



## [Exporting cashew nuts to Europe](#)

European cashew nut imports are growing, driven mostly by a consumer trend towards healthier living. The Netherlands, Germany, the United Kingdom and the growing markets in Central and Eastern Europe offer opportunities for developing country suppliers. Food safety certification supported with frequent laboratory tests, joined with corporate social responsibility (CSR) standards can provide great advantages for developing country exporters.

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## 1 . Product description

What is known as a cashew nut is the kidney-shaped seed inside a pit in the drupe that hangs to the bottom of the cashew apple, an accessory fruit that grows on the cashew tree (*Anacardium occidentale*). The cashew nut kernel itself is protected in the pit by a very strong shell that needs to be roasted or steamed for shelling. The kernel represents only approximately 20% of the whole cashew drupe in weight.

The cashew tree is native to northeast Brazil but it is now grown in many areas in the world. India and Vietnam are the two largest single growers of cashew nuts, and the main suppliers to the global and European markets. The processing capacity in these two countries exceeds their crops, so they both import a lot of raw material, primarily from Africa. Raw nuts are then processed in India and Vietnam and exported as Indian or Vietnamese kernels. India processes approximately 1.59 million tonnes of cashew nuts every year, but produces only approximately half of the volume it processes. Vietnam processes around 0.9 million tonnes of cashews nuts every year.

Another major player in the cashew nut market is Brazil. The USA is the main export destination for Brazilian cashew nuts, mostly due to the short travel time and the increasing need to have just-in-time deliveries and lower stocks. Brazil processes around 0.3 million tonnes.

Cashew trees are also grown in Indonesia, Tanzania, Kenya, Mozambique, Benin, Guinea-Bissau, Ivory Coast, Nigeria and other countries with smaller production volumes.

Cashew nuts are mainly used in the European market roasted and salted for consumption as a

snack. Industrial users have taken a recent interest in cashew nuts, using it in cookies, cereals, as a topping on ice cream and producing cashew nut butter .

This study provides general information about the European cashew nut market, which is interesting for producers in developing countries. Please see Table 1 with the relevant products and their product codes. As the European import of in-shell cashew nuts is insignificant, this study only uses the code of shelled cashew nuts for statistical analysis.

Table 1: Products in the product group of cashew nuts

| Combined Nomenclature Number | Product                              |
|------------------------------|--------------------------------------|
| 08013200                     | Fresh or dried cashew nuts, shelled  |
| 08013100                     | Fresh or dried cashew nuts, in shell |

## Product specification

### Quality

The basic quality requirements for cashew nut kernels are defined by the following criteria.

- Style: whole kernels up to 1/8 broken off or broken kernels in butts, splits and pieces;
- Presence of insects, mould, rancidity, spots or blemishes;
- Taste and flavour.

Specific cashew nut quality requirements are defined by the following criteria.

- Class — Cashew nut classification is not officially defined in the European Union. However, the United Nations Economic Commission for Europe (UNECE) classification is widely used in the market. The UNECE classification divides cashew nuts into three main classes: Extra Class, Class I and Class II, according to allowed defects and colour of the kernel's skin. India, Brazil and Vietnam, the main producing countries, have their own classifications.
- Grading — The European Union has not officially defined grading categories for cashew nuts. The most frequently used grading classification, also by UNECE, corresponds to the United States cashew nut standards. According to the US standard, grades for whole kernels are defined by the number of cashew nuts in one pound (0.454 kg) or in one kilo — for example, 210 nuts per pound equals 465 nuts per kilo. Broken kernels are graded by the diameter of the pieces.
- Special characteristics — In practice, quality and price are usually determined by the characteristics of the cashew nuts, combining the style (whole, splits or pieces) with grade and look of the skin. The skin may be white, or to some degree scorched or darkened during the roasting and shelling process.

### Tip:

- For cashew nut quality requirements, refer to the [UNECE cashew kernels standards](#) and the [cashew kernels specifications of the Cashew Export Promotion Council of India](#).

## Labelling

The name of the product must be shown on the label, and read either 'cashew nuts kernels' or 'cashew nuts'. Other trade names regarding form can be used in addition to 'cashew nuts kernels'.

It is common for export packaging labelling to also include the crop year.

Information about non-retail packaging has to be given either on the packaging or in accompanying documents. Bulk packaging labelling must contain the following information:

- name of the product;
- lot identification;
- name and address of the manufacturer, packer, distributor or importer;
- storage instructions — storage and transport instructions are very important due to the high oil content, which can negatively influence the quality of product if not handled properly.

However, lot identification, and the name and address of the manufacturer, packer, distributor or importer may be replaced by an identification mark.

In the case of retail packaging, product labelling must be in compliance with the [European Union Regulation on the provision of food information to consumers](#). This regulation defines nutrition labelling, origin labelling, allergen labelling and legibility (minimum font size for mandatory information) more clearly.

This regulation came into effect on 13 December 2014 but the obligation to provide nutrition information applies from 13 December 2016. Please note that this regulation lists cashew nuts as products causing allergies or intolerances and therefore allergen advice must be clearly visible on the retail packaging (see Picture 6).

## Packaging

There is no general rule for the export size of the packaging of cashew nuts, but the most common type of export packaging is 10–25 kg polybags. Cashew nuts are also packaged in boxes or cartons containing two sealed tinplate canisters to protect the product from autoxidation.

### Tip:

- Read our study on [buyer requirements for processed fruits and vegetables](#) to learn more about labelling and food contact materials.

## 2 . Which European markets offer opportunities for cashew nut exporters?

The Netherlands, Germany and the United Kingdom are currently the largest European import markets and they offer good opportunities for cashew nut exporters from developing countries. The growing markets of Central and Eastern Europe also offer good opportunities.

### Imports

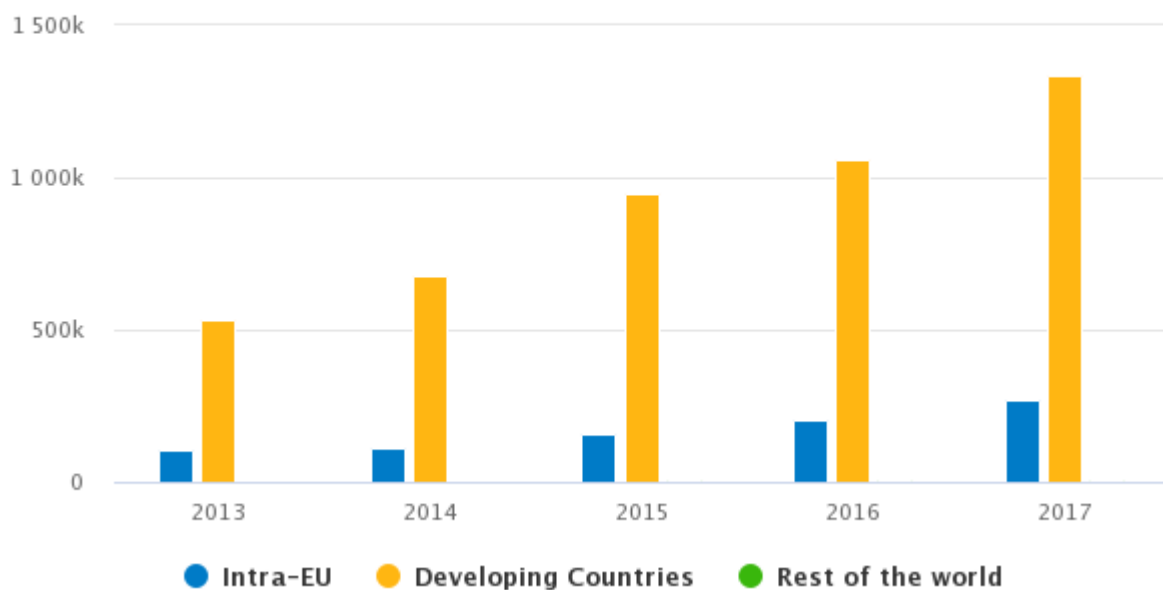
#### Significant import growth from developing countries

- In the long term, the European market for cashew nuts is expected to show high growth. This growth is likely to be driven by changes in the consumption patterns of European consumers, including a rising demand for healthier snacking options. Out of all types of edible nuts, cashew nut imports have increased the most recently. In 2017, the European import value of cashew nuts overtook that of hazelnuts for the first time.
- Since 2013, European imports of shelled cashew nuts increased by an average annual rate of 21% in value and 12% in quantity, reaching €1.6 billion and 180 thousand tonnes respectively.
- European imports of cashew nuts from developing countries increased by more than 250% in the last five years, from €534 million in 2013 to €1.34 billion in 2018.
- Regular fluctuations in imports will continue to be influenced by the harvested crops rather than

changes in demand.

Figure 1: European imports of cashew nuts, by main origin

in € thousand



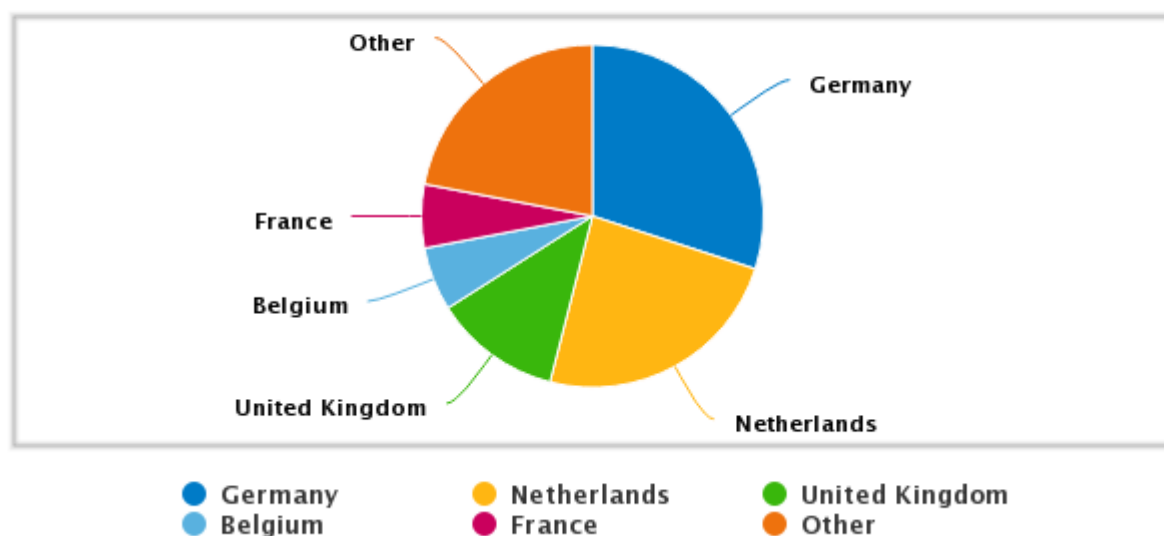
Source: ITC Trademap

### Germany and the Netherlands the leading importers

- The European market for cashew nuts is very concentrated. The main importers, Germany and the Netherlands, account for almost 60% of total European imports. Both countries are big consumers of cashew nuts and they are also transit countries for other European destinations.
- The Netherlands is an important trade hub for the re-export of cashew nuts within Europe. The Netherlands re-exports to other European countries approximately 75% (approximately 30 thousand tonnes) of the shelled cashew nuts it imports. These imports often arrive to the port of Rotterdam. Other important ports for cashew nuts are Hamburg in Germany and Felixstowe and Tilbury in the United Kingdom.
- The annual import growth rate of several Central and Eastern European markets has been even higher than in Western Europe since 2013. Those countries include Poland (49% annual import growth in value), Czech Republic (31%), Slovakia (31%) and Bulgaria (34%). Although the import volume of Central and Eastern Europe is very small compared to Western Europe, those markets offer good opportunities for new developing country suppliers due to less competition.
- Examples of cashew nut importers and traders include [Catz International](#), [Seeberger](#), [Kluth](#), [Nutland](#), [Amberwood Trading](#), [Global Trading](#), [Barrow, Lane & Ballard](#) and [Freeworld Trading](#).

Figure 2: European imports of cashew nuts by country in 2017, share of imported volume

in %

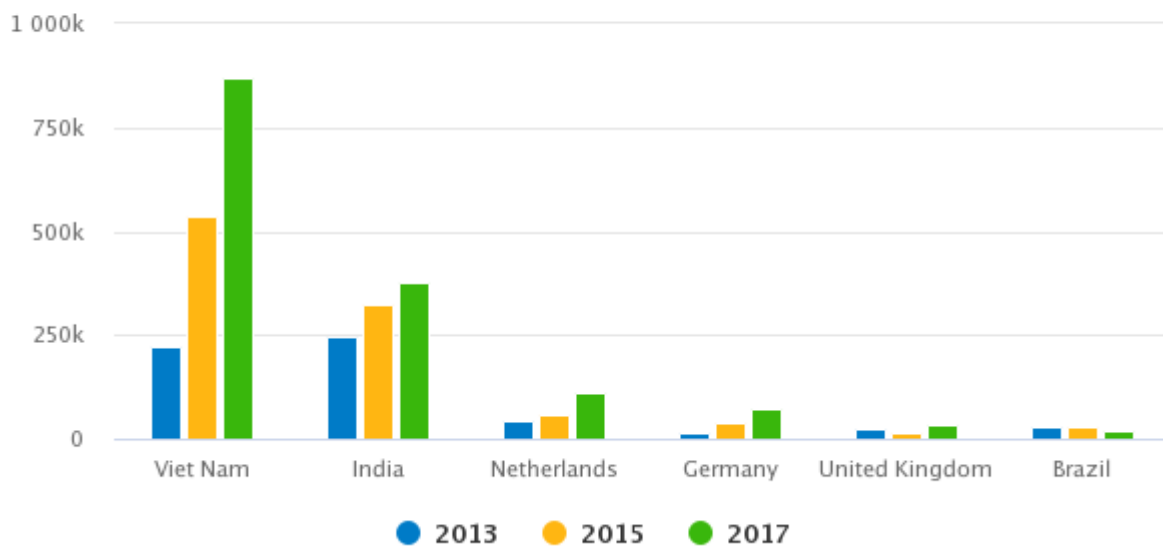


Source: ITC Trademap

### Vietnam the leading supplier

- The leading developing country supplying cashew nuts to Europe is Vietnam, followed by India. The Netherlands is the third largest supplier, but re-exporting cashews. In 2017, Vietnam reached its highest ever export value of cashew nuts to Europe at €887 million, nearly €205 million more than in the previous year.
- Honduras and Indonesia have also been growing their shares of the European market at average annual export growth rates of 40% and 50% respectively in the past five years. However, the export volume of those two countries is still very small.
- West African countries, especially Ivory Coast, are important suppliers of in-shell cashew nuts to Vietnam, India, and to a much smaller extent Brazil. Only 10% of African-grown raw cashew nuts are processed, i.e. shelled, locally. There have been many attempts at trying to revert this pattern and increase the share of locally shelled cashew nuts in Africa. In spite of often counting with the support of development aid aimed at increasing the value of Africa's cashew exports, these efforts have had limited success.
- Processers in India especially have significant advantages over African shellers. India has a strong domestic cashew nut market, where lower grades are readily accepted, thus increasing the overall sales value. Africa as a whole does not have such a big internal market and the low grades (broken, scorched, small grades) have less demand in Europe as well. India also has a very competitive environment for cashew shelling and long experience, both of which lead to great efficiencies and very high output ratios of whole nuts.
- While labour costs are increasing in some states of India, especially on the west coast, the industry is adapting by moving the shelling process to the states with cheaper labour in the east. Now that Vietnam has the highest productivity of cashew farms in the world, the competition in the shelling market has even increased further.
- This competitive gap between African and Asian cashew shellers is expected to persist, but major producers in India, Vietnam, China, Brazil and European companies are investigating and investing in medium and large-scale processing units in the major African production areas. Whether or not these initiatives will succeed, Africa is also expected to remain a major origin for cashew growing and to increase its participation in the market.
- Among the 20 leading external cashew nut suppliers to Europe, Guinea had the most significant annual export growth in the last five years at 170%, followed by Honduras (50%), China (49%), Mozambique (41%) and Indonesia (40%), all of which have very small market shares.

Figure 3: Leading cashew nuts suppliers to Europe by country  
in € thousand



Source: Eurostat

### Tips:

- Identify the biggest importers of your product in selected large or fast-growing markets. You can start by searching the internet or reading more about supply chains in Europe in our study on [market channels and segments for edible nuts and dried fruit](#).
- Consider countries showing import growth, such as Southeastern European and Central European countries, besides aiming to export to the Netherlands, the largest European supplier. In any case, by finding a reliable trading partner in the Netherlands you can supply to all of Europe from one entry point.
- Learn from other developing country exporters increasing their participation in the European market, such as those from Indonesia, Honduras or West African countries. Look for information about the cashew nut industry and export strategies of fast-growing regions on the websites of their sector associations, for example: the [Vietnam Cashew Association](#), [The Cashew Export Promotion Council of India](#), and the [African Cashew Alliance](#). Consult also main market information portals, such as [IEG Vu](#).

## Exports

The Netherlands is the largest cashew nuts re-exporter

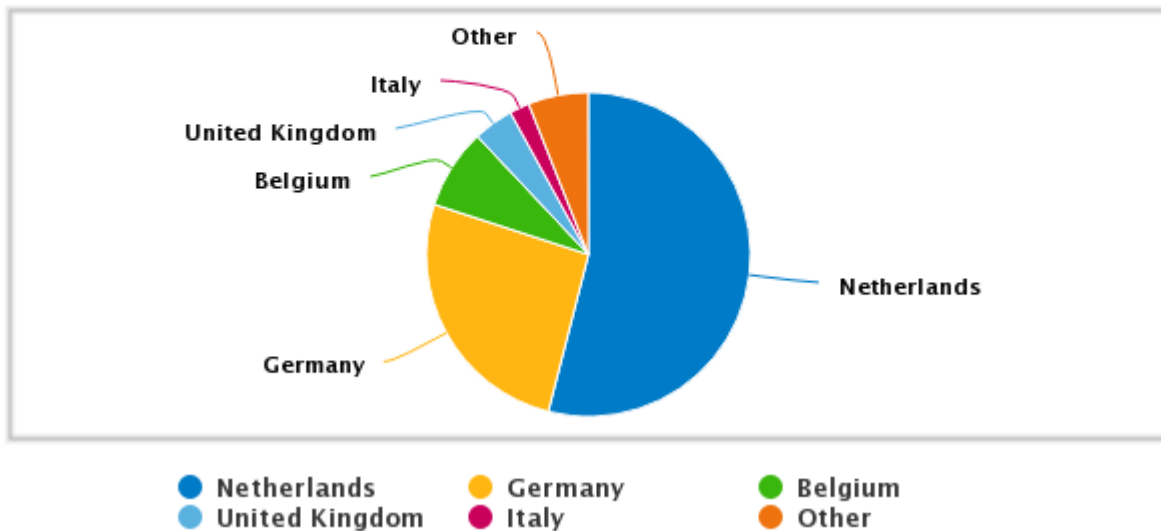
- Since European climate is not suitable for cashew tree growing, European exports of cashew nuts are actually re-exports of imported products. However, large volumes of cashew nut kernels are not simply re-exported but first undergo further processing in Europe. The most common processing method is roasting and baking the raw kernels, although other operations also take place, including blanching, salting, dicing, sieving and grinding.
- European exports of cashew nuts are very concentrated. The Netherlands alone accounts for more than 50% of total exports. Dutch exports consist of re-exported cashew nuts originally imported mostly from Vietnam and India, but also in smaller quantities from Brazil, Indonesia

and West African countries. The main Dutch export target markets for cashew nuts within Europe are Germany, Belgium, France, the United Kingdom and Poland.

- Apart from the Netherlands, the European countries with the highest annual export growth in volume were Germany (30%), Spain (32%) and Poland (39%).

Figure 4: European cashew nut exports by country 2017, share of exported volume

in %



Source: ITC Trademap

Switzerland the main external export destination

- In 2017, the main export destination for cashew nuts from European Union exporters was Switzerland, followed by Norway, USA and Serbia.
- The highest annual increases among non-EU destinations for cashew nut exports from the European Union in the last five years were to Ukraine (80%), USA (56%) and Iceland (46%).

### Tips:

- Learn from the Netherlands and consider targeting your exports to the final European destinations of Dutch exporters. However, serving packers directly requires a different set of capabilities than simply exporting to traders, including the ability to deliver smaller quantities to the warehouse of the client and meeting all necessary quality standards.
- You can also find opportunities in large or growing markets for cashew nuts supplied by European traders and processors, such as Switzerland, USA and Ukraine.
- Learn more about your competitors in our study on [competition in edible nuts and dried fruit in Europe](#).

## Production

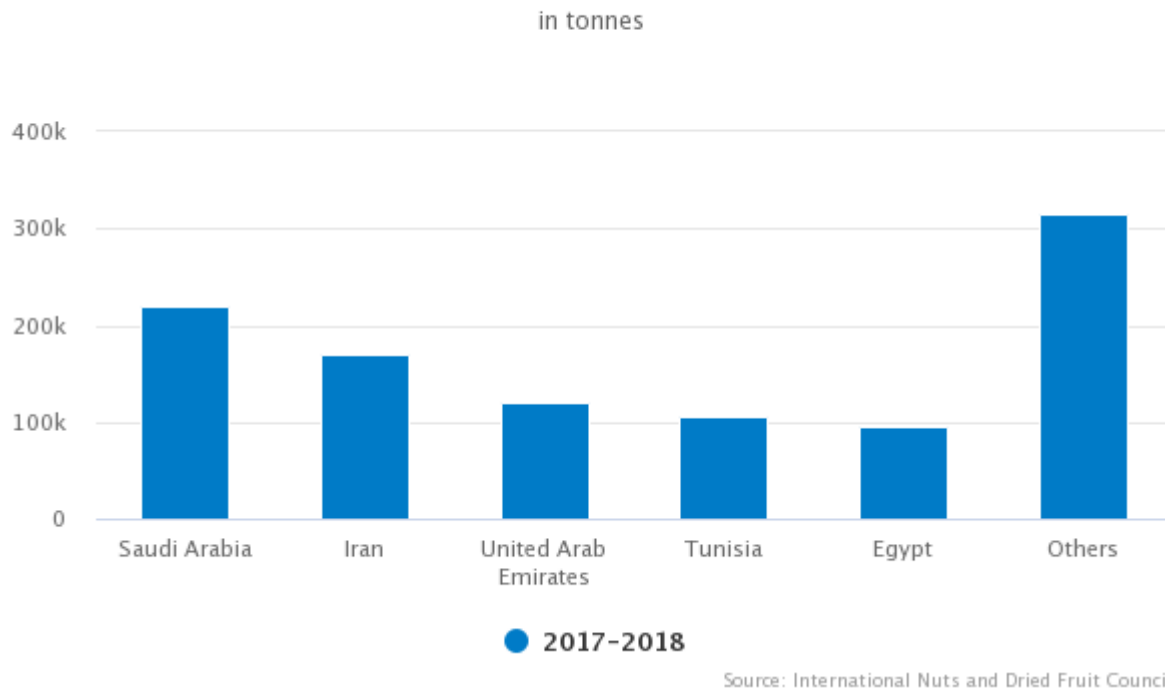
Processing of cashew nuts in Europe is increasing

- Due to climate conditions, cashew trees cannot grow in Europe and therefore raw cashew nuts must be imported. However, cashew nuts are often processed in the Netherlands or in another European country by blanching, roasting, salting and spicing. However, processing cashew nuts

is logically connected to the global cashew nut production.

- Processing of cashew nuts in Europe is growing, driven by the increased consumption of all tree nuts, which are considered healthy sources of protein.
- Examples of European cashew nut processing companies include [Intersnack](#) (Germany), [Borges](#) (Spain), [Bösch Boden Spies](#) (Germany), [Seeberger](#) (Germany) and [Besana](#) (Italy).

Figure 5: World production of cashew nuts in the 2017–2018 season, kernel basis



Note that the figures above are for the production of manufactured goods, which includes intermediate goods as well as final goods. This implies that it is possible that there is an overlap in production data and import data, since raw materials may be imported and further processed.

### Africa increasing production

- Cashew production reached 790 thousand metric tonnes (kernel basis) in the 2017-2018 season, 32% more than the previous decade's average. West African countries led the production, amounting to a combined 43% global market share. Almost 48% of this region's crop was produced in Ivory Coast, followed by Guinea-Bissau (16%) and Nigeria (13%). In East Africa, Tanzania accounted for 75% of the region's crop.
- East and West African cashew growers were motivated to increase production based on good crops and high prices. Mozambique increased its crop by 9.8% to 26,800 tonnes in 2017. The only exception was Ivory Coast, whose kernel crop decreased by 2.8% to 162,800 tonnes, and was overtaken as the worldwide leading grower by India, whose production grew 13% to 176,700 tonnes.
- In 2018, the world's crop was expected to exceed the previous season's due to better harvests in India, Cambodia and Africa, where governments have been expanding the cashew planted area due to high raw cashew nuts prices. The Indian government launched a plan to levy tariffs on imported raw cashew nuts and [to automate 60% of its processing plants](#) by 2020, encouraging an increase in the average size of companies.
- In 2018, West African countries were expected to reach 1.5 million tonnes (8% up from the previous season), Cambodia 120 thousand tonnes (+33%), and Vietnam 300 thousand tonnes, which is better than initial estimates, after bad weather and pest problems at the end of 2017.

### Tip:

- Consider supplying European cashew nut processors directly. Processors need regular

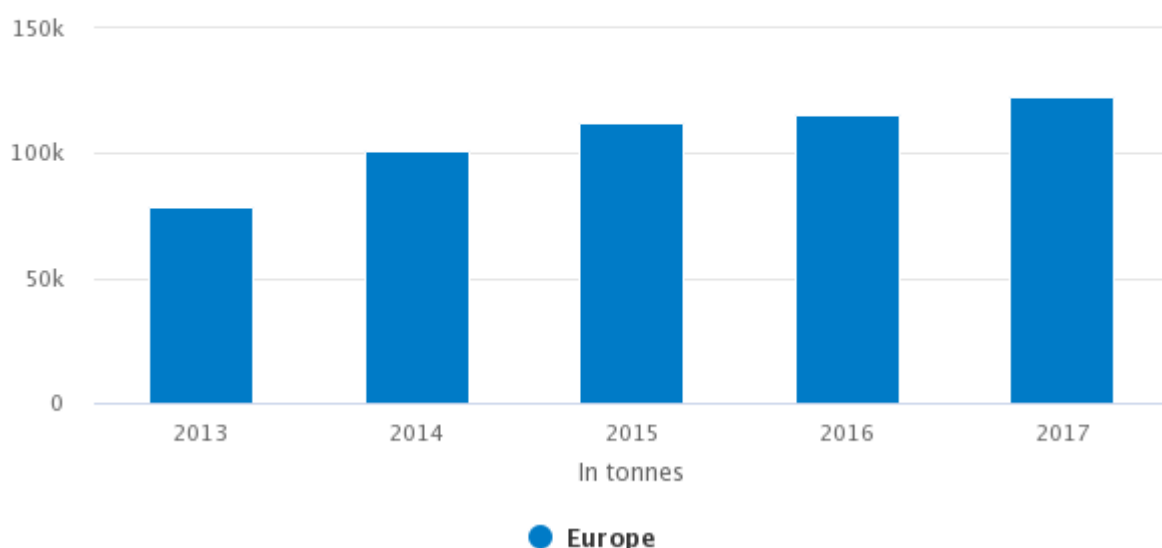


supply and they can be ready for long-term cooperation if your product meets their specifications.

## Consumption

- Apparent consumption of cashew nuts has been increasing by an average annual rate of 12% in quantity, reaching 122 thousand tonnes in 2017.
- The largest European country in consumption of cashew nuts is Germany, which had a total consumption of 36 thousand tonnes in 2016, or an estimated 1.09 kg per capita. The Netherlands, however, is the largest European country in per capita cashew nut consumption at 1.27 kg. Other major consuming countries are the United Kingdom (16.77 thousand tonnes), France (8.65 thousand tonnes), Italy (7.06 thousand tonnes), Spain (3.49 thousand tonnes) and Sweden (2.74 thousand tonnes).
- Cashew nut consumption as a snack is seasonal in Europe, peaking in winter months then falling towards the summer. The winter peak is connected with the Christmas and New Year holidays in European countries.
- The outlook for the consumption of cashew nuts in Europe is positive, with stable growth expected. A driving factor in this expected growth is an increased consumer interest in healthy eating, as cashew nuts are a source of protein, fibre, vitamins, minerals and unsaturated fats. They are considered a source of unsaturated fats that benefit the heart, and a good source of zinc, copper, iron and magnesium.
- Cashew nuts belong to the more premium segment of nut snacks and reach much higher prices than, for instance, peanuts.

Figure 6: European consumption of cashew nuts (kernel basis)  
in tonnes



Source: EU Trade Helpdesk

### Tip:

- Check [the website of the International Nut and Dried Fruit Council](#) for information on cashew nut annual global production, export, import and consumption data.

### 3 . Which trends offer opportunities on the European market for cashew nuts?

Consumer demand for vegan, gluten-free and natural food offers opportunities for exporters from developing countries.

Food safety certification supported by frequent laboratory tests and compliance with CSR standards can also be great advantages to European market suppliers.

Specific trends for cashew nuts:

- Nuts, including cashew nuts, enjoy a good reputation among European consumers. Consumption of nuts is expected to have the highest growth in the snack segment. In major consuming countries, cashew nuts are considered a healthier alternative to other savoury snacks, such as crisps and extruded snacks, and more beneficial to health than peanuts.
- The average European consumer favours the taste of salted roasted cashew nuts over the taste of most other nuts.
- Developing country exporters can join forces with European traders and finance medical research proving the health benefits of cashew nut consumption. A clear and easy to understand health message is important to help customers include cashew nuts in their diets.
- Among the factors driving the growing consumption of cashew nuts are the celebrity chefs who increasingly use them as an ingredient on their culinary television shows.
- Flavoured cashew nuts and additional coatings are also gaining popularity. Among the top trending flavours are hot and spicy flavours such as 'hot chilli' or 'jalapeño'. Exotic salty flavours such as [tamari roasted](#) cashew nuts are also being introduced. In addition to new flavours, manufacturers are also introducing new types of coatings.
- Cashew nuts are also becoming an ingredient in various healthy food and functional food products, such as breakfast cereals (e.g. [Onola](#) and [Paleofood](#)), cashew nut butter (e.g. [Pip&Nut](#)) and chocolate products with cashew nuts (e.g. [Squirrel Sisters](#)).

#### Forecasts

- Over the past few years, cashew consumption has also grown as a substitute to almonds, hazelnuts and pistachios, which were in short supply and therefore more expensive.
- In the long term, a stable increase in the consumption of cashew nuts is expected in European markets. This trend is driven by the increasing consumer awareness of the nutritional value of cashew nuts.
- The highest growth rate in cashew nut consumption in Europe is expected in Central and Eastern European countries.
- In the long term, diversification of imports from Asian countries and Brazil can be expected. Import is forecasted to shift towards African countries. New investments in processing capacity are expected in all production countries, but especially in African countries. Investors are interested because of good cashew prices in previous years, yielding higher profits than other commodity crops.

#### Tips:

- Find information about cashew nut crops and market statistics on the website of the [International Nuts and Dried Fruit Council](#), the leading international association of the edible nuts and dried fruit industry.
- Learn more by reading our study [trends for processed fruit and vegetables](#).
- Compare your price offer of cashew nuts to the prices of hazelnuts and almonds. If cashew nut prices increase too much compared to those of other tree nuts, there is a risk that consumers will switch to other nuts because they believe that all types of tree nuts offer similar health benefits.

- Implement [good agricultural practices \(GAP\)](#) and use good planting material to increase yields and become more competitive. For more information on GAP, review also this [Manual for small-scale cashew cultivation in Sierra Leone](#).

## 4 . What are the requirements for cashew nuts to be allowed on the European market?

In addition to the quality requirements mentioned in the product description, for a general overview of the buyer requirements in the European Union please refer to our study on [buyer requirements for processed fruits and vegetables](#).

### Legal requirements

All foods, including cashew nuts, sold in the European Union must be safe. This applies to imported products as well. Additives must be approved. Harmful contaminants, such as pesticide residues, and excessive levels of mycotoxins or preservatives are banned. It should also be readily obvious from the labelling whether a food contains allergens.

### Food safety

The incidence of mycotoxins is smaller in cashew nuts than in other crops, such as groundnuts or maize. Most, but not all, sources agree that aflatoxin is not an issue in cashew nut production because their shells contain cardol, which prevents the development of aflatoxins. However, cashew nuts have to comply with the increasingly strict European legislation on the maximum allowed levels of contaminants.

The presence of very low levels of salmonella and E. coli in ready-to-eat or processed foods, including cashews, is an important cause of foodborne illness. Tree nut handlers should consider salmonella and E. coli as major public health risks in their hazard analysis and critical control points (HACCP) plans.

Four new pieces of legislation concerning various [pesticide residues](#) were introduced by the European Union in 2016. Review your treatment practices to confirm that your cashew nut kernels will not contain pesticide residues above the newly set limits.

### Packaging requirements

Packaging used for cashew nuts must:

- Protect the appearance, taste, flavour and quality characteristics of the product. Cashew nuts in bags must not be stowed together with fibres or fibrous materials either, since oil-impregnated fibres accelerate self-heating processes and rancidity.
- Protect the product from bacteriological and other contamination, including contamination from the packaging material itself. When container transport is used, damage due to moisture may arise if the water content of the cargo is too high.
- Not pass on any odour, taste, colour or other foreign characteristics to the product. Cashew nuts are sensitive to unpleasant and pungent odours.

The safety of food contact materials must be evaluated to ensure no migration of unsafe levels of chemical substances to the food.

The general maximum residue level of pesticides for cashew nuts is 0.01 mg/kg. However, according to the [EU legislation on lambda-cyhalothrin](#), the European Food Safety Authority identified some information on certain metabolites of this pesticide and may change the maximum residue level by 2020 after additional scientific research.

## Labelling requirements

The [European Union Regulation on food labelling](#) forbids misleading consumers. Claims that a food can prevent, treat or cure human diseases cannot be made. Allergens must be highlighted in the list of ingredients. Requirements regarding information on allergens now also cover non-packed foods, such as those sold in restaurants and cafés. The list of allergens includes cashew nuts.

Nutritional information is now also mandatory for cashew nuts.

## Common requirements and niche requirements

- European importers often request food safety certification. The most common certification schemes accepted in the European market are [IFS](#), [FSSC 22000](#) and [BRC](#).
- Environmental protection, organic and fair-trade certification schemes are becoming more and more popular in Europe. To market their products as organic in the European Union, producers from developing countries must meet European [organic farming requirements](#).
- Sustainability and corporate social responsibility initiatives are becoming increasingly important in the production of cashew nuts. [The Competitive Cashew Initiative](#) and the [Sustainable Nut Initiative](#) have signed a memorandum of understanding at the 12th Annual Cashew Conference & Expo 2018 in Abidjan. Those two initiatives are planning to scale up impact to make the cashew sector more sustainable and add value to the African economy.
- The European Union regulates both organic food and drink produced or processed within Europe and organics coming from non-EU countries. [Commission Regulation \(EC\) No. 1235/2008](#) details the rules on importing organic products from third countries.
- Organic products can readily be imported from non-European countries whose rules on organic production and control are equivalent to the European Union's, namely Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, Tunisia, Switzerland and the United States. For all other non-EU countries, importers can [have their organic products certified](#) by independent organisations approved by the European Commission.

### Tips:

- Get food safety certification. However, check with importers and experts if the food safety certification company you have engaged is recognised by European buyers. Examples of independent international accredited certification companies include [SGS](#), [CIS](#), [TÜV SÜD](#) and [Bureau Veritas](#).
- Consult the EU Trade Helpdesk where you can find [European Union legislation](#) for your selected products under the corresponding codes.
- Check the International Trade Centre's [Sustainability Map](#) for information on commonly requested standards. It is an online tool that provides comprehensive information on more than 250 voluntary sustainability standards and other similar initiatives.
- Refer to the Code of Hygienic Practice for Tree Nuts in the [Codex Alimentarius](#) for practical guidelines to help you meet the requirements of European food safety legislation.
- See the [CSR page of Intersnack](#), as an example of an independent certification programme aimed at environmental protection and corporate social responsibility.
- Make efforts to improve the livelihood of farmers and provide a safe and healthy environment in cashew processing factories. You can obtain [especially designed software](#) to measure the impact and progress made on sustainability goals and indicators in the cashew supply chain.

## 5 . What is the competition like in the European cashew nut market?

Cashew nut products compete in the European market with all the other types of edible nuts. Major company competitors come from the primary producing countries, such as Vietnam, India and Brazil, but also from all other emerging cashew nut producing countries.

Examples of cashew nut exporters from the leading producing countries include: [Cao Phat](#) (Vietnam), [Long Son](#) (Vietnam), [Viet Ha Cashew](#) (Vietnam), [Lafooco](#) (Vietnam), [Bolas](#) (India), [Bismi Cashew Company](#) (India), [Fernandes Brothers](#) (India), [Subraya](#) (India), [Paranjape Agro Products](#) (India), [Usibras](#) (Brazil), [Cione](#) (Brazil) [Carino](#) (Brazil).

### Tip:

- For more information about competition in the European edible nuts market, see our [competition study](#).

## 6 . Which channels can you use to put cashew nuts on the European market?

After importation, products reach different segments of the market as described in Chart 1. In reality, in many cases there are no firm boundaries between different actors in the supply chain because it is common for companies to play several roles. For example, importers of cashew nuts can also act as processors and packers, as well as wholesale distributors.

### Importers

In most of cases, direct importers act as a wholesalers. Importers and wholesalers very often sell cashew nuts to roasting companies which process cashew nuts and pack it for the final sales. Some importers are also equipped with processing and packing equipment and they are able to reach final market segments directly.

Importers usually have good knowledge of the European market and they monitor the situation in cashew nuts producing countries closely. Therefore they are your preferred contact, as they can inform you timely about market developments and provide practical advice for your exports. Importers of cashew nuts normally import other types of edible nuts and dried fruit as well, so offering other products in addition to cashew nuts can increase your competitiveness even more.

For new suppliers, the challenge is to establish long-term relationships with well-known importers, as they usually already work with selected suppliers. Well known importers perform regular audits and visits to producing countries. As a new contact, very often you would need to offer the same quality but possibly better prices than your competitors, at the start of the relationship.

Examples of cashew nuts importers in leading European markets include the following: [Märsch Import](#) (Germany), [August Töpfer](#) (Germany), [nutwork Handelsgesellschaft](#) (Germany) [Acomo Group](#) (Netherlands and Germany), [Nutland](#) (Netherlands), [Amberwood Trading](#) (Netherlands), [Besana](#) (Italy and United Kingdom), [Barrow, Lane & Ballard](#) (United Kingdom), [T.M. Duche & Sons](#) (United Kingdom), [Freeworld Trading](#) (United Kingdom), [Voicevale](#) (United Kingdom, Germany and France), and [Midi Sec](#) (France).

### Agents

Agents involved in the cashew nut trade typically perform two types of activities. Agents normally act as independent companies which negotiate on behalf of their clients and as intermediaries

between buyers and sellers. Typically, they charge commissions of 2–4% for intermediary services.

Another type of activity is the supply of private labels for retail chains in Europe. For most developing country suppliers, it is very challenging to participate in the demanding private label tender procedures. For these services, some agents participate in procurement procedures put out by the retail chains in cooperation with cashew nut suppliers.

Examples of cashew nut agents in the leading European markets include the following: [Hpm Warenhandelsagentur](#) (Germany), [MW Nuts](#) (Germany), [Global](#) (Netherlands), [QFN](#) (Netherlands), and [Nutfully](#) (Belgium).

## Processors and packers

Roasting and salting make up most of the processing done after importation of raw cashew nut kernels. Some cashew nut kernels are also packed raw without roasting. A very few processing companies use cashew nut kernels as ingredients for final products, such as cashew nut butter or paste, dried fruit or nut snacks.

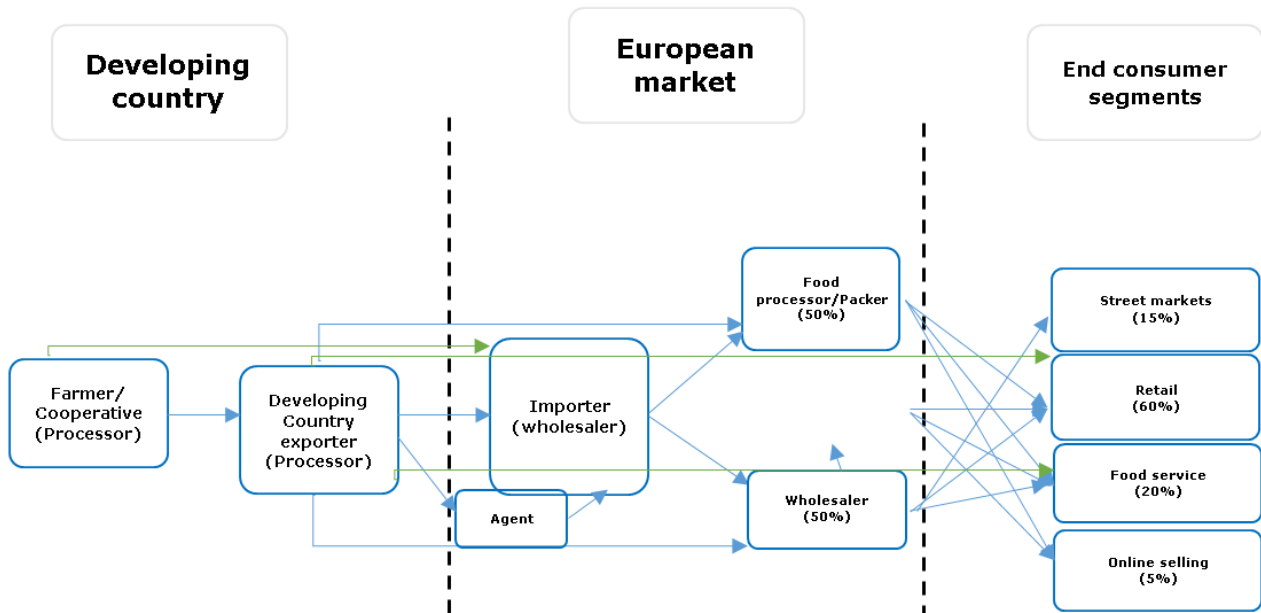
Some roasting companies specialise in selling roasted, salted and spiced cashew nuts to packers in bulk. Many packing companies have roasting facilities in their factories, so they are able to develop different products which they can sell directly to final consumer segments.

Examples of cashew nut packing and processing companies in leading European markets include the following:

- [Intersnack](#) — headquartered in Germany but active in several countries;
- [Seeberger](#) — retail snacks, Germany;
- [Maryland](#) — retail snacks, Germany;
- [Duyvis](#) — retail brand owned by PepsiCo, Netherlands;
- [Ireco](#) — roasting company, Luxembourg;
- [Humidinger](#) — retail snacks, United Kingdom;
- [Crazy Jack](#) — organic retail snacks owned by Community Foods, United Kingdom;
- [Noberasco](#) — retail snacks, Italy;
- [de Smaakspecialist](#) — producer of snacks including cashew nut butter, Netherlands;
- [Alnatura](#) — organic food company, Germany;
- [Meridian Foods](#) — producer of nut bars and nut butters, United Kingdom.

Some developing country exporters can also supply to different segments directly, without using importers as intermediaries. However, for the most part, specialised wholesale importers make the first entry point into the European supply chain for exporters of cashew nuts from developing countries.

Chart 1: European market channels for cashew nuts, 2017



### Tips:

- Research private labels of retail chains in your target markets in Europe. If you consider supplying small packaging to retail chains through importers or agents, you need to have adequate packing machines.
- Check the website of [FRUCOM, the European Federation of the Trade in Dried Fruit & Edible Nuts](#), for the contacts of their national member associations in each country. Member lists of European edible nuts associations include different players of the whole supply chain.
- For more information, see our study about [market channels and segments](#) for edible nuts and dried fruit. Also read our tips about [doing business](#) and [finding buyers](#) in the European market for processed fruit and vegetables.

## 7 . What are the end-market prices for cashew nuts on the European market?

Calculating margins according to final retail prices for cashew nuts is not indicative, since the entire sector has varying cashew nut product prices for various origins. Based on final prices alone, developing country exporters only have a very rough general overview of price development.

Graph 1: Development of prices of cashew nuts kernels (W240) in 2018, Ex Works, USD/pound





Source: IEG Vu

The cashew market started 2018 with a brief price stabilisation after reaching an average of US\$5 per pound in 2017, but prices experienced a deep fall from March 2018 until the end of 2018.

The cost, insurance and freight (CIF) price of raw cashew nuts kernels represents approximately 50% of the retail price of a package of cashew nuts. In cases when a final retail product is sold directly to retail chains, that share is much higher.

The average retail price for cashew nuts in Europe ranges between €12 and €20 per kilo, depending on the size and brand of the packed nuts.

Table 2 below shows an approximate breakdown of the prices:

Table 2: Cashew nuts retail price breakdown

| Steps in export process            | Price margins |
|------------------------------------|---------------|
| Farmers, traders and shipping      | 29%           |
| Shelling and processing            | 16%           |
| Shipping and warehousing           | 3%            |
| Roasting, packing and distribution | 22%           |
| Retailers margin                   | 30%           |

Source: [Traidcraft's Cashing in on Cashews](#)

Please note that the share of the retail price which is paid to farmers varies a lot among producing



countries. It will also vary from year to year, depending on market conditions.

If the farmers add value to their produce through differentiated quality, food safety, certification and processing steps, their prices will be higher. For example, organic and fair-trade certification, and improved operations, such as mechanised shelling, may add value to the products.

### Tips:

- Consider producing [Fairtrade](#) certified cashew nuts to increase selling price.
- Invest in mechanised processing to cut processing costs, add value to your product and increase chances of supplying to European countries directly, rather than through major processing countries.

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