



Development of Cashew Based Farming Operations in Vichada

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Introduction – Realizing the potential of cashew based farms and businesses in Vichada will require a coordinated effort among all stakeholders, including: current cashew growers, new cashew producers, new farmers with cashew based farm plans, cashew processors, departmental and municipal government, cashew buyers, and civil society in Vichada. It will require resources from multinational corporations, local businesses, private investors, farmers and financial institutions. It will take time. Planting trees and maintaining them until they produce takes years. Moving cashew from a niche product for domestic high-end markets to a major player in international cashew markets will require decades. Above all it will require the patience and goodwill of all stakeholders. This section outlines a pilot project execution, follow-up and closure plan for such a Vichada cashew initiative.

Objectives - The overall goal of the Vichada cashew project is to generate equitable and environmentally sustainable economic growth in Vichada through development of the cashew sector. The specific objectives would be:

- 1) Support current cashew growers and processors in Vichada in achieving higher productivity and better profits,
- 2) Work with Vichada landowners to plant an additional 80,000 hectares of cashew in Vichada through technical assistance, credit and other support.
- 3) Facilitate the creation of new cashew farms on at least 20,000 hectares for the landless in Vichada and displaced people from other parts of Colombia.

If sufficient funding is made available, Purdue University would consider providing overall project leadership. A project management unit would be created in Puerto Carreño to coordinate activities, monitor progress and lead the way in solving the problems that will inevitably arise. The project management unit would be staffed by Colombians with strategic and technical assistance from Purdue faculty and staff. At Purdue a senior faculty member, assisted by a steering committee, will oversee the project. In university terms, this senior faculty member will be the “Principal Investigator” and project lead. Purdue University, through the project management unit, will contract

with Colombian organizations for specific components of the project. For example, SENA, UniMinuto, Unillanos and other organizations have expressed interest in providing technical training and the higher education needed by those employed in the cashew sector. AGAF and the Vichada Cashew Growers Committee are positioned to help provide technical support and training to cashew growers. Uniandes, Corpoica (now called Agrosavia), and other research organizations have expressed interest in providing technical support and applied research to solve production and processing problems identified in the course of the project. The management unit will work with national and international financial institutions to find credit for cashew farmers and related businesses. The management unit will seek out educational institutions and non-governmental organizations that provide support for new and expanding businesses, but because those organizations do not operate in Vichada it may be better for the project to develop its own capacity for business support. The contractors and service providers will be part of a working group that meets monthly to insure good communication within the project and address problems early. A stakeholder advisory group would be developed to provide input on strategic decisions. The advisory group would include crucial stakeholders that are not contractors or service providers for the project, including the Ministry of Agriculture, Unidad de Planificación Rural Agropecuaria (UPRA), National Planning Department (DNP), Corporinoquia, World Wildlife Fund, World Conservation Society, Nature Conservancy, and Government of Vichada.

The Vichada cashew initiative has drawn strong support from numerous key partners. DML Produce of Cali has traveled to Puerto Carreño with the Purdue Team to discuss the cashew business with the Vichada Agroforestry Association, the leaders of the Vichada Cashew Growers committee and with individual growers. DML has announced their intention to start buying RCN in Puerto Carreño for the 2018 harvest.

The timeline for the initial phase of the Vichada cashew initiative is expected to be five years. A rough timeline after the implementing organization is identified would be:

Year 1 – Set up the management unit and contract with support organizations for education, technical aspects and business support. Launch technical and credit support for current cashew producers. Start first trainees in their programs. Work with existing and new plant nurseries to scale up production of cloned cashew seedlings. Collaborate with DML Produce and other cashew processing/marketing firms to reduce logistics costs and monitor quality. Develop a strategy reaching out to landowners interested in planting cashew and for creation of new cashew based farms. Key farm creation issues to be resolved the first year include the financing of the land purchase, the size of the eventual new farms, income for the new farmers until the cashews are in full production, complementary crops and infrastructure for farm families if the land is in an isolated area (e.g. schools, roads).

Year 2 – Work with landowners to plant cashews on 20,000 hectares. Continue technical support and credit for long term cashew producers and processors. Continue training and education, work with cashew nurseries, collaboration with cashew processing and marketing firms, and start identifying the land, financing and farmers for creation of new farms.

Year 3 – Work with landowners to plant cashews on another 20,000 hectares and provide technical support to those who planted the previous year. Install the first new farmers on their farms and plant initial cashew areas. Continue technical support and credit for long term cashew producers and processors. Continue training and education, work with cashew nurseries, collaboration with cashew processing and marketing firms.

Year 4 - Work with landowners to plant cashews on another 20,000 hectares and provide technical support to those who planted the previous years. Install another group of new farmers on their farms and plant additional cashew areas. Collaborate with DML Produce and other partners on setting up a cashew processing plant in Puerto Carreño. Continue technical support and credit for long term cashew producers and processors. Continue training and education, work with cashew nurseries, collaboration with cashew processing and marketing firms.

Year 5 - Work with landowners to plant cashews on the last 20,000 hectares and provide technical support to those who planted the previous years. Install the final group new farmers on their farms and plant additional cashew areas. Collaborate with DML produce to launch a cashew processing plant. Continue technical support and credit for long term cashew producers and processors. Continue training and education, work with cashew nurseries, collaboration with cashew processing and marketing firms. The management unit will draw on internal resources for the project evaluation, which will be complemented by an external impact assessment by an organization hired for the purpose.

The exit strategy is that by the fifth year the project management unit will close. By that time coordination of cashew marketing and technical support can be handed over to a local organization (e.g. AGAF, Vichada Cashew Committee), self-sustaining relationships will have been established between financial institutions and the cashew sector, and the new cashew farms will be established enough to survive. The final internal evaluation and the external impact assessment will summarize the project experience and provide the basis for future public and private investment in the cashew sector.

Conclusions – Development of the cashew sector in Vichada has the potential to be a transformational change. Cashew provides the opportunity for prosperous small, medium and large farms. It has the potential to launch industrial food processing in the department. It will bring foreign currency income and investment since this is an export driven project. It is well supported by previous research including decades of cashew research by Agrosavia at Carimagua and work by Uniandes. It has the political support of the government of Vichada and civil society in the department. To achieve this transformational change will require all stakeholders to collaborate and it will require effective management that gives them a framework within which to work together. This proposal outlines the structure needed to execute, manage and achieve closure on this effort.