

**Cashew Growers
Association of Zambia
(CGAZ)**

**Zambia Cashew Development Initiative
2015 - 2020**

STRATEGIC

PLAN

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List of Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
BCC	Barotse Cashew Company
BRE	Barotse Royal Establishment
CDC	Cashew Development Centre
CEEC	Citizens Economic Empowerment Commission
CGAZ	Cashew Growers Association of Zambia
DoABM	Department of Agro-Business and Marketing
DACO	District Agricultural Coordinator
FAM	Finance and Administration manager
GCDD	Gender and Child Development Division (in Cabinet Office), (formerly: GiDD)
MAL	Ministry of Agriculture and Livestock
MCTI	Ministry of Commerce, Trade and Industry
MEM	Monitoring and Evaluation Manager
MP	Member of Parliament
MT	Metric Ton
NAP	National Agricultural Policy 2016 – 2026
ZCDI	National Cashew Development Strategy
OO	Outreach Officer
PACO	Provincial Agricultural Coordinator
SNDP	Sixth National Development Plan
UNZA	University of Zambia
WCI Ltd.	Western Cashew Industries Limited
ZaBS	Zambia Bureau of Standards
ZARI	Zambia Agricultural Research Institute
ZANIS	Zambia National Information Service
ZCC	Zambia Cashew Company
ZCH	Zambia Cashew Hub
ZCH-MPs	Zambia Cashew Hub Members of Parliament
FAO	Finance and Administration Officer
MECO	Monitoring, Evaluation and Communication Officer
NC	National Coordinator
ZMK	Zambian Kwacha (USD 1 = ZMK 5,000)
ZCDI	Zambia cashew Development Initiative
ZDA	Zambia Development Agency

Foreword

This document presents the strategic plan 2020 - 2025 of the Cashew Growers Association of Zambia (CGAZ). It aims to clarify how CGAZ wants to work during the implementing period towards its vision of a vibrant cashew industry in Zambia, in which Zambians participate in and benefit equitably from the cashew industry.

As we all know, plans can go terribly wrong, but this inherent risk in planning can be substantially reduced through comprehensive consultations with stakeholders during the planning and implementation period. Therefore, this strategic plan was established through coordinated and collective efforts of the Board of CGAZ, members and staff of the association, and various other stakeholders. This included visits to the Ministry of Agriculture a four-day workshop with the Board and members of CGAZ, and a one-day validation workshop. The document can be seen as an expression of a firm consensus amongst stakeholders about the objectives and activities of CGAZ for the next five years.

Another cause for plans going wrong is non-commitment during the implementation period of the plan. By paying extensive attention to the inclusion of a manageable monitoring system for the plan and by embedding a continuous feed-back of the monitoring results in the planned activities, CGAZ has tried to ensure that the plan will be a living document. We need to know where and when we deviate from the planned inputs and where, when and why we might fail to achieve our chosen objectives so that even during the implementation of the plan we can take corrective action to further the realization of our vision.

Any plan relies on assumptions. We have assumed that Zambia will continue to enjoy peace and stability and a vibrant democracy, where the people will continue to have the possibility to express themselves freely and cooperate with Government of the Republic of Zambia (GRZ) in the pursuit of a better future for all members of the society. But we do not only assume this, we in fact understand ourselves as a distinct movement in the Zambian society, which contributes by means of this strategic plan to the development of the cashew industry. We cannot know at this point in time whether we shall be as successful in this as we wish to be, but we can, on the basis of this strategic plan, at least say that the realization of our vision is not impossible.

The CGAZ board wishes to extend its gratitude for the production of this strategic plan to its members, the members of the Board, management and staff for their contributions, insights and deliberations, and also to the Zambian Governance Foundation (ZGF). Equally, we wish to thank Mr. Stephan Sindern, the Managing Consultant of Sindern-Forster Services, for his guidance during the planning process.

Ing. Allan Chinambu
NATIONAL CO-ORDINATOR

1.0 INTRODUCTION

1.1 The Cashew World Production and Processing

1.1.1 Description of the Tree

The Cashew Nut Tree

The Cashew Tree (*Anacardium occidentale* L., Anacardiaceae) is a spreading evergreen perennial tree up to 12 m tall; both primary roots and secondary roots are important: the first are to suck up water from even deep below the ground, which is essential in forming the apple and the nut, and the secondary roots provide leaf growth and give stability to the plant; the leaves grow up to 20 cm long and 15 cm wide; flowers are numerous in terminal panicles, 10–20 cm long, male or female, green and reddish; each flower has 5 sepals; 5 petals; 10 stamens; the nut is about 3 cm long, 2.5 cm wide, attached to the distal end of an enlarged pedicel and hypocarp, called the cashew-apple; this is shiny, red or yellowish, pear-shaped, soft, juicy, 10–20 cm long, 4–8 cm broad.

1.1.2 Uses

Apart from the kernels, cashew nut production has other important by-products such as cashew nut shell liquid for industrial use and the cashew apple which is further processed into juices, alcoholic beverages and animal stock feed. The kernel testa has about 9%

tannin, which is used in tanning leather. The evergreen cashew tree is used for reforestation to prevent desertification and erosion.

1.1.3 Ecology

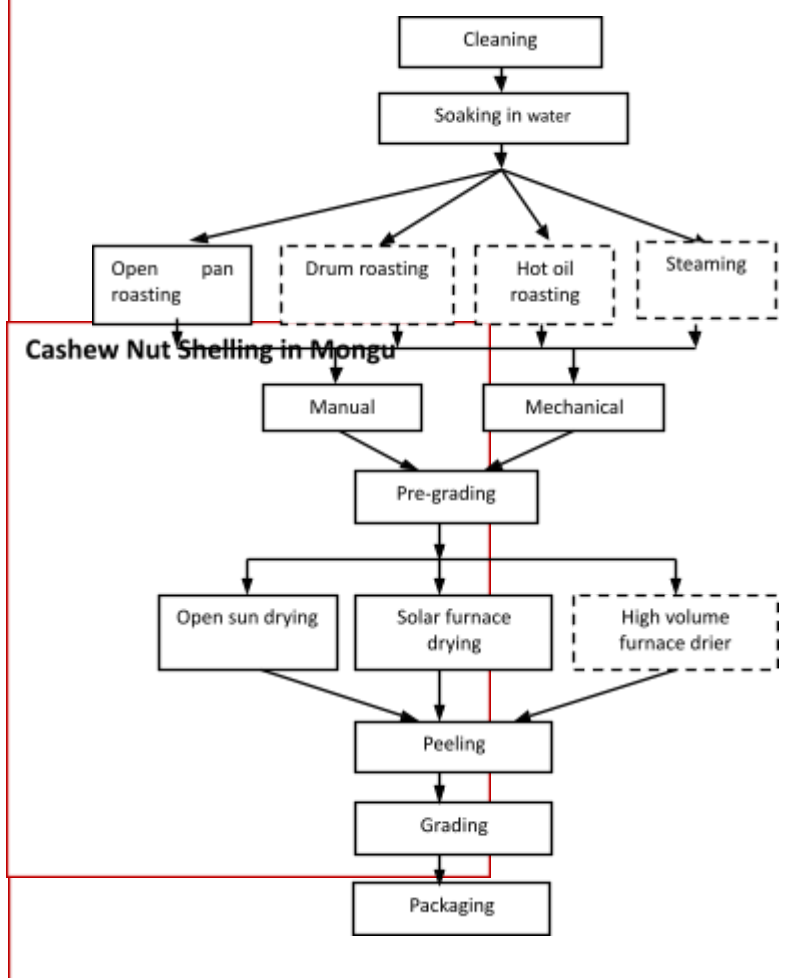
The cashew trees are reported to tolerate annual precipitation of 700 to 4200 mm, annual temperature of 21 to 28°C, and pH of 4.3 to 8.7. The Cashew crop grows on sterile, very shallow and impervious savanna soils, on which few other trees or crops, will grow, but is less tolerant of saline soil than most plants. The tree does not tolerate any frost. In Brazil, Johnson (1973) summarizes "optimal ecological conditions" annual rainfall 700–2000 mm, minimum temperature 17°C, maximum temperature 38°C; average annual temperature 24–28°C, relative humidity 65–80%; sunlight of 1,500 to 2,000 hours per year, wind velocity 2.25 km/hr, and dry season 2–5 months long.

1.4 Cultivation

Cashew germinates slowly and poorly; several nuts are usually planted to the hole and thinned later. Propagation is generally by vegetative through grafting, budding and air-layering. Planting should be done in situ as cashew seedlings do not transplant easily. Recommended spacing is 10m x 10 m, with maximum planting of 100 trees/ha. Intercropping may be done in the first few years. Fruits are produced after three years, during which lower branches and suckers are removed. Full production is attained by 10th year and continues to bear until about 30 years old. In dry areas, like Zambia, flowering occurs in dry season. From flowering stage to mature nut requires about 3 months. The mature nuts fall to the ground where they are gathered each day and dried for 1–3 days.

Box 2: Cashew Nut Processing

Key: Highlighted boxes-Adopted processing technology



1.5 Processing

Mechanical means for shelling have been unsuccessful, so hand shelling is recommended. Cashews are usually pretreated by steaming to make the shell brittle and oil less blistering. The kernels are extracted by people skilled in breaking open the shells without breaking the kernels. The seed coat (rich in tannin) is removed by hand.

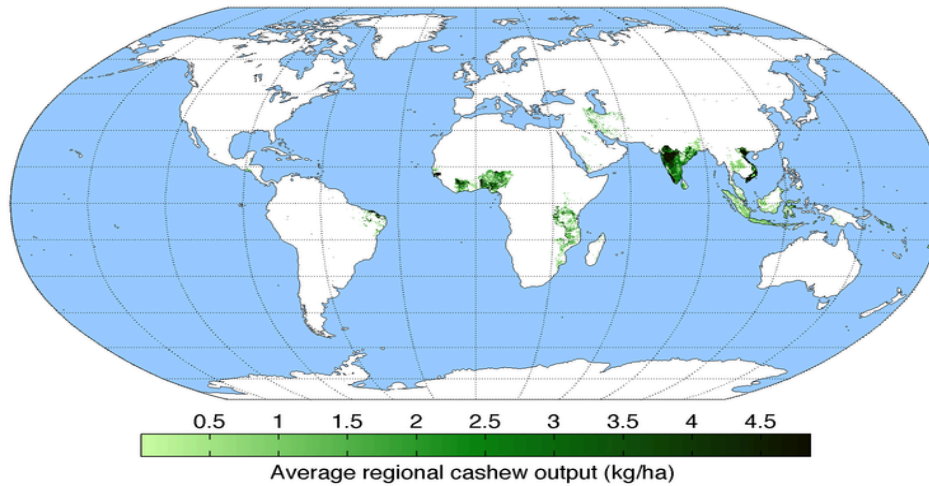
1.6 Yields and Economics

Yields are said to range from 1–10 kg/tree/year, with an average yield of 100–1,000 kg/ha. Export price of raw cashew nuts at US ports was USD 0.65/kg, but has risen to USD 1.20 in recent years. Major producers of cashew nuts are India, Vietnam, Brazil, Indonesia, Cambodia, East Africa and West Africa. The potential

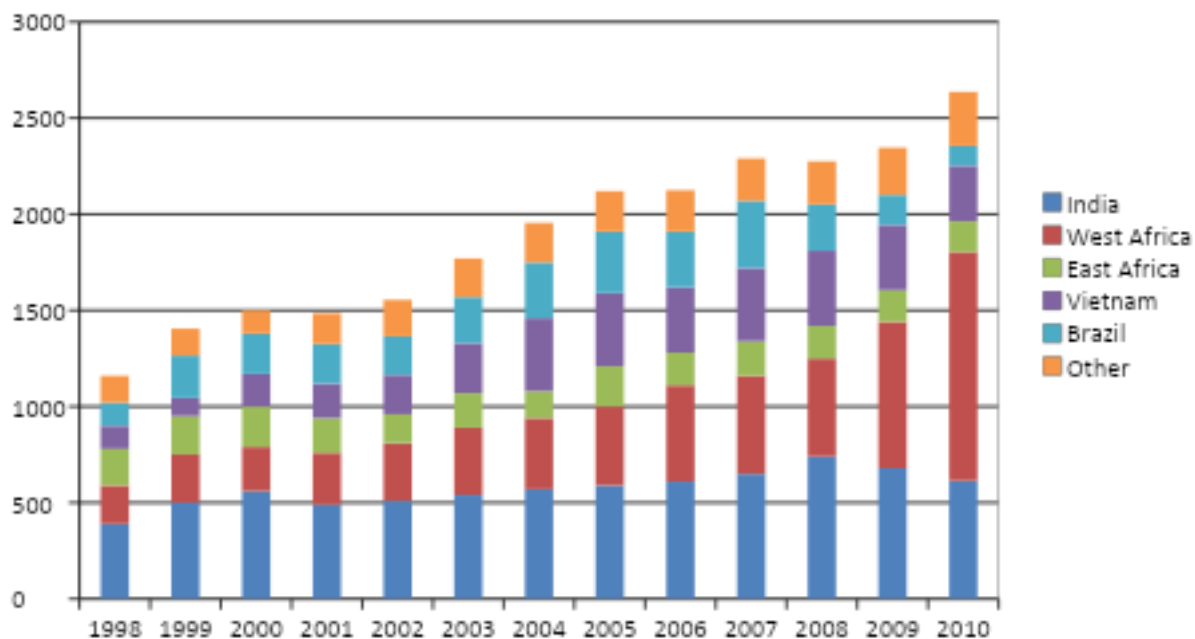
of cashew for Africa is enormous. World production hardly meets a continuously rising demand, in particular from Asia's emerging economies. Consumption in Africa is expected to rise. More than 40% of the world's cashews are grown by Africa's one million cashew farmers. Only 12% of them are processed in Africa. If Africa's entire annual cashew production (800,000 MT in 2009) was processed locally, it would directly create at least 250,000 new jobs mainly for women in rural areas, as well as more ancillary businesses supporting the factories (packaging, transport, equipment, services, etc). A local processing industry would also increase farm gate prices for cashew farmers and stimulate them to improve the current quality and low yield.

Major producers of cashew nuts are India, Vietnam, West-Africa, East-Africa and Brazil.

Box 4: Cashew Nut Production Zones



Box 5: World Raw Cashew Nut Production (in '000 metric tons)



2.0

CASHEW NUT GROWING AND PROCESSING IN ZAMBIA

In Zambia cashew nuts are produced along the cashew hub which is characterised by soils that are relatively poor for most conventional crops such as cereals. However, the cashew crop thrives very well under poor soils and it can also be intercropped with some common food crops like cassava. The present Zambia Cashew Hub has a total land mass of 1.3 million ha of land covering five districts namely Kalabo, Mongu, Senanga, Shangombo, Sioma, Mitete, Nalolo, Limulunga, Sikongo and Lukulu in Western Province. The present Cashew Hub has the potential to produce approximately 130,000 tons of raw cashew nuts per

annum¹ and turnover of over KR225 million². With this potential the cashew industry can create 10,000 factory jobs and support over 100,000 smallholder farmers. The potential to expand the cashew hub to Zambezi East in North-Western Province and Nyimba, Petauke, Katete, Vubwi and Chadiza (districts bordering with Mozambique) does exist. Apart from the kernels, cashew nut production has other important by-products such as cashew nut shell liquid for industrial use and the cashew apple which is further processed into juices, alcoholic beverages and animal stock feed. The kernel testa has about 9% tannin, which is used in tanning leather. The evergreen cashew tree is used for reforestation to prevent desertification and erosion.

It is with the above background that the Cashew trees were first introduced in Western Province in the late 1940s as a crop of economic value to be grown in the infertile Kalahari sands. Although people were aware of the vast financial potential presented by cashew nut growing, the growth of the industry was very slow due to lack of marketing and processing facilities until 1985 when the Government commercialized cashew production by establishing the Zambia Cashew Company (ZCC) that:

- Established the processing factory with processing capacity of 5 tons per day; The initiative was meant to strengthen the out grower scheme to benefit the local people through the sale of their crop to the company, provision of agro-chemicals, provision of cashew seedlings and extension services to farmers. The extension component was meant to ensure good quality cashew nut production. The nurseries had expanded to producing in excess of 260,000 seedlings per year. The company distributed about 1.7 million trees to about 10,000 farmers within the Province and reached a stage where it started exporting cashew seedlings within the region.
- Established bigger and commercial estates for demonstration purposes and to ensure that the company had its own source of nuts to reduce risk should farmers' crop fail. A total of 265,000 trees were planted on 1,808 hectares of the four plantations located in Mongu, Senanga and Kalabo

The Cashew Industry grew rapidly from 1986 to 1992 with the maximum production of 155 tons in 1991/92 growing season, thereafter production declined from 155 tons to 72 tons in 1992/93, 43 tons in 1993/94, 22 tons in 1994/95 and 20 tons in 1995/96. The decline in production was attributed to the sudden withdrawal of foreign shareholders and Government support to Zambia Cashew Company (ZCC) following the introduction of the Privatization policy. The sudden withdrawal of support to the ZCC marked the collapse of the cashew Industry in Zambia.

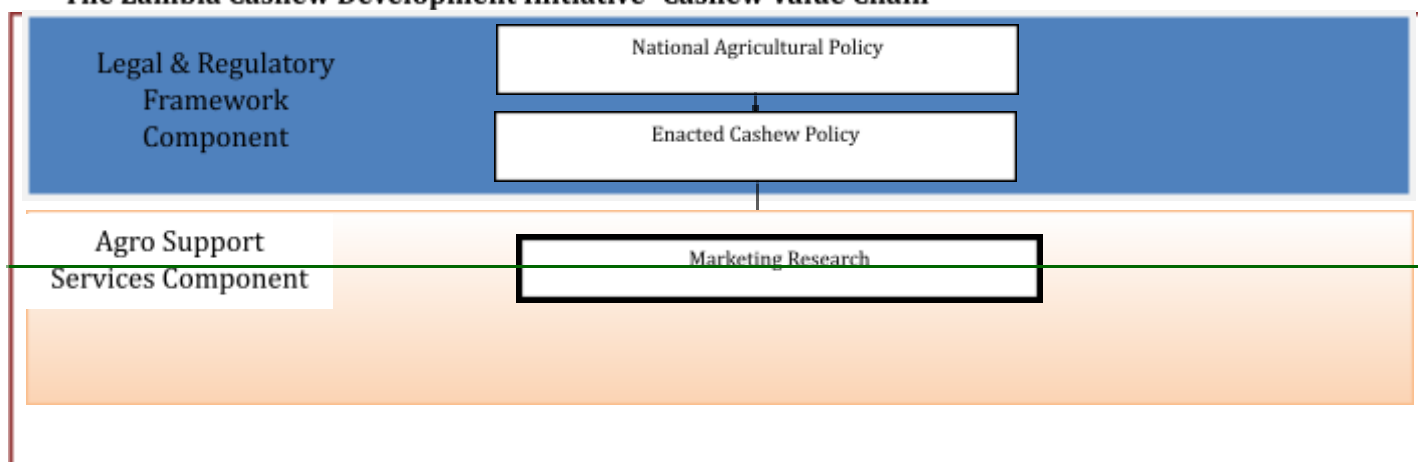
2.1 Cashew Value Chain Analysis

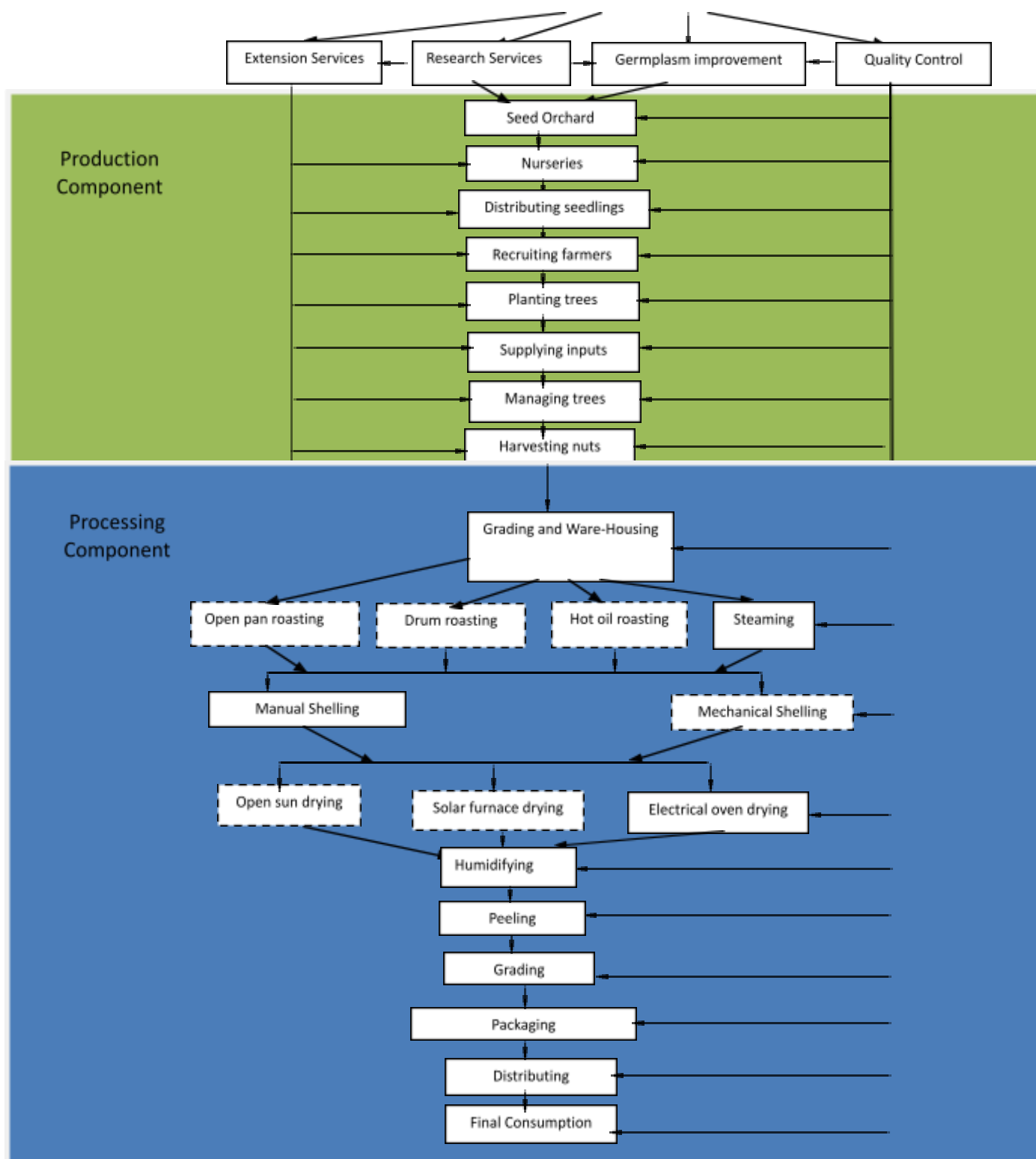
Cashew production provides renewed and promising opportunities for achieving greater food security, creating job opportunities, income generation, reducing poverty and improving the standard of living of the people along the Zambia Cashew Hub. It is with this background that Cashew Growers Association of Zambia (CGAZ) formulated the Zambia Cashew Development Initiative (ZCDI). The ZCDI represents one such initiative to put in place a strategic framework for the revival of the cashew subsector expected to follow a value chain approach that is underpinned by strong private stakeholders' participation. As a lead Civil Society Organization in the Cashew subsector, CGAZ aims at playing a major role in making sure that the ZCDI is implemented successfully to produce an output similar to the Mozambican success story.

Mozambique Cashew Development Success Story

- By 1972, the Cashew subsector had a total of 11 factories with capacity to process 150,000 tons of raw cashew nuts, employed more than 17,000 workers and marketed 216,000 tons of raw cashew nuts. Five decades of steady growth turned cashew into Mozambique's main export product and the principal source of income for almost one million rural households, i.e. about 60 percent of the rural population at the time.
- By 1983 the quantity of marketed raw cashew nuts plummeted to the levels of an historical low of 18,000 tons due a number of factors that include the civil war that led to rising insecurity in rural areas, disrupted agricultural and trading activities, destroyed vital parts of the transport infrastructure, and led to the displacement of the entire rural communities ((4.5 million people displaced): Under these circumstances, most

The Zambia Cashew Development Initiative -Cashew Value Chain





The diagram on page 10 presents the most important elements of the Zambia Cashew Development Initiative Cashew Value Chain. In general, the chain appears to be longer and more complex than the value chains for other agricultural produce, and there are several critical steps in it, which decide on the final value addition. The value chain is divided into four major components: the Legal and regulatory framework Component, agro-support services component, production component and processing component as follows:

No	Components	Critical Elements
1	Legal and regulatory framework	National Agricultural Policy and Enacted Cashew Policy
2	Agro-support services	Marketing research, extension services, research services, germplasm improvement and quality control.
3	Production	Seed orchard, nurseries, distributing seedlings, recruiting farmers, planting trees, supplying inputs, managing trees and harvesting raw cashew nuts.
4	Processing	Warehousing, steaming, shelling, drying, humidifying, peeling, grading, packaging, distributing and final consumption.

2.1.1 Legal and Regulatory Cashew Framework Component

The Cashew Growers Association of Zambia-CGAZ aims at revitalizing the cashew industry across the whole value chain to eventually produce an output similar to the Mozambican success story which has both a cashew strategic plan and enacted cashew policy³. The Cashew subsector requires a legal and regulatory cashew framework that will provide clear norms and standards as a way to guide the implementation of both private and public activities across the whole value chain. This will help to promote, control and regulate all matters in the cashew industry in an efficient, effective and fair manner

At the time of the formation of the association, the Ministry of Agriculture and Livestock had formulated a National Agricultural Policy 2005-2015, which aimed at diversification of agriculture in Zambia away from maize. However, the policy mentioned cashew only twice in the document, without any deeper analysis of its potential as the cash crop. Thus to secure higher level support and ensure that this strategic plan can survive into the longer-term despite political changes, the Association made submissions to the NAP review team to include cashew development components in the reviewed NAP. Key submissions made to the NAP review team included;

- to clearly identify and include all crops (such as cashew) with comparative advantages in each region and avoid words such as “and other crops”
- Promoting the extension of subsidies to all agricultural products with comparative advantage in each agro-ecological zone.
- Formulating and strengthening legal and regulatory frameworks as a way to guide both private and public sector activities in subsectors with comparative advantages in each agro-ecological zone.

The reviewed NAP and legal & regulatory cashew framework will also enhance effective implementation of the CGAZ Strategic Plan.

³Due to the Civil War, cashew production dropped from 216,000 MT in 1972 to 18,000 MT in 1983. With the enacted policy and strategic plan in place, the Mozambican Cashew Promotion Institute has successfully revitalized the Mozambican cashew industry to an annual output of 96,540 MT in 2010 with export revenue of USD 34 million for Mozambique. The Mozambique cashew value chain now aims at increasing production to 130,000 MT with turnover of US\$ 80 million by 2017.

2.1.2 Agro-support services component

Marketing Research

As there are no processing facilities for the cashew by products (the apple, cashew nut shell liquid, peels) other than for the nut itself, there are also no marketing data available for cashew by products other than for cashew nuts in Zambia, and the marketing data available are rather scanty.

Internationally, prices vary during a year, depending on the season, and they also vary according to the grades of the cashew nuts. The export price for raw cashew nuts ranges from USD 0.65/kg to USD 1.2/kg (FOB). India imports raw cashew nuts from the African countries and processes them for resale in United States of America and Europe. African cashew producing countries have moved upwards and prefer to process the nut in the country. Processed cashew nuts can fetch prices of more than USD 10/kg. The most preferred grades of cashew nuts include W-180, W-210, W-240, W-320, W-450 and W-500. These kernels have to be completely free from infestation, insect damage, mould rancidity, adhering testa and any other non cashew nut objects. Currently the export demand for cashew nuts from Zambia has reached KR 54 million. The demand⁴ translates into over 15,500 tons per annum of good quality raw cashew nuts. The demand for cashew nuts appears to be insatiable. The global market is currently growing at an annual rate of 2.5% and has a turnover of US\$1.4 billion per annum. However, the Zambian Cashew Value Chain has not been able to benefit from this market due to low production of raw cashew nuts.

The market potential does exist for salted/roasted and raw kernels through bars, gas stations, food industry, convenience stores, supermarkets, lodges and hotels in Zambia. However, it is evident that the Zambian cashew nut production (estimated at about 50 metric tons per year) cannot satisfy the national demand for cashew nuts as all major supermarkets stock cashew nuts, which are imported from South Africa. The origin of these nuts, which appear to be packed in South Africa, is not known at present. The quantities of cashew nuts imported into Zambia are not known.

Research on Cashew Trees

Research on cashew trees was carried out during the time of the Zambia Cashew Company (1985-1992), but was discontinued with the collapse of the company. Hence there is no research undertaken. This element is critical to support the provision of appropriate extension services in managing the trees and germplasm improvement.

Germplasm Improvement

The presently existing 1.7 million cashew tree resource is composed mostly of unknown and poor quality varieties. As a result the genetic base of the cashew crop in Zambia is still narrow and needs to be enlarged.

Extension Services to Cashew Farmers

Presently, the Ministry of Agriculture and Livestock provides extension services to the farming communities in all the cashew growing districts, but does not provide any extension services on cashew production. This is because at the time when the Zambia Cashew Company (ZCC) was active, the company was in charge of cashew extension services, and Government extension workers concentrated on other crops (rice, maize,

⁴The demand is based on enquiries received from Tradin Company of Netherlands, Toyota Tsusho Africa Ltd- a Subsidiary of Toyota Motors of Japan and Phil Cashew Processing Company. Discussions on long term marketing agreements have continued with these Companies

cassava, groundnuts, vegetables, etc.). The Government should officially encourage Extension Officers to include cashew in their extension services, thus the Extension Officers would all need training in cashew production. The Extension Officers should also be motivated with resources (e.g. training materials and equipment, basic agricultural tools for demonstration purposes, fuel etc).

Quality Control

The Zambian Cashew Value Chain has no quality control standards. The lack of quality control standards undermines consumer confidence and leaves the Zambian Cashew Value Chain at a disadvantage on both domestic and export markets.

2.1.3 Production Component

The production component of the Cashew value chain (CVC) include the following key sections (1) seed orchard and nurseries (2) sensitizing, recruiting and training farmers (3) Management of cashew trees and harvesting of cashew nuts.

Seed orchard and nurseries

Presently the Cashew subsector has no access to a reliable source of planting materials. It is planned to establish 1 seed orchard that will supply certified planting materials to 240 Community based nurseries along the Zambia Cashew Hub. The Governments of Zambia and Mozambique have authorized the Cashew Subsector to import 30,000 scions/buds from Mozambique. The 4 clones from Mozambique are early-maturing (2 years), high yielding (10 kg/ tree/annum) and more pest/disease tolerant.

Sensitising, recruiting and training farmers

Presently, the Ministry of Agriculture and Livestock provides extension services to the farming communities in the cashew hub, but does not provide any extension services for cashew production. The Ministry of Agriculture and Livestock should include cashew in its extension services to support the targeted 15,000 smallholder cashew producers.

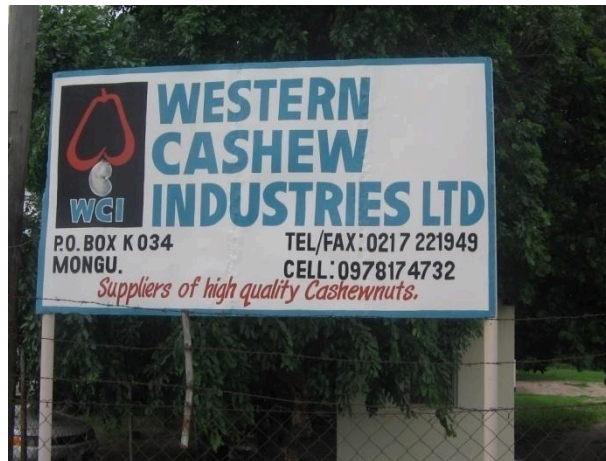
Managing cashew trees and harvesting of cashew nuts

The existing 1.7 million cashew tree resource has remained unattended to for over two decades due to lack of economical incentives. The trees are heavily infected and infested with diseases and pests, respectively. These factors have resulted into extremely low productivity (less than 0.03kg/tree/year) and low production (50 metric tons per annum) from the existing trees. It is planned to rejuvenate 200,000 existing trees and plant an average of 300,000 new trees per annum by 2017. The 15,000 targeted smallholder farmers will need support in form of certified seedlings, chemicals, tools, sprayers and training in production and post harvest management. Each farmer will plant an average of 20 trees per annum.

2.1.4 Processing component

Zambia has currently the capacity to process 780 tons of raw cashew nuts per annum with turnover of KR6.5million⁵. With the current production level of 50 tons per annum, the processing facilities are under utilized by 94% due to low supply of good quality cashew nuts

Privately owned Cashew Nut Processors in Mongu



Grade	Number of kernels per 454 grams
W-180	170-180
W-210	200-210
W-320	300-320
W-450	400-450
W-500	450-500



The processing component of the cashew value chain include warehousing, steaming, shelling, drying, humidifying, peeling, grading, packaging, distributing and final consumption.

Warehousing for Raw Cashew Nuts

⁵ Using two 8hrs-shifts per day

Harvesting of the raw cashew nuts is done over a period of 8 weeks, thus the need to purchase the entire crop from farmers within 12 weeks and thereafter stored in the warehouse for over 12 months for processing throughout the year before the new harvest. The cashew subsector has no adequate space to store the projected annual production of 3,300 tons/annum. Presently the actors in the cashew subsector have inadequate working capital to purchase and store the entire crop. Local banks generally have not been responsive in developing appropriate financial products to support the cashew value chain in Zambia. Grading of raw cashew nuts is determined by nut count⁶ and out turn⁷. The most preferred nut count is from 170-180. Currently the average nut count in Zambia is 200. While the out turn is extremely low at 15% compared to the average International standard of 55%

Steaming raw cashew nuts

Currently the cashew value chain has the capacity to steam 3,000 kg of raw cashew nuts per day this translates into 780 metric tons of raw cashew nuts per annum. However due to low supply of cashew nuts from the farmers the steaming component is underutilized by 94%. At projected production of 3,300 metric tons per annum the steaming capacity will be increased to 13,000 kg per day.

Shelling raw cashew nuts

Currently the cashew value chain has the capacity to shell 4,000 kg of raw cashew nuts per day, which translates into 1,000 metric tons of raw cashew nuts per annum. However due to low supply of cashew nuts from the farmers, the shelling component is underutilized by 94%. The shelling component is adequate at the moment. However at the projected production of 3,300 metric tons per annum, the shelling component will be expanded to 13,600kgs per day. The shelling efficiency has improved from 2% to 20%⁸ with the use of the new machines. With increased skills and experience being gained by the employees the efficiency will increase to 70% by 2020. Each employee shells 25kg per 8 hours shift compared to international standard of 50kg per 8 hours shift.

Drying of the Kernels

This process prepares the kernels for manual peeling. Currently the cashew value chain has the capacity to dry 500kg of kernels per day meaning this capacity is underutilized by 90%. With increased production the drying capacity will be increased to 2,500kg of kernels per day.

Humidifying the kernels

Humidification prepares the kernels for peeling. Two humidifiers with capacity to humidify 1,000kg per 8 hours shift were purchased and await installation.

Peeling the Kernels

This is done manually and workers have adequate skills. Each employee has the capacity to peel 5kg per 8 hours shift compared to international standard of 15kg per 8 hours shift.

⁶ The number of raw cashew nuts per kg

⁷ The quantity of saleable kernels from 80kg of raw cashew nuts

⁸ Yield of whole kernels per total quantity of raw cashew nuts

Grading kernels

This is done manually and workers have adequate skills. Each employee can grade 30kgs of kernels per 8 hours shift compared to international standard of 80kg of kernels per 8 hours shift. The kernels are graded into wholes, butts, splits, pieces and baby bits

Packaging

The Zambian Cashew Value Chain has no competitive brand name and packaging. The present packaging equipment is not appropriate and adequate.

Distribution

The cashew subsector has no logistical arrangements for distributing the cashew products at national, regional and international levels. Thus the cashew subsector needs professional expertise and logistical support to develop a cost-effective and competitive distribution system.

Final Consumption

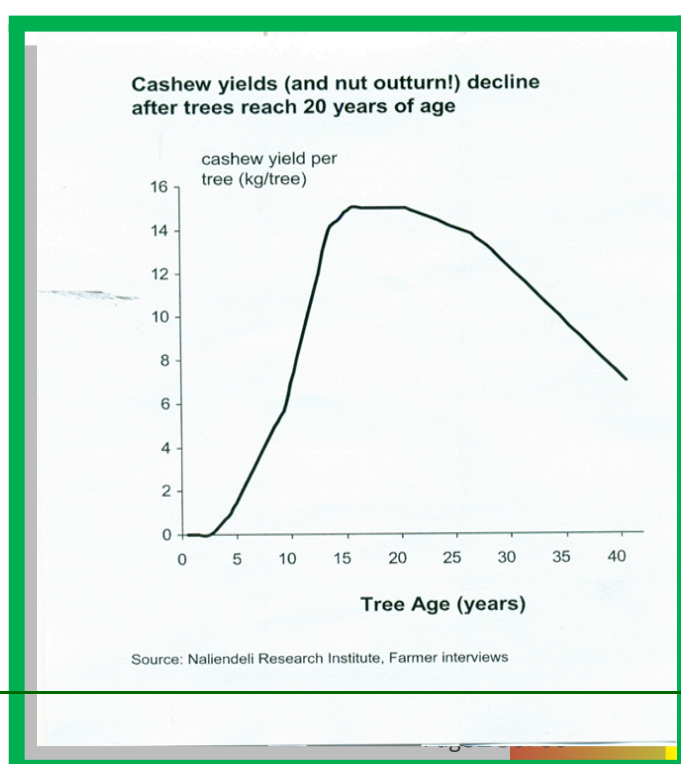
Most raw cashew nuts, about 90% of the harvest from Africa, are exported to India, where they are processed and packaged for export to the United States of America and Europe. The most preferred grades of cashew nuts include W-180, W-210, W-240, W-320, W-450 and W-500. These kernels have to be completely free from infestation, insect damage, mould rancidity, adhering testa and any other non cashew nut objects.

Challenges

The production component is simply not strong enough to meet the demand and benefit from the favourable world market prices for cashew nuts. It is evident that the Zambian cashew nut production (estimated at about 50 metric tons per year) cannot satisfy the current demand for cashew nuts. As a result, the cashew subsector is currently providing limited economic benefits to the people living along the Zambia Cashew Hub despite the ever increasing demand for cashew nuts on the global market. The major challenge facing the cashew value chain is low productivity and production among smallholder farmers who are not able to produce sufficient volumes of reasonable high quality cashew nuts, in order to exploit the ever increasing export markets. Of course the weakest links in the Zambian Cashew Value Chain are in its production component due to the fact that the existing 1.7 million cashew tree resource:

- Is heavily infected and infested with diseases and pests, respectively.
- Has since surpassed their optimal economical usefulness of 25 years⁹.

⁹ Average age of existing trees is 30 years



The above factors have resulted into extremely low productivity and production from the existing trees. As a result, the cashew subsector is currently providing limited economic benefits to the people living along the Zambia Cashew Hub despite the ever increasing demand for cashew nuts on the national and global market. The weakest links in the production component are attributed to the following challenges.

No	CHALLENGES	SOLUTIONS
1	Lack of a specific policy to deal with the cashew industry	Lobby for formulating a legal and regulatory framework for the cashew industry
		Lobby for stronger inclusion of the components of the cashew subsector within the National Agricultural Policy
2	No budget line to promote cashew development under MAL	Lobby for MAL staff at camp, district, provincial and national levels to include cashew activities in their annual plans
		Lobby for Including cashew under Farmers Input Support Programme
3	Inadequate knowledge in cashew production by MAL & CGAZ Extension and research staff	Provide refresher and specialized trainings in cashew production for the Ministry of Agriculture and Livestock (MAL) Extension staff and Cashew Growers Association of Zambia (CGAZ) Extension staff
		Provide refresher and specialized trainings in cashew Research and Development for the Ministry of Agriculture and Livestock (MAL) Researchers and Cashew Growers Association of Zambia (CGAZ) Extension staff.
4	Lack of extension and research services provided to the cashew sub sector	Conduct research to develop new and appropriate methods of production
		Develop appropriate cashew extension messages and training manuals
		Sensitize, recruit and register interested farmers
		Train farmers in cashew production and post harvest management
5	Lack of access to better quality planting materials and inputs	Conduct research trials on the imported clones and selected local mother trees
		Establish seed orchard with high yielding, early maturing and pest/disease tolerant clones or varieties.
		Establish community based nurseries with high yielding, early maturing and pest/disease tolerant clones or varieties
		Procuring and supplying inputs and tools to trained farmers
6	The cashew sub sector is not competitive enough at both domestic and global market	Conduct marketing research to identify competitive market outlets
		Develop quality control standards.
		Train processors and factory employees in cashew processing and marketing
		Establish export processing facility linked to cottage processing facilities

No	CHALLENGES	SOLUTIONS
7	Limited access to seasonal and long-term finance	Establish loan guarantee scheme to provide investment and working capital to processors and producers

Other challenges that can be cited as hindering the growth and competitiveness of the cashew sub-sector in Zambia include the following:

- (i) **Land tenure:** The land along the cashew hub is mostly considered as communal land with individuals only having use rights that are widely traditionally respected. Only a small fraction of this type of land is under title deeds given to individuals. Such a situation does not provide sufficient security of land tenure that could motivate an individual to invest in establishing bigger cashew plantations and rural cottage industries.
- (ii) **Gender imbalance:** Women provide most of the labour force in the cashew value chain; however they do not have equal access to land and other productive assets to establish their own cashew enterprises. Thus the cashew value chain is currently not providing equitable benefits to both men and women.
- (iii) **HIV and AIDS:** The HIV & AIDS have continued to present major challenges to the achievement of desired human development aspirations and productivity levels of the cashew sub sector. The HIV and AIDS have the capacity to negate efforts to promote the revival and development of the Cashew Industry
- (iv) **Persons with disabilities:** Persons with disabilities face numerous barriers in realizing equal opportunities from the cashew value chain and are more often the poorest of the poor along the Zambia Cashew Hub.
- (v) **Environment:** Implementation of this strategic plan is among interventions which could have negative environmental impacts if the agricultural practices are not well implemented.

3.0 SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • The existence of processing facilities with capacity to process 780 tons per annum of raw cashew nuts. • Abundance of suitable land to expand area under cashew cultivation • Ministry of Agriculture and Livestock and other Public Institutions have qualified staff to be developed into cashew research and extension specialists over a short period • The existence of mother trees for root stock in the Cashew Hub • Existence of a Producer Organization (CGAZ) to facilitate cashew development 	<ul style="list-style-type: none"> • Inadequate access to research and extension services • Inadequate access to agro-chemicals and sprayers • Lack of quality control standards • Inadequate finances to implement and operationalise the ZCDI • Lack of seed orchards. • Inadequate skills in mainstreaming cross cutting issues • Inadequate cashew Specialized Experts • Inadequate skills in business management, processing and marketing of cashew nuts • Fragmented and uncoordinated supply side of the market

Opportunities	Threats
<ul style="list-style-type: none"> • The availability of improved germ plasm within the SADC region • The availability of improved production technologies within the SADC region • Availability of specialized cashew experts within the SADC region • The existence of Political will to diversify the economy into nontraditional exports. • The International cashew market has, in the last decade, been increasing steadily by over 2.5% per annum. 	<ul style="list-style-type: none"> • Destruction of cashew trees by bush fires and frost • No and/or low participation from the identified stakeholders in implementing the ZCDI • Failure to secure external finances required to implement the ZCDI. • Insecure land tenure system

4.0 SITUATION ANALYSIS

The SWOT analysis presented hereinafter reveals that the association operates in a very favourable environment for promoting the cashew industry: climate and soils are ideal for cashew production; enough unutilized and suitable land is available; the national agricultural policies favour diversification of agriculture away from maize into other produce (amongst them cashew nuts), the market demand, both national and international, cannot be satisfied by the existing producers, and the technology for on-farm processing of the raw cashew nuts is available.

CGAZ is a very young organization. It depends entirely on volunteers and has managed to establish good relationship with the Ministry of Agriculture and Livestock, but it does not have reliable sources of income, not enough capacity to generate and disseminate information, not enough transport to contact more people in its strive to re-develop the cashew industry in Zambia, and it lacks a clear and well defined M&E system.

Given its age and voluntarism, CGAZ has achieved to raise interest in the cashew industry, but it needs to consolidate its operations to drive the industry to significantly higher and relevant levels.

CGAZ SWOT Analysis December 2011			
Internal Issues		External Issues	
Strength	Weaknesses	Opportunities	Threat
Good relationship with Ministry of Agriculture and Livestock	High dependence on donor funding	Favourable climate for cashew trees	Reluctance of growers to join association
CGAZ has a Financial Manual	Not enough representation of women	Favourable soil for cashew trees	Price fluctuations
Legal obligations all met	No reliable source of funding	Availability of enough land to capture more farmers	Emergence of parallel associations
Commitment of members	Low incentives to attract farmers	Political will favours cashew production	
Technically competent and politically experienced staff	Insufficient capacity to generate and disseminate information	Willingness of financial institutions and funders to help cashew sector	
Accounts audited	Transport insufficient to cope with tasks	Ability to recruit more members into CGAZ	
	No clear and well defined M&E system	Technology for small holder cashew nut processing is available	
	No permanent staff	Availability of both local and international markets	
		Environmentally friendly cultivation	



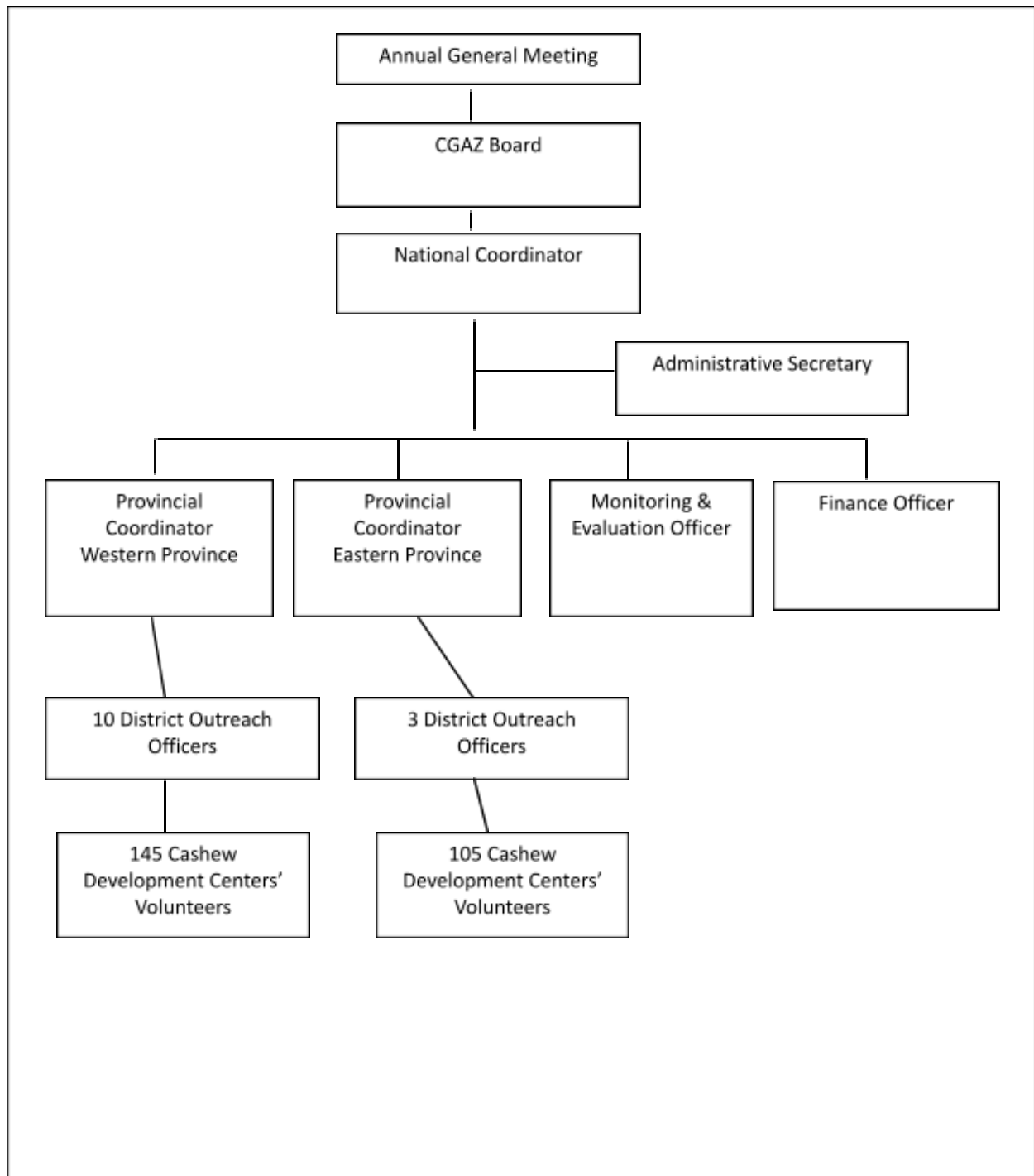
The Cashew Growers Association of Zambia (CGAZ) is a membership organization, which was registered as a society in 2007 with the objective to revitalize cashew nut growing, processing and marketing in Zambia. CGAZ is a membership organization with 573 registered members from 34 cashew development centres. 99.7% of the members are smallholder farmers, and the remaining 0.3% are emerging farmers, all of them involved in cashew growing.

No	Districts	Targeted membership/beneficiaries				Current membership/beneficiaries			
		Total	Females	males	No of CDCs	Total	Females	Males	No. of CDCs ¹⁰
1	Mongu/Limulunga	2,148	645	1,503	40	317	109	208	20
2	Senanga/shangombo /Nalolo/Sioma	2,142	643	1,499	35	93	33	60	5
3	Kaoma/Lukulu/Mitet e/Zambezi	2,142	643	1,499	35	42	14	28	2
4	Kalabo/Sikongo	2,142	643	1,499	35	2	0	2	1
5	Petauke	2,142	643	1,499	35	119	20	99	6
6	Katete	2,142	643	1,499	35	0	0	0	0
7	Nyimba	2,142	643	1,499	35	0	0	0	0
Total		15,000	4,503	10,497	250	573	176	397	34
Percentage			30%	70%			31%	69%	

According to its financial returns, it has a budget of about ZMK 500 million (=USD 100,000); 98% of the budget comes from a grant from the Zambia Governance Foundation (ZGF), and 2% come from membership fees. Expenses are presently in fuel, communication, allowances, repair of equipment, salaries and printing. CGAZ operates from 2 offices in Mongu and Petauke. CGAZ plans to establish the national office in Lusaka to enhance its contacts with national level stakeholders.

¹⁰ Cashew Development Centres

The organizational set-up of CGAZ is as follows:



Given the nature, size and age of CGAZ, it is amazing what the organization has achieved since its formation:

1. CGAZ managed to recruit 3,573 members. It has managed to facilitate the establishment of 145 cashew development centres and 3 District cashew development Committees through which farmers will receive agro-support services and make their voices heard by policy makers.
2. It aroused the interest of the Ministry of Agriculture and Livestock in the re-vitalization of the cashew industry. At the time of the formation of the association, the Ministry had formulated a National Agricultural Policy, which aimed at the diversification of agriculture in Zambia away from maize. However, the policy mentioned cashew only twice in the document, without any deeper analysis of its potential as a cash crop. By the time of preparing this strategic plan, the Ministry had reviewed the NAP. CGAZ participated in the reviewing of the NAP.
3. In its efforts to arouse the interest of the Ministry in cashew, the organization made contact with CINCAJU, the Mozambican Cashew Promotion Institute, which successfully revitalized the Mozambican cashew industry from irrelevance (18,000 MT annual output in 1983) to an annual output of 96,540 MT in 2007/08, with export revenue of almost USD 34 million for Mozambique.
4. CGAZ invited a Director in the Ministry of Agriculture and Livestock to information visit in Mozambique, which convinced the Ministry that cashew, is a viable crop with a huge market potential, leading eventually to the adoption of the idea to formulate the said ZCDI for Zambia.
5. CGAZ also managed to get authority from Government for importing certified planting materials from Mozambique for replanting and propagation, which allow production from the second year onward, are adapted to local climate conditions and tolerant to pests and diseases.
6. It has identified and operates a cashew nut shelling technology, which is suitable for establishing cottage industries in the rural communities.
7. The association also aroused the interest of other Zambian institutions in the cashew industry (e.g.: Zambia Development Agency, which has helped to promote the cashew industry at international level and Citizens Economic Empowerment Commission, which released some loans into the industry, Zambia Bureau of Standards that indicated willingness to help the industry develop quality control standards).
8. CGAZ also managed to establish a good relationship with the African Cashew Alliance, the continental organization that promotes the development of the cashew industry in Africa. And managed to facilitate a meeting between the African Cashew Alliance and Officials from the Ministry of Agriculture and Livestock as one of the means to use external influence to lobby for increased government support to the cashew industry.
9. To enhance broad and strong private stakeholders' participation in the cashew value chain, CGAZ has managed to establish good relationships with the Agricultural Consultative Forum (platform for actors involved in agricultural production-the supply side of the market) and Agri-Business Forum (platform for actors involved in agri-business and marketing- the demand side of the market)
10. The Ministry of Agriculture and Livestock has since given CGAZ an opportunity to propose a policy statement to be included in the National Agricultural Policy. The proposed policy statement will provide an opportunity for CGAZ to formulate a legal and regulatory framework that will help to promote, control and regulate all matters in the cashew industry in an efficient, effective and fair manner.

But CGAZ has more ambitions: it basically aims at revitalizing the cashew industry across the whole value chain to eventually produce an output similar to the Mozambican success story. CGAZ believes that the sector will need a legal and regulatory cashew framework in order to finalize the enabling framework for further development, which means that the association will still have a lot of lobbying and advocacy work to do. The association is of course well aware that it cannot achieve all this out of its own means and with the present organizational set-up. For this reason, the association starts its strategic planning with a stakeholder analysis, which lists all stakeholders involved in the development of the Zambian cashew industry (see tabulations on the following two pages).

The analysis reveals that:

1. Zambia Cashew Company had recruited and trained about 10,000 cashew nut farmers in the cashew hub; CGAZ intends to train about 15,000 farmers, possibly in collaboration with some facilitation by other interested organizations during the implementation period 2015 - 2020;
2. Some of these farmers do not only grow cashew nuts, but package them and sell them on their own account.
3. The cashew nut processors have currently a capacity to process 780 MT of raw cashew nuts per year¹¹. These processors will have to increase their combined processing capacity to about 13,000 MT, if they are to do the processing of the envisaged 12,000 MT per annum from 2020 onwards. If they fail to keep pace with the increased production, a lot of the raw cashew nuts will have to be exported, or not being bought from farmers from 2020 onwards;
4. Government has a lot of instruments to financially promote the sector (e.g.: Constituency Development Funds, the Citizens Economic Empowerment Fund, the Enterprise Development Fund run by the Zambia Development Agency), and the Ministry of Agriculture in particular also has a lot of experience and manpower to support the growth of the industry further. Financial engagement of the private sector is still in its infancy;
5. The marketing of the produce will be greatly improved by involving the Zambia Bureau of Standards, Zambia Development Agency, Agribusiness Forum, Agricultural Consultative Forum, Western Cashew Industries Limited, Phil Processing Company, Barotse Cashew Company and African Cashew Alliance, which have to be included in the campaign to promote the cashew industry at national, regional and international levels.
6. Last but not least, the media can be very useful in passing on information to producers and arouse demand for cashew nuts amongst the Zambian consumers.
7. CGAZ has stakeholders with different requirements and expectations. In order for CGAZ to serve the Stakeholders diligently, it was found necessary to carry out a stakeholders' analysis to establish interests/expectations, potential effect of not meeting the stakeholders' expectations. refer to table below.

Name of Stakeholder	Mandate/interest	Expectations from CGAZ	Risk(s) if Expectations are not met by CGAZ
Cashew Nut Growers (targeted number of 15,000 growers)	Make additional income from cashew nut growing	Revitalization of the cashew industry to create markets for raw cashew nuts Reliable supply of inputs Reliable information regarding cashew nut production and marketing Good and stable price for cashew nuts	Farmers turn away from cashew nut growing. Withdraw membership from CGAZ
Cashew Nut Processors	Processing, packaging and marketing of cashew nuts	Increased supply of raw cashew nuts from smallholder farmers	Processing below capacity if supply is not improved CGAZ will be considered irrelevant and sidelined
Workers in the Cashew Industry	Conducive working environment Competitive remuneration	Stable jobs through the provision of sufficient raw cashew nuts	Redundancies

¹¹ Using two 8hrs-shifts per day

Name of Stakeholder	Mandate/interest	Expectations from CGAZ	Risk(s) if Expectations are not met by CGAZ
Barotse Royal Establishments	Overseeing the distribution of land to farmers	Revitalization of the cashew industry to put land to productive use	Restraints the allocation of land for cashew nut growing
Zambia Cashew Hub-MPs	Facilitating easy access for cashew producers to the Constituency Development Fund Represent the will of the people in their constituencies	Revitalization of the cashew industry to create income for the respective electorate	CGAZ will be considered irrelevant and sidelined
Ministry of Agriculture and Livestock (MALI)	Responsible for the implementation of government policy in agriculture (diversification of agriculture away from maize)	Support in the execution of its mandate. No interference with the Ministry's mandate Support smallholder cashew producers	CGAZ will be considered obtrusive, irrelevant and sidelined
Citizens' Economic Empowerment Commission	Strengthens the participation of Zambian citizens in the economy	Promotion of cashew industry to enable profitable use of the CEEC credits to revitalize the cashew industry. Repayment of loans	Repossesses assets of loan defaulters
Zambian Governance Foundation	Strengthens the participation of Zambian citizens in the governance of Zambia	Active, successful and accountable use of grants to promote the cashew industry in Zambia	CGAZ will be considered unaccountable and sidelined
Zambia Development Agency	Supports and facilitates investment in Zambia	Attraction of investments into the cashew industry	CGAZ will be considered irrelevant and sidelined
Commercial Banks	Profitable banking services	Growing the cashew industry to a point where banking services become relevant	CGAZ will be considered irrelevant and sidelined
Zambia Bureau of Standards	Establishes and enforces standards in terms of quality and quantity	Prevent the use of harmful pesticides in the cashew industry, stick to standards	CGAZ will be considered irrelevant and sidelined
Media	Inform, educate and entertain	Always interested in new features and developments	No information on cashew industry in the national and regional media
Consumers	Buy good quality products	Support in the certification and quality assurance of cashew nuts	Turn away from cashew nut consumption and choose other products

5.0 CGAZ Strategy 2015 - 2020

5.1 CGAZ's Vision, Mission and Objectives

CGAZ formulated its vision as follows:

CGAZ Vision Statement

A strong cashew industry in Zambia, where Zambians equitably benefit in all stages of the cashew value chain.

CGAZ's mission statement is:

CGAZ Mission Statement

To empower its members to grow with and benefit from the cashew industry.

Values

CGAZ's Objectives:

The **highest objective** or **goal** of CGAZ's Strategic Plan 2015 - 2020 is to contribute to an increase of the annual production of raw cashew nuts to 3,300MT with turnover of KR 23,500,000 by 2020, which is about 12,200 MT below the ascertained aggregated demand (15,500 mt) for raw cashew nuts in Zambia. This **highest objective** or **goal** is a result of four (4) distinct **specific objectives** as follows:

Objective No.1 To lobby for establishment of a conducive Legal and Regulatory Framework for the Zambian Cashew Industry (including a Cashew Policy) by 2026

Rationale: The Legal and Regulatory Framework is an important aspect for planning and guiding the implementation of Cashew development Initiatives. Thus CGAZ will focus on lobbying Government to create a conducive environment and put in place a cashew sub sector wide policy analysis mechanism to make sure that its plans are effectively implemented in conformity with an informed policy framework so as to achieve the targets of improved Cashew nut Production, productivity, qualities, and reduction of poverty among the Cashew farmers in the sub sector. The legal and regulatory framework will help to promote, control and regulate all matters in the cashew industry in an efficient, effective and fair manner. The legal and regulatory cashew framework will also provide legal mandate to the lead organisation to carry out the following critical functions that are needed to establish a viable cashew industry in an effective, efficient and equitable manner thereby meeting the aspirations of Government, cashew farmers, cashew processors and collaborating partners.

- (i) To advise Government on policies and strategies for the development of the Cashew industry.
- (ii) To promote the development of cashew nut production, processing and marketing.
- (iii) To assist directly or through financial support the research and development of Cashew Industry.
- (iv) To regulate and control the quality of cashew nuts.
- (v) To collect, refine and maintain, use, disseminate information or data concerning the Cashew Industry.

- (vi) To promote and facilitate the formation of associations (or other bodies) related to or dealing with Cashew nut Industry and coordinate their activities.
- (vii) To make and enforce Cashew nut Regulations.
- (viii) To provide consultancy and technical services to cashew farmers, processors, buyers or exporters.
- (ix) To represent the Government in International Forum.

Objective No.2 To establish and consolidate CGAZ's governance and management procedures according to best practices by 2014

Rationale: CGAZ management is the heart of all implementation to be undertaken. Analysis of the internal environment shows that there is a weak organizational and management structure (i.e. Incentive schemes, management control tools, training & development policy) that prevents management from performing properly. Due to CGAZ's major role in developing the cashew subsector there is a need to strengthen and develop CGAZ's management & organizational capacity

Objective No.3 To increase annual cashew production from 50 tons to 3,300 tons by 2020:

Rationale: For the past twenty five years, the Cashew Industry has been experiencing hard times in terms of poor quality and extremely low quantities of raw and processed nuts. Effective and efficient strategies need to be developed and implemented to improve the production of raw cashew nuts both in quality and quantity. These strategies include:

- Expanding productive tree population in old and new farms using improved seedlings.
- Transferring of cashew planting research technology to farmers.
- Increasing supervision of farmers' compliance to instructions in proper cashew farming.
- Pushing for the private owned factories to be rehabilitated and commence processing.
- Increasing farmer training in modern cashew farming.

Objective No.4 To mainstream gender, disability and HIV& and AIDS issues in all CGAZ Programmes and projects

Rationale: Women do not have equal access to land and other productive assets to establish their own cashew enterprises. Thus the cashew value chain is currently not providing equitable benefits to both men and women. Equally the Persons with disabilities face numerous barriers in realizing equal opportunities from the cashew value chain thus it becomes imperative to promote affirmative & economic empowerment projects for women and people with disabilities. The HIV and AIDS have the capacity to negate efforts to promote the revival and development of the Cashew Industry due to loss of labour (death and morbidity). Equally loss of property through selling to financially support the HIV & AIDS affected families. Thus, the need to promote appropriate preventive measures and treatment of HIV & AIDS.

5.2 The CGAZ Strategy Map

Long-term Vision:

A strong cashew industry in Zambia, where Zambians equitably benefit in all stages of the value chain

Goal of CGAZ's Strategic Plan:

Annual production of raw cashew nuts increased to 3,300 MT with turnover of KR 23,500,000 in 2020

Specific Objectives

1.0 To lobby for establishment of a conducive Legal and Regulatory Framework for the Zambian Cashew Industry (including a Cashew Policy) by 2016

2.0 To establish and consolidate CGAZ's governance and management procedures according to best practices by 2014

3.0 To increase annual cashew production from 50 tons to 3,300 tons by 2017

4.0 To mainstream gender, disability and HIV& AIDS issues in all CGAZ Programmes and projects

Key Activities

1.1 Facilitating the establishment of a legal and regulatory cashew framework

2.1. Developing M&E System, Human Resource Management Policy, Gender Policy, Disability Policy, HIV & AIDS workplace policy

2.2 Training board members and staff in leadership skills, governance issues, monitoring of policy implementation and disability issues

2.3 Raising funds for CGAZ operations

3.1. Facilitating the recruiting and training of 15,000 smallholder farmers

3.2 Facilitating the distribution of certified cashew clones to trained farmers

3.3 Facilitating the distribution of inputs and tools to 15,000 trained smallholder farmers

3.4 Facilitating the processing and marketing of raw cashew nuts

4.1 Developing, promoting and implementing affirmative & economic empowerment projects for women and people with disabilities.

4.2 Promoting prevention and treatment of HIV& AIDS in the Cashew Development Centres

6.0 PLANNING ASSUMPTIONS AND RISK ANALYSIS

Every planning contains assumptions on issues, which are beyond the influence of the planners, but play an important role in the

achievement of the chosen objectives. The performance of the assumptions will have to be monitored throughout the planning period.

CGAZ's Strategic Plan 2015 - 2020 relies on the following assumptions:

1. The exchange rate of USD 1 to ZMK is K5 and will remain stable;
2. The price for 1 MT of raw-cashew nuts will fluctuate; with the upcoming second recession.
3. Zambia and especially Western Province of Zambia will remain peaceful;
4. Zambia will remain a democracy with strong emphasis on citizen's participation in public affairs;
5. The restrictions of the current NGO Act will not affect the operations of CGAZ;
6. The small-holder cashew growers will remain interested in the revitalisation of the Zambian cashew industry and strongly participate in planting, maintaining trees, harvesting cashew nuts, attending information and training events;
7. Funding organisations will be affected by the upcoming international recession, but will support programmes like CGAZ's strategic plan.

Assumptions 1 and 2 carry a risk, which cannot be quantified. All will depend on the performance of the global economy, which looks quite gloomy at this point in time. However, a sudden recovery and surge of the global economy cannot be expected, and prices will remain depressed.

Assumptions 3, 4 and 5 carry a risk, but this risk is low.

Assumption 6 carries a medium risk. Small-holder economies are severely restricted in their growth potential by labour constraints, by an attitude of risk avoidance, and the small-holders do not always readily embark on opportunities - no matter how good the returns might be. A total of 15,000 farmers will be recruited from 250 cashew Development centres(CDC) to plant an average of 20 new trees per annum per farmer. Each CDC will have an average of 60 cashew farmers.

Assumption 7 carries a medium risk because of the trends in the global economy, but a lot will depend on CGAZ's efforts to energetically, innovatively and systematically raise funds - not only amongst the usual co-operating partners, but also amongst large cooperative societies abroad and other funding organisations (e.g. the Melinda and Bill Gates Foundation). Last but not least, CGAZ needs to vigorously promote its own fund-raising ventures in a professional way.

7.0 CGAZ MONITORING AND EVALUATION SYSTEM 2015 – 2020

Monitoring is vital for the life of a strategic plan. It means determining whether or not progress has happened. It is only by examining outcomes, results, strategies, activities and strategic objectives and assessing them relative to the expectations expressed in the objectives that it will be possible to determine to which extent goals and objectives have been achieved. The monitoring system also requires indicators which measure the progress made during the implementation period – both input and output indicators. The annual operational plans will be the basis for monitoring the implementation of the activities. Quarterly, semi-annual reports and annual reports will be provided to see the progress performance of the activities

7.1 Input Monitoring

The activity schedule will be used for input monitoring. The boxes contained in the timelines of the activity schedule will simply be blackened where progress in the implementation has been made. The input monitoring will be done on a quarterly basis using the activity schedules below:

Monitoring will be done on a quarterly basis using the activity schedules below:														
No	Activities	Timeframe-Months												Responsibility
Specific Objective														
		1	2	3	4	5	6	7	8	9	10	11	12	

7.2 Output Monitoring

The following output monitoring schedule indicates the specific objectives, planned activities, planned outputs, achieved outputs, obstacles & remedial actions and means of verification. The quarterly monitoring reports will be prepared by the Monitoring & Evaluation Manager and presented to the Board for information and approval. The general membership will also receive the annual monitoring report

No	Specific objectives	Planned activities	Planned outputs	Achieved outputs	Obstacles & remedial actions	means of verification

7.3 Evaluation System

Evaluating CGAZ's performance will be done every one and half year. The main aims of conducting the evaluation exercises are to

- Assess whether the strategic plan is achieving its objectives and contributing to the fulfillment of CGAZ's mission ***(To empower its members to grow with and benefit from the cashew industry)***
- To see if there is any serious problem that might hinder CGAZ's performance

Below is the evaluation schedule that indicates the specific objectives, planned outcomes, achieved outcomes and means of verification.

No	Specific objectives	Planned outcomes	Achieved outcomes	Means of verification

8.0 LOGICAL FRAMEWORK FOR CGAZ STRATEGIC PLAN 2015-2020

Immediate objective No.1: To lobby for establishment of a conducive Legal and Regulatory Framework for the Zambia Cashew Industry (including a Cashew Policy) by 2017				
Outcomes	Indicators	Means of Verification	Assumptions	Time frame
The legal and regulatory framework for the cashew subsector enacted	Increased Government's responsiveness and support to the cashew subsector	Annual Yellow books Grant or loan contracts	Existing Political will to diversify agriculture continues	Year 1 to Year 5
	70% of annual budget of the cashew subsector received from Government			
Activities		Outputs		Budget KR
Training CDC Volunteers and District Outreach Officers in advocacy and public policy engagement		250 CDC Volunteers trained		330,000
		7 District Outreach Officers trained		
Scoping and generating options to ensure that the Zambia Cashew Development Initiative can survive long term despite political changes.		Options to ensure long term survival developed		100,000
		Position paper on the developed options created		
Designing and implementing an influencing strategy to promote the developed options for ensuring ZCDI long term survival		90% of target audiences in MAL, MFNP and MCTI identified		350,000
Designing and implementing an influencing strategy to promote enactment of the formulated legal and regulatory framework to ensure ZCDI long term survival		90% of policy makers in favour of the formulated legal and regulatory framework		570,000
		90% of Law makers in favour of the formulated legal and regulatory framework		
Total				1,350,000

Immediate objective No.2:To establish and consolidate CGAZ’s governance and management procedures according to best practices by 2016					
Outcomes	Indicators	Means of Verification		Assumptions	Time frame
Corporate Governance and organizational management improved	30% Board members & management staff are female	Technical reports		Management and board comply with the corporate governance policies	Year 1 to Year 2
	Improved lobbying legitimacy				
	Improved efficiency in the management and implementation of the strategic plan				
Activities		Output			Budget KR
Developing M&E System, Human Resource Management Policy, Gender Policy, Disability Policy, HIV & AIDS workplace policy, resource mobilization strategy and reviewing financial manual		7 policy Documents developed			100,000
Training staff and Board in leadership skills and governance issues		25 people trained			200,000
Procuring adequate working tools , vehicles and facilities		3 vehicles, adequate office equipment and furniture bought. 2 provincial and 1 national offices established			250,000
Raising funds for implementing CGAZ Strategic Plan		KR 3,241,000 raised annually			80,000
Total					630,000

Immediate objective No.3:To increase annual cashew production from 50 tons to 3,300 tons by 2020				
Outcomes	Indicators	Means of Verification	Assumptions	Time frame
Increased production	Annual production increased from 50 Mt to 3,300 Mt	Technical reports	The cashew growers' interest in planting, maintaining trees, harvesting cashew nuts, attending information and training events continues.	Year 1 to Year 5
Increased annual income	Annual income increased from to US\$4.7m			
Increased household income	Household income increased by K660,000			
Increased employment opportunities	1,000 jobs created			
Increased productivity	Annual tree productivity increased from less than 0.5kg to 6kg			
	Nut count reduced from 200 to 170/kg			
	Increased Out turn from 15% to 40%			
Activities		Outputs		Budget (KR)
Mobilizing and recruiting farmers and CDC Volunteers		15, 000 smallholder farmers recruited		300,000
		250 CDC volunteers recruited		100,000
		250 cashew development centers established		120,000
Developing training manuals		15,000 training manuals distributed to farmers		250,000
Providing refresher and specialized trainings in cashew production for MAL and CGAZ technical staff		80 MAL and CGAZ technical staff trained		350,000
Training CDC Volunteers in cashew production and post harvest management		250 CDC volunteers trained		200,000
Training farmers in cashew production and post harvest management		15, 000 smallholder farmers trained		800,000
Establishing certified seed orchards		1 seed orchard established with 10 early maturing and high yielding clones		380,000
		30 Entrepreneurs developed to supply inputs to farmers at affordable prices		150,000

Facilitating the supply of quality seedlings, chemicals, sprayers and tools	1 input wholesale outlet established	300,000
	30 community based input retail outlets established	150,000
	30 nurseries with capacity to supply 300,000 quality seedlings per annum to farmers established	2,400,000
Facilitating the processing and marketing of raw cashew nuts	7 cottage industries established	1,300,000
	1 Export facility established.	350,000
	Loan guarantee scheme established to purchase & process raw cashew nuts.	4,000,000
	Certified quality Control Standards in place	150,000
Total		11,300,000

Immediate objective No.4:To mainstream gender, disability and HIV& and AIDS issues in all CGAZ Programmes and projects				
Outcomes	Indicators	Means of Verification	Assumptions	Time frame
Increased women participation in the cashew value chain	30% of the general membership are female	Technical reports	Women and people with disabilities apply the gained knowledge and skills to proactively participate in the cashew subsector	Year 1 to Year 5
Increased equity of outcome for women and people with disabilities.	1,000 female farmers have fully established cashew enterprises			
	300 people with disabilities have fully established cashew enterprises			
Activities		Outputs		Budget (KR)
Training staff and volunteers in mainstreaming of Gender, disability issues and HIV& AIDS		25 staff trained		50,000
		250 volunteers trained		200,000
Developing, promoting and implementing affirmative & economic empowerment projects for women		1 economic empowerment project developed for women		300,000
Developing, promoting and implementing affirmative & economic empowerment project people with disabilities		1 economic empowerment project developed for people with disability		200,000
Promoting prevention and treatment of HIV & AIDS		1,750 female farmers participate and benefit from the HIV & AIDS programme		300,000
		5,250 male farmers participate and benefit from the HIV & AIDS programme		
Total				1,050,000

Cost Summary

#	Programmes/objectives	2015	2016	2017	2018	2019	Total
1	Legal & Regulatory Framework	450,000	300,000	310,000	290,000	-	1,350,000
2	Improving CGAZ's organisational and management Capacity	350,000	280,000	-	-	-	630,000
3	Increasing Production & Productivity	1,700,000	2,400,000	3,600,000	2,200,000	1,400,000	11,300,000
4	Gender, Disability and HIV & AIDS Issues	350,000	450,000	250,000			1,050,000
5	Management and M&E	375,000	375,000	375,000	375,000	375,000	1,875,000
Annual S/Totals:		3,225,000	3,805,000	4,535,000	2,865,000	1,775,000	16,205,000
Total over Planning Period:		16,205,000					
	Total per annum	3,241,000					