



Cashewnut bunch attached to apples in different stages of growth

CASHEW EXPORT: CONSTRAINTS AND PROSPECTS

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CASHEW is an important tropical tree-nut crop. Its importance derives mainly from the high nutritive value it possesses, the huge employment it generates in the harvest and post-harvest stages, and the valuable foreign exchange it earns for the national economy. The cashew production comes from both self-sown and cultivated crops. Even in the cultivated types it is mostly raised unsystematically. Thus this economic plant is under continuous exploitation by man for its inherent capacity to yield something under most adverse plant environment in which other crops produce very little or nothing. Owing to the serious neglect of this crop, the economic potential of cashewnut production has been realized only marginally.

Area and Production

India is the world's leading producer and exporter of cashew kernels. This country accounts for about 31 per cent of world production of raw cashewnuts and nearly 48 per cent of the world export of cashew kernels. During 1955-82 the area under this crop has gone up by 140 per cent (from 110,000 to 460,000 ha), whereas the production of raw cashewnut has more than doubled (from 80,000 to 196,000 tonnes). The relatively less production proportionate to the expansion in area at present may largely be owing to the presence of big size of young plantations in their non-bearing or early bearing stage of growth in some of the states, and to senile, unproductive, plantations in some of the states. Moreover, extensive cutting and removal of old and bearing cashew trees for pulp-making is taking place in rayon factories, since these are considered the best substitute raw material to bamboo.

Kerala occupies a very prominent place in cashew industry. The state-wise distribution of area and production of cashew is given in Table 1.

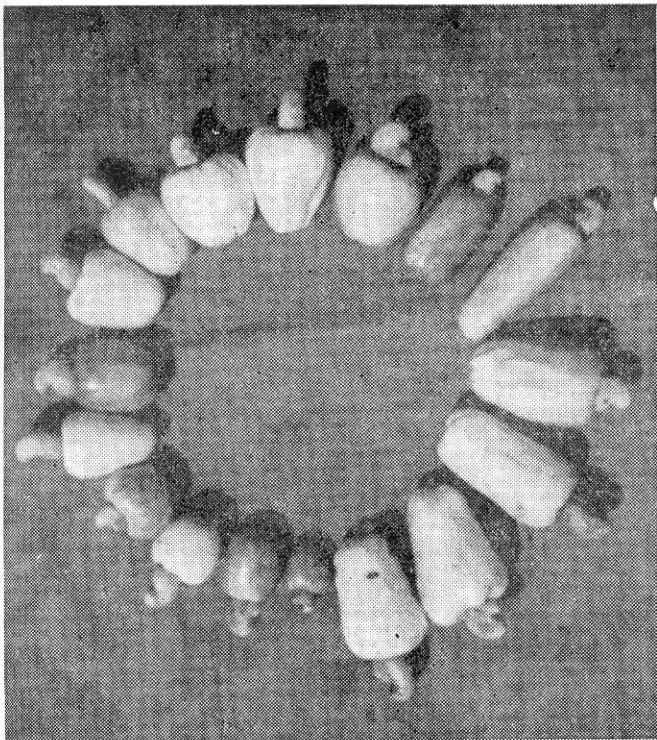
Table 1. Area, production and yield of cashewnut in India during 1981-82

State	Area		Production	
	('000 ha)	%	('000 tonnes)	%
Kerala	147.4	30.6	118.0	60.3
Karnataka	58.3	12.1	18.0	9.2
Andhra Pradesh	57.3	11.9	20.0	10.2
Tamil Nadu	94.8	19.7	10.5	5.4
Maharashtra	22.7	4.7	10.0	5.1
Goa	4.1	9.2	8.5	4.3
Orissa	48.6	10.1	8.0	4.1
West Bengal	6.7	1.4	2.5	1.3
Pondicherry	0.4	0.1	0.2	Neg.
Tripura	0.8	0.2	Neg.	Neg.
Total:	481.1	100.0	195.8	100.0

Though Kerala's average productivity of cashew is much higher than of other states in recent years, this state's productivity has decreased by nearly 29 per cent from the 1974-75 level of 1.12 tonnes to 0.80 tonne/ha. While one can expect an average yield of 0.5-0.8 tonnes/ha raw nuts under the prevailing agroclimatic conditions of the growing areas, extensive pilferage in the Government-managed or corporate-sector plantations may perhaps be the main reason for the recorded very poor output of cashew in some of the places.

Our Cashew Trade

Cashew is largely an export-oriented crop in India, as a very little proportion of its production is consumed internally. The country has a unique distinction as the



Variability in size and shape of nuts and apples

first nation to take cashew kernels to the world market on commercial scale towards the middle of the 1920s. For some years India was the sole processor and exporter of cashew kernels in the world. However, 50-60 per cent of India's export of cashew kernels were met from the imported raw nuts from East Africa. During the 1950s India exported 22,000-40,000 tonnes cashew kernels, constituting more than 95 per cent of the world exports. During the 1960s our export increased steadily to reach 63,000 tonnes in 1969, but the share in the world export declined to 76 per cent. During 1972-76 the world exports of cashew kernels were about 10,000 tonnes, but India's share was below the level achieved in 1960s. It further declined to 56 per cent of the world export in 1976, and again in 1977. In 1978 India's export decreased more than proportionately, to 37 per cent. India's volume of export for 1978 was as low as that of 1951 level (24,000 tonnes), but then it recovered to about 37,000 tonnes in both 1977 and 1980.

The unfavourable situation for India was owing to large-scale mechanized processing of cashew nut by East African countries (Mozambique, Kenya and Tanzania) and consequent unavailability of adequate raw nuts for import into India.

The data on the import of raw nuts show that in the early 1930s less than 10,000 tonnes/annum raw nuts were imported into India. This figure reached nearly 30,000 tonnes during the middle of 1940s and increased steadily in response to the increasing demand for cashew kernels in the world market, touching 100,000

tonnes by the end of the 1950s and 196,000 tonnes by the end of the 1960s. The record import of 204,000 tonnes raw nuts into India was in 1968. After that the import declined to 21,000 tonnes in 1978-79. Hence the cashew industry in India now has to depend upon the internal production of raw cashew nuts only.

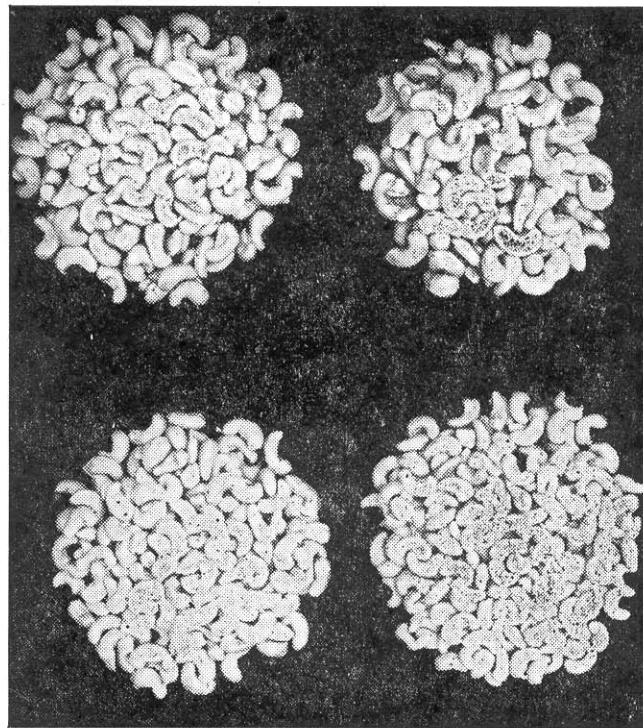
Crisis in Cashew Industry

In India there are nearly 550 cashew-processing factories, having a total installed capacity of 500,000 tonnes raw nuts. About half of the factories are located in Kerala. The processing sector employs 175,000 workers, mostly women. Since the present level of cashew-nut production is about 180,000 tonnes and the volume of import is negligible, the labour force is presently employed for about 3 months of the year only.

Cashew is a foreign-exchange-earning crop in India. The cashew kernels fetch Rs 1,000 million/annum, ranking third or fourth among agricultural-commodity exports during the past 2 decades. Unless sincere attempts are made for rapid increase in India's domestic production of cashew to compensate the gap caused by non-availability of imported raw nuts, the country will suffer from a heavy loss in foreign exchange — the effect of which might be considerable.

Constraints

The major constraints that come in the way of



Grades of export-quality cashew kernels: top left, 240 count; top right, 210 count; bottom left, 320 count; bottom right, 450 count

cashew-development programme in India are briefly discussed here.

Production Constraints

1. Cashew is grown on coastal sands, relatively poor soil and terrain land.
2. It is raised without proper cultural practices, as a neglected crop. Generally fertilizer is not applied.
3. Disease and pest control is rarely practiced. Tea-mosquito and stemborer cause severe loss of crop at many places. Tea-mosquito attacks cashew tree during its flush formation and blossoming and causes nearly 30 per cent loss to the crop.
4. Most of the gardens have been planted with poor-quality planting materials, as sufficient quantity of seeds and scions of elite trees are not available for planting.
5. Scattered plantations and long harvest season lead to pilferage, which is a serious problem.
6. In many plantations the planting distance is very wide.
7. Low productivity coupled with high input cost gives rise to high cost of production of raw nut.

Constraints in Marketing and Processing

1. A huge quantity of raw nuts produced in Kerala enters the neighbouring states of Karnataka and Tamil Nadu through smuggling because of the prevailing high prices in these states. It adds to the crisis that already exists in the processing sector of Kerala. Further, such a situation unnecessarily leads to expansion of installed capacity in Karnataka and Tamil Nadu, while already available capacity remains wastefully idle.
2. In all cashew-growing areas except Goa, cashew-apples get wasted and thus the potential income of the cashew farmer is not fully realized.
3. Traders exploit the producers in some areas like Orissa, where there is no competition and proper infrastructure and agency for assembly of raw nuts and their processing.
4. Labour wages are very high in Kerala compared with other states. The high labour wages coupled with the procurement policy of the Kerala Government has resulted in registration of a large number of factories in other states. For example, more than 150 factories are registered in Tamil Nadu at present.
5. The price of cashew kernel in India is much high compared with the average unit price realized by Mozambique and Brazil. Though the quality of our kernels is superior, relatively higher price has greatly deterred the Indian cashew export.
6. Macadamia nut—a relatively new nut to the world

Table 2. Average unit price (\$/tonne) of cashew kernels exported from India, Mozambique and Brazil

Year	Unit price (\$/tonne)		
	India	Mozambique	Brazil
1975	2,293	1,499 (65)	1,587 (69)
1976	2,183	1,764 (81)	1,786 (82)
1977	3,594	2,469 (69)	3,020 (84)
1978	3,968	2,513 (63)	2,888 (73)
1979	2,891	2,557 (88)	2,876 (99)
1980	5,030	4,440 (88)	4,803 (95)
1981	6,472	4,711 (73)	5,017 (78)

Figures in parentheses indicate the prices as percentage of the price of Indian kernels.

market—is rapidly gaining in popularity. This may create a major threat to cashew industry if timely strategy is not planned on the production and marketing fronts.

New Strategy

The world programme on cashew development is expected to save the industry through schemes such as cashew research and training programmes, rehabilitation of existing gardens, establishment of progeny orchards, vegetative propagation, prophylactic spraying, demonstration plots, subsidized new planting, sand-dune development, and construction of feeder roads to cashew plantations. This developmental programme covers 4 districts of north Kerala, the adjoining South Kanara district of Karnataka, 10 districts of east Andhra Pradesh and 7 districts of east Orissa. While 35,000 ha cashew planting-and-improvement programme would be developed by private farmers, another 26,275 ha would be implemented by State Cashew or Plantation Corporations and Forest or Soil Conservation Departments. A 500-ha pilot scheme to determine appropriate cashew-planting practices on coastal dune land in Orissa also forms a component of this project. To provide immediate support to the developmental schemes, the ICAR has taken up a research-cum-training programme under this project with emphasis on standardization of clonal methods for large-scale adoption, development of package of practices and training the subject-matter specialists and field staff in vegetative propagation, crop management and plant protection. By the end of 1995 India's raw cashew nut production is expected to go up to 50,000 tonnes through these programmes, which would bring about stability in cashew industry. However, the success would depend mainly on the pricing policy of the Government to ensure a stabilized and remunerative price to the farmers, for increasing the productivity and production of cashew.