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Liberalisation, Gender and Livelihoods: the cashew nut case

Working Paper 2 *(English)*

photo: Steffen Cambon

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Abbreviations and acronyms

ADPP	Assistance to development for the people by the people
ADRA	Adventist Development and Relief Agency
AICAJU	Association of private enterprises in cashew
AMODER	Mozambican association for rural development
CNSL	Cashew Nut Shell Liquid
CLUSA	Cooperative League of the USA
DNER	National Directorate for Rural Extension
FAO	Food and Agriculture Organization (of the United Nations)
IIED	International Institute for Environment and Development
IMF	International Monetary Fund
INCAJU	Institute for the Promotion of Cashew
INIA	National Institute for Agricultural Research
INVAPE	Investments in Agriculture and Animal Husbandry
MADER	Ministry of Agriculture and Rural Development
NGO	Non-Governmental Organisation
PARPA	Action Plan for the Reduction of Absolute Poverty
PROAGRI	National programme for agricultural development
SNV	Netherlands Development Organisation
UEM	Eduardo Mondlane University
USAID	United States Agency for International Development
WB	World Bank

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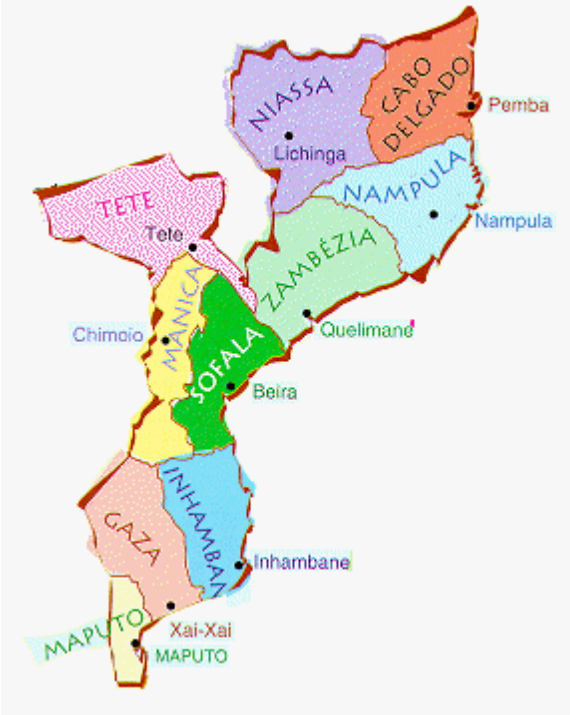
1. Introduction

This project[1] is part of an IIED (International Institute for Environment and Development) research programme called "Liberalisation, Gender and Livelihoods: the cashew nut case" (January 2002 to June 2004). The programme explores the cashew sectors in Mozambique and India. In Mozambique, research was carried out in two provinces, Nampula in the North (the first phase, 2002) where the society is predominantly matrilineal (descent through the female line) and Gaza in the South (the second phase, 2003) where the society is predominantly patrilineal (descent through the male line); (see map below).



In Nampula Province, research was conducted in four sites (see the North report of the first phase: www.iied.org/sarl/research/projects/t3proj01.html). During the second phase, in 2003, research was carried out in three sites in Gaza Province in southern Mozambique. This report presents the key findings of the second phase of the project[2].

The report begins with the background and rationale of the study and the objectives and methodology are outlined in the second section of chapter 1. Chapter 2 analyses the involvement of women in cashew production and interventions aimed at increasing

[1] The Mozambique gender and cashew project involves collaboration between IIED in London and the Eduardo Mondlane University (EMU) in Maputo. The Dutch and Irish Embassies fund the research, which is conducted by the following social scientists: Lead researcher Nazneen Kanji (Ph.D); Research Coordinator Carin Vijfhuizen (Ph.D); Researcher Carla Braga (BSc with honours) and Researcher Luis Artur (MSc).

[2] More details can be found in the three specific site reports on production (by Artur, L.), processing (by Artur, L.) and commercialisation (by Braga, C). These three site reports are only available in Portuguese.

production. It also explores ways in which cashew and its by-products obtain value through the activities and decision-making of women. This helps to show the importance of cashew in people's livelihoods. The concluding section 2.5 looks at the gender aspects of production and value shaping. Chapter 3 analyses cashew processing in factories and homes in the South by discussing the characteristics of cashew-processing technology and the national policy on processing. It also provides the current status of the factories in the South; and elaborates a case study of a small-scale factory in the South and home-based processing. Chapter 4 analyses the commercialisation of cashew. It explores such issues as volumes, prices and the national commercialization policy in Mozambique. It then elaborates a case study about cashew traders in the South. The concluding section connects the local, national and global arena, by referring to liberalization, gender and trade studies. In chapter 5 conclusions are drawn and recommendations presented along with key action points.

1.1 Background and rationale

Mozambique has been one of the major cashew producing countries in the world. Production peaked in 1972 when 216,000 metric tons were marketed. After independence in 1975, such levels of production could not be sustained for many reasons, including war and displacement; inconsistent state policies; low farm prices; weakened trade networks; shortages of tools, consumer goods and food; severe droughts; old trees (60-70% more than 25 years old); diseases such as powdery mildew (*Oidium anacardium*) and anthracnose; pests such as helopeltis and cochinilla; and uncontrolled bush fires. Hilton (1998) argued that uncontrolled burning is the major killer of productive cashew trees. The average tree now produces 2-4 kilograms, whereas 10-15 kg should be possible (Wandschneider and Mirapeix, 1999; Hilton, 1998; Mole, 2000; Casca, 2002). In Mozambique there are only a handful of larger cashew producers, it being produced mainly by smallholders.

In 1995, the Mozambican government liberalised the cashew sector to meet a condition of World Bank loans. The Bank's economic rationale for liberalisation of the sector included:

1. Reducing export tariffs on raw nuts would boost demand and spur competition among exporters.
2. Eliminating trader licenses would increase the number of traders.
3. Traders would compete for raw nuts and pay higher prices to smallholders.
4. Higher prices paid to smallholders would increase their incentive to market nuts and further increase farm income.
5. The price incentive would encourage more farmers to enter cashew production and encourage existing farmers to improve tree management and plant new trees.

The general aim was to revive the smallholder cashew sector: *"As the second (now third) largest export earner, and as a vital source of hundreds of thousands of poor farmers, revival of the cashew sector is a key to economic development and poverty reduction in Mozambique"* (World Bank, 2001: 51). The risk that lowering tariffs might cause the Mozambican cashew processing industry to fail was accepted; consistent with neo-liberal ideologies, industries must be left to compete internationally and fail if they cannot

compete without government support. The loss of 10,000 jobs in the processing sector could be offset against the gains which it was thought would be available to a much larger group of smallholder farmers (Cramer, 1999).

There has been considerable debate about whether or not price liberalisation has worked (see Hanlon, 2000; World Bank, 2001; Wandschneider and Mirapeix, 1999; Abt, 1999; Deloitte and Touche, 1997; Mole, 2000; Cramer, 1999). However, only the World Bank has concluded that price liberalisation has worked for farmers, since the real producer prices have increased. All the other authors referred to above have concluded it has failed for various reasons:

- Prices of food and basic consumer goods have increased (Wandschneider and Mirapeix, 1999).
- Prices have increased, but only the trading sector has benefited (Hanlon, 2000).
- Only farmers who could store nuts until later in the marketing season have benefited from liberalisation (Deloitte and Touche, 1997).
- Contrary to expectations, farmers did not plant new trees (Wandschneider and Mirapeix, 1999).

The most recent economic study *When Economic Reform goes Wrong: Cashews in Mozambique* (McMillan *et al*., 2002), echoes the findings of the above studies and concludes that the net gains to farmers were disappointingly low and largely offset by the cost of unemployment caused by the collapse of the processing sector.

All these various perspectives indicate that price and trade liberalisations alone will not revive the smallholder cashew sector. As Mole (2000) has argued, price incentives, technology and marketing initiatives need to be combined and implemented together in order for farmers to benefit. Thus the revival of the cashew sector has to address a complex set of factors, including technology which allows farmers to increase their production, support for processing industries, improved farm management by farmers and improvements in marketing.

Why are we paying so much attention to the cashew sector in Mozambique? Cashew is an important crop, for a variety of reasons. Firstly, it is an important export crop for the country. Secondly, it means cash income for smallholders. Thirdly, it is an important protein source for families and contributes to food security. Finally, it has important by-products, such as the cashew apple, juice and alcohol, which generate cash income and/or provide food for smallholders. Processing cashew within Mozambique not only adds value to the crop in terms of higher export prices (exporting kernels rather than raw cashew), but also provides valuable employment opportunities.

In 1998 INCAJU, the government institute for the promotion of cashew, developed a comprehensive and integrated strategy to stimulate activities in the three inter-linked areas of production, processing and commercialisation (INCAJU, 1998; 2001). New initiatives have been undertaken to revive the sector and these are elaborated in the following chapters.

The current government strategy calls for participation and collaboration between the government, the private sector, communities and NGOs. To implement this strategy, various structures and forums for discussion have been developed: a Cashew Committee, which functions at the national level, and 'cashew forums', which function at national, regional and provincial levels. INCAJU is currently in the process of reworking the organisational structures in the sector (INCAJU, 2003).

NGOs play an important role in establishing producer associations, training and financing interventions in the cashew sector. However, it should be noted that the emergence of local NGOs is relatively recent in Mozambique and there are fewer than elsewhere in the region. One international NGO, which works closely with INCAJU in the South, is ADRA (Adventist Development and Relief Agency). They carry out a programme, called the "Gaza Sustainable Cashew Development Initiative", aimed at increasing the quantity and quality of cashew for 8100 families in Manjacaze and Chibuto (ADRA, 2002).

AICAJU (The association of private enterprises in cashew) mainly involves the owners and/or buyers of the previously state-owned large and impact shelling technology factories, which are now closed. It is one of the major critics of the liberalisation policy and criticise the government for the 'disastrous policy' adopted for the cashew sector in the past. They also do not believe in the current cashew policy, and argue, for example, that the treatment of trees (spraying) is too expensive for farmers. They believe more emphasis should be given to planting new varieties and argue that the government is not doing enough in this area. AICAJU also blames the World Bank for closing down cashew factories in Mozambique, and is now challenging the World Bank to step in and help re-open them (Patel, October 2002).

Previous studies of the cashew sector were mainly from an economic perspective and did not consider gender. However, Penvenne (1997) studied women working in cashew processing factories during the colonial era. Amongst other findings, she showed how important this source of employment was for women, a high proportion of whom were heads of their households. Hirvonen (1997, 1998, 1999) brings gender to the fore in the context of liberalisation in her work in the World Bank study. The World Bank carried out a gender study in the cashew sector in Mozambique between 1996 and 1998 (see Ministry of Agriculture/WB, 1998). The study generated a wealth of data on numbers of trees, local processing, commercialisation etc., but the information was only gathered from heads of households. Of the 1,400 households interviewed, 77% were considered male-headed, and 23% were considered female-headed. Hence, in 77% of the households, the women (as wives) were not interviewed about their role in the cashew sector, let alone daughters and/or sisters who may also have had some cashew trees and done some work connected to the sector. Therefore, although the results of the study are impressive, it did not take a gender perspective and the views of women were inadequately represented (see Kanji *et al*., 2002 for a full critique). To redress the balance, we have focused on female producers, although we have interviewed both female and male workers in the processing industry and female and male traders.

Thus, the rationale of this study is to understand the different positions of women and men in the cashew sector, i.e. in production, processing and commercialisation; to understand how women and men are affected by policy changes and interventions, but also how they are able to shape the cashew context. Gender analysis is important, not only from an equal rights perspective, but also in order to improve the effectiveness of interventions, since overall productivity in the sector will improve when both women and men are involved. Ensuring that women benefit from the cashew sector is also important for reducing poverty, since women tend to be over-represented in poor groups. This is because women have greater domestic responsibilities than men and tend to direct their earnings towards improving household welfare.

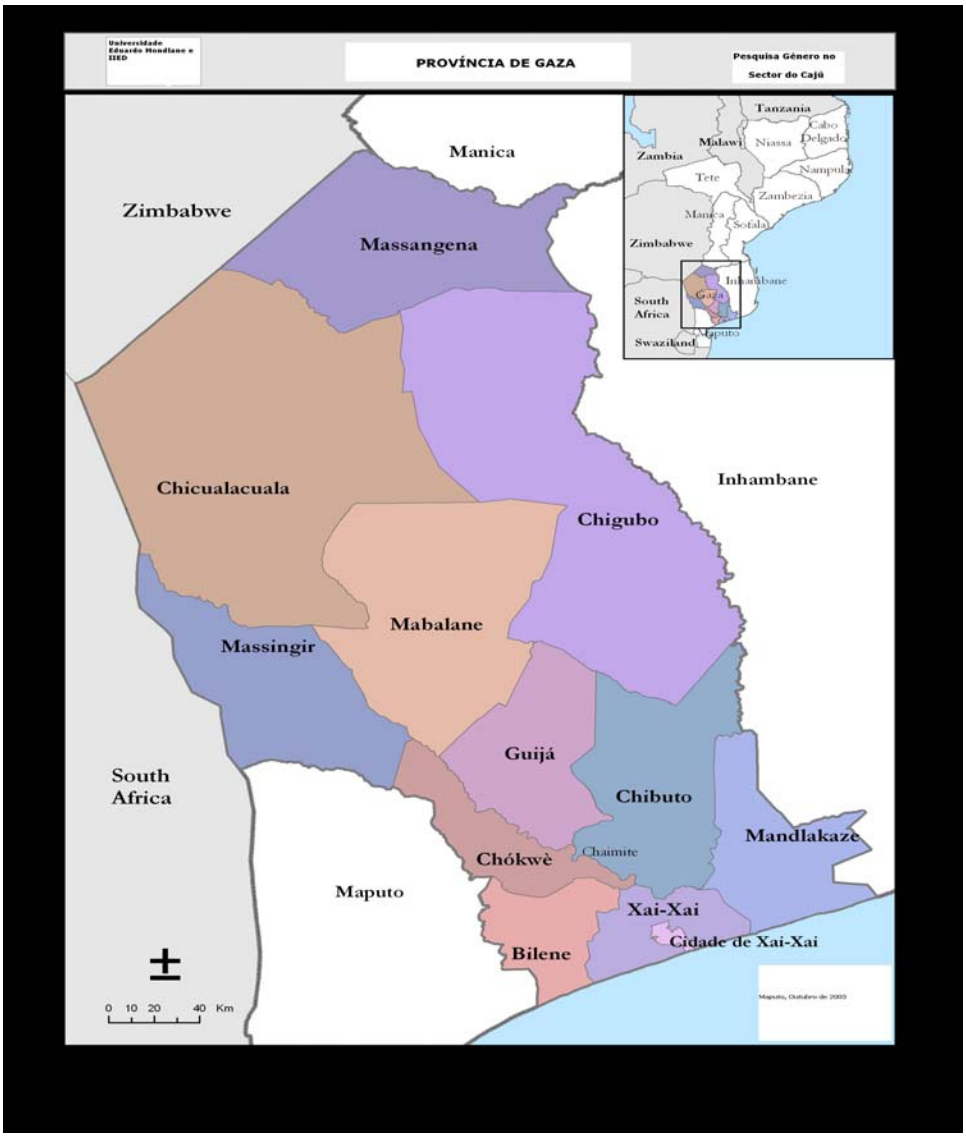
1.2 Objectives and methods

The main objectives of the present study are:

1. To understand the changes stemming from liberalisation and other national and international policies in the areas of production, processing, and commercialisation, and to understand what these changes mean for women and men.
2. To inform policy makers at provincial, national and international levels (making micro-meso-macro links).
3. To identify opportunities to enhance the contribution of the cashew sector to poverty reduction and gender equality.

A more general, yet equally important objective is to build research capacity in Mozambique through applying teamwork in all the stages of the research process.

The north of Mozambique produces almost 80% of the cashew production (more than 40.000 tons), and the south almost 20% (about 10.000 tons). In 2002 we selected Nampula province as the best producing province in the North. This year 2003, we selected Gaza Province in the South. The South has two provinces that are considered the best producers, Gaza and Inhambane, of which Gaza has the highest production (see Boletim INCAJU, 2000/2001). The best producing district in Gaza Province is Manjacaze (see the map below of Gaza province). However, it must be noted that we carried out our study during a remarkable season (2002/2003), due to the fact that the cashew production was better than the previous years. This was ascribed by different actors to the favourable climatic conditions. The coinciding drought caused the harvest of other crops to fail and re-emphasized the importance of cashew in the livelihood and food security of the people.



Three sites were selected in Gaza Province (see map above):

1. Manjacaze[3] (Manjacaze District): to explore cashew production; local processing and the ways in which cashew obtains value at farmer household level.
2. Macuacua (Manjacaze District): to explore the functioning of a small scale, semi mechanized factory.
3. Macia (Bilene/Macia District): to explore the marketing by male and female traders

The methodology included:

- Formation of a national reference group with stakeholders from government, the private sector, NGOs, researchers and donors.

[3] Manjacaze also goes by the name Mandlakaze, as it appears on the map.

- Interviews with key informants at local, provincial and national levels (different stakeholder groups).
- Questionnaire survey of workers and ex-workers from a processing factory in Macuacua.
- Questionnaire survey of women producers at household level in Manjacaze.
- Semi-structured interviews, case studies and observation of male and female traders in Macia
- Semi-structured interviews and focus-group discussions with community leaders, associations, women producers and male and female factory workers and traders.

2. Cashew production

This chapter deals with the production of cashew and the various ways in which its value is obtained. Section 2.1 gives the characteristics of cashew and the main focus of the national policy on production. Section 2.2 focuses on cashew production, in which women's land and tree tenure in a patrilineal setting are explored. In 2.3, the innovations and new initiatives to increase production at smallholder level are elaborated. Section 2.4 explores the valorization of the cashew nut, i.e. how cashew obtains value through the various activities and decision-making by women farmers. This also highlights the importance of cashew in their livelihoods. The concluding section, 2.5, analyses the gender aspects of cashew production and value shaping.

2.1 National policy on cashew production

Cashew is an extremely variable plant. In Mozambique, trees can produce 40 kilos of nuts one year and nothing the next (Hilton, 1998). This is partly due to the impact of powdery mildew (Oidium anacardium), but rainfall, insect infestation, humidity and temperature all affect yields in a variety of ways. The raw cashew nut is attached to and hangs below a false fruit. The false fruit is sweet, juicy, has a pungent aroma and has a high vitamin C content.

The national policy on cashew production is elaborated in "Plano director do caju: componento producao (INCAJU, 1998). The objective is a sustainable increase in the production and the quality of cashew, which will contribute to 1) an increase in earnings (income) for rural families and 2) improved commercialization through export earnings (1998:18). INCAJU tries to achieve this objective by focusing on the following six main areas of activity, while working together with other government institutions, the private sector, NGOs, associations and communities/ farmers:

1. Institutional support to INCAJU, concerned with transport; infrastructure, and buildings;
2. Research into plant spraying, nurseries with new varieties; tree management etc, led by INIA;
3. Extension, aimed at realising the transfer of the whole process of technology (1998:60), focusing on the collaboration with NGOs, the private and public sectors, associations and communities (DNER)
4. Promoting production, to which most of the estimated money is allocated. This refers to increasing the capacity of producers to produce and treat their orchards. It includes the installation and management of nurseries, creation of associations and treatment of trees. Spreading information, through for example radio programmes and distributing pamphlets can also be considered in this category,
5. Training. Farmers are trained in how to make nurseries; extensionists from different types of organizations including associations are also trained. Technical staff receive training in the technical plant issues.
6. Monitoring and evaluation of the programme.

INCAJU is aware that to successfully implement an increase in production it must work together with different groups, be it private, public or NGOs. With this in mind it also established forums which are meant to function at national, regional and provincial levels.

The programme has a duration of five years and started in 1998/1999. A first question would be: has the cashew production increased in the programme period? In the opinion of PARPA i.e. the Action Plan for the Reduction of Absolute Poverty of the Mozambican government, marketed cashew production slightly increased, from 40.000 to 60.000 tons in the years 1997 to 2002, but the targets were not achieved (IMF, 2003, p21). In the 2000/01 seasons, the target was 60.000 tons and the output was 53,613. In the 2001/02 seasons, the target was 79,400 tons, but the output was 60,050. However, it should be noted that since marketing has been liberalised and processing factories have been closed, these figures do not capture informal markets in cashew (see section 4.1). Estimates also seem to vary.

How not achieving the targets relates to the nature of the interventions is elaborated in 2.3 below. However not achieving the targets should also be considered in a global context and this will be taken up in chapter four. The social organization and farmers' practices on the ground must be understood for any policies and programmes to succeed. These aspects will be considered below and then related to the success and/or failure of intervening programmes in the concluding section (2.5).

2.2 Production: women's land and tree tenure

Lastarria-Cornhiel defines land tenure as the social relations established around land that determine who can use what land and how. Within a land-tenure system, the **land rights** of any one person are derived from his/her relations with other persons in the household and in the community and are also determined by local and national laws (1997:2). That is an interesting definition because it points at the heart of the complexity of land-tenure security. It is about law, social relations and established networks, which give access, use and control over land. Pitcher (2001) in accordance with Fortmann (1987) refers to this complexity by speaking about bundles of rights, meaning that rights are often diverse, overlapping and complementary, like the right to use, to inherit (own), and to dispose of (leasing, lending, selling or giving). She argues that whether women have any of those rights depends on the customary norms and practices, as well as intra-household negotiations regarding those rights and practices (Pitcher, 2001:127). Indeed land rights are about norms, practice, negotiation and law; thus women's rights over land also depend on women's competency to negotiate!

In a patrilineal context, upon **marriage**, a woman generally moves to the husband's family and has to adapt herself to and work with them. This **shift in residence,** in a patrilineal setting, already reflects a more insecure position regarding land tenure for women than for men. A woman may obtain user-rights in the setting of the husband's family, but the rights to dispose of the land may lay predominantly with the men (see also Waterhouse and Vijfhuizen, 2001). This more insecure position in the patrilineal setting,

may also have its effects on tree tenure. Fortmann et al (1997, 1998) studied the link between land and tree tenure in a patrilineal context and showed that women plant less trees in the place where they are married because of the lack of security. This insecurity was also given as a reason by five women (25% of 20 women interviewed in December 2001) in Manjacaze, when they explained why some women do not plant trees in the homes where they are married. However, most women thought they should plant trees, even if they live on their husband's property, because even after a divorce, their children would stay and benefit from the trees.

The perspectives given by women outlined above, indicate that women do have **cashew trees** in a patrilineal setting. Our preliminary study in Gaza province in December 2001, indeed showed that married women have and care for their own cashew trees, even in a patrilineal culture. They often also have trees on their parents' property as well as at their marital residence. 40 ex-workers of a cashew factory (20 women and 20 men) were interviewed, and research assistants went with them to their fields to count cashew trees. Of the 20 women, only two did not have trees; of the 20 men, 3 did not have any trees. Of the five married women, 4 had trees, one had only 2, but the others had 65, 68, and 30 trees. The other 15 ex-workers were widows, divorced or not married. The women together had on average 27 trees. The men, most of them married, had on average 28 trees. In this case there is no significant difference in number of trees between female and male ex-workers. Although this sample is very small, it provides a challenge to the data collection in the World Bank survey (2002) referred to on page 8-9 of this document. The point is that men were perceived as the heads of households (in 77% of the 1400 households) and were thus interviewed. Consequently many trees may have been missed since the woman as daughter, wife or sister was not interviewed although they also had trees.

All of the 20 women, except one who was born in Maputo, said that they also had cashew trees in their place of birth. Except in cases where the marital residence coincides with the place of birth, this means these women have rights to more trees than stated above and therefore on average (potentially) more trees than men in the study.

Our in-depth study of the cashew production in Manjacaze in March-April 2003 of 40 women farmers (see site report on production), confirms the patterns which we found in the preliminary study of December 2001, namely **diversity** in places of residence and variations in marital status. 65% of the women (26 cases) had lived **in three or more different places of residence** during their lives.

1. All the women had left their parents' house at some time to live elsewhere and only one woman had returned to live, at the time of the study, at her parental home. However, 10 women (25%) had returned to their parental home, but had later moved again to another residence.
2. 22.5 % (9 cases) of the women had moved, while they were growing up, from their place of birth to the home of a family member.
3. Upon marriage, women moved from their own birthplace to the home of their husband's parents. At the time of this research 20 % (8 cases) live with their

parents-in -law and 22.5% (9 cases) initially lived with their in-laws before residing at their husband's home.

4. In 37.5% of the cases (15 cases) the women went straight from their birthplace to their husband's home.

Changing the place of residence, variations and changes in marital status also have implications on the number of trees planted and subsequently on cashew production by women. Table 1 (Table 2 from the site report on production) shows in which places women tend to sow/plant trees.

Table1: Residence of respondent and the number of respondents who planted cashew trees in that location (N=40)

Residence	*Number of respondents*
Parents' house	6 (15%)
Respondent's and husband's house	19 (48%)
Parents-in-law's house	3 (8%)
Respondent's family house	2 (5%)
House of respondent with first husband	2 (5%)
House of respondent with second husband	3 (8%)
Respondent's house	1 (3%)

NB: Only the respondents who planted trees are shown in the table above but the percentages are calculated on the basis of the full sample.

The table above shows that women do not usually plant trees in residences of their family members, or even in those of their parents-in-law. If they do plant trees in these circumstances, they are generally not perceived as their property. Perhaps their parents-in-law's residence is perceived as temporary, as only 20 % of the women in the sample remained with their parents-in-law. 22.5% moved to their husband's residence which might be near his parents home. For example, table 3 in the site report on production shows that upon a husband's death, a woman inherits that land from her parents-in-law. Hence, we have to realize that the widows who were interviewed in the rural areas (48% of the women in our sample were widowed) can choose between different places to reside after her husband dies, for example:

1. Stay at her late husband's place of residence.
2. Obtain her own place, via the parents-in-law or via the chief.
3. Return to her parent's or other family members' residence.

Women tend to plant/sow trees in their husband's property (64% of the cases, see Table 1 above) or when they obtain their own fields. Changing marital status and possible resulting changes in residence therefore lead to the possession of trees in different places. For instance, from our sample of 40 women, 19 (48 %) were widowed, one was divorced (3 %), and 20 (50%) were married. Some of the 20 married women had husbands who had migrated to the towns or South Africa, meaning that the percentage of **female heads**

of households was higher than 50%. The south of Mozambique has always known high migration of male labour to South Africa and the capital city Maputo. An increase in the number of female headships has also increased at present due to HIV/Aids which is considered as the most deadly disease at present (DDS, 2002).

In this study the majority of women (68%) stated that the land they worked was theirs and they obtained the land from parents-in-law (43%), husbands (25%) and parents (10%). Of the rest (32%), 15% said the land belonged to the respondent and her husband, 12% to the husband, 5% to other family members. Most of the women have a considerable number of trees and also plant trees themselves reflecting a considerable level of security. The **number of trees** is also impressive (Table 5 in the site report). 28% of the women had more than 100 trees; only 15% had between 0-20 and the rest had between 20 and 100 trees. Due to changes in marital status, women live on average in three different places where they can plant/sow trees. The most insecure place, i.e. where women hesitate to plant trees is the place of the husband's parents. Perhaps due to this insecurity, the findings show that women generally move to the place where they live together with their husbands and children.

Related to the **division of labour** in cashew production, our findings in the table below (Table 2) show that women are really involved in cashew production (Table 6 in the site report):

Table 2: Activities in cashew production (N= 40 women farmers)

Activities/who does what	*Cleaning/weeding*	*Pruning*	*Collecting*	*Sowing*	*Planting*
Women	*40 (100%)*	*19 (48%)*	*40 (100%)*	*34(85%)*	*5 (3%)*
Girls	*13 (33%)*	*0*	*20 (50%)*	*0*	*0*
Men	*23 (58%)*	*27 (68%)*	*12 (30%)*	*18 (45%)*	*2 (5%)*
Boys	*8 (20%)*	*0*	*20 (50%)*	*0*	*0*

The table shows that all women clean/weed under the trees (to prevent bush fires and diseases) and all collect the nuts (100%) and sow (85%). Although this was typically a task performed by men in Nampula, 48% of the women are also involved in pruning. However, 68% of the women said that the men are also involved and assist them in pruning. The fact that women also prune is probably related to the absence of men either through migration or death. Also 58% of the women said that men assisted them with cleaning and collecting the nuts. Women (85%) are responsible for sowing and in 45% of the cases they are helped by men. Women's secure position regarding land tenure, may help explain why many women sow/plant trees. It is clear from the division of labour, that women are heavily involved in cashew production in the South. Bearing this in mind we can consider the interventions that have aimed at increasing cashew production.

2.3 Various initiatives/interventions in cashew production in the South

Improved varieties

The search for improved varieties uses both local strains, as well as species imported from Brazil. The aim is to produce trees, which are more productive, produce earlier (productive in 3 instead of 5 years) and are more resistant to diseases. There are 5 centers in Gaza Province, which produce improved varieties: one in Matendene (Manjacaze district), two in Manjacaze, one in Chibuto, and one to be opened in Macia. The cost is 12.000 meticais (0,5 USD) per tree for an improved strain; these are heavily subsidized by farmers who can buy them for 2000 Meticais and 4000 Meticais for private farmers. We have seen nurseries in Manjacaze full of seedlings of improved varieties, which were never collected or distributed, and many of which had started to root in the nurseries. Until 2002, no smallholder farmer had bought or collected improved varieties from the nurseries (see site report on production). It seems that the price and lack of information and ways of learning about the intervention were reasons for the farmers not adopting it. It should also be realized that, due to the cash shortage in the area (see 2.4 below), 2000 Meticais is a lot of money for farmers, many of whom have no money available. In 2002 the DDADR (Ministry of Agriculture and Rural Development at District level) together with INCAJU, started an extension campaign in which they offered strains and seedlings to schools and hospitals free of charge. Contact farmers, who operated the spraying machines, all men, were given the strains free of charge. The whole process was barely monitored, but it is known that at various schools the plants died, due to lack of water and poor management.

Outsourcing is a new practice of INCAJU, which actually means that they sub-contract services. One of these partners is the NGO ADRA (Adventist Development and Relief Agency), which in 2002, received 2.5 million Euros from the European Union for a food security programme in Gaza. The programme is called 'Gaza Sustainable Cashew Development Initiative' and will have a duration of five years. The objective is to increase the quantity and quality of cashew for 8100 families in Manjacaze and Chibuto. The project will carry out research together with INIA (see below), start nurseries, train people, improve commercialization practices etc (ADRA, 2002). By the end of 2002, they had started to organize nurseries and established a group of local farmers in Mamitelane who managed the nursery and obtained the seedlings free of charge. The group consisted of 33 persons, 22 women and 12 men. The leader of the group was a man, who was also sent for training. After a visit in August 2003, it was noticed that the group had shrunk to 10 men and 7 women. The number of women had reduced drastically. A lack of time, the current drought and the lack of immediate benefits were given as reasons, but this process of exclusion was not studied in depth!

Spraying

Another initiative involves the treatment of *Oidio Anarcadium* (powdery mildew) by treating/spraying the trees with fungicides and insecticides (pulvarizacao). The government INCAJU implemented the spraying programme through groups and institutions of which one was the NGO ADRA in the South (see site report on production). The spraying programme only reached 18% of the women farmers in our

sample (2003) and this percentage may be a good indication of how many women were reached totally. In total 28 men and 2 women obtained atomizers on credit/loan from INCAJU (7.5 million Meticais; 300 USD). Those who owned atomizers employed men who were trained to spray the trees. Hence all the atomizers were operated by men. An operator explained that he had sprayed 2009 trees for 175 families in the 2001/2002 season and that farmers were expected to pay after their nuts were harvested. However, he explained that most of the farmers were unable to pay the 21.000 Meticais per tree or the 4 kg cashew (1 kg is equivalent to 5000 Meticais) per tree, and therefore the owners could not repay the loans on their atomizers.

In the 2002/2003 season the price for treating a tree was increased from 21.000 to 42.000 Meticais per tree and the farmer had to pay 10.000 of it before the trees were treated. The operator explained that the number of farmers wanting treatment decreased from 175 families to 13 having a total of 35 trees. The total number of owners also decreased from 30 to 13 (11 men and 2 women). The ADRA reclaimed the atomizers and fungicides from those owners/operators who wanted to stop, since they were not able to reimburse their loan (43%). It is also doubtful if the other 57% will succeed in paying back their loan, now that the price of treating a tree has increased.

It seems difficult to implement spraying or other interventions with success. This is because specific techniques, skills and knowledge are required to treat the trees effectively, for example:
- the top (foliage) of the tree need to be sprayed at different stages in the production cycle
-Pruning is necessary.
-Wind conditions are important.
-Spraying has to be carried out a specific number of times with the correct frequency (3-4 times with a 21-day interval between spraying).

The complexity of the intervention has made implementation difficult. In addition, the farmers are not sufficiently aware of the existence of the spraying programme (lack of extensive extension campaigns). The operators can not reimburse their credit, due to the expensive atomizer and chemicals, despite these being heavily subsidised. The low cashew production - although the 2002/2003 season had a better production than the previous few years- limits the farmers' ability to pay for the spraying in cash or kind and many farmers are isolated from markets. However, some areas have better accessibility than others due to good road infrastructure or nearby towns, thus marketing depends strongly on where the farmers are located.

Training institutions in the South
Matendene, Manjacaze district, has a local training and research center of the Ministry of Agriculture and Rural Development. The main objective is to produce improved varieties. The center started to function in 1996 and produces 30,000 plants per year. The center also trains agricultural technical staff who work with extensionists in the Province. They are trained in communication, organization, agriculture, livestock and forestry. Although 63 technicians were trained, there is no data on their gender.

Research in the South

INIA, the National Institute for Agricultural Research has an office in Maputo, and various research stations in the country. The biggest research station for cashew is located in the North in Nampula where new imported varieties or strains are also tested. In the South, INIA has a research station in Inhambane where research is carried out on improved varieties, cloning and grafting. Those activities are also carried out in Marracuene. Due to the limitations of funds and the vastness of the area, INIA works closely together with other institutions and projects, such as ADRA in Manjacase. INIA's co-ordinator of the cashew programme in the South explained that he rejected the idea that the trees are too old to produce, or that it is the age of the trees that cause low production. He was convinced that the crucial factor that restricts production is the management of the trees, and he explained in July 2003: "Trees where the tops reach each other need to be pruned, to create space for the branches to produce. Improvement of management includes visiting farmers and discussing, such things as, which trees produce best so that these can be used for grafting, so increasing the production capacity of the trees. Pruning and selection of the best trees are important practices in order to increase the production".

New messages and practices have been formulated based on INIA research. For example the number of spraying rounds (four per tree) and the method of spraying is developed and communicated to INCAJU and other institutions in the field, such as ADRA in the South. Interventions focus on increasing the production and it is through the activities of farmers that the cashew then obtains value. This can now be considered in more detail below.

2.4 The value of cashew in people's livelihoods

In this section we look into the ways of how cashew and its by-products obtain value through the various activities and decision-making of women farmers (see Table 3 below, which is Table 10 in the site report on production).

Table 3: How cashew and its by-products obtain value in terms of cash through sales, but also through barter and consumption (N=40 women farmers)

Product and by product	*Cash through sales*		*Barter*		*Consumption*		*Drinks (alc/ non-alc)*		*Preparing meals*		*Animal feed*	
Raw cashew	*Pa*	*30 (75%)*	*Pa*	*3 (8%)*	*Pa*	*-*	*Pa*	*-*	*Pa*	*-*	*Pa*	*0*
	Pr	*17 (43%)*	*Pr*	*14 (35%)*	*Pr*	*-*	*Pr*	*-*	*Pr*	*-*	*Pr*	*0*
Aguardente(= alcoholic drink)	*Pa*	*19 (48%)*	*Pa*	*11 (28%)*	*Pa*	*9 (23%)*	*Pa*	*-*	*Pa*	*-*	*Pa*	*0*
	Pr	*22 (55%)*	*Pr*	*14 (35%)*	*Pr*	*13 (33%)*	*Pr*	*-*	*Pr*	*-*	*Pr*	*0*
Fresh cashew apple	*Pa*	*0*	*Pa*	*0*	*Pa*	*40 (100%)*	*Pa*	*29 (73%)*	*Pa*	*-*	*Pa*	*3 (8%)*
	Pr	*0*	*Pr*	*0*	*Pr*	*40 (100%)*	*Pr*	*30 (75%)*	*Pr*	*-*	*Pr*	*2 (5%)*
Dried cashew apple	*Pa*	*0*	*Pa*	*0*	*Pa*	*0*	*Pa*	*0*	*Pa*	*-*	*Pa*	*3 (8%)*
	Pr	*0*	*Pr*	*0*	*Pr*	*0*	*Pr*	*0*	*Pr*	*-*	*Pr*	*0*
Juice	*Pa*	*0*	*Pa*	*0*	*Pa*	*30 (75%)*	*Pa*	*0*	*Pa*	*-*	*Pa*	*0*
	Pr	*0*	*Pr*	*0*	*Pr*	*25 (63%)*	*Pr*	*0*	*Pr*	*-*	*Pr*	*0*
The processed nut (kernel)	*Pa*	*0*	*Pa*	*0*	*Pa*	*40 (100%)*	*Pa*	*-*	*Pa*	*8 (20%)*	*Pa*	*0*
	Pr	*0*	*Pr*	*0*	*Pr*	*40 (100%)*	*Pr*	*-*	*Pr*	*40 (100%)*	*Pr*	*0*

Key: Pa = past; Pr = present; - = Not Applicable

We can now consider the way raw cashew and then its by products obtain value.

The ways **raw cashew** obtains value:

In the past when production was better than at present, 75% of the women sold raw cashew, whereas at present this is only 43%. The **barter** of raw nuts, which was rare in the past (8% of the women bartered), has risen to 35% at present. This increase in bartering may be due to a shortage of cash in rural areas and the liberalization of markets. Also, the shops (cantinas) where farmers now take their raw cashew, barter goods for cashew and do not pay in cash. Sales and barter are two important ways of how raw cashew obtains value. When we compare the situation in the past and present, our findings show that at present fewer women sell their nuts and more are turning to bartering. However, the two practices of bartering and selling are often combined, as the next two cases show (from the pilot work in February 2003). The cases also show that, despite the lower cashew production at present (in comparison with the past), both female

and male smallholders try all means to earn some cash from the cashew crop. The cases below also demonstrate hard work and inventive practice, but the profit margins we describe are estimates and do not include labour costs.

Case 1: A woman earning money from raw cashew by selling agricultural produce

A woman smallholder sold produce from her field, such as cassava, sugar cane and bean-leaves for cash. She used this money to buy raw cashew from children who had gathered the nuts. She bought a one liter 'olive oil' tin full of cashew, for 3,000 Meticais[4] (0.125 USD) from the children. She filled a 50 kg bag with cashew, which corresponded to 75 tins, and a cash expenditure of 225,000 Meticais. The transport of the bag from her home to the market in Macia (about 10 km) cost 15,000 Meticais. Hence, the total cost for one 50 kg bag full of raw cashew was 240,000 Meticais. At the end of February 2003, the price increased from 4,000 to 5,000 Meticais per kg, hence the woman received 250,000 Meticais from the sale of one 50 kg bag of cashew. Her profit was 10,000 Meticais. about 0.40 USD. The above calculation is depicted in box 1 below:

Box 1

1 tin full cashew:	cost = 3,000 Meticais
1.5 tins	capacity = 1 kg raw cashew
1 50 kg bag of cashew	75 tins x 3000 = 225,000 Meticais
Transport	cost = 15,000 Meticais
Total costs	= 240,000 Meticais
Earnings for one 50 kg bag (5,000 Mts/kg)	= 250,000 Meticais
Profit per bag*	= 10,000 Meticais (0.40 USD)

* Note that several costs are not included in this calculation, particularly labour costs.

It is doubtful if the woman would do all this work for 0.40 USD. She can probably also add to the raw cashew herself, so increasing the final profit she receives. However, the next example shows that instead of buying cashew, there are other ways to obtain them.

Case 2: A man earning money from raw cashew by baking and selling bread

A man obtained raw cashew by applying the following exchange method. He baked bread in his homestead, in a small stone oven and bartered two loaves of bread for a one-liter 'olive oil' tin full of cashew. When people wanted to buy bread, they could barter one tin of raw cashew for 2 loaves. It they did not have raw cashew, they could buy one loaf for 1,000 Meticais. This means that one tin of raw cashew was equal to 2,000 Meticais. However, the woman in the example above paid 3,000 Meticais for one tin of raw cashew, so the man probably made more profit. The calculation is shown in the box below.

[4] USD 100, is 2,400,000 Meticais (February 2003)

Box 2

Costs for making bread:	
A bag of wheat	375,000 Meticais
Sugar (to shine the tops)	20,000 Meticais
Yeast	9,375 Meticais
Salt	2,500 Meticais
Total costs	406,875 Meticais

(He cut wood himself to bake the bread and the costs for that are not included, by for example calculating the equivalent for a bundle of charcoal!)

One bag of wheat made 600 loaves	
Two loaves could be bartered for one tin of raw cashew	
He therefore gets 300 tins of raw cashew for one bag of wheat.	
1.5 tins	capacity = 1 kg of raw cashew
300 tins	capacity = 200 kg of raw cashew
Price for one kg of raw cashew	= 5,000 Meticais
Earnings from 200 kg (4 bags)	= 1,000,000 (Meticais)

Profit*: 1,000,000 – 406,875 (bread) – 25,000 (transport) = 568,125 Meticais (23 USD)
Profit per bag is 568,125/ 4 = 142,031 Meticais (about 6 USD).

* Note that several costs are not included in this calculation, particularly labour costs.

These cases show that the man, by bartering raw cashew for bread, earns 15 times as much as the woman for selling a 50 kg bag of raw cashew. However, the woman's profit may be higher as she may have added raw cashew herself, instead of buying everything from the children. In general, people are very inventive when it comes to earning a little cash from cashew. They make use of different products in order to increase the value of the raw cashew. For example, the man also used rice, instead of bread to barter for raw cashew, but, as he explained: "Rice is expensive and people cannot always afford it, or do not have the amounts of raw cashew available to barter it with rice. In times of good cashew production, rice was a good barter alternative", but even in a drought year, people will buy bread.

Table 11 in the site report on production shows that 60% of the women sell their produce outside their zone, mainly by carrying raw cashew in containers on their heads to a nearby centre. In almost all cases the buyer determines the price, which tends to vary between 3,000 and 5,000 Meticais per kg (see the cases above). The government has also embarked on a new exercise by trying to register how many raw cashew are leaving the rural areas. Rural areas were divided into small zones and a person in each was designated to register the bags that left the area. This exercise started in Macia, in February 2003.

Local processing of the nuts and making juice and alcohol (aguardente) are also important activities through which the cashew crop obtains its value and this is discussed below (see also Table 3 above).

Ways in which the **cashew fruit** gains value

All women asked said that they had consumed cashew fruit both in the past and at present, and about 75% indicated that they prepare aguardente from them (in the past and

at present), mainly to sell. This shows that for many women, the fruit remains an important source of livelihood. The fruit is also used for cattle feed. The cashew fruit is also made into a non-alcoholic juice in 75% of the cases and it is consumed at home rather than being sold or bartered.

Aguardente is sold and 48% and 55% of the women interviewed have sold or sell aguardente in the past and present respectively. Aguardente is also bartered (it is bartered by 35% of the women to day compared to 28% previously) and consumed at home (33% to-day compared to 23% previously). This shows that aguardente has become important to more women as a livelihood source. Social contacts and networks are also maintained through drinking the alcohol.

Ways in which the **raw nut** gains value
Processed nuts have always been consumed at home (100% of cases). However, a big difference is that to-day, in all the cases studied, the nuts are also used to prepare meals, whereas in the past this was only 20 % (8 cases). Therefore in the cases studied the nuts were processed and consumed at home, rather than being sold or bartered.

What can we say about the **importance of cashew in their livelihoods**? Firstly other sources have to be assessed to see what ones are important (see Table 4 below/Table 12 in the site report on production).

Table 4: Livelihood sources in the present and past (N=40 women farmers)

Livelihood sources	*Present*	*Past*
1. Agriculture	*40 (100%)*	*40 (100%)*
2. Sale of raw cashew	*17 (43%)*	*30 (75%)*
3. Barter of cashew for basic goods and clothes	*14 (35%)*	*3 (8%)*
4. Sale of aguardente	*22 (55%)*	*19 (46%)*
5. Barter of aguardente for other goods and labour	*14 (35%)*	*11(28%)*
6. Salary	*5 (13%)*	*11 (28%)*
7. Remittances	*5 (13%)*	*21 (53%)*
8. Sale of construction material	*3 (8%)*	*0*
9. Sale of drinks deriving from palm trees/ Utchema	*6 (15%)*	*5 (13%)*
10. Carpentry	*5 (13%)*	*7 (18%)*
11.Animal husbandry	*16 (40%)*	*14 (35%)*
12. Local healers	*2 (5%)*	*2 (5%)*
13. Hire/renting out of animal traction	*1 (3%)*	*1 (3%)*
14.Milk	*1 (3%)*	*0*
15.Sale of other products from the fields	*4 (10%)*	*0*
16.Construction work	*1 (3%)*	*0*
17.Fishing	*1 (3%)*	*1 (3%)*
18.Sale of drinks from the jambalau	*1 (3%)*	*1 (3%)*
19.Sale of drinks from the massala	*1 (3%)*	*1 (3%)*

The table shows that in the past and at present, agriculture was important for all women (100%). Following as most important sources in the past were: sale of cashew (75%); remittances (53%); sale of aguardente (46%); rearing of livestock (35%) and a salary

(28%). Hence, according to the importance attributed to livelihood sources by a number of women, cashew came second and fourth in importance, and if the salary was obtained from working in a cashew factory (not known) it was also in sixth place.

At present, agriculture remains important for all the women (100%), followed by the sale of aguardente (55%), the sale of raw cashew (43%), rearing livestock (40%), the barter of raw cashew (35%) and the barter of aguardente (35%).

Our findings show that less women survive from remittances, salaries and the sale of raw cashew, but for almost half of the women the sale of raw cashew and that of aguardente remain important and bartering these products is also important for one third of the women. Hence, cashew and its by-products remain important livelihood sources, especially in this last season (2002/2003) when cashew produced better than previous years and other crops failed to produce through drought. In this context women do not operate on their own, but have well embedded **networks** of family and church. Churches appear to be important centers of dissemination of information.

2.5 Gender aspects of cashew production and value shaping

This section is a short reflection on the previous sections of this second chapter. We have seen that women in the patrilineal South do have a certain level of security regarding land and trees. Their labour input is high in cashew production and in the various activities through which cashew obtains value. It is the activities of the women themselves that make cashew (kernels) an important source in their livelihood, they barter it, sell aguardente and use it in meals. In the past the value of cashew was mainly as sold raw cashew and aguardente. However there is now a shortage of cash in the rural areas and shop owners seem to prefer to barter the raw cashew for products from the shop, instead of paying in cash. This study shows the importance of cashew in the livelihood of the people. It is important to appreciate that women and men both struggle to obtain value from it in various ways, which may call for appropriate interventions.

The national policy on cashew production has suggested and explored various interventions in various areas of activity (see 2.1 above). This study shows that, so far, the impact of these interventions is not that impressive. This may help explain why the production targets have not yet been achieved (IMF, 2003: 21), whereas production is slightly increasing. Production is not reaching its targets, which can be due to the fact that the distribution of improved varieties has failed, and spraying the trees has had a very limited impact. Although this study shows that women in the patrilineal South are very important in cashew production and are heads of households, they are barely included in intervention activities. It is mainly the men who are involved in spraying the trees and although women made up the majority of the group, who set up a nursery and obtained seedlings, within one year they were in the minority. This process is called marginalisation, and is very common in intervention activities.

Women are important cashew producers in the South, but they are often not recognized as producers with land and trees. A young woman explained: “We select seeds of good

quality and sow them, but we also transplant young seedlings which have germinated from seeds which fell freely from the tree". There is a lot of local knowledge on good planting practice, which is not acknowledged by outsiders who intervene. Acknowledgement of both local and expert knowledge is needed. Extensive extension campaigns are also lacking in order to have the expert view understood by the local people, namely that pruning is critical, there should be selective planting of good strains, and weeding and the application of organic compost is important for the trees.

3. Processing cashew in factories and homes

There are a number of processing factories in the South and home-based processing also takes place in the cities. Section 3.1 reviews the characteristics of the cashew processing technology and the national policy on processing. Section 3.2 assesses closed, temporarily closed and operating factories in the south of Mozambique. Section 3.3 explores the functioning of a small-scale processing factory in the South and 3.4 elaborates on home-based processing in rural areas and the city Maputo. The last section 3.5 reflects on and connects the different sections in this chapter.

3.1 Characteristics of cashew processing technology and national processing policy

Cashew processing technology was summarised by Kanji *et al*. (2003). Mechanized processing, with the use of hot-oil baths or drum roasting, followed by automated cutting or impact-shelling machines to separate shells from kernels, were favoured in the colonial period. They required expensive capital input and the employment of several hundred people. The labour intensive processes were peeling and grading and most of the workers were women. More recently, smaller scale factories use the steaming and cutting method. Raw nuts are steamed, then cooled and cut using a hand and foot pedal-operated machine. The shells are then burned in the furnaces to produce steam and heat for drying the kernels. Semi-mechanised shelling increases the contact of the worker with CNSL (cashew nut shell liquid). Workers are given oil to cover their hands, which provides limited protection. Gloves wear out quickly and in any case, are not favoured by workers paid on a piece rate basis, since they affect dexterity and slow down the work.

The processing steps in the newer factories are:
Steaming the raw nuts
Cooling
Cutting to separate shell from kernel
Drying the kernel
Peeling
Sorting the kernels (separating broken pieces)
Grading
Packing

These small and medium-scale factories are much less capital intensive and employ more people per ton of processed cashew than the highly mechanized ones. Since people are better than machines at separating the nut from the shell, kernel breakage rates are much lower in these factories. But as Hilton (1998) argues, even small-scale processing plants are not suitable for small investors. One of the biggest costs is stock piling sufficient cashew to keep the plant working for 200 days a year. The cashew harvesting season lasts about two to three months, so even the smallest plants require 100 tons of stock piled raw cashew.

Cashew nuts are kidney shaped and brittle which makes it difficult to remove the shell without breakage. Whole-white kernels are the highest grade, and the industry standard is

such that, whole kernels should make up at least 60% or more of the sample when packed. The higher the percentage of whole-white kernels, the higher the price (Kanji *et al*., 2003).

The national policy on processing is presented in Plano Director do Caju: Componente Comercializacao e Industrializacao (INCAJU, 2001). The problems of the processing industry are formulated as follows (2001:47): 1) structurally inadequate to compete with the global market; 2) inadequate quantity and quality of raw material; 3) inadequate financing; 4) insufficient developed technology and management skills. The following main problems (2001:53) have to be addressed. How to organize sustainable commercialization and how to structure the processing industry in order to: achieve comparative benefits; increase rural household income to reduce poverty; increase production and improve employment opportunities. In other words, how to organize and structure the commercialization, processing and production areas, so that the cashew sector can successfully contribute to the national economy and poverty reduction.

Those are difficult questions to tackle in a complex web of local, national and global levels and dynamics. The main foci and strategies are on 1) technology, i.e. small and medium scale, semi-mechanized factories, implying that large-scale factories should make technological changes; 2) reduction of costs and the payment of wages which are suggested per task (2001: 60-61); 3) facilitating the access to credit, for example to buy raw materials and construct storage facilities; 4) training of factory workers; training of managers in business skills; 5) the establishment of small units around a factory (see north report on Namige' satellite programme) (INCAJU, 2001: 79).

The following sections discuss what has happened in practice in the factories and then section 3.5 returns to the processing policy.

3.2 Cashew factories in the south of Mozambique

The south of Mozambique had a considerable number of cashew processing factories (see Abt, 1999; Wandschneider and Garrido-Mirapeix, 1999). The majority had already closed between 1995 and 2000. Other factories did not operate during the 2002/2003 season, as they were closed temporarily for specific reasons and there are a few small-scale factories that functioned during the 2002/2003 season. These three categories of factory (closed, temporarily closed and in operation) can now be considered for the South (Data on capacity and number of workers is provided by INCAJU, July 2003; Situacao actual da industria de caju).

Table 5: Closed factories in the South

North	Capacity Tons/year	No. workers	**South**	Capacity	No. workers
C.C Monapo-Monapo	9,000	1,088	**Mocita Xai-Xai**	8,750	1,220
CC Nacala (Angoche)	9,375	1,021	**Mocaju-Maputo**	12,500	696
Angocaju-Angoche	10,500	750	**Procaju Manjacaze**	3,750	276
Inducaju-Lumba	2,500	450	**Procaju-Inhambane**	3,750	335
			Polycaju-Maputo (Impact technology)	3,750	519
			Adil I.C. Zavale	3,000	375
TOTAL	31,375	3,309		35,500	3,421

In Table 5 we compare the processing capacity (tons/year) of the closed factories in the North with those in the South. The table shows that the South had a considerable processing capacity, despite its lower cashew production (20% of the total produced output).

In all, the closures in Mozambique meant that 5,456 men and 4,840 women lost their jobs, according to the union of cashew industry workers (data, year 2000). The importance of cashew processing for women's employment in Mozambique is well documented (Penvenne, 1997). The loss of employment is a very serious threat of insecurity for both women and men, but more serious for women due to the high percentage of female-headed households in the South, and the fact that this is one of the few sources of employment for women.

Most factories closed in the liberalization phase and the box below gives an example of various factors which contributed to their closure (from research carried out in December 2001).

Box 3: History of a factory

The factory, Procaju-Ma(njacaze) is located 60 km from the provincial capital of Xai Xai and uses impact shelling technology. A Portuguese businessman, Manuel Rodrigues Neto established the factory in 1965. After independence, Neto abandoned the factory and returned to Portugal. The government created Caju de Moçambique (CdM) in 1979 to operate and manage six of the abandoned factories. In 1982, Caju de Mocambique shut the factory due to a lack of raw material. They later reopened it, but again shut it down in 1984 due to a lack of raw nuts and it did not reopen until after the end of the war. While half of our informants said they had begun work in the colonial era of 1970s, 25% (an equal number of men and women) cited 1991 and 1992 as the beginning of their employment.

In 1995, the government sold 80% of its interest to a private party. Soon after, the World Bank stipulated the lowering of tariffs and the removal of other restrictions on raw nut exports. In August 1997, the owner closed the factory, claiming he would operate at a loss if raw nut prices

were above 4,700Mts/kg and blaming the government and its World Bank policy advisors for higher prices (Abt, 1999 p E56). In 1999, with strong demands particularly from India, the price ranged between 5,000 and 5,500Mts/ kilo, and 7,000 Mts was offered by exporters who had to complete a shipment by a certain deadline. The bigger better nuts went for export at a better price and local industry received the leftovers. (Abt, 1999)

In the view of the factory inspector and caretaker, whom we interviewed in December 2001, the factory closed because the liberalization policy made the raw material very expensive. He also added that nuts were scarce and of bad quality. Deloitte and Touche figures for 1996/7 point to this scarcity, particularly in the South. In the caretaker's view, to re-open the factory one would need sufficient raw nuts, government and private sector agreement on marketing terms, improvements in infrastructure and repairs in the factory.

INCAJU's explanation of the closure of Procaju in Manjacaze, cites numerous factors including the shortage of raw material, limited rainfall, factory mismanagement, and a highly mechanized technology which required high maintenance costs. Therefore, the present processing policy of the government is focused on small-scale and medium-scale semi-mechanized factories. Are these types of factories operating well? An example below shows that not all of them manage to remain open. A young woman who lost her job explains what it means to lose a job (from February 2003, pilot work). The young unmarried woman lived with her parents in Macia and had worked in the small-scale factory in Macia.

Box 4: Reflections of a young woman who had lost her job

The factory in Macia was open from April to November 2001, but did not function in the 2002/2003 season due to low cashew production. We had then about 60 workers, of which the majority were men. Men and women were both working in all the three sections of shelling (cutting to separate the shell from the kernel); peeling and selection. I started in the shelling section, but it was heavy, because I was not used to using the hand and foot pedal operating machine (semi-mechanised shelling) and I could not combine it with going to school. School started at 17.00 hours and usually I had not finished shelling my heap of cashew. The official hours were from 4 in the morning until 16.30, with a break between 12 and 13.00 hours. But it was hard to complete the work, and when you did not finish it, your salary of 670,000 Mts (28 USD) per month was reduced. I would come late for school and therefore I requested a transfer to the peeling section. However, the same work programme was applied in the peeling section and I encountered the same problems of not being in time for school. I therefore requested another a transfer to the selection section, and there I managed to combine my work with going to school. I really like going to school, but with the loss of my job I can not pay the school fees. I also used part of my wage for petty trade, buying rice etc and selling it again, making small profits. This petty trade stopped completely after I lost my job. I also used the money to assist a little in feeding the family and to buy clothes. The loss of my job has mostly affected the petty trade and going to school, rather than feeding the family, because my brother, who is a teacher, always helps the family in providing food and clothing.

This example demonstrates that to earn the offered wages in a processing factory the work is very heavy. This implies that the wage can also effectively be below the minimum wage level[5]. However, although the level of wages is debatable, our findings show that even this wage provides different opportunities for people as they may use it

[5] The minimum rural agricultural wage in 2002 was 560,000 Meticais. The industrial minimum wage was 800,000 Meticais (2002)

strategically, for example to finance petty trade and therefore further increase their income. This example shows that the loss of a wage has a big impact on the livelihoods of people. For this particular woman the loss of her wage meant the loss of income from petty trade and the loss of access to education. Her family was now surviving from three main sources, namely her brother who was a teacher, battery-charging equipment and agriculture.

The small-scale factory in Macia closed temporarily, not only due to a shortage of cashew, as the woman above indicated, but also due to the ailing health of the Director of the factory (personal communication, INCAJU, July 2003). Two other factories closed temporarily during this specific season (2002/2003); Socaju in Inhambane, which had a shortage in finances to buy raw cashew; and Polycaju-Maputo (Martelo) (personal communication, INCAJU, July 2003). Table 6 below shows the factories that closed temporarily in the South.

Table 6: Temporarily closed factories (closed during the 2002/03 season)

Factory	Capacity Tons/year	No. Workers	**Women**	**Men**
Macia Caju-bilene	1,000	280 ???	**?**	**?**
Socaju-Inhambane	1,500	450 (2002)	300	150
Polycaju-Maputo (Martelo)	1,400	392????	**?**	**?**
Total	3,900			

(Capacity and No. of workers provided by INCAJU, July 2003; Situacao actual da industria de caju)

There were a few factories that functioned in the South during the cashew season 2002/2003.

Table 7: Factories operating in the South in 2002/03

Factory	Capacity Tons/Year	No. Workers	**Women**	**Men**
Madecaju-Maputo	250	50	47	3
INVAPE	375	19 (2002/2003)	11	8
EDCIL-Zavala	190	**??**	**?**	**?**
Total	815			

(Capacity and No. of workers provided by INCAJU, July 2003; Situacao actual da industria de caju)

Hence, the factories that operated in the season we conducted the research (2003), were three small-scale factories with only a total processing capacity of 815 tons per year. Although, the cashew production in the South during the 2002/2003 season was much better than other years, the factories faced financial limitations in buying raw cashew for processing, as for example Socaju that could not function due to that reason, INVAPE had to limit its processing capacity (see 3.3 below). Table 7 also shows how few people are employed in the factories that function.

The three tables above show that it is mainly women who work in the small-scale factories in the South and that also means that if factories are not organised and managed

well and are not supported adequately, women will be affected most. That point also emerges below, where we explore the case study of a small-scale factory in the South.

3.3 The factory INVAPE

The factory INVAPE (INVestimentos Agro-PEcuaria), in the Manjacaze district, began working in 1998 and has a capacity of 355-375 tons/year of processed cashew. It is a small-scale factory using steam heating and pedal-operated cutting technology. In 1998 there was a total of 107 workers (62 women and 45 men) of whom 86 (61 women, 25 men) worked directly in processing. These 86 was cut to 40 (18 women and 22 men) at the beginning of 2003 and to 19 (9 men and 10 women) in June 2003 (see the site report on processing). This means that more women than men lost their jobs. The decrease in number of workers and its produced output is primarily linked to the management of the factory (which includes the buying strategy) and the availability of raw cashew in the Manjacaze area. An indication of management problems is that the factory stopped working three times in the beginning of 2003, once for reorganization, the second time because of a shortage of plastic bags and the third time due to a shortage of fuel for the generator. Problems with availability of raw nuts arose because, as the factory had a contract to buy raw cashew from Inhambane last year and in the season (2002/2003) for a price of 7,200 Mts per kg, they were unable to take advantage of the good 2002/2003 season in Manjacaze. All available money for raw materials had been allocated for the contract with Inhambane and no funds were available to buy from Manjacaze. The management explained that it was difficult to obtain another loan from the bank as they regard the cashew sector as risky, and the interest was very high (23%).

The findings in the rest of this sub-section are based on interviews with 15 men and 15 women, selected from a total of 40 workers, carried out in May 2003, before the number of workers was cut to 19 in June 2003 (see further the site report on processing for the methodology).

Job access and marital status
There is no clear difference in strategies between women and men regarding job access. Women and men (both 80%) seem to use the same networks, made up of family and friends. The 15 men selected were all married and of the 15 women selected, 67% were alone (divorced, 33%; widowed, 27% and single 7%), hence 67% were heads of their households. In the South, the male workers appear to have bigger families, which is related to polygamy and a high percentage of female-headed households.

Services and working conditions
The factory provided working clothes and boots when the factory opened in 1998, but this has not been repeated. Knives are provided in the peeling section, but the workers explained that they take their own knives from home, as those provided are not good. 70% of the workers said that the hygiene is not satisfactory. The factory is not very clean inside, as the guard responsible for cleaning it has to stay outside during the daytime. There are no toilets and soap for the workers. Services such as a crèche, a union and medical assistance do not exist and the management does not provide time for women to

feed their children. A woman said: "I just feed my baby, when I return home, at the end of the day". Hence work-place conditions are poor, and a minimum decent working environment is not provided. The management consisted of an owner of the factory, a general director, a production manager, a technical director and an administrator. The owner worked in a foreign country and his wife became the general director. The other management staff were all men. The workers explained that they have good relationships with each other and also with the manager in the factory.

Gender division of labour

Men mainly work in the shelling section and few work in the section where the raw nuts are heated (stove). Women work mainly in the peeling section and a few in the selection section. However, at the beginning of 2003 there were 4 women in the shelling section, 10% of the total workers (N=40). When the factory opened in 1998, 34 women and 20 men were working in the shelling section. Shelling was a typical male domain in the North, but apparently not in the South! This may be explained by the fact that the South has a high percentage of women acting as the head of the household and many adult men are absent. We have seen a higher number of women working in the factories in the South and this may have led to more women working in the shelling section. This fact challenges the existing discourse (perspectives/ideas) in the North that women cannot do the shelling.

Hours worked, pay and use of salary

Table 8 (Table 3 of the site report on processing) shows that women receive less money than men do and other data in the site report indicates that women work longer hours.

Table 8: Wages (N=30)

	< 500,000.00Mt	500-700,000.00Mt	>700,000.00mt	Total
Women	12 (80%)	3 (20%)	0	15 (100%)
Men	5 (33%)	8 (54%)	2 (13%)	15 (100%)
Total	17 (57%)	11 (37%)	2 (6%)	30 (100%)

Wages appear to be based on payment per task. Shelling one kg of whole nuts earns the worker 6,000 Meticais. Hence, they are only paid for the shelling of whole nuts. At the end of the month the number of kg of whole nuts is calculated and the worker is paid accordingly. This is the same for peeling, although for this the pay is 5.500 Meticais per kg. Women often find themselves in the lower wage scales, which may be associated with their levels of productivity. Women workers control their own wages but many men workers give their wages to their wives to manage, so women also control that money. The table below gives an idea of how women and men use their money and answers the question: is there a gender difference?

Table 9. Use of money by women and men (N=30)

	Food	Education	Health	Invest	Savings	Send to family	Inputs	Clothes and goods
Women	15 (100%)	11 (73%)	11 (73%)	0	5 (33%)	1 (7%)	1 (7%)	7 (47%)
Men	15 (100%)	8 (53%)	13 (87%)	0	1 (7%)	0	2 (13%)	0
Total	30 (100%)	19 (63%)	24 (80%)	0	6 (20%)	1 (3%)	3 (10%)	7 (23%)

Table 9 shows that women tend to have more of a saving ethic and tend to allocate wages more to family members. Women spend their money mainly on food, education for their children, health, and clothes/things for the house. The wages of men is used on food, health, and education. The difference in expenditure between women and men is that more women than men (73% versus 53%) spend money on education; more women save (33% versus 7%) and more women spend on clothes and domestic goods (47% versus 0).

Perhaps due to the fact that women have lower wages, more men (100%) than women (47%) consider their wage to be their most important income source in their livelihood. In contrast 53% of the women put their wage as the second important contribution to their livelihood, and agriculture in the first place.

Agricultural and other activities next to factory employment
Perhaps due to the fact that women work more hours in the factory, their other activities have also declined (petty trade has almost disappeared and no activities other than agriculture are developed). Men, on the other hand, take up other activities while working in the factory and develop other livelihood sources, such as carpentry and fishing. All the male workers studied were married, and presumably their wives worked in agriculture. This is important, as 67% of the female workers in the factory were heads of their households. For them, combining factory work and agriculture, together with raising children leaves no time to develop or even dream of other income earning activities!

The commercialisation aspects of the INVAPE factory will be dealt with in chapter 4. In this section we have seen that the number of workers in the factory decreased from 107 to 19. Factories, which had a considerable processing capacity, temporarily closed during the 2002/2003 season and the small-scale factories that functioned in the South during this season had a small processing capacity. This limited formal processing capacity could be the reason that informal or home-based processing capacity in the cities such as Maputo seems to be increasing. This is considered in the next section.

3.4 Informal processing in homes or home-based processing

Local processing by smallholder women farmers
The most significant difficulty in processing cashew nuts is that the hard outer shell, which contains the edible kernel, contains caustic oil, which can burn the skin and produce noxious fumes when heated. The oil (referred to commercially as CNSL, cashew nut shell liquid) contains 90% anacardic acid and 10% cardol. For household consumption, nuts are typically roasted in their shell over an open flame until the oil burns away producing a thick black smoke. Kernels produced from raw nuts roasted this way remain high in protein and are sold in local markets for consumption (Kanji *et al*., 2003).

Local processing takes place in the homes of farmers, despite the fact that the cashew yield is low due to old and diseased trees. Of the 40 female farmers interviewed, 90% said they process nuts at home and used them in meals. They roast the raw nuts, then

crack the shell and remove the kernel, which is then consumed. These locally processed nuts are a very important protein source and also contribute to food security.

75% of the women said that they also process cashew fruit. They are collected and processed at home to make juice and an alcoholic drink (aguardente).

Stimulating processing the cashew fruit
Paiva (without date) wrote a very interesting report about all the various products that can be made from processing the cashew fruit. The report reads like a cookery book, with all the different recipes on how to make marmalade, sugar, juice etc. INCAJU (personal communication, July 2003) explained that they have three written project proposals on the processing of the cashew fruit, but that they cannot implement them due to the lack of funds.

Home based processing in Maputo
The INCAJU bulletin, 2000/2001 explains that it is almost impossible to collect data about commercialization in the South, due to activities of informal buyers and processors. It seems that former factory managers and workers buy large quantities of raw cashew for home-based processing in Maputo, where mainly women use domestic processing methods. They buy the raw cashew straight from farmers and shops and thereby compete with licensed traders and processing factories. The processed nuts from the homes in Maputo are sold on the national market, in shops and also to South Africa and Swaziland (see Chapter 4, on commercialization). The next case elaborates on the home-based processing activities in Maputo.

Box 5: An initiator of the home-based cashew processing (see Chapter 4 for commercialization aspects)

Former factory managers appear to be important initiators of the home-based processing activities. One such actor explained that he had been a director of a factory, buying raw cashew and exporting it to Europe, US, and Soviet Union. However, the factory closed in 1994, but people continued to request processed nuts. He then decided to start the home-based processing activities, which developed as follows:

1. He started to buy raw cashew straight from the rural farmers and shops and transported it to his home in Maputo, where in 1996, he employed 32 women and 2 men. He paid them wages (350,000 Meticais per month) and reached a processed output of 500 kg a day. At first it was difficult to penetrate the local market but he eventually succeeded. He sold his product in jars of different sizes to shops in Maputo, including petrol stations. Women who were already exporting fish and prawns to South Africa took the processed nuts that were already packed in small plastic bags to South Africa. However, according to him, not all the employees worked well, and they produced a high proportion of broken nuts, which fetched lower prices. In 1997 the business collapsed in debt, as he could not repay loans he had received to buy the raw cashew.

2. Later in 1997, he stopped paying wages and started to provide raw cashew (credit in kind) to the women in their homes. The women processed the nuts and then re-sold them to him. He explained: “The women could make a profit of 400,000 Meticais, which was equivalent to a minimum salary, and sometimes they made three times as much, depending on the quantities they

managed to process". He also introduced a better method of soaking the cashew 12 hours before putting them in the stove. Humidity is a quality standard; 4,5-5% is the indicator otherwise bacteria develop. Until 2000/2001, he obtained his raw cashew, which he transported in his own truck, from Manjacaze. He bought in cash, straight from the ones who picked the cashew and from the local shops. In the 2002/2003 season he had difficulties in financing the buying and transporting of raw cashew to Maputo, but women continued to process them in their homes, obtaining the nuts from other cashew traders. Some women, he explained, also started selling the cashew fruits.
During the period when he provided raw cashew to the women's homes, he estimated that about 260 persons (approximately 50 homes) were processing the nuts. These people had no money themselves to buy the raw cashew. Many of them were women, heads of families and they liked to work with him, he explained, as he paid them well for their processed nuts.

The initiator of the home-based processing activities explained that after the liberalization, in 1997, many more people got involved in providing the homes with raw cashew. It is important to note that the people used skills acquired in factories to earn money in a different way.

3.There are also women traders who buy raw cashew in the rural areas and follow the same method as the initiator/informant above, providing the cashew as "credit in kind" to local homes and buying the processed nuts from these homes. These women compete with the initiator of the process, as he explained: "Some of those women also take the processed nuts to South Africa. Sometimes those women go to those homes that I provided with raw cashew in order to buy the processed nuts. I don't accept that". He himself was not dealing with big quantities in 2003, as he lacks the funding and therefore does not sell to South Africa, but only to the local market.

4.The initiator of the home-based processing activities and women traders buy raw cashew, not only to provide them to homes for processing, but also to re-sell at a profit. They buy a kilo of raw cashew for 5,000 Meticais and sell it in 640 gram tins (latas) for 5,000 Mts.
Anybody can buy raw cashew and sell it at local markets and/or to home-based processors. There are many women traders and they go as far as Gaza or Inhambane to buy raw cashew, which they deliver to the market or to the local homes in Maputo for processing.

5.There are also households that buy their raw material themselves through small loans from informal groups, which they have to reimburse at 25 % interest. Due to the high interest rate, they prefer obtaining raw cashew as "a credit in kind", from women traders or the initiator above. However, an advantage of the credit system is that the home-based processor can sell the nuts to any person who wants to buy.

6. Home-based processors can also buy small quantities of raw cashew themselves at the market in Maputo. In this way they work without loans and cashew providers. They sell the processed nuts at the market or to any other interested person.

The different methods, processes and categories elaborated above show that there are different ways of participating in home-based processing. Women visited in Maputo in the course of our study stated that lack of finance (credit) to buy raw cashew was the main constraint or sticking point in home processing and the sale of kernels. The estimated volume of raw nuts processed is 6 tons DAILY in the bairros of Maputo – this was in December 2000 (Machalela, 2001).

3.5 Gender aspects of cashew processing

Many factories in the South closed between 1995 and 2000, actually before the new processing policy was formulated (INCAJU, 2001). Despite the new processing policy, advocating medium and small-scale semi-mechanised factories, we saw that three of such medium-scale factories in the South, which have a considerable processing capacity, did not function in the 2002/2003 season. This was mainly due to financial problems. Apparently, it is difficult to obtain loans from banks to buy cashew and/or build storage facilities. We studied one (INVAPE) of the three small-scale, semi-mechanised factories that was functioning. This factory also had management problems and their strategy to acquire raw nuts failed. Workers had been cut from 107 in 1998 to 17 in 2002/2003, more women than men having lost their jobs.

Taking this into account, we can conclude that factories have problems obtaining funds or loans from the banks, because banks regard cashew processing as a very risky business and the interest rates are very high (currently over 30%). These difficulties, plus the continuous changes in the markets (global, national and local), make cashew processing a difficult enterprise for smaller actors, which requires well-developed management and/or business skills. Training or capacity building is an area where attention and also funds are needed. For building and developing a factory, INCAJU guarantees bank loans, in order to stimulate the construction of small-scale factories in the private sector. According to INCAJU, small-scale factories using semi-mechanical cutting technology give a better quality output, have fewer management problems and also have fewer problems acquiring raw material (INCAJU, 2001).

The problems for the industry that are stated in the national policy on processing (see above, 3.1) are still very relevant, and so are the strategies to solve them. The difficulties of competing globally; the quantity and quality of raw material needed; as well as inadequate financing (the difficulty to obtain it) and management techniques or business skills and the search for appropriate technology still indicate there is a long way to go for the processing industry.

Perhaps, due to the fact that the formal processing capacity has declined in the South over the past years, informal home-based processing seems to have increased in urban areas and cities, especially Maputo. Certainly, there is a considerable volume of cashew processed informally in Maputo. Although many women lost their jobs in the factories, they are now involved in the raw cashew trade, in trading processed nuts and in local home processing. To put their position, as home-based workers in the processing sector, in perspective, it is good to focus on their relative power base and conditions. The reports by ITDG (2002) and Hedellege (2003), elaborate the position of home-based workers in cashew processing. Although the reports are based on research in Sri Lanka, some of the main conclusions can also be applied to the home-based cashew processors in Mozambique. The conclusions were that women often endure long working hours in poor conditions, with no employment protection or benefits; that they are often dependent for example on male family members and outsiders for purchasing raw materials, selling their products and for information about markets. Most women did not consider

themselves as contributors or actors in the processing industry or value chains, but considered themselves as labourers who are dependent on middlemen for input and markets. Machalela argues in a report on home-based processing, that it is necessary to recognize the existence of the informal processing and that INCAJU should give support[6] to that sector instead of neglecting it (Machalela, 2001: 4-5). In the following chapter we consider commercialisation.

[6] Such as: technical, financial and institutional support; assistance to the establishment of associations; assisting the home processors with making the links with micro-credit organizations and traders.

4. Commercialization: gender, traders and networks

In this chapter we first explore the national commercialization policy in Mozambique by looking at production levels, prices, markets and trade. Section 4.2 explores a case study on traders in the South. The concluding section 4.3 relates the findings on gender and cashew commercialization in Mozambique, to the various gender and trade studies, which dealt with the impact of globalisation and liberalization, and thus, puts the Mozambique findings into a broader context.

4.1 National policy: production levels, prices and markets

The national policy on commercialization is elaborated (see Chapter 1:10-19) in Plano Director do Caju-Componentes "Comercializacao e Industrializacao (INCAJU, 2001). Due to liberalization, the government no longer buys or sets the price for raw cashew nuts, but the price is now based on the level of supply and demand. In the background (section 1.1) we have argued, based on literature, that those who benefited most from liberalisation were the traders who increased in number and had increased earnings, and the farmers benefited less.

The intervention strategy for the cashew commercialization sector focuses on: strategies to provide funds to buy raw cashew and also to build storage facilities and arrange transport; the development of a classification system for the quality of the nuts; the development of new markets especially in the region; the development of a system to provide information about the markets; the establishment of associations of trained farmers to treat the trees and the development of a payment system according to the quality of the nut (INCAJU, 2001: 59). For the implementation of these activities, INCAJU sub-contracts activities to NGOs who then work in all the areas of activity mentioned. The collaboration with the private sector is not all that smooth due to opposing views, for example, regarding: the spraying; the rehabilitation of larger factories; World Bank assistance and subsidies for the sector.

Every year INCAJU publishes a bulletin about prices and commercialization in the country. The report "boletim e estatisticas da campanha 2000/2001" gives an interesting account of production levels and commercialization in general. The next paragraph is translated from that bulletin.

From 1985 until 2001 cashew commercialisation was very irregular. It varied from 22,524 tons in 1990 to 66,510 tons in 1996. During the last 4 to 6 years the commercialized quantities were around 52,000 tons. The Provinces in the North (Cabo Delgado, Nampula, Zambezia) are responsible for 60% of the commercialization (about 43,000 tons in 1996/1997). These three northern provinces commercialized 83% of the country's total in 1999, and 98,5 % in 2000/2001. Those figures imply that the southern provinces had a fall in the registered commercialized quantities (the fall was around 15,000 to 20,000 tons). The southern share in the total commercialization was 20% in 1998, 30% in 1999, 16% in 2000 and 1.5 % in 2001. Diseases and climatic conditions have been blamed for this reduction, but they are not the only reasons for the decline in

commercialization in the South. The closure of the Mocita factory in Xai Xai in 2000, initiated an intensified buying of raw cashew by informal buyers and processors, which made it almost impossible to collect data on commercialization. Former factory employees and other people who process cashew in their homes by using domestic processing methods, bought large quantities of raw cashew in the South. The informal buyers and processors compete with the big traders and formal processors (the small-scale factories) in the South.

The same bulletin and INCAJU statistics (2000/2001) show that Gaza produces more cashew than Inhambane, but that commercialisation is higher in Inhambane. This can also indicate the informal commercialization in Gaza province. The report on the home-based cashew processing by women in Maputo also highlights the informal commercialization of raw cashew in the South (Machalela, 2001).The 2002/03 figures (INCAJU, 2003) show that the commercialised quantity has hardly increased in Gaza province (2001/02: 2,000 tons; 2002/03: 2,600 tons), whereas the total commercialised production in the country increased from 51,000 tons in 2001/02 to 63,000 tons in 2002/03. It was again the Northern Provinces (specifically Nampula and Zambezia) that mainly contributed to the increase in commercialised production in 2002/03.

INCAJU data (2000/2001; 2002/2003) shows that production is slightly increasing and that the export in tons of raw cashew has increased:
1996/1997: 16,600; 1997/1998: 32,000; 2000/2001: 27,000; 2002/2003: 40,360.
However, although the export of raw cashew by Mozambique has slightly increased, the earnings from the export are decreasing. This is due to low prices that are determined by the international market and are dependent on supply and demand. In 1999 a ton of exported raw cashew fetched around 700 USD, and in 2000/2001 this had decreased to 411 USD and in 2002/2003 to 378 USD. Exports also face new constraints as India, the country to which Mozambique mainly exports, is trying to increase production and at the same time Vietnam is rapidly increasing its exports. Mozambique exports are also constrained by quality standards (see also plano director, 2001: 20-24), which tighten up all the time at international or global level.

The prices of exported processed cashew (the kernel: $1.6 per lb. for W320, a common size – check with Incaju) are better than the prices of exported raw cashew. This also means that Mozambique earns more from processing raw cashew than exporting them. The government has recently increased the export tariffs from 14 to 18 % and this can be seen as a means to reduce exports or in other words to encourage processing the cashew in the country. This means that the construction of small-scale factories, trade and home-based informal processing all need to be stimulated

4.2 Shaping the trade locally: Macia and Maputo

The trade is dominated by a few major exporters (8 to 10) who trade and communicate with 80-100 larger traders (see McMillan *et al*., 2002: 16). These larger traders rely on a network of small intermediaries who buy raw cashew directly from the farmers and retail shopkeepers in the rural areas or small urban centers. Unlicensed mobile buyers (*ambulentes*) have increased in number as a result of liberalization. For example, in Macia (pilot work on commercialisation, February 2003) many different actors and their activities are entering the cashew market!

Four so-called larger traders used to sell their cashew to processing factories in Gaza (especially Mocita in Xai Xai), but since that factory closed in 2000, they no longer have an outlet for their cashew. The 2002/2003 season in Gaza was good for cashew production and an exporter from Nampula, Euragel, travelled to Gaza to buy raw cashew, because Nampula's production had been affected by a cyclone. These four larger traders/shopkeepers buy the cashew from 1) smaller shops, 2) fixed posts where farmers take their 50 kg bags with cashew and where a small trader pays them, 3) from the small intermediaries and mobile buyers who buy in rural areas from farmers and small shops. These larger traders buy up to 20 tons of cashew. They also sell to women and men traders from Maputo, but usually the Maputo traders do not have the money to buy large quantities. However, they themselves as larger traders encounter the same problem. For example, Bhagvan Comercial explained that if he had money he could buy up to 30 tons of cashew. However, he also said: "We are not interested in buying cashew, because we have nowhere to sell. If there were factories, it would be different". Despite this explanation, it is interesting to see that they continue to buy cashew, so they must make a small profit. Usually they buy it for 4,000 Meticais per kg and a bit later in the year for 5,000 Meticais per kg, and they can sell it again for 6,000 Meticais per kg.

Individual women and men also buy raw cashew and process it at home. The nuts (kernels) are then roasted in the bakeries. Bakeries have become part of the cashew market, as one of the bakery owners explained: "Many individuals came to roast their nuts (kernels) after the factory in Xai Xai closed". The individuals (usually more men/boys than women/girls) sell cashew nuts on the street (on the main road from Maputo to the North, the EN1). One woman explained: "I suffered a lot with those boys on the street, because the system is that you have to run when a car appears, and then the boys are faster and block my way". She was now selling her home-based processed nuts at the local market in Macia. She explained that from selling nuts they manage to send their children to school and buy clothes.

The site report on commercialization is a case study of the local traders in Macia (Bilene/Macia District). Macia is located on the EN1, the main road from Maputo to the North, in the Bilene/Macia District. The case study explored the involvement of women and men in the dynamics of the local cashew trade and the importance of that trade in their livelihoods, in a context of liberalization and change.

The formal commercialization context in Macia is depicted as fragile and insecure, due to the lack of buyers as was indicated above. Factories have closed and there is no large exporter located in Gaza province, as there are in Nampula Province and in Maputo. During the 2002/03 season, Euragel, a larger exporter from Nampula came to Gaza Province to buy produce from larger shopkeepers because the Gaza cashew products were better quantity and quality. This shows that commercialization in Gaza is not well organized at the local level, with no fixed structure in place through which the cashew is marketed. This implies that the commercialisation of cashew is now carried out by many different actors and on a smaller scale than before.

The site report analyses the marketing of different products, among 39 small traders. Table 10 shows the numbers of women and men selected in the various marketing activities.

Table 10: Sample of women and men interviewed for the various marketing activities

Activity	**Women**	**Men**	**Total**
Raw cashew	6	6	12
Processed nut (kernel)	4	11	15
Cashew fruit	3	1	4
Juice	8	0	8

Both women and men commercialise raw cashew, but more men than women are involved in this trade, particularly when the trade is in larger quantities. This is because you require credit and mobility. Smaller traders more often combine agriculture with trade as their main livelihood activities.

The most lucrative activity is the trade in processed nuts. However, men dominate that activity, because once again men have more access to finance and in addition kernels are usually sold along the main road (EN1) in Macia where men run to potential customers more quickly than women.

Women almost completely dominate the marketing in fruit and juice, these are perishables and can only be sold seasonally. While they do not require initial investment, they also bring less profit.

However, the women who participate in the more profitable activities (kernels and raw cashew) usually initially finance them with the sale of agricultural products whereas the men tend to use savings from waged work and commercial activities (see site report).

The livelihood sources are changing. Drought during the 2002/03 cashew season and greater restrictions on Mozambicans wanting to work in South Africa have led to cashew becoming an even more critical source of income, particularly around Macia. Women in the cashew fruit and juice trade only earn enough to cover their very basic needs. However those involved in the more profitable activities, can improve their living standards, maintain bank accounts and even make plans for the future. Nevertheless women value the autonomy of earning cash, even if it is only a little.

Maputo context
How are the sales of the processed nuts organized by factories in the South and homes in Maputo? Let's first look into the factory. INVAPE factory sold the processed nuts mainly via the supermarkets and local market, whereas they had sold to South Africa (Nelspruit) at the time when the factory had opened in 1998/1999. However, it seems that after the floods of 2000, which caused low production and a bad quality of the nuts, the marketing to Nelspruit (SA) had ceased, and it did not start again.

The initiator of the home-based cashew processing (see Box 5) explained that during the early nineties when he managed a factory that functioned well, he was selling outside Mozambique. They went with a truck and sold the processed nuts to shops and traders in Swaziland or South Africa. They tried to contact a person first, in order to arrange the sales. Somebody in White river (SA) used to buy big quantities, leaving him no sales for the local/national market in Mozambique. He chose to export then because it was more lucrative. At present, as he explained, South Africa mainly buys from Brazil.

The initiator of the home-based processing explained that he sold the home-based processed nuts in Maputo at the local market. He argued that the competition is considerable, especially in delivering the nuts to supermarkets, for example, INVAPE factory has undercut his prices in the past.

The women traders who provide raw material (credit in kind) to the homes and buy again from the home-processors, sell on the local markets in Maputo, but there are also women who go to South Africa, adding the nuts to others products they are marketing.

4.3 Interconnection of global, national and local issues[7]

Fontana *et al.* (1998) defines liberalization as increasing a country's openness to trade and increasing dependence on specialization in line with a country's comparative advantage. They argued that women are likely to benefit from the employment creation dimension of trade expansion in the industrial sector (labour-intensive manufactures), but that for the agricultural sector it is less clear. In Mozambique we found that the cashew trade expanded a little, but that the earnings reduced. We found that women also obtain jobs in the new factories in the South, but more female than male workers are also losing their jobs in the present factories (example INVAPE). The sector has many problems resulting in the factories closing or temporarily stopping operating. This all implies insecurity, the point made by Randriamoro (2002). She explained that trade and investment policy reforms opened up the economies of many African countries and were expected to generate growth and employment. It was thought that reducing the role of the public sector with the free operation of market and foreign investment would provide the

[7] Chalfin (2000:990) makes the distinction between structural concerns of political economy and the agential perspectives of economic anthropology. Both approaches contribute to the understanding of trade liberalization and gender. Fontana (1998) and Randriamoro (2002) reflect the structural concerns of political-economy and Little (1992) and Chalfin (2000) the agential perspective of economic anthropology.

resources for national development and benefit all social groups, including women. However, Randriamoro (2002) argued that, in practice, women and small producers are subject to constant insecurity due to continuous changes in international market conditions, which implies women's disempowerment. In Africa, women and small producers are singularly vulnerable to such insecurity, because of the absence of any form of compensatory social protection. This is actually the case in Mozambique for women in the cashew processing factories, but also for the home-based processors. The structural impacts of global policies indicated above have a practical impact in Mozambique, also in the area of commercialization. Our findings above show that the larger traders in Macia depended on processing industry for the sales of their raw cashew, but that after the closure of factories, smaller traders increased in number in the buying and selling of raw cashew through informal networks. Although the market with licensed buyers still exists, in the south of Mozambique it has been shown that many smaller unlicensed actors benefit from the cashew trade through their own trading networks (see also Little, 1992). Women are well represented in the categories of small intermediaries and non-licensed buyers, but are usually not represented among the larger trader and exporter categories. That is a male dominated area. It is important that local and regional markets are developed as it reduces dependency on volatile international markets. In addition, it is more likely to benefit women, because they tend to be more involved in the local and regional markets. South Africa and the surrounding region provide a huge potential for Mozambique, particularly the south of Mozambique, because South Africa and Swaziland, for example, do not produce cashew nuts.

It is important to recognize the specific location and informality of the cashew sector in the South. It means that a lot of the produce and its trade are not measured, nor licensed. Consequently it could mean that cashew contributes more to the reduction of poverty than is generally assumed when only the available production and commercialization figures about marketed production are considered. This study shows that many people benefit from cashew, both those involved in informal and formal trade and processing. Several authors in Spring (2000) show the diversification in rural livelihood, specifically of those women who are involved in trade. Due to the drought in the 2002/03 cashew season and South African migration policy which restricts Mozambicans from working in South Africa, we found that the cashew trade became even more important in the livelihood of both women and men in Macia.

Guyer and Hansen (2001) maintain that liberalization policies of the 1990's have resulted in redistribution between producers, consumers, and the state, and did not have a general effect on welfare. They argue (2001: 200-201) that liberalization is increasingly a mechanism for social transformation and that in the context of economic and especially political crisis, liberalization often operates as a mechanism for exclusion and integration. That is an important perspective and our findings from the North and South study show a degree of exclusion and integration of women and men in the three different areas of the cashew sector. Women tend to be excluded from the work in factories and interventions in the cashew sector but tend to become integrated in the area of commercialization. The Macia case study is a good example of that integration, to some extent in the marketing of raw cashew, and specifically in fruits and juice, which is less lucrative, but less in the

marketing of processed nuts which is dominated by male traders and which is more lucrative. As Chalfin (2000) has argued, and is true for the women and men traders in Macia, the combination of frequent improvizations with well-practised economic strategies is crucial for maintaining a place in the markets as well as assuring the survival or reproduction of the rural market itself. Chafin (2000:1004) maintained that while the ups and downs of structural adjustment might appear from the outside as something new, they are often experienced as the continuation of already familiar trends.

5. Conclusions, recommendations and key action points

Below we elaborate on the main findings of the study and formulate key action points for the three areas of the cashew sector: production (5.1), processing (5.2) and commercialization (5.3).

5.1 Cashew production

Local tenure practices and division of labour
In this South study the majority of women (68%) stated that the land they worked was theirs and they obtained the land from parents-in-law (43%), husbands (25%) and parents (10%). Most of the women have a considerable number of trees and also plant trees themselves reflecting a considerable level of security. Due to changes in marital status, women live on average in three different places where they can plant/sow trees. The most insecure place, i.e. where women hesitate to plant trees is the place of the husband's parents. Perhaps due to this insecurity, the findings show that women generally move to the place where they live together with their husbands and children.

In relation to the gender division of labour, we found that pruning is the only task with a clear division of labour, with men predominating. The fact that more than 50% of the sample had a female head of the household could explain women's considerable involvement (48%) in pruning in the South. In the North it is mainly men who prune the trees. Women and men share all other activities, such as weeding, cleaning, planting and sowing, albeit in different proportions. This contradicts the stereotypes of gender division in labour, for example, women do not plant or sow, men do not weed nor clean. There is also more cooperation over the division of tasks in households than is generally assumed.

Interventions
Women appear to have a dominant role in cashew production in the South, but this is not always recognized by the intervening institutions. Even if they try to include women, after a certain period women often become marginalised, as the example of the NGO in setting up nurseries showed. Also, the nurseries with improved varieties were not a big success, because the farmers did not collect the strains or seedlings, due to the price and lack of information. From our interviews we learned that the extension campaigns regarding the distribution of young trees and spraying were also not successful. In the spraying programme, only two women owned an atomizer and all the actual operators were men. Whether the spraying intervention in the South has been a success can be questioned, because very few farmers were reached. The complex technology of application and the expensive fungicides which farmers could not pay for in kind or cash, contributed to the low adoption rate of the spraying technology.

The implementations of interventions need to be addressed and improved, for cashew to contribute effectively to poverty reduction and gender equality. The present approach seems not to be working well. It is still considerably top-down and farmers are treated as a homogenous group, whereas in reality different groups of farmers face different problems and require different interventions and different approaches to be used.

How produce obtains value
Nuts are processed and consumed locally. The apple is also processed into juice and alcohol (aguardente) which has a history of being sold locally. These activities are carried out mainly by women, sometimes supported by men and children. To-day fewer women sell raw cashew in comparison with the past and more women are involved in bartering. This may be attributed to the shortage of cash and consumer goods in the rural areas and the liberalization of the marketing system. The sale and also barter of aguardente still remains important to the present day.

Fresh cashew apples and locally processed nuts have always been consumed and still play an important contribution to food security.

Livelihoods in relation to production and value shaping
Many women indicated that their livelihoods had changed in that remittances and wages have reduced in importance. However, cashew remains important in people's livelihoods, exactly because remittances (migration) and wages (closing factories) have disappeared. Also in the previous cashew season (2002/03) other crops failed to produce, due to the drought but the cashew crop was relatively good. Hence women indicated that cashew remains important, although less in the form of cash sales, and more through barter of raw cashew and brewing alcohol. This shows again that cashew is a vital crop on the dry infertile soils in the South and that initiatives to stimulate production need to be improved.

<u>Key action points in the area of production</u>

1. Farmers with different levels of resources, number of trees and patterns of land use, require different interventions. For example fungicide and pesticide spraying may be too difficult and expensive for smallholder farmers to use correctly and therefore constitute an ineffective intervention and a waste of resources. It may only be appropriate for larger farmers and cashew plantations.

   This issue requires serious discussion by INCAJU with appropriate technical experts, extension services and NGOs.

2. Consider giving more emphasis to non-chemical or organic treatments for increasing smallholder production.

   INCAJU and INEA could organise a specialised study by an organic farming expert which would have to include pilot projects in order to assess the feasibility of increasing production through non-chemical means. This alternative method of producing cashew is being piloted in India by the following practices: cutting down non-productive, diseased trees, heavily pruning productive trees combined with clearing around the trees and feeding them with organic compost.

3. Reconsider the **sale** of improved varieties to farmers given that they are not bought in any numbers. However, making them free may not solve the problem as they need to be distributed and communication with farmers has to be improved as they have to see the value of the new varieties.

   INCAJU has to consider the change in the 'sale' policy with MADER, other relevant government ministries and the donors. The more difficult problem of distribution and communication with farmers will have to be addressed in coordination with MADER, NGOs and any relevant private sector actors. It would be important to build on farmers' experience of selecting and using productive trees for propagation, while explaining that the current stock of trees in Mozambique is old and has deteriorated.

4. Transform top-down approaches into participatory and gender sensitive approaches which are field based. This would include approaching women directly, recognizing their central role in the production of cashew.

   INCAJU could commission an NGO working with communities on cashew production to develop a manual outlining ways of approaching communities, involving women (possibly through women's groups), and discussing good practice in cashew production with farmers, both women and men. Such a manual could be used by extension services. The manual should include guidelines for monitoring and how information can be disaggregated by sex.

5.2 Processing: factories and homes in the South

Many, especially the larger scale, factories have closed down due to liberalization, poor maintenance of the factories and its machinery, and low production. The focus is now on developing small and medium scale factories. However, crucial factors for factories to remain open to provide the necessary employment in the rural areas, are still the production of raw material, the finance to buy it and run the factory; appropriate management of the factory, and an appropriate marketing strategy.

Women and men continue to lose jobs due to the (temporary) closure of factories. This is happening more rapidly for women than men in the South. The loss of employment is a very serious threat of insecurity for both women and men, but more serious for women due to the high percentage of female-headed households in the South, and the fact that this is one of the few sources of employment for women. Our findings show that women in the South work in the shelling section, whereas it is a typical male domain in the North. Peeling remains a typical female domain in the South, although this had been entered by men in the North. Women work more hours in the factory and get lower pay. Despite their lower pay, they continue to send money to family members and save more than the men. For men (100%) the wage is the most important source of their livelihood, whereas 54% of the women indicate that the wage comes second place and 46% say that agriculture is more important. This may well be related to their lower wages.

In general, men manage to diversify their livelihood, as they develop other activities next to their work in the factory, such as carpentry and fishing, and they have wives who work in agriculture. Women factory workers have agricultural work as well as their factory employment and seem to have no time left to develop any other income-generating activity, which is also related to their longer hours in the factory.

Salary levels determine the contribution of this income to the livelihoods of workers, and whether they have to engage in other activities to provide food and cash for their households. Factory workers have heavy workloads. They work many hours, yet their salaries are low so they have to spend as much time as possible farming, not to mention their domestic and childcare tasks. Minimum -wage levels for rural industries have not been set. It is important to have constructive tri-partite discussions on this issue between government, employers and unions. Given the lack of employment opportunities and the need for cash, workers and unions are currently in weak positions, and the government should be an important arbitrator in defending the rights of workers for decent wages and living conditions, and negotiate with employers about reasonable wages in a competitive, liberalised environment. Hygienic conditions, a union, and a crèche do not exist in the one factory we have studied and they are also subject to negotiation. The home-based processors we interviewed in Maputo also endure long working hours in poor conditions, with no employment protection or benefits, and are dependent on outsiders who provide the necessary raw material.

Smith (Smith *et al*., 2003: 5-6) points at the establishment of local multi-stakeholder initiatives that include companies (employers), trade unions and NGOs in order to be effective in addressing gender issues, many of which are embedded in local employment practice and culture. For example the rights of workers need to be recognized and they need to be educated on company policies, procedures and terms and conditions of employment.

Liberalization and other reasons such as low cashew production and poor maintenance of the large-scale factories, have led to factories closing and the processing capacity of the country being reduced severely. Only a few factories were operating in the South in the 2002/03-cashew season, as many had financial constraints for buying sufficient raw cashew and the factories were not properly managed. The reported increase in production in 2002/03 has spurred the trade in cashew. Wide informal-trade networks have been developing in the South which have contributed again to the increase in home-based processing in the city Maputo, particularly because the factory processing capacity was very low.

Key action points

1. Continue to support the establishment of small-scale factories; consider how to make affordable credit available to establish more factories; provide business development services for better management.
The question of affordable credit affects many sectors in Mozambique and has to be addressed at a national policy level. Even at current rates of interest, making available more funds to establish factories may need to be discussed with donors and financial

institutions (with INCAJU taking the lead). INCAJU could consider making it mandatory for the entrepreneur to attend business development and management courses when it provides a guarantee for his/her loan – it could also consider involving factory managers in the current forums which discuss the cashew sector, for example, at provincial level.

2. Improve working conditions in cashew processing factories by informing, educating and communicating with the workers in platforms where employers, trade unions and where appropriate, NGOs are represented. Women should be given equal opportunities to work in all sections

   The central workers' union should take the lead to establish constructive tri-partite discussions with government and employers to determine a minimum wage and working conditions in the cashew factories.

3. Support home-based processing of cashew nuts in Maputo (including packing), with institutional, organizational, financial and technical support.

   INCAJU should investigate the possibility of developing a specific project with an appropriate NGO and seed funding from a donor. The funding could be used to establish associations, provide initial funds which can be the basis of a revolving fund, provide information about trader networks and technical assistance regarding quality standards, packing and so on.

4. Implement the existing proposals for local processing of the cashew fruit. INCAJU should actively seek implementing agents (NGOs) and funds for these projects. Such projects should include a marketing strategy.

5. Investigate further the possibilities of increasing the final processing of cashew nuts within Mozambique, which implies roasting, salting (adding other flavouring) and packaging in the country. This is because much of the value is added in the final stages, at present large profits are made by the companies which do the final processing in Europe and the United States.

   Organisations such as TechnoServe should discuss the possibilities of increasing in-country final processing and packaging with successful processors.

5.3 Commercialisation and continuous change

This study has taken into account the local, regional and wider global contexts when it analysed the commercialization aspect of the cashew sector. Regarding these particular contexts we can conclude the following.

The local contexts of Macia and Maputo
The past year (2002/03) was an atypical year. A drought caused all the crops to fail, except for cashew that we were frequently told produced better than previous years. Therefore cashew became a very important livelihood source, as it was almost the only source of cash during that season. Whereas markets are developing and trade networks are expanding at local level since liberalization, the gains are mainly concentrated in the groups which have more assets and capital, and are nearer to main roads. Taking a gender perspective, it was found that men benefit more than women from the more lucrative activities. If growing markets are to benefit the less powerful groups, many critical interventions must be put in place.

Regional context
Women are well represented in the categories of small intermediaries and non-licensed buyers, but are usually not represented among the larger trader and exporter categories. That is a male dominated area. When local and regional markets are developed it means there is less dependency on volatile international markets. This is likely to benefit women, more specifically because they tend to be more involved in the local and regional markets. South Africa and the surrounding region provide huge potential for Mozambique, particularly the south of Mozambique, because South Africa and Swaziland, for example, do not produce cashew nuts.

Wider global context
The opposing or conflicting positions of the various actors, especially government and private sector demands mediation. Both actors have an impressive knowledge and experience in the cashew sector. Therefore, both can contribute to stimulating the processing industry in the country and help develop the regional markets. This is important because the international markets are so volatile and although the export of raw nuts has slightly increased earnings have decreased. To ensure fair trade, the terms of trade and the power exercised by a few large buyers, also require action at international level.

<u>Key action points</u>

1. Credit to buy raw cashew needs to be considered at different levels. Larger traders have problems similar to those of processors, which relates to overall credit policy and interest rates mentioned in the previous section. Micro-credit has a role to play for small-scale traders, particularly women.

   Some NGOs are already providing micro-credit to small traders and the experiences to date should be assessed by INCAJU, to see if it is useful to encourage such interventions.

2. Stimulate regional markets (South Africa and other countries in southern Africa), without stifling their development with over-regulation. Informal trade seems to be expanding in the south and information on potential markets and standards required needs to be disseminated.

INCAJU should discuss how such dissemination could be organised with organisations such as TechnoServe which already have experience in this area.

3. Inform farmers about market prices, improve their negotiating power and assist them in organizing the marketing of raw cashew nuts.

   NGOs, MADER and all organizations working with farmers' associations could include such information and skills building in their existing programmes. It is essential to actively encourage women to join associations and include them on skills building programmes, paying attention to the location and cost of such initiatives so that they suit women's needs and constraints.

4. Investigate the possibility of fair trade projects to use specific niches in international markets. This would mean finding processors who were willing to pay better prices to producers and processing workers and to make the link with fair trade organizations in Europe.

   INCAJU could investigate if any NGOs, such as TechnoServe, could assist in this initiative.

Coordination

The cashew sector is an enormous sector with three huge areas of production, processing and commercialisation. The areas are intertwined and the success of any activity in one area depends on the success of that in another area. Exactly this interdependence between the areas within the sector in the country, together with the continuous change in the global context, makes coordination, communication and mediation in dialogue indispensable for the cashew sector. The establishment or strengthening of existing platforms to improve communication and dialogue between various actors and stimulate collective action is of utmost importance to strengthen the cashew sector quickly.

INCAJU is the key public institution which has the mandate to coordinate, monitor and evaluate the three areas of production, processing and commercialization.

Key action point:

It is essential that more resources are devoted to this facilitating role, given that so many activities are out-sourced and carried out by NGOs and the private sector. The monitoring, evaluation lesson-learning and dissemination activities that INCAJU carries out should sex-disaggregate data, recognize the central role which women have in the cashew sector and promote equal opportunities for women, which will also promote greater poverty reduction and more secure livelihoods.

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