordable to the majority of our people. I also implore cashew growing countries in Africa to check and put an end to malpractices in the industry such as unfair grading of cashew and supply of counterfeit pesticides.

Hon. Ministers, Esteemed Leaders and Distinguished Participants;

To end my remarks, I wish to sincerely thank and congratulate the Ministry of Agriculture, the Cashewnut Board of Tanzania, the African Cashew Alliance and other sponsors for their collaboration in making this Conference a success.

With these remarks, I have the honour to declare that the '**Tanzania International Cashew Conference**' is officially opened and I wish you fruitful deliberations.

Thank you