

## CASHEW CULTIVATION; A POTENTIAL CROP TO PROSPER RURAL ECONOMY

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### ABSTRACT

*Cashews provide an important source of income for 3-4 lakhs smallholder farmers in coastal & north eastern parts of India. Cashew nuts are also important to the national economy providing 1.25 percent of Indian merchandise export earnings from 1970's. Cashews are well suited to Indian terrain and to production by economically poor farmers. The cashew tree's tolerance of drought conditions provides a hedge against crop failure. Its ability to grow on poor soils and to be intercropped with food crops makes it an ideal product for small and remotely located farmers. Cashews production responds to fertilization, but the cashew tree produces some nuts even without the application of purchased manures. Cashew nuts are consumed as food as well as marketed for export. The present paper throws an insight into the cultivation of cashew as a potential crop for manifest rural economy. The cashew productivity for last decade with tragic difficulty in handling cashew industries is reported.*

### **1. Introduction:**

India is one of the fastest growing economies of the world and is currently the focus of a great deal of international attention. Today India is the second populous nation in the world. With current population growth by 2025 India may even have caught up with China according to UN. Agriculture occupies a prominent position in Indian policy making not only because of its contribution to GDP but also because of the large proportion of population that is dependent on the sector for livelihood. India has a large and diverse agriculture and is one of the world's leading producers. It is also a major consumer, with an expanding population to feed. For this reason and because of its agricultural and trade policy, its presence on the world market has been modest in relation to the size of its agriculture. Despite the significant achievements, Indian agriculture is passing through several crises during the post reform period. It is noticeable fact that the share of agriculture in the GDP has shown a marked

decline from 51.9 percent in 1950-51 to 30.7 percent in 2012-13. There is no doubt that the growth rate of the agriculture has shown an upward trend from 2.15 % in the period of 1951-52 to 1965-66 to 3.89 % for the period of 2005-06 to 2011-12, yet it has not been able to keep pace with the growth rate of other sectors of the economy over the same period. In this changing scenario rural, agro based industries are emerging with new hopes and aspirations which provides alternative means of livelihood. Rural industries have a major role to play in the economic development of developing countries. There also an essential ingredient of rapid and self sustained development of rural areas. Agro units play an important role in the economic development which can lead to an efficient decentralization of the economy. Agro-unit's help to increase agricultural prosperity and agricultural production, support agricultural income, absorb surplus labor force in the rural areas. Their development makes smooth economic development possible by bringing about all round prosperity and improvement in the living standard in rural areas. In this context, cashew industry is one among such industries which provides employment opportunities to the rural poor and improves the living standard.

Cashew (*Anacardium Occidentale* L) locally known as 'Kaju' considered as the "Gold Wine" of wasteland, is one of the most important commercial plantation crops of our country. Cashew was introduced into India by Portuguese travelers in 16<sup>th</sup> century for the purpose of a forestation and soil conservation. Cashew is native of Brazil. India was the first country in the world to exploit the international trade of cashew kernels in the early part of the 20<sup>th</sup> century. Cashew is presently grown in an area of 1 million hectares (2012-13) with the total production of 7.28 lakhs million tons of raw cashew nuts and unit area productivity of 772 kg/ha. India being the leader in the global cashew scenario contributes valuable foreign exchange to our national exchequer by way of cashew Kernels. The country earns an annual foreign exchange of Rs. 4450.18 crores during the year 2011-12. Thus India is the largest producer, processor, exporter and second largest consumer of cashew kernels in the world next to U.S.A. Cashew industry provides employment to more than 1.5 million people in forms and factories, most of them in the rural areas. Today 3797 processing units functioning across India under organized & unorganized sectors with a processing capacity of 16.23 lakh million tones. In the cashew processing factories, over 95% of the workers are women from weaker sections of the society, mainly belonging to socially and economically backward

communities. Thus apart from its economic significance, the cashew industry plays a leading role in social and financial up-lift of the rural poor.

Cashew kernel derived by the processing of raw nuts, is highly nutritious and is an ingredient of dietary item in most of the developed countries. People in both developed and developing countries have realized the nutritive value of this nut in daily diet. Cashew kernel is a rich source of protein, carbohydrate and fat and is an ideal supplement in diet of children, pregnant women and lactating mothers. Apart from cashew kernels the important nutritious nut, Cashew Nut Shell Liquid (CNSL) expelled during processing is a versatile raw material with many industrial application in areas such as brake – lining (as resin and friction dust) , surface coatings, foundry core oils, epoxy resins, fine chemicals etc. moreover the new technologies offer vast scope and opportunities for the production and use of CNSL. Other valuable products from cashew industry are cashew testa and tannin which have also limited industrial applications.

Cashew apple, weighing about 8-10 times that of the nut, is an equally valuable produce from the crop which is highly nutritious and is a valuable source of sugars, minerals and vitamins. Consumption of cashew apple could help in overcoming the vitamin C deficiency and also constipation. However cashew apple is almost completely wasted in India, without any commercial exploitation, like in many other parts of the world. Major area under cashew cultivation is in East Coast and West Coast regions of the country. At present cashew is growing nearly in 15 states which are depicted below as in Figure 1.



Figure1. Cashew Growing states in India

Figure 2 and 3 shows the cashew growing area and the production of cashew in different states of India.

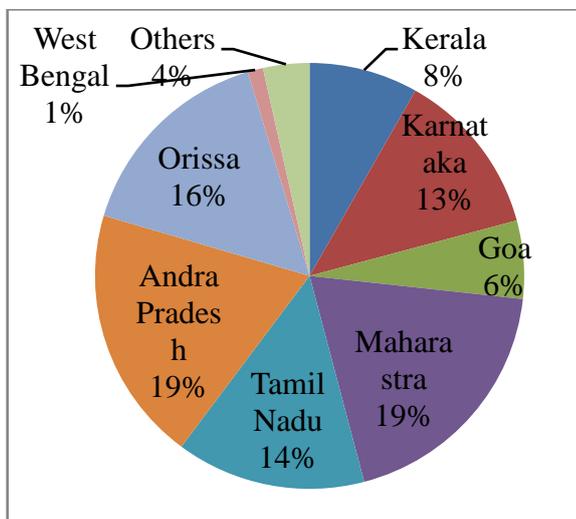


Fig. 2 Percentage share of Cashew Growing states 2010-11

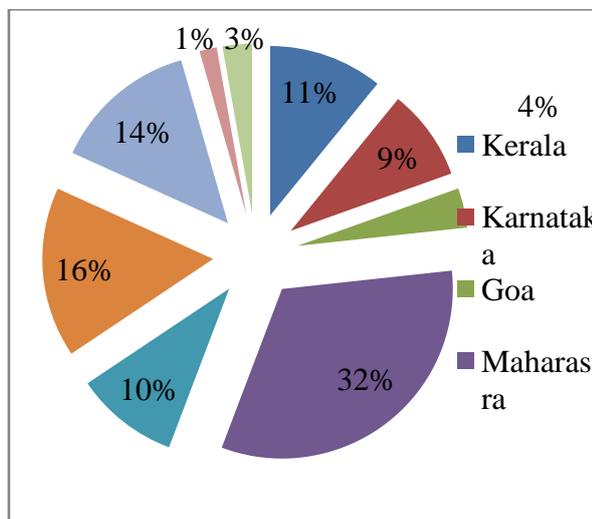


Fig. 3 State wise Cashew Production

Even though cashew development programmes started in the first 5 year plan, a concentrated effort for the development of cashew started only after the IV 5 year plan, with focus on area expansion, production of quality planting material and development of production technology which included rejuvenation and plant protection. Considering the vast potential for the development of this highly economical crop, government of India selected this crop for promotion under the centrally sponsored scheme on National Horticulture Mission (NHM) was launched during 2005-06 throughout the country. The promotional efforts helped in creating awareness among growers on the importance of cashew to gain remunerative income from marginal lands resulted in increasing area, production and productivity of cashew as shown Table 1.

Table 1 Year wise Area, Production and Productivity of Cashew

<b>Year/Period</b>	<b>Area (ha)</b>	<b>Production (MT)</b>	<b>Productivity(Kg/ha)</b>
1965-66	2,41,134	1,03,818	400
1975-76	3,74,653	1,61,536	500
1985-86	5,18,379	2,34,480	626
1995-96	6,34,970	4,17,830	720
2005-06	8,37,000	5,73,000	684
2006-07	8,54,000	6,20,000	726
2007-08	8,68,000	6,65,000	766
2008-09	8,93,000	6,95,000	778
2009-10	9,23,000	6,13,000	695
2010-11	9,45,000	6,53,000	720
2011-12	9,91,000	6,92,000	749
2012-13	9,82,210	7,28,474	772

During the period of 1965-66 to 1985-86, both area and production of cashew increased on an area of 6% of per annum. During the period of 1985-86 to 2011-12, even though area under cashew showed an increase of 3.50% per annum, there was a tremendous increase of 7.50% per annum in production. This is mainly due to the effective and intensive transfer of technology programmes to disseminate productive technologies among farmers community.

As on today India is the lead player in global cashew scenario, but its position is not sustainable for the years to come. Small countries like Vietnam and Brazil emerging as the competitors to India's position in the cashew world market. They have started their own processing units with the support of developed countries and imports of raw nuts from these countries are decreasing. In this context, it is utmost necessary to select and prioritize the important components for the development of cashew in India in nontraditional states, in order to meet the demands of domestic industry as well as to maintain India's prime position in the global cashew scenario.

## **2. Processing of Cashew; An economic Prospectus:**

India spent heavily in mechanized processing facilities during 1960-1980's with vivid support from the financial supporters. However, these facilities are no longer being operated, and nearly all cashew nuts are exported raw to India for processing. Cashew nuts have a hard outer shell and a leathery inner coating, and both must be removed to obtain the kernel. The

outer shell contains a caustic liquid (cashew nut shell liquid) that blisters human skin and spoils the kernel on contact. Removing the shell and skin without breaking or contaminating the kernel is difficult and has been most successfully done manually by the skilled workers. Efforts to mechanize the process have generally been unprofitable compared with low-wage manual labor. There are ample of economic prospectus for cashew growth and cultivation as seen in the literature and the projected trend of the cashew is declining due to unscientific cultivation techniques, easy prone to diseases, highly fluctuated market trend, underutilization of engineering technology in the processing of the cashew kernels and dependency on women labors who are very committed to family bound activities in India, leading to disturbed processing actions cashews. On the comparison to other commercial crops, cashews emerge as strongest economic stabilizer with lowest investment in economy-yet with more economic returns.

### **3. Conclusion:**

One of the key factors in favor of expanding the cashew industry in India is the stable price. Cashews are an important export commodity for India and an important source of income for small farmers in the southern coastal & north eastern region of the country. However, the industry is not likely to expand further, or even to maintain current production levels, unless problems are addressed. These include defining a more constructive role for the Cashew Board, reversing the decline in export crop quality, assisting farmers with the financing of input costs, and reducing high taxes on exports. Beyond correcting these immediate problems, there is an opportunity for the tremendous growth of cashew & cashew processing industry to expand in several directions. Developing a competitive private sector processing industry & promoting cashew processing entrepreneurship would create jobs and reduce dependence on other countries. These growth opportunities are unlikely to happen without public sector support, but the challenge is to define the public-private partnership that will provide the needed changes to allow the private sector to grow. In the near cashew cultivation & cashew processing industries are vital in establishing socio-economical development of rural India.

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