



CASHEW PROCESSING INDUSTRY: SWOC ANALYSIS (A Study with Special Reference Cashew Processing Industry in Ratnagiri District)

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ABSTRACT

Cashew was introduced to India by the Portuguese about five centuries ago. In India, cashew was first introduced in Goa. In India, commercial cultivation of cashew was began in the early 1960s and nowadays it plays significant role as an important cash crop, an export-oriented commodity, earning considerable foreign exchange for the country. India is second largest producers and processor of cashew nuts in the world. Area under cashew cultivation is increasing rapidly due to plans and policies of state as well as central governments. India is largest cashew kernel consuming country in the world. India is known to be a leading exporter of processed cashew kernels. The cashew kernels international market is also growing, with innovative products introduced in snack foods, bakery items, and sweets. The cashew nut market has been increasing significantly due to the several health attributes it possesses. Cashew is often regarded as 'poor man's crop and rich man's food' due to nutritional values and become an important cash crop and highly valued nut in the global market. India's dry fruit processing industry is multiplying, while cashew nut consumption growth in India is also tremendously. Indian cashew processing industry is labour intensive and playing significant role in employment generation especially to the rural folk. The cashew processing business is considered highly unorganized and a bit scattered. Indian cashew industry has a high untapped potential to support the livelihood of cashew farmers, provide numerous employment opportunities and improve returns through global trade. In spite of this there are various problems of cashew processing units regarding availability of raw materials, skilled labour, working capital, marketing etc. in the present study an attempt is made to evaluate strength, weaknesses, opportunities and challenges of cashew processing industry in Ratnagiri district.

KEYWORDS: cashew processing industry, strengths, weaknesses, opportunities, challenges

INTRODUCTION

Agriculture is backbone of Indian Economy. Sixty percent of the population is directly or indirectly dependent on Agriculture where as 110 million farmers are dwelling in 6.25 lakh villages producing more than 200 Million Tons of food grains feeding the country. Farmers and farming are the backbone of Indian economy and Indian culture. India's diverse climate ensures availability of all varieties of fresh fruits & vegetables. It ranks second in fruits and vegetables production in the world, after China. India and Brazil account for almost half of the global cashew nut production, with India's share at close to 40 percent.

India is the largest producer, processor, exporter and second largest consumer of cashew kernels in the world. In India, cashew is grown mainly in Maharashtra, Goa, Karnataka and Kerala along the west coast and Tamil Nadu, Andhra Pradesh, Orissa and West Bengal along the east coast. The total area under cashew cultivation was 10.62 lakhs hectares having total production of 8.17 lakhs MT tons. The Indian cashew

industry is almost export-oriented. According to the Directorate of Cashew and Cocoa Development India, more than 3,900 processing units are functioning in India in the organized and unorganized sector having installed capacity of 16.43 lakh MT per year. India's is exporting cashew to more than 60 countries in the world. It consists mainly U.A.E, U.S.A., Netherlands, U.K., Germany, Japan, Australia, etc. The country earned foreign exchange equivalent to ₹5870.97 crores, from export of 84,352 metric tonnes of cashew nuts in the year 2017-18.

Maharashtra is the highest cashew producing state. Within Maharashtra, over 70% of area is under cashew cultivation in Ratnagiri and Sindhudurg districts. In this region major area under cashew cultivation is naturally organic which helps in retaining quality of cashew kernels also. Cashew nuts are processed in edible cashew kernel through various processes like roasting, shelling, drying, peeling, grading, quality controls, fumigation and packaging. All these steps have to be conducted with care to obtain good quality and good grade kernels. Cashew processing industry provides employment to more than 5 lakh people both directly and indirectly, particularly in the rural areas of Ratnagiri district. This industry is playing an important role in women empowerment by providing employment to the rural folk. Though this industry is playing an important role by way of value addition of perishable produce, employment generation, earning foreign exchange through export etc there are various problems of cashew processing industry.

Non-availability of raw material, non-availability of labour on time, high rate of wages, high turnover ratio, lack of skilled labours are the major issues in the backward and forward linkages of cashew processing industry. Lack of knowledge of hygienic processing technique in case small and tiny scale units is another issue. However, some of the seasoned producers opined that farmers have not been able to keep abreast of developments in cashew production practices, and improved processing technologies necessary for shorting up yields. To avail the advantages of the promotional programmes by the government that subsidized cashew cultivation, production and processing, a number of small cashew processing units also mushroomed but most of these are sick units. On this background the researcher has finalized the research statement as:

OBJECTIVES OF THE STUDY

1. To take an overview of cashew processing industry in the Ratnagiri district.
2. To analyse Strengths, Weaknesses, Opportunities and Challenges of Cashew Processing Industry in the resource region.
3. To evaluate government initiatives to strengthen cashew processing industry in the resource region.
4. To suggest measures to grab opportunities available in the domestic and global market.

RESEARCH METHODOLOGY

- For the present study primary as well as secondary data have been used.
- Primary data collected through discussion with cashew growers, owners of cashew processing units and office bearers of various Government departments.
- Secondary data is collected from various Government reports, journals, books and web support.

STRENGTHS

- Temperature, soil, rainfall and humidity are the competitive strength of the region for cashew cultivation.
- Maharashtra is the second in cultivated area under cashew, and Ratnagiri one of the main producing areas with established processing units, market linkages, and availability of credit and subsidies.
- Innovations of different cashew varieties by Regional Fruit Research Centre, Vengurla, Sindhudurg nearby.
- Major area under cultivation is naturally organic. Wild flora and fauna – area blessed with variety of aromatic and medicinal plants. This assist in retaining quality of cashew.

WEAKNESSES

- Most producers are small and unorganized. Fragmented land and land litigation mars development of cashew.
- Rapid growth of area but attention to quality production, processing, and market linkages not commensurate leading to losses.
- Lack of Research and Development in cashew apple unitization.
- No direct export facilities for cashew at the district level.
- Lack of timely availability of cheap labour
- Insufficient infrastructure for storage and marketing.
- Poor transportation facilities in small villages.
- Middleman lobby
- Lack of strong political representation of cashew farmers and processors.

OPPORTUNITIES

- Scope for increasing processing unit, if the cold storage and other facilities are improved in the district.
- All parts of the cashew tree can be used as product or by-product. Leaves, apple, cashew shell and cashew kernels can be utilized with different method.
- High export potentiality
- Possibility of area expansion under fruit crops, spices, aromatic and medicinal plants
- Scope for Cashew Apple Liquor Industry
- Contract Farming / Cooperative Farming
- Value addition & Processing in Clusters

CHALLENGES

- Mismatch of production and processing seasons - need to import raw cashew from Africa and South East Asia, etc.
- The cheaper raw cashew import from other countries hurts local production.
- Lack of labour both in cultivation and processing of cashew.
- Subsidy-driven cashew promotion may result in loss of forest and biodiversity since forest are on private lands
- Changing weather patterns have resulted into onset of pests on cashew further contributing to decrease in production.
- Problems of pest and diseases are reported as the most common problems faced by farmers
- High wages compared to other region

ACTION PLAN AND PROGRESS YARDSTICK

Following measures have been implemented by the Government for promotion of Cashew cultivation, production, processing and marketing

Sr. No.	Action Points	Progress Yardstick	Departments	Convergence with scheme
1	Develop Cashew Clusters for production and processing	Change in level of production; Change in output of processed cashew; Change in income and welfare of labourers	Department of Agriculture	Cluster Development Program (CDP), Ministry of MSME
2	Awareness campaign and training programmes	Number of persons trained, Campaign awareness achieved amongst farmers	Department of Agriculture	Various skill development schemes by Central

		and producers		and State governments
3	Build common warehouse and cold storage facilities	Number of facilities built; Availability of raw cashew in off-season	Department of Agriculture	Common Facility Centre under CDP
4	Open a branch of Cashew Export Promotion Council of India	Benefit of government incentives to producers	Ministry of Commerce, Cashew Export Promotion Council of India	-
5	Cashew apple processing on experimental basis	Results of experimental processing – benefits and costs assessed	Regional Fruit Research Station, Vengurla	National Horticulture Mission

FINANCIAL INCENTIVES

Maharashtra State Finance Corporation (MSFC) provides loans at a subsidized rate to encourage fruit processing industries. There are various types of co-operative societies for providing loan in the district. Recently cashew kernel is included in the list of commodities by Agricultural Produce Export Promotional Council (APEDA). The Industrial Promotion Subsidy payable is also available at the rate of 60% to 100% of VAT on local sales + CST payable on eligible finished products. For this benefit food processing sector is considered as a thrust area. Eligible units were to be granted additional 10% incentives and additional 1 year towards eligibility period.

SUGGESTIONS

- Development of cashew cluster is one of the best solution for promotion of cashew production and processing of cashew nuts.
- Organization of workshop and seminars of cashew orchard owners as well as cashew processors should be organized for imparting techniques regarding pre and post harvest management and processing of cashewnuts.
- As about 90 percent of cashew processing units are small and tiny, efforts should be made to provide training to labourers in these at free of cost basis for qualitative and hygienic production of cashew kernels.
- As maximum farmers in this region are marginal land owners, contract farming can be solution for small and unorganized producers of cashew in the district.
- Common warehouse and cold storage facilities should be provided on priority basis.
- Establishment of branch of the Cashew Export Promotion Council of India for promotion of export of cashew kernel is a need of an hour.
- Cashew apple processing should be promoted to avoid wastage of cashew apple and increase in profitability by way earning of additional income.
- Cashew Apple is a rich source of vitamins, polyphenols, sugars, minerals, amino acids and dietary fiber. Despite being highly nutritious, utilization of cashew apple has been very limited due to high perishability and astringent taste. So cashew apples can be processed, including juice extraction (8 per cent), fresh and dried fruit, jams, wines, candies and animal feed made out of waste products of waste products used for animal feeds.
- Cashew apple fibers can also be used for making bread, snack bars and meat-like products.

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