

# Slump in global cashew demand pushes Ivory Coast industry to verge of collapse

By [Ange Aboa](#) and [Alessandra Prentice](#)

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Drissa Dembele, a farmer and buyer of raw cashews, surveyed unshelled nuts he had spread out to dry on a tarpaulin in a dusty courtyard, unsure of when he would sell them.



Drissa Dembele, a farmer and buyer of raw cashew, checks unshelled nuts that were spread out to dry, in his courtyard in Katiola, Ivory Coast, May 27, 2023. [REUTERS/Ange Aboa](#)

Dembele, a 36-year-old father of two, had sold only five bags of nuts since the start of the season in March, compared with around 20 bags over the same period in previous years.

Global demand for cashew nuts, eaten as snacks or used for cooking and desserts, has tumbled since the end of the coronavirus pandemic, driven by multiple factors, including consumer inflation and increased production.

This has led to a price slump, according to farmers, buyers and sector experts.

"No one wants to buy cashew, even if I ask for 150 CFA francs per kilogram (\$0.24) instead of the farmgate price of 315 CFA francs. No one wants to pay, so the entire harvest remains with us," said Dembele, who owns a 10-hectare farm.

Dembele lost 20 million CFA francs (\$33,000) during the 2022 season after buying nuts he could not resell to wholesale processors.



Drissa Dembele, a farmer and buyer of raw cashew, checks unshelled nuts that were spread out to dry, in his courtyard in Katiola, Ivory Coast, May 27, 2023. REUTERS/Angel Aboa

In Katiola and other Ivory Coast towns such as Bouake, Korhogo, Odienné and Bondoukou, where 80% of the country's cashew output is produced, farmers and buyers hold unsold stocks from the past two seasons due to a lack of industrial buyers.

"Cashew is rotting in our hands," said Ibrahim Coulibaly, who owns a 7-hectare farm in Korhogo.

## Top producer

Ivory Coast, the world's biggest cocoa producer, has become the leading global cashew producer.

Output rose from 400,000 tonnes in 2011 to 1 million tonnes in 2022, and is expected at the same level in 2023.

Production has risen in other countries during the same period, said Ganesh Rajaraman of Olam Food Ingredients, a unit of agri-food giant Olam Group.

Rajaraman said minimum price guarantees, together with historic price highs during 2016-2018 spurred an uptake in cashew farming with acreage and supply growing across producing countries, creating a stock surplus that has depressed prices.

This has hit Ivory Coast's cashew value chain, plunging it into an unprecedented crisis despite government subsidies and

export incentives to local processors to remain competitive.



Drissa Denbele, a farmer and buyer of raw cashew, checks unshelled nuts that were spread out to dry, in his courtyard in Katiola, Ivory Coast, May 27, 2023. REUTERS/Ange Aboa

In Bouake, the heart of the country's cashew processing industry, work has come to a near standstill as employers struggle to pay salaries.

Factories had flourished in the boom years, some borrowing heavily in response to the government's plan to boost local processing. But the slump in demand and low prices have pushed them to the verge of bankruptcy.

"It's been two months since we stopped producing anything. Our suppliers are demanding their money, but we are in the red," said the director of a processing plant in Bouake who asked to remain anonymous.

"By July, we will most likely close down. We don't have enough money to continue," said a director of a separate processor in Bouake.

## ABOUT THE AUTHOR

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