



GROWTH CHALLENGES TO THE INDIAN CASHEW KERNEL MARKET



SKB NUTS PVT LTD
ACHIN AGGARWAL
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INTRODUCTION



We **SKB NUTS PVT LTD.** Delhi are Stockist and wholeseller of cashew kernels, almonds and other nuts. We have been in the cashew kernel trade for more than 3 decades

We are distributors of cashew processing machines of **Vietmold, Vietnam** since 2009.

Over all scenario – supply vs demand of kernel



- RCN crop is almost similar to this year vs last year. LY (2022-23) was 5.027 Million tons and estimate for 2023-24 as per industry source is 4.975 Million tons.
- The Kernel demand has shrunk due to low demand in USA, Europe and China etc.
- Indian situation so far is not looking good due to the shift in consumer behaviour post corona and over supply of kernels .
- However the lower prices of Kernels is expected to give a good increase in demand in coming festival sessions.

GLOBAL RAW CASHEW PRODUCTION DATA FOR CROP 2023

XL World Nut and Dried Fruit Congress, London, May 22-24, 2023

ESTIMATED WORLD CASHEW PRODUCTION

Raw Cashew Nut (RCN). Metric Tons

COUNTRY	2022/2023				2023/2024			
	BEG. STOCK	CROP	TOTAL SUPPLY	ENDING STOCK	BEG. STOCK	CROP	TOTAL SUPPLY	ENDING STOCK
INDIA	n/a	675,000	675,000	n/a	n/a	650,000	650,000	n/a
CAMBODIA	n/a	670,000	670,000	n/a	n/a	650,000	650,000	n/a
VIETNAM	n/a	450,000	450,000	n/a	n/a	350,000	350,000	n/a
COTE D'IVOIRE	n/a	1,235,000	1,235,000	n/a	n/a	1,250,000	1,250,000	n/a
NIGERIA	n/a	275,000	275,000	n/a	n/a	275,000	275,000	n/a
GUINEA-BISSAU	n/a	260,000	260,000	n/a	n/a	260,000	260,000	n/a
BENIN	n/a	240,000	240,000	n/a	n/a	230,000	230,000	n/a
GHANA	n/a	200,000	200,000	n/a	n/a	235,000	235,000	n/a
BURKINA FASO	n/a	130,000	130,000	n/a	n/a	150,000	150,000	n/a
GUINEA CONAKRY	n/a	120,000	120,000	n/a	n/a	140,000	140,000	n/a
SENEGAL	n/a	85,000	85,000	n/a	n/a	100,000	100,000	n/a
TOGO	n/a	60,000	60,000	n/a	n/a	90,000	90,000	n/a
GAMBIA	n/a	28,000	28,000	n/a	n/a	28,000	28,000	n/a
MALI	n/a	7,000	7,000	n/a	n/a	7,000	7,000	n/a
Subtotal Western Africa	n/a	2,640,000	2,640,000	n/a	n/a	2,765,000	2,765,000	n/a
Subtotal Northern Hemisphere	n/a	4,435,000	4,435,000	n/a	n/a	4,415,000	4,415,000	n/a
TANZANIA	n/a	200,000	200,000	n/a	n/a	200,000	200,000	n/a
MOZAMBIQUE	n/a	85,000	85,000	n/a	n/a	85,000	85,000	n/a
KENYA	n/a	5,000	5,000	n/a	n/a	5,000	5,000	n/a
Subtotal Eastern Africa	n/a	290,000	290,000	n/a	n/a	290,000	290,000	n/a
BRAZIL	n/a	147,200	147,200	n/a	n/a	115,000	115,000	n/a
INDONESIA	n/a	100,000	100,000	n/a	n/a	100,000	100,000	n/a
Subtotal Southern Hemisphere	n/a	537,200	537,200	n/a	n/a	505,000	505,000	n/a
OTHERS	n/a	55,000	55,000	n/a	n/a	55,000	55,000	n/a
WORLD TOTAL	n/a	5,027,200	5,027,200	n/a	n/a	4,975,000	4,975,000	n/a



IMPORT OF CASHEW KERNEL IN INDIAN MARKETS BY ILLEGAL CHANNELS



- We are over and over hearing cashew kernel coming into the Indian market by illegal channels like mixing in husk or overweight husk containers and smuggling through Nepal and Burma.
- Is really imported kernels coming in the market or we are going thru the phase of low sale?
- If yes on imports, are they only broken or wholes also?
- No major offers coming in the Delhi market
- We need to find the supply channel of these imported kernels

COMPETITION WITH OTHER NUTS



- On regular basis countries like the USA spend lots of time and effort in promoting pistachios and almonds and other nuts.
- Common buyer has limited money to spend on nuts on a daily basis, so it is slowly shifting towards almonds and pistachios. which are promoted for health benefits
- On the contrary, there is a lack of cashew nut promotion and its benefit for health.
- People are convinced that cashew nuts do nothing to build their health and it's only a snack nut.



NEED OF BUNDLING THE GRADES INTO FEWER GRADES

- | <u>• OLD GRADING PATTERN</u> | | <u>• BUNDLED GRADES</u> |
|------------------------------|-----|-------------------------|
| • W180 ,P180,S180 | } → | • W200/W210 |
| • W210 P210 ,S210 | | |
| • W240,S240,P240 | } → | • AW/W300 |
| • W320 ,P320,S320 | | |
| • SW 320 | } → | • SW |
| • SW240 | | |
| • SW210 | | |
| • DW } | → | • WW450 |

BENEFITS OF LESS GRADES FOR FACTORY

- Easy to make for factory
- Costing is less by Rs 10 to 15
- Quantity of specific grade is more
- Handling of less grades
- Acceptable in e-commerce and wholesale trade.
- Turn around time for factory is less
- In the time of peak season, factory can produce more.

BENEFITS OF LESS GRADES FOR CUSTOMERS

- All 3 grades w200/w300/w400 look bigger in comparison of authentic grades
- Availability of stock is more and quick
- Easy to handle
- Comparatively cheaper than old grading system.



Lack of confidence of traders in stocking of cashew kernel



- No cold storage facility in or nearby Cashew Processing to store the production during lean season. This results either pressure sales or deterioration in quality of kernel
- Due to risk of quality issues the stockist and small user does not want to invest for larger volumes during lean season .
- Improper packaging is also a hurdle in storage of large volumes for a little longer time

Conclusion



In the end, I would say the following points for the growth of the cashew kernel market-

1. Cold store facility in the factory premises for the final product
2. Dedicated teams for the promotion of cashew across India.
3. Strict packing standards to be made by Cashew stake holders or govt bodies
4. Strict vigilance over illegal import of cashew kernels and a suitable law to check such imports
5. New innovation in Cashew Processing Technology has substantially reduced the % of Pieces and in long run and specially in festival session we will see less availability of Pieces.