



ssnup

Smallholder Safety Net
Upscaling Programme

**IMPROVING
THE LIVING
CONDITIONS
OF CASHEW NUT
PRODUCERS
IN BURKINA FASO**

June 2023

1. BACKGROUND	3
2. PROJECT OBJECTIVES	4
3. PROJECT RESULTS IN 2022	6
4. VOICE OF THE FARMERS	8
Methodology	8
Producers' profile	9
Results of the training on good agricultural practices	10
Use of advance payments	11
The benefits of Fairtrade certification	12
5. CONCLUSIONS	16
Summary	16
Lessons learnt	17

voice of the farmers

1. BACKGROUND



Global cashew nut production is dominated by Africa, which accounts for 56% of the market, followed by Asia (44%). However, only 10% of the world's cashew nuts are processed in Africa. **Burkina Faso produces between 100,000 and 160,000 tonnes of raw cashew nuts every year.** In 2016, cashew nuts were its third largest export product after cotton and sesame. Processing plants are growing in the country.

Anatrans is the largest processor of cashew nuts in Burkina Faso. The company procures raw cashew nuts from around **4,000 local producers**, who are members of various producer organisations located in the Hauts Bassins, Cascade and South-West regions. It is one of the few African processors of cashew nuts to hold the Fairtrade, Organic, BRC (British Retail Consortium), SMETA (Sedex Members Ethical Trade Audit) and Kosher certifications and the ACA (African Cashew Alliance) sustainability seal.

In order to consolidate Anatrans' position in the global market and improve the living conditions of producers in the cashew nut value chain in Burkina Faso and their households, a technical assistance project was carried out in 2022 by Incofin - an investor in Anatrans via Nuts2¹ - and co-financed by the SSNUP programme and agTAF². The project sought to support two producer cooperatives that supply cashew nuts to Anatrans **with various aspects of their business: access to Fairtrade certification, provision of advance payments, and awareness of the importance of education and access to healthcare for their children.**³

1. Nuts2 is a certified FLO/Organic trader based in the Netherlands and the owner of Anatrans. Nuts2 buys 100% of Anatrans' produce in a fully traceable manner. For more information, click [here](#).

2. agTAF is the technical assistance facility of the agRIF fund launched in 2018 to promote financial inclusion and strengthen the capacity of smallholder farmers and rural entrepreneurs. For more information, click [here](#).

3. This document contains the results of a survey carried out with producers who are members of the cooperatives benefiting from the project. The results of the full technical assistance project are available [here](#).



Non-financial services



Market relations



Internal management

Impact investor



Beneficiary organisation

Anatrans

Country

Burkina Faso

Agricultural value chain

Cashew nuts

Project period

July 2021 - December 2022

Duration

17 months

Project budget

€ 115 166
Including a contribution of
€ 33 714 (29 %) from SSNUP



2. PROJECT OBJECTIVES



Objectives

Incofin's technical assistance project had **2 objectives**:



To support Anatrans' growth and enable the company to consolidate its position in the international market.

Given the current market trend for healthy snacks, the number of primary processing facilities for nuts in Africa is increasing. Competition is therefore tough for Anatrans, which explains why the company needs to find ways to grow, including (i) ensuring the quantity of inputs (cashew nuts) for the processing plant, hence the importance of retaining supplier-producers to avoid side selling; (ii) ensuring the quality of inputs, so that they comply with recognised standards; and (iii) improving the ESG (Environment, Social and Governance) performance, increasingly required by international clients and investors.



To improve the living conditions of smallholder farmers

by improving market access for their products, community development, improved financial inclusion, prevention of child labour and monitoring children's schooling and health.



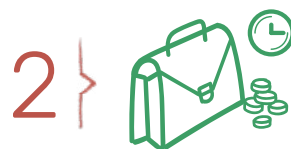
Specific activities

To achieve these goals, the project implemented **3 activities**:



Fairtrade certification training for the two partner cooperatives located in Kankalaba and Sidéradougou (which had not yet been certified). The training provider, FairMatch Support (FMS), was given the task of supporting the cooperatives throughout the process and of training producer representatives and Anatrans employees on Fairtrade labelling standards. These individuals were then given responsibility for transferring this knowledge to the other producers. The training focused on the following topics:

- Fairtrade certification:** definition, operation, benefits, application process, requirements, risks, etc.
- Raising awareness of environmentally friendly practices** (water, soil, biodiversity).
- Good working conditions: child labour prevention,** prohibition of forced or compulsory labour, health and safety in the workplace, professionalisation and management of the cooperative (e.g., archiving of documents), freedom of association and collective bargaining, non-discrimination, etc.



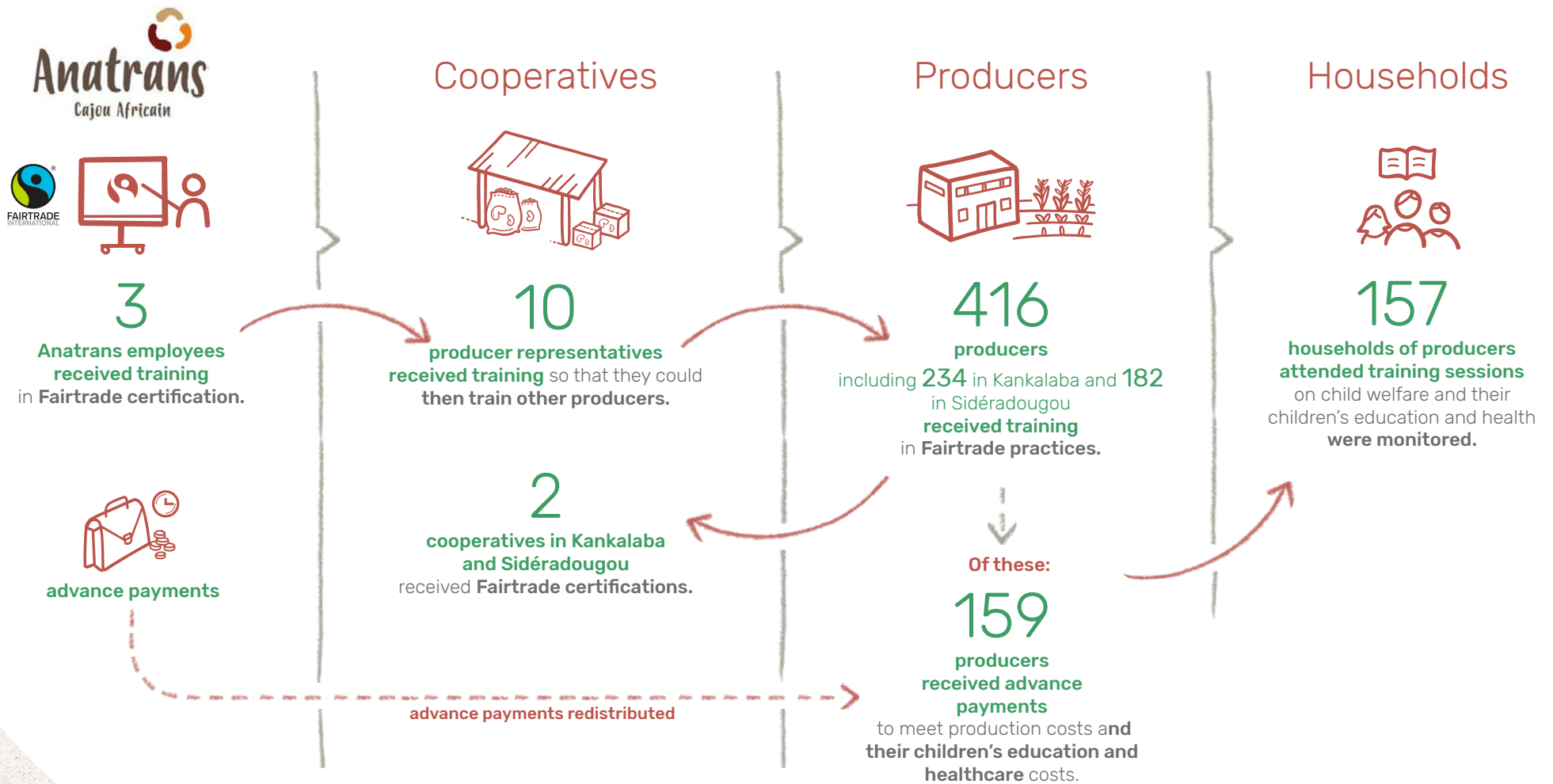
Advance payments for producers to pay children's schooling and healthcare and other expenses associated with their farming activity and family lives. The amount of financing depended on their expected harvest and was repaid through sales of raw cashew nuts to Anatrans. These advance payments should enable producers to cope with an emergency outside the cashew nut harvesting period (mainly from July to September).



Prevention of child labour and monitoring children' education and health.

Child labour on family farms is very common in Burkina Faso. In the sales agreements between Anatrans and the cooperatives, each cooperative signs a declaration not to use child labour or forced labour. However, Anatrans does not consider this statement to be sufficient and believes that it needs to ensure that all cooperatives comply with and enforce the commitment as a priority. Several awareness-raising and training sessions on child protection were organised and an internal control system was created that enables Anatrans to demonstrate to its partners that the producers are complying with their commitments and certification obligations.

3. PROJECT RESULTS IN 2022





4. VOICE OF THE FARMERS

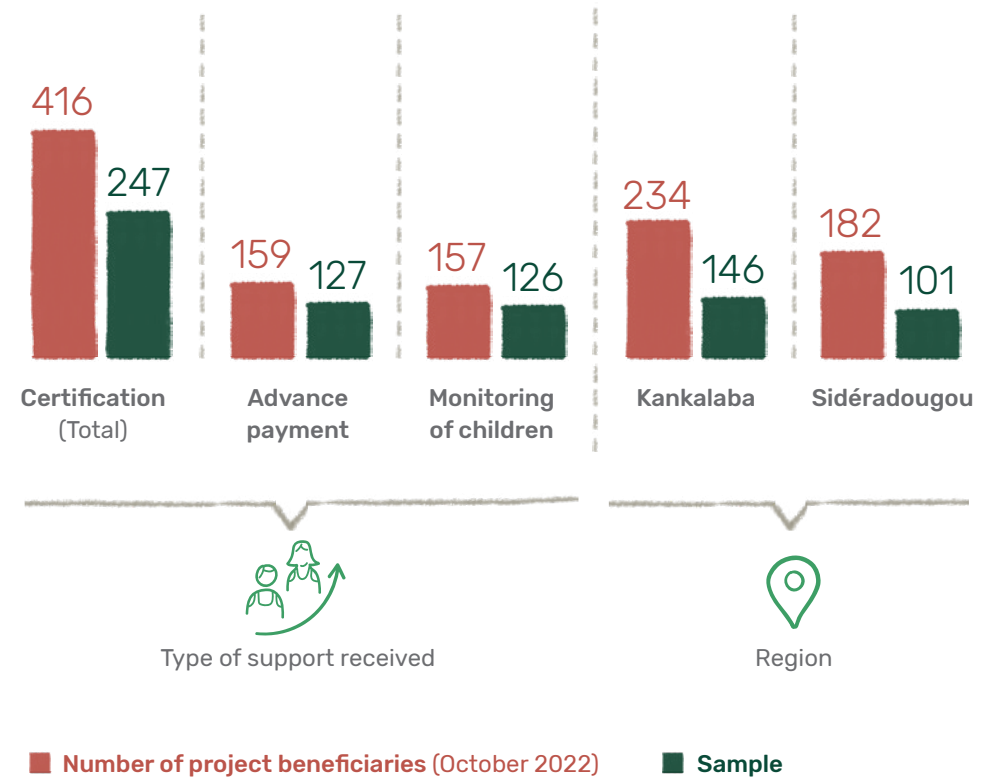


Methodology

At the end of the project, a survey was carried out face-to-face with the beneficiaries (producers, lead farmers and managers of cooperatives) to better understand their level of satisfaction with the services offered, the positive effects of these services and any sources of difficulty or areas in which improvements could be made. The main results and lessons learnt are summarised below to assist other organisations supporting certification.

- Quantitative survey of 247 producers (representative sample of beneficiaries of each type of support with a 5% margin of error and a 95% confidence level) in November and December 2022.
- Qualitative survey of 2 managers of cooperatives and 8 lead farmers in January 2023.

Survey sample



Producers' profile



Average age

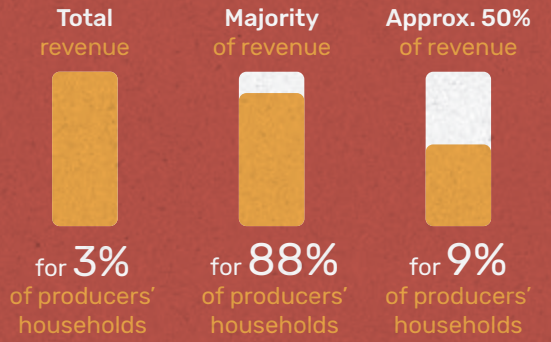
48



Half of producers are illiterate. Very few have completed secondary or higher education.

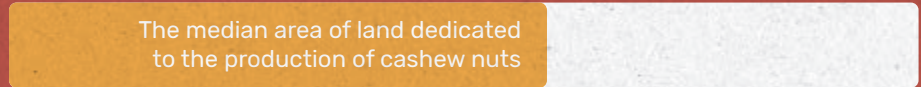


The cashew nut value chain is the main source of income for producers' households:



6 hectares

11 hectares



← The median farmland →



4. VOICE OF THE FARMERS



Results of the training on good agricultural practices

For many years, Anatrans has been supporting producers in adopting sustainable agricultural practices, mainly as part of organic certification but also by training them on the Fairtrade certification process. The changes in practices reported by producers in response to the survey are the result of various initiatives.

 **The training provided by Anatrans enabled producers to:**

- acquire completely new knowledge **71%** 
- significantly improve their knowledge **86%** 



Producers mainly changed land and plant management practices.

Other changes in practices relate to:

- ✓ biodiversity protection;
- ✓ discontinuing the use of certain pesticides;
- ✓ integrated pest management;
- ✓ and storage conditions.







FCFA 14,000 (or EUR 21) per hectare of cultivated cashew nuts.
Average amount that each producer has spent to change their practices.



80%

of producers have not experienced any difficulties in changing their practices

However, the remaining 20% of producers found the required changes challenging due to:³

-  a lack of resources to produce and transport organic manure (e.g., lack of water to decompose waste, lack of equipment needed to transport fertilisers, limited availability of cow dung, etc.);
-  the additional cost and labour required to prepare fields when working without certain pesticides;
-  labour shortages making it difficult to care for the soil and plants;
-  the lack of suitable storage space.



Labour was the largest cost for 93% of producers.

In overall terms, according to the lead farmers and managers of the cooperatives, this level of financial investment is reasonable for producers.

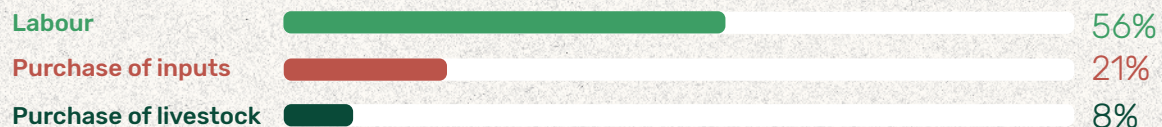
³ Our analysis did not reveal a significant correlation between difficulties in adopting new practices and producers' different characteristics: cashew nut growing area, age, gender, level of education, size of household and receipt of advance payments.

Use of advance payments

99% of beneficiaries were able to use advance payments to pay for household expenses, such as:



81% of beneficiaries invested in their business thanks to advance payments (42% significantly, 39% a little), particularly in the following areas:



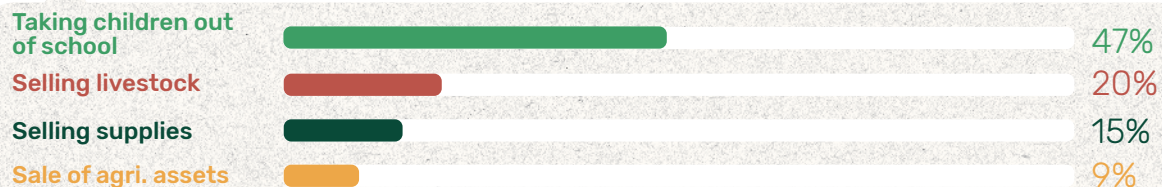
As a result of advance payments:



89% of beneficiaries have not needed to incur debt

44% of beneficiaries left their savings untouched

It has also enabled them to avoid negative coping strategies such as:



According to the managers of the cooperatives, advance payments have also helped them increase producer loyalty when delivering their harvest to the cooperatives.



Advance payments are very useful. Previously, a producer who was encountering difficulties (illness, minor issues, etc.) would have approached a loan shark. The loan shark might lend the producer 10,000 FCFA for a 100 kg bag of cashews. Advance payments mean that producers can now avoid being exploited and no longer need to sell their produce to loan sharks.

Manager of a cooperative

Areas of improvement

The advance payments were transferred late to the cooperatives, which then had to pass them on to producers. As a result, cooperatives had to pre-finance the producers using their own funds or take out a loan with a microfinance institution. The cooperatives are requesting to receive advances already in July in future, so that they can prepare for the new cashew harvest in a timely manner.

4. VOICE OF THE FARMERS



The benefits of Fairtrade certification



Economic benefits

99% of producers saw the income from their cashew nut production increase after obtaining the Fairtrade label



This increase is the result of larger sales volumes and a higher price.

In 2022, the price on the Fairtrade market was FCFA 530 per kilo. Anatrans added FCFA 20/kilo to the purchase price and paid a premium (legal obligation) of USD 0.07/kilo. The company therefore paid around EUR 81,500 to the two cooperatives. This additional income has been reinvested by producers to improve the living conditions of their households.

I can confirm that the sale price of the produce was high. This is due to Fairtrade certification. In the recent harvest, the price on the Fairtrade market was FCFA 15/kg higher than on the local market.

A lead farmer



We have seen the improvements made by the producers. [...] Revenues have also increased as the quantity and quality of production have both improved. This has improved the producers' living conditions: they may have purchased a motorbike [...] or built a new solid house [...], better access to schooling for children.

Manager of a cooperative

Sales improved after the certification as Anatrans met its contractual commitments (650 tonnes). The sale price per kg was also high.

Manager of a cooperative

In addition, the premiums paid by Anatrans allowed cooperatives to implement community development plans that included building storage facilities and drying sheds, as well as acquiring tricycles and waste bins. In 2022, the first year, Anatrans paid the entire certification fee, but the certification costs will be borne by the cooperatives from the second year onwards. However, according to the managers of the cooperatives, the annual subscription fees are not too high and can be offset against the premiums received.



The premium was used in line with a development plan drawn up and approved at a general meeting. This plan provided for the construction of three storage facilities with a capacity of 20 tonnes each, the acquisition of three tricycles, the construction of three drying sheds and 200 pallets, and the acquisition of 20 waste bins. The premium was sufficient because it corresponded to the cost of our development plan.

Manager of the Sidéradougou cooperative

Social benefits

Child labour has become less common thanks to awareness-raising sessions and the requirements of the Fairtrade label. In 2020:



79%

of the children in producers' households had a **medical check-up**



93%

did not have to miss school to work in their parents' business or do household tasks.

Child labour used to be common. 50% to 70% of children aged 12 were working on cotton plantations to earn money to buy a bike. Child labour existed.

But these days, at least 90% of children have health cards and go to the hospital and all go to school. This is the result of Fairtrade certification. The failure to send children to school can lead to the agreement being terminated.

Manager of a cooperative

Social cohesion within cooperatives has been improved through regular meetings, the sharing of knowledge, training on non-discrimination and community development activities.



97%

of producers believe that the relationships between them have improved.

According to the producers, social cohesion has improved punctuality at meetings and compliance with production and labour rules. It has also facilitated collaborative work and general meetings and has made farmers who are not yet members of cooperatives keen to join.



We listen a lot to each other now and general meetings have become easier.

A producer



4. VOICE OF THE FARMERS



The benefits of Fairtrade certification



Cost-benefit ratio

100% of producers consider that Fairtrade certification is beneficial to their business



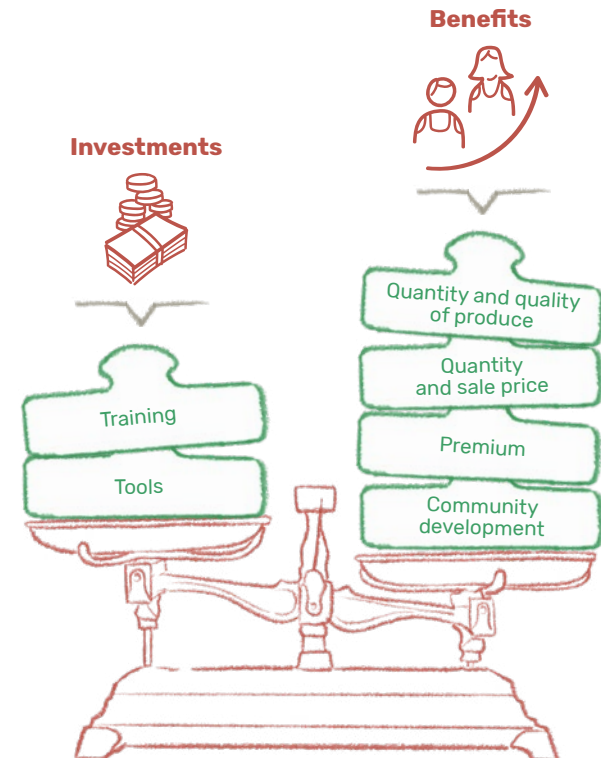
99% of producers believe that the total benefits derived from Fairtrade certification are greater than their investments. In their view, the most important benefits of certification are:



The benefits exceed the investments made. Income is significant over the long term.

Manager of a cooperative

The benefits of Fairtrade certification exceed the investment costs





5. CONCLUSIONS



Summary

The project had a **positive impact** on cashew nut producers, their cooperatives and Anatrans itself.



For the producers

- Fairtrade certification has allowed them to **increase their production volume and income** thanks to a better price and a guaranteed quantity of sales.
- Advance payments enabled them to **make the necessary changes to their practices, invest in their production and fund urgent costs**, including education and healthcare costs for their children.



For the cooperatives

- The cooperatives have become more professional **and their business management has improved**.
- The Fairtrade premium has allowed them to carry out community projects that **are beneficial to production and the daily lives of their members**.
- Social cohesion has improved**, thereby facilitating community activities.
- Child labour has been significantly reduced thanks to better awareness among producers and more resources **to ensure better living conditions for children**.



For Anatrans

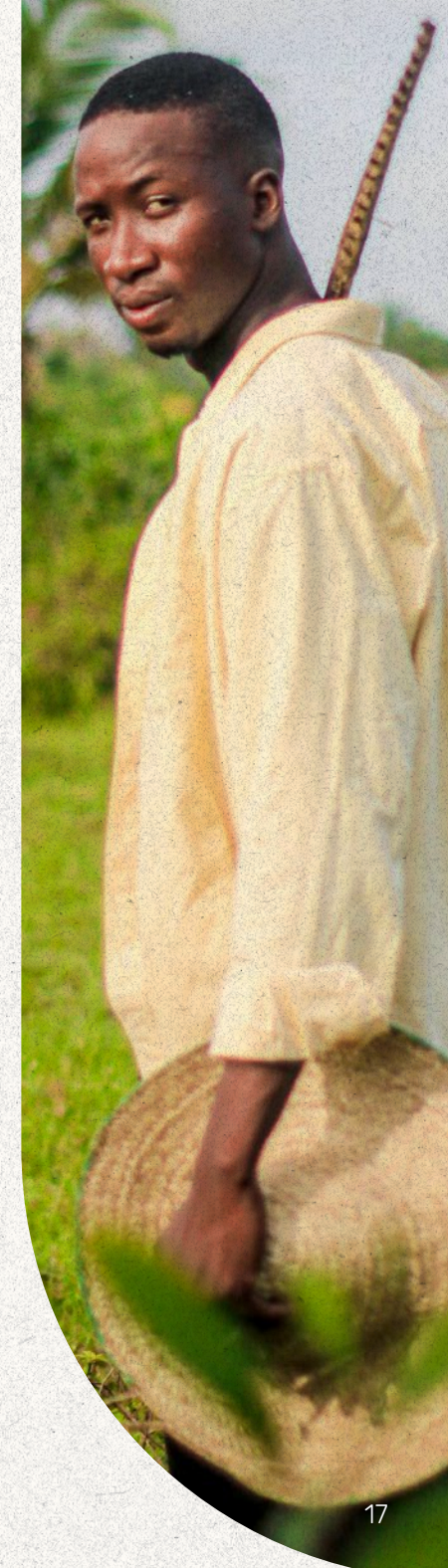
- Producers are more loyal to their cooperatives and Anatrans, and have delivered the required volume of cashews. In 2022, Anatrans achieved much better results than in previous years: producers met 100% of contractual quantities and delivered 98% of potential cashew nut volumes to Anatrans. **Anatrans can therefore be certain that it will have the necessary volume of high-quality Fairtrade-certified raw materials for processing**.

In general, producers considered that **the benefits provided by the Fairtrade label exceeded their investment costs.**



Lessons learnt

- ✓ **Fairtrade certification, which facilitates market access and promotes sustainable production methods and social development, creates win-win situations** for various actors in agricultural value chains, at least when prices on the certified market are higher than on conventional markets. In particular, certification offers an incentive for producers to adopt environmentally friendly practices.
- ✓ **However, awareness-raising initiatives and support for adopting such practices must be maintained over the long term** to achieve positive, lasting effects. Producers saw their production increase at the end of the project, but this significant result is not solely attributable to the practices promoted by the Fairtrade label in just a year. Anatrans had already been providing support to producers in obtaining organic certification for many years, which helped to achieve these results.
- ✓ **The adoption of sustainable production practices also causes a number of challenges** regarding the availability of organic manure and the availability of production or transport tools/machinery to reduce labour.
- ✓ **Financial and non-financial solutions should be considered** to enable producers and their cooperatives to produce organic fertilisers, adopt alternatives to pesticides and acquire farming machinery.
- ✓ **Access to finance is crucial if this mechanism is to work.** Advance payments can be used to pre-finance production and help producers adopt new practices. The amount must be sufficient, and payments must be made on time. Financial education can also play an important role in helping producers to better manage their resources and use them for productive purposes at the right time.
- ✓ **Accordingly, in 2023, Anatrans is seeking partnerships with financial institutions** to better manage and distribute advance payments. Such financing mechanisms linking financial institutions, producers and processors should help strengthen and develop the value chains in which they operate.



about the SSNUP programme

The aim of the 10-year programme is to **strengthen sustainably the safety nets of 10 million smallholder households** resulting in an improved well-being of altogether 50 million low-income and highly vulnerable people through a systemic agricultural value chain development approach.

Credits: This report was produced by Thu Hien Dao and Mathilde Bauwin (ADA) with contributions from Jade Tobbi, Souleymane Damoue (Anatrans), Sétha Eng, Viktoria Popova (Incofin), Matthew Genazzini, Caroline Morilhat, Brenda Nolden (ADA), Abdoulaye Tiemtore, Adama Tinto, Alpha Oumar Barry (Lessokon), Gianmarco (Gianmarco.Design).