



Myanmar – EU Trade Helpdesk

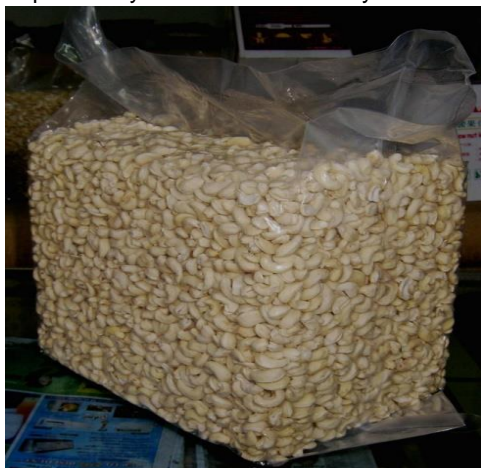


EU Export Market Scan: Cashew Nuts

Myanmar Cashew Nuts

Cashew nuts are kidney-shaped seeds that adhere to the bottom of the cashew apple (*Anacardium occidentale*). The nut itself is protected by a very strong shell that needs to be steamed before it can be shelled. The edible part is the cashew nut kernel, which is obtained after shelling. Cashew nut kernels are mainly used on the European Union (EU) market as a roasted and salted snack. They are also increasingly used as an ingredient in different products.

Export ready cashew nuts from Myanmar



Source: ALEF Partners

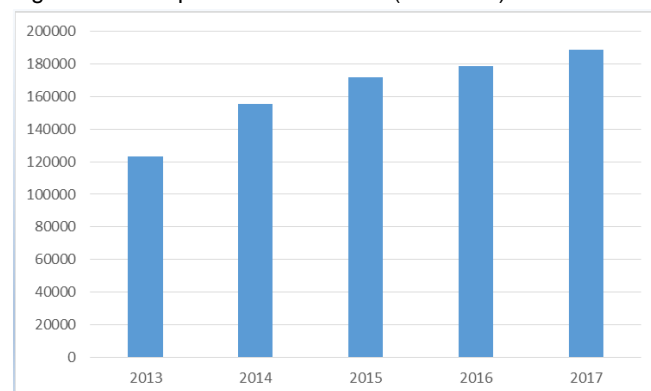
Myanmar cashew nuts are mainly produced in the south of the country, using semi-automatic machines for shelling. Cashews are grown in the Yangon, Bago, Ayeyarwady, and Tanintharyi Regions and in the Mon, Kayin and Rakhine States. Half of exported cashew nuts are in-shell nuts that are exported for further processing. As the EU import of in-shell cashew nuts is insignificant, this market scan will only address EU market characteristics for shelled cashew nuts.

Cashew Nuts in the EU

Edible nuts are one of the fastest-growing food sectors in the EU, with cashew nuts representing the highest growth in the whole nuts sector. EU imports of cashew nuts have been increasing at an average annual rate of 11% in quantity and 26% in value since 2013. This indicates a significant increase in import prices. EU imports reached EUR 1.7 billion and nearly 190,000 tonnes in 2017.

Since 2013, EU imports of cashew nuts have increased by more than 65,000 tonnes. These imports are expected to continue growing due to the popularity of their taste and the current health food trend according to which nuts are a good source of healthy fats and plant-based protein.

Figure 1: EU import of cashew nuts (in tonnes)



Source: International Trade Centre (ITC) Trade Map, 2018

The EU is currently very dependent on supply from Vietnam. In case the country suffers supply problems, other countries such as Myanmar may benefit, since EU market demand is expected to keep increasing.

Potential Target Markets in the EU

The EU market for cashew nuts is very concentrated. The main importers – Germany and the Netherlands – account for almost 60% of total EU imports.

Therefore, Germany and the Netherlands are recommended target markets for Myanmar exporters. Germany has a slight advantage due to its higher import growth. In addition, the Netherlands is not the largest consumer market; rather, it is a re-exporting country selling cashew nuts to other countries. Almost half of its import volume is re-exported to Germany.

Myanmar cashew nut exporters can also find opportunities in other smaller but fast-growing markets. The fastest-growing market for shelled cashew nuts is Poland. This market has an average annual import growth rate of 32%, increasing imports from 1,500 tonnes in 2013 to 4,600 tonnes in 2017.

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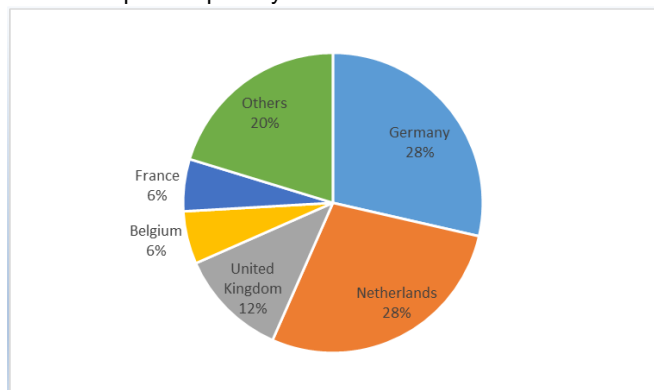




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Figure 2: EU shelled cashew nuts import structure in 2017, share of imported quantity



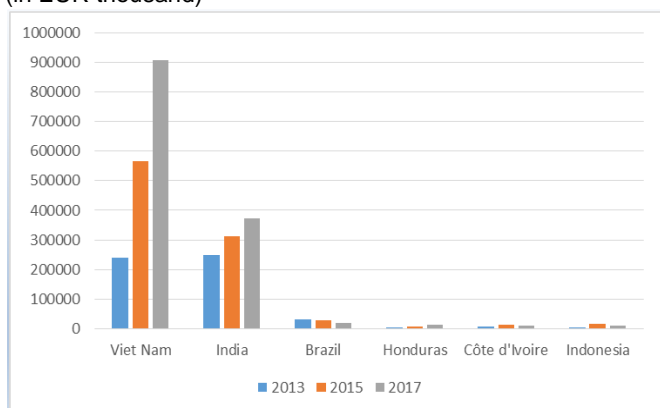
Source: International Trade Centre (ITC) Trade Map, 2018

EU Market Characteristics

Consumption of cashew nuts is expected to have the highest growth of the EU snack segment according to leading buyers. Cashew nuts are considered a healthier alternative to other savoury snacks such as crisps and extruded snacks. They are also viewed as more beneficial to health than peanuts, which are still the most consumed nut snack in the EU.

Major competitors on the EU cashew nut market are Vietnam and India. To a lesser extent, emerging cashew nut exporters such as Honduras, Indonesia, and Mozambique are supplying the EU.

Figure 3: Leading suppliers of shelled cashew nuts to the EU (in EUR thousand)



Source: International Trade Centre (ITC) Trade Map, 2018

The majority of cashew nut producing countries supply Vietnam or India with in-shell cashew nuts, where they are further processed and exported. This is largely due to a lack of modern and big processing capacities in those countries.

The leading supplier to Vietnam and India is Ivory Coast, followed by other African exporters such as Guinea-Bissau, Ghana, Tanzania and Benin.

Myanmar seems to follow the same pattern, supplying China, Singapore, and Vietnam with in-shell cashew nuts. More investment in processing facilities (automatic shelling, peeling, and other machines) is needed to place Myanmar cashew nuts on EU markets. Investors such as [Internsnack](#), [Olam International](#) or the [EU Trust Fund](#) have already made some big investments in the cashew sector.

EU Market Access Requirements

- Cashew nuts sold in the EU must be safe. Harmful contaminants, such as pesticide residues, and excessive levels of mycotoxins are banned. Buyers will ask for laboratory tests for different types of residues.
- EU importers often request food safety certification. The most common certification schemes are [IFS](#), [FSSC22000](#), and [BRC](#).
- Another important requirement is sizing and classification of cashew nut kernels. The basic standard is set by [UNECE](#), but potential buyers should be consulted for more detailed classifications.

How to Find Buyers in the EU?

You can search and find potential buyers in the EU via several sources, such as:

- **Trade Fairs:** [Anuga](#) (biannual, Germany), [SIAL Paris](#) (biannual, France)
- **Member lists of associations:** [FRUCOM](#), [International Nut and Dried Fruit Council](#) (organises annual congress with matchmaking support), [European Snacks Association](#)

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July 2018

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