

Manufacturing Africa:

Mozambique Economic and
Green Manufacturing
Growth Strategy Report and
UK Private Sector
opportunity assessment

Cashew value chain investment case

March-April 2026



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Vision for Mozambique's cashew sector in 2044



For the country

Become the **top 3 exporter of processed cashew kernels in Africa** by shifting value capture from RCN exports to domestic primary processing—creating rural jobs, increasing FX earnings, and raising smallholder incomes through yields increase, stronger quality practices and traceable market access



For the industry

Scale Mozambique's raw cashew kernel exports by ~7.5× (to ~48 ktpa) to become a top-3 African exporter, by expanding primary processing capacity to ~220 ktpa (assuming ~22% conversion yield). This will require ~1.8× growth in national raw cashew nut (RCN) production, with a shift away from RCN exports to **secure reliable, high-quality domestic feedstock for processors**

To achieve the National Vision for cashews, individual projects can be implemented in phases, starting with a cashew processing plant

Investment opportunities mapped for Cashew Industry:



Establish the **biggest cashew processing plant in Mozambique**, with 15,000 t of total installed capacity



Expand the operations of an established industrial cashew player in Mozambique, building a new facility in Nampula (15,000 t)



\$22-26M

Investment required¹



\$20-23M

Annual revenue



500-600

Jobs created



<75,000

Smallholder farmers

Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique

A B

Attractive global export market...



Cashew is a ~\$9B global market growing ~5% p.a. Mozambique's exports are scaling rapidly, yet **~84% of value remains in RCN**, leaving a **clear opportunity to move into processing and capture ~20–30% value** across the chain

Momentum to accelerate local processing...



Mozambique can leverage regional momentum into FDI by **enforcing pro-processing cashew regulations and government industrial commitments**, leveraging underutilized installed capacity to quickly ramp up FDI

Distinct value proposition...



Distinguished export proposition, combining **higher quality nuts, an off-season harvest window, and skilled processing labour**, which is supported by proximity to import markets (e.g., South Africa) and strong port access

Institutional commitments...



Government commitment to **support agro-processing increase**, guaranteeing **institutional support to enhance competitiveness and streamline investment processes**

A

Attractive greenfield investment...



A strong and attractive business case, with **EBITDA margin of 10–15%, IRR of 30–35%** and an estimated payback period of **4–5 years**

B

Investable local players ...



Attractive add-on investment to **scale an established cashew processor capacity by installing a new plant with +15 ktpa**, driving \$20–23M incremental revenues

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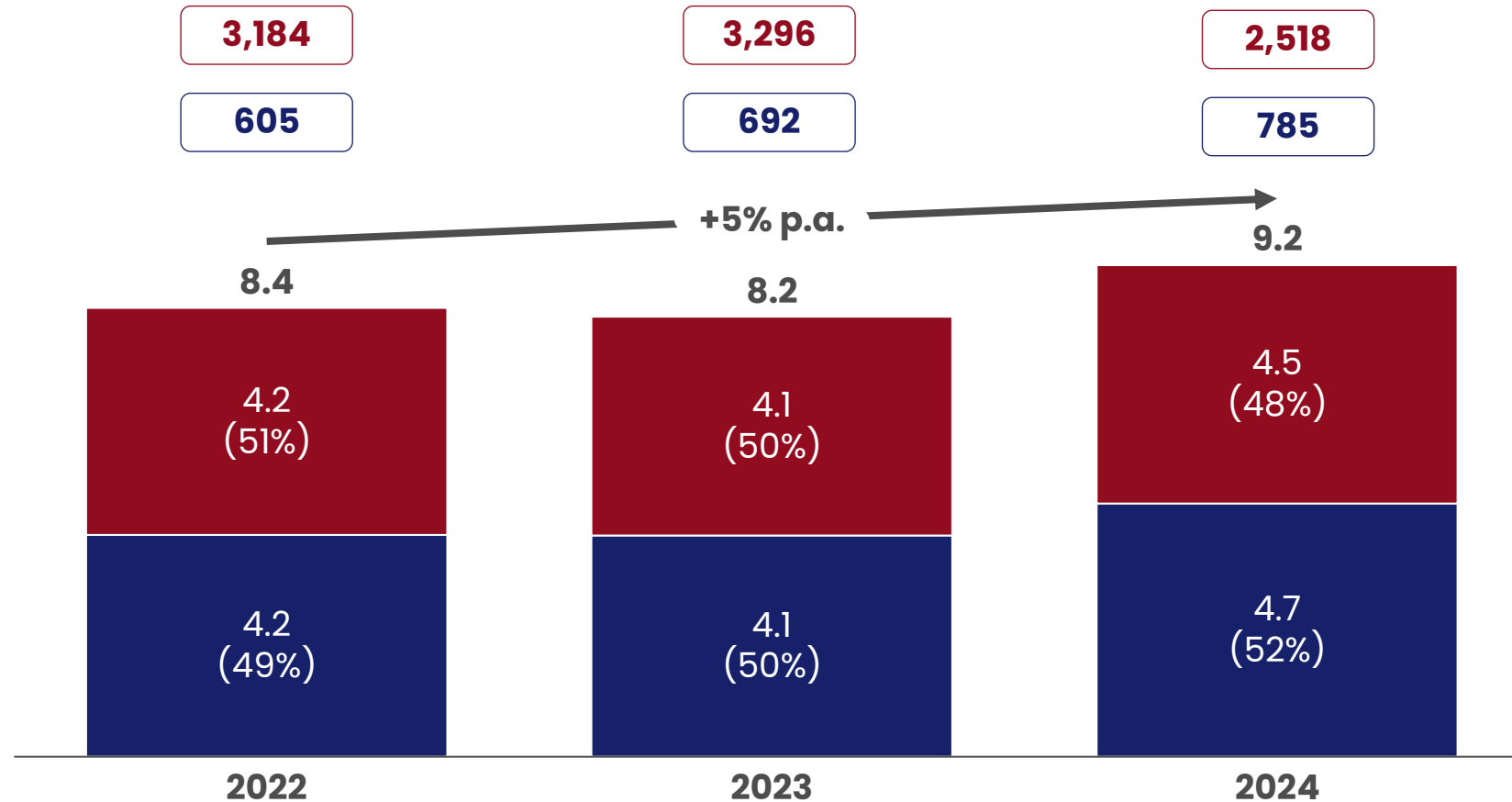


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Global imports of RCN and Raw Kernel represents a ~\$9B market, growing at a 5% p.a. over the past few years

X Imported volume, ktpa ■ RNC ■ Raw Kernel (shelled)

Global cashew imported value, 2022-2024, \$USD B



Key insights



Two main trends are driving demand for cashew:

- Consumer demand for **health-conscious snacking and plant-based proteins**
- **Stronger presence from emerging markets** (e.g., Middle East, South America, and Southeast Asia)

50%

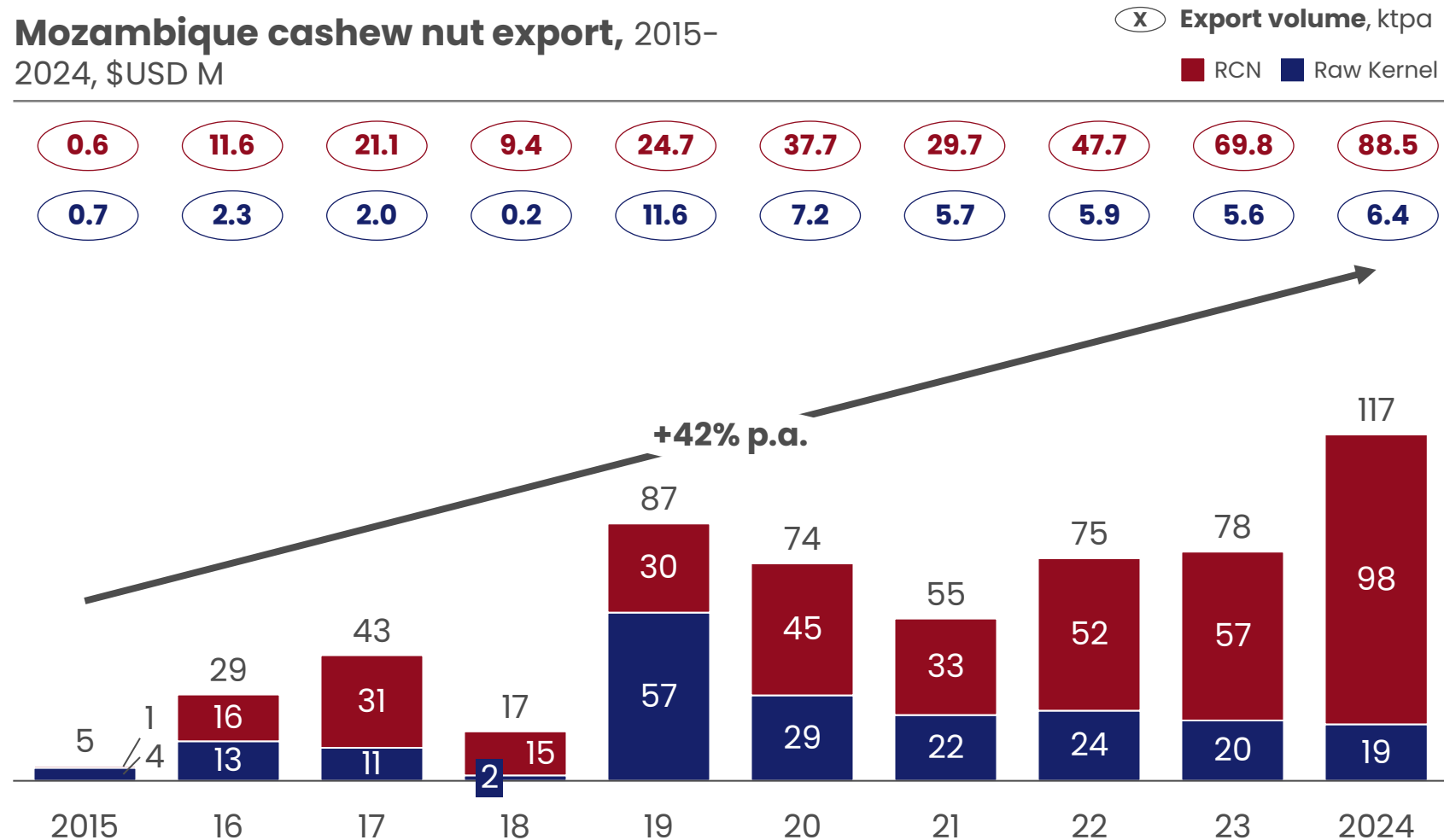
Of global raw kernel traded is destined to 5 countries:

USA (23%), Germany (9%), Netherlands (7%), UAE (6%) and China (5%)

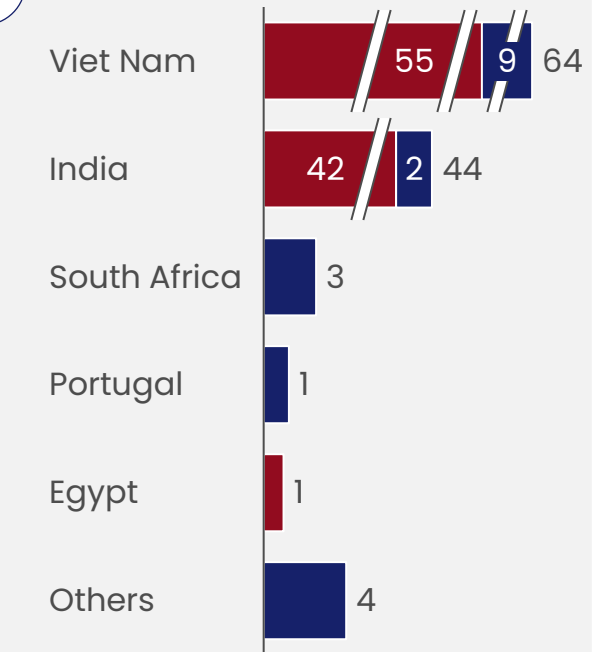
Mozambique cashew exports are growing rapidly, but 84% of the value generated relies on RCN exports...

Recent export growth was anchored on RCN exported volume

Mozambique cashew nut export, 2015-2024, \$USD M









Main export partners, 2024, \$USD M



Export of raw, shelled nuts can expand Mozambique's trade partner network

... Indicating an opportunity to increase domestic value creation up to 30% by expanding cashew primary processing

Cashew Value Chain

	Cashew production 	Aggregation and drying 	Primary processing 	Secondary processing 
Cashew value chain 	Planting and cultivating Cashew orchards , taking 3 years to yield fruits, and 5-8 years for high yields	Drying and storage, critical step to mitigate aflatoxin development , cause up to \$450 M annually in crop losses in Africa	Removal of toxic shell and skin, blanching, grading, and sorting to prepare for sale or secondary processing	Roasting and packaging for retail and consumption
Share of value captured, % 	5-10%	10-15%	20-30%	100¹%

~85% of current export value in Mozambique 

1. Value aggregation analysis considered consumer-level price for packaged Roasted Cashew, as it is the typical commercial level

Source: [Sunflower and palm oil value chain analysis](#), TradeMap

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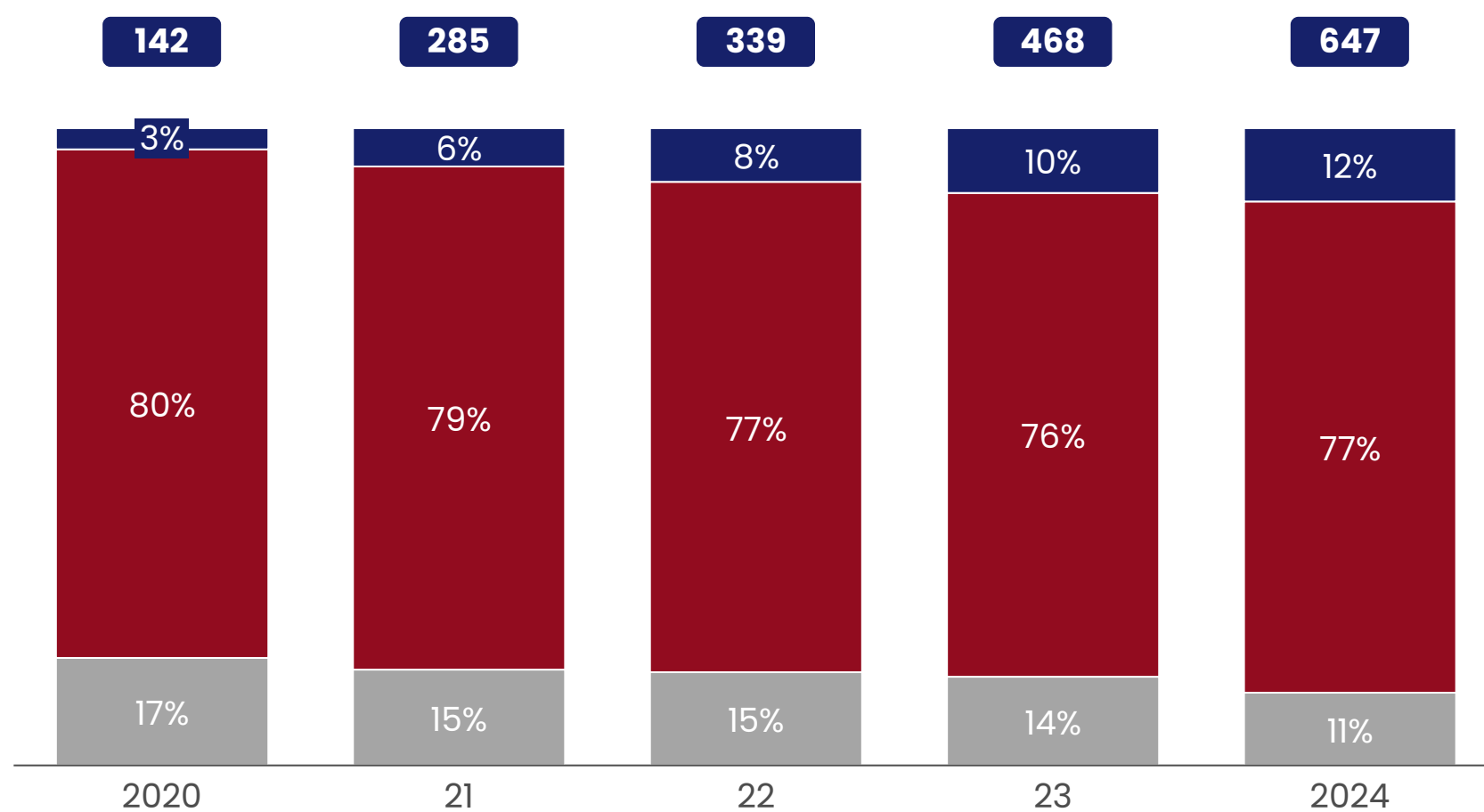


Attractive add-on investment to **scale an established cashew processor capacity by installing a new plant with +15 ktpa**, driving \$20–23M incremental revenues

There is momentum for increased presence of African raw kernel on the global export market, achieving a 12% share in 2024

Global market for raw kernel export, %, 2020-24

Legend: Africa (dark blue), Asia (dark red), Others (grey). X African export, \$M



Key insights



12%

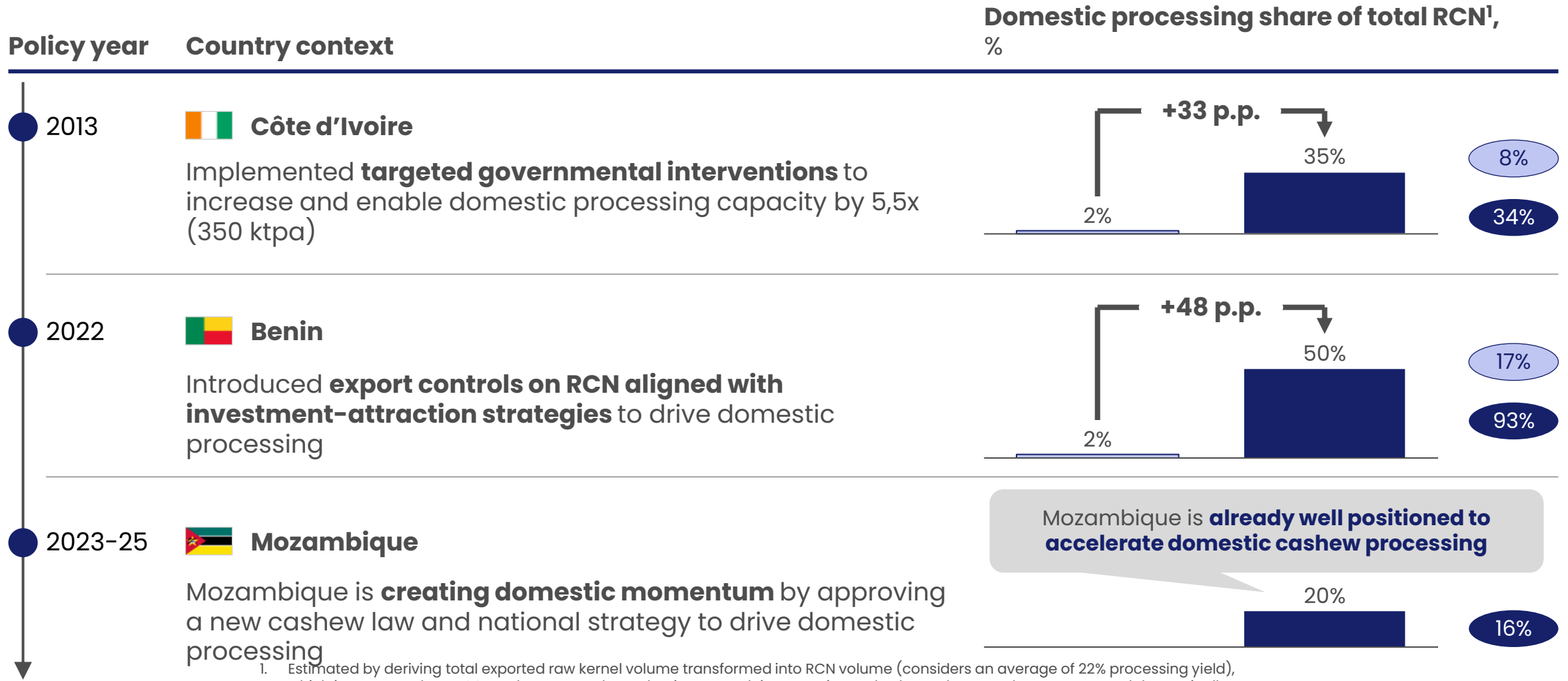
global market share captured by African countries, generating 3.3x more value compared to 2015

There are 2 main **drivers to unlock rapid increase:**

- **Targeted government interventions** to support domestic processing
- **Global recognition** of African kernel **quality and food-safety**, enforced by certifications and adherence to international standards

Regional peers are succeeding in accelerating domestic cashew processing, indicating a material opportunity for Mozambique

X% Raw Kernel share of cashew export, 2024, % ■ Baseline ■ 2024



1. Estimated by deriving total exported raw kernel volume transformed into RCN volume (considers an average of 22% processing yield), which is compared to FAOSTAT data on yearly production to result in approximated value on how much was processed domestically per year

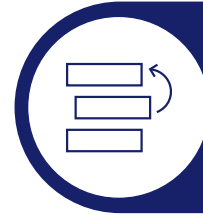
New Mozambican law creates regulatory support for the cashew industry, but requires institutional commitment to full enforcement



Key changes to drive domestic processing



Increase tax levy¹ over FOB value of unprocessed exports to 22% on RCN and 15% on cashew with peel – mandated that 20% of tax revenues is earmarked to support industry development



Priority access to RCN for domestic industry, with non-industrial players having raw exports limited until domestic processing demand is met



Duty-free import of machinery, packaging and critical inputs for primary processing aiming to improve returns for industrials investing in the country



Broader investment benefits for cashew industrials (IRPC, VAT, customs incentives) under the national investment code and industrial parks/SEZ regimes

1. Processed cashew products (e.g., raw kernel or further processed) are exempt from additional export tax

The 10-year National Cashew Plan creates material support to drive and enable cashew industrials in Mozambique

Objective

Promote **sustainable and competitive development** of the cashew value chain across three pillars:

- Cashew research
- Promotion and extension
- Cashew Industry and commercialization

Key targets

+12x of processing installed capacity by 2034 via plant construction and rehabilitation
~750 ktpa of RCN produced by 2035, with ~60% of it being processed domestically

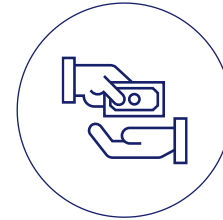
Key enablers for cashew industrial development



Priority RCN access for industry

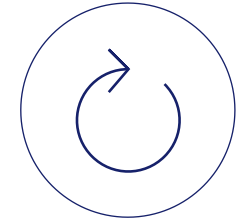
Industrials receive **two months of exclusive RCN sales** (Nov–Dec)

In parallel, IAM will operate **dedicated buying fairs to improve processors' access to high-quality nuts** (e.g., moisture, nut count)



Concessional finance for processors

Partner with a private finance institution to define, manage, and oversee **dedicated financing mechanism for primary processors** (e.g., credit lines at $\leq 10\%$ interest and potential grant for investments)

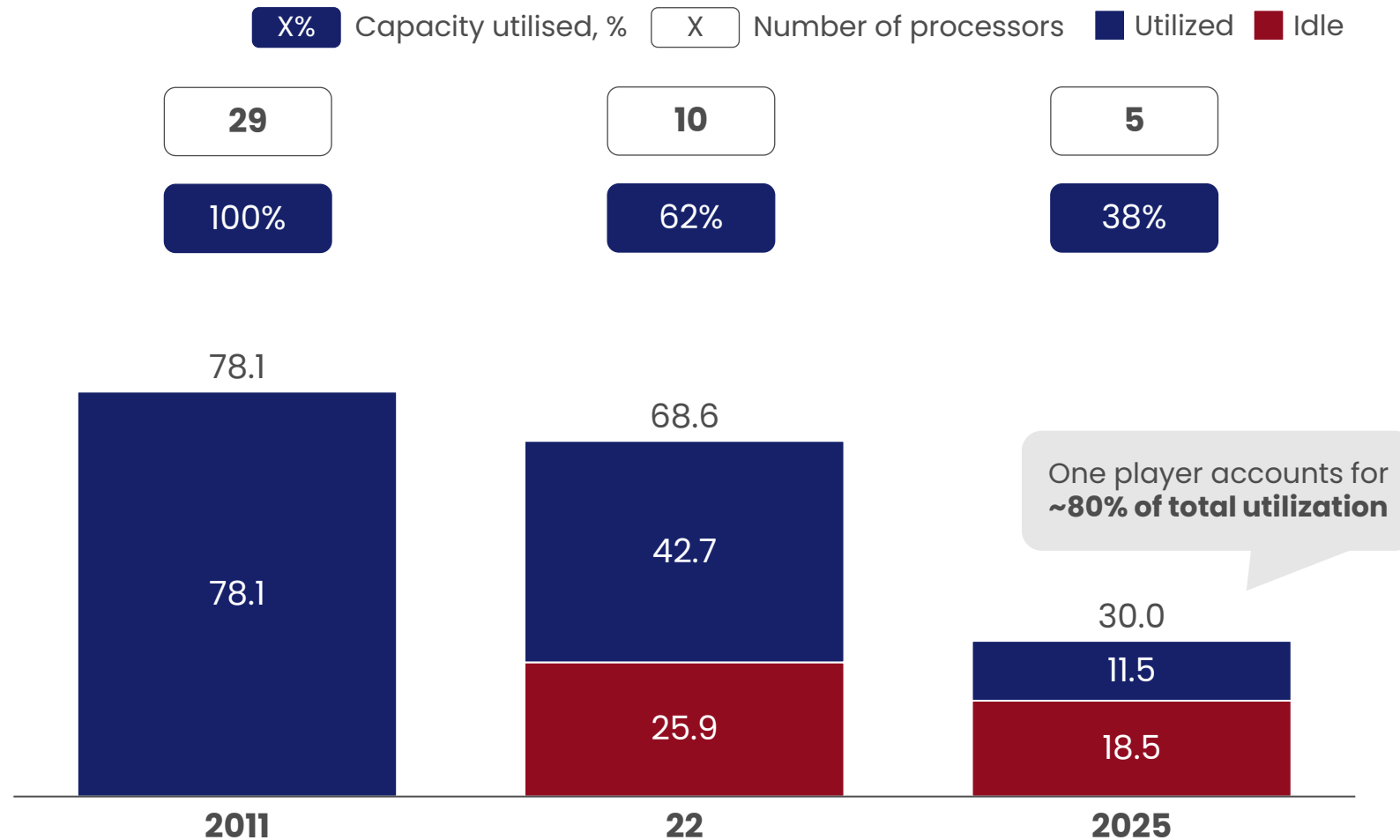


Sector digitization and traceability

Fully deploy the Connect Caju platform to **facilitate value-chain cooperation and enable full value-chain traceability**, valued in premium European markets

Today, Mozambique's cashew processing market has a significant gap, creating a clear entry opportunity for new players

Mozambique cashew primary processing capacity, ktpa



Key insights



- Mozambique has a **proven track record of industrial-scale cashew processing**, with capacity reaching ~78 ktpa in 2011
- International investors can ride domestic and regional raw kernel export momentum to enter Mozambique's **primary processing industry given headroom opportunity in the market**

Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique



Mozambique combines distinguished competitive advantages to support local primary processing for exports

Key sources of competitiveness for Mozambique in cashew production and processing



Dimension



High-quality cashew nut



Strategic harvest season



Skilled labour



Strategic export location

Mozambique



Mozambique sits in a **high-performance cashew belt**, with lower pellicle (testa) weight supporting higher kernel yield

Cashew harvests occur when West African and Asian peak supply fades, creating a **lever for qualified raw kernel export to bridge off-season global demand**

The historical presence in cashew production and processing translates into **existence of experienced workforce for factory operations and machinery handling**

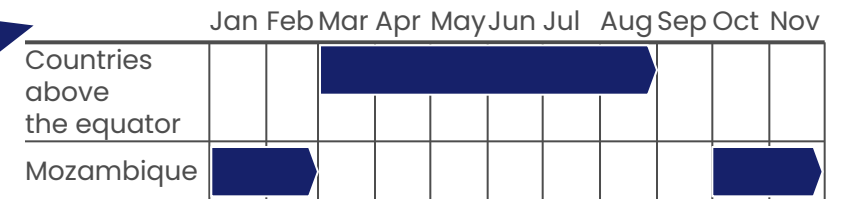
Proximity to South Africa and access to strong port infrastructure (including Maputo) improves route economics and delivery reliability



Key insights

Mozambique nuts have **~10% pellicle share vs ~25% in Côte d'Ivoire varieties**, enabling more value creation (i.e., raw kernel) per RCN purchased

~70% of global production



Peers such as Côte d'Ivoire often face **shortages of technically skilled labour, impacting quality and efficiency**

Many regional exporters rely on **longer maritime routes, increasing time and cost and compressing margins**

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Government guarantees full support to investors to ensure the success of rice production as well as the industrial processing

RCN Sourcing



Cashew processing



Enforce the **higher RCN export levy (22%)**, with an earmark 20% of revenues for sector development, including an **industrial loan-guarantee fund**



Guarantee **two months of exclusive RCN sales to domestic processors** (Nov–Dec) and run **cashew-dedicated buying fairs to improve processors' access** to high-quality nuts (e.g., moisture, nut count)



Guarantee **~25 years of exploring rights to a 15,000 m² of land** in the Nacala SEZ for construction of cashew processing plant



Offer a more **competitive financing package for cashew** industrials by deploying dedicated credit lines at $\leq 10\%$ interest, reducing mandatory FX conversion to $\leq 30\%$ (vs 50% today), and providing targeted investment incentives



Ensure application of current **reduced corporate tax for agricultural business of 10%** vs. the original 32% and application of **accelerated depreciation** (50% of useful life)



Ensure application of **0% import duties and VAT exemption¹** on capital goods (e.g., machinery) imports to reduce production costs

Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique



A cashew primary processing facility presents an attractive investment case with strong returns...

Economics for a cashew primary processing plant with 15 ktpa capacity

IRR

~30-35%

NPV

~\$25-30 M



Payback time

~4-5 years

CAPEX

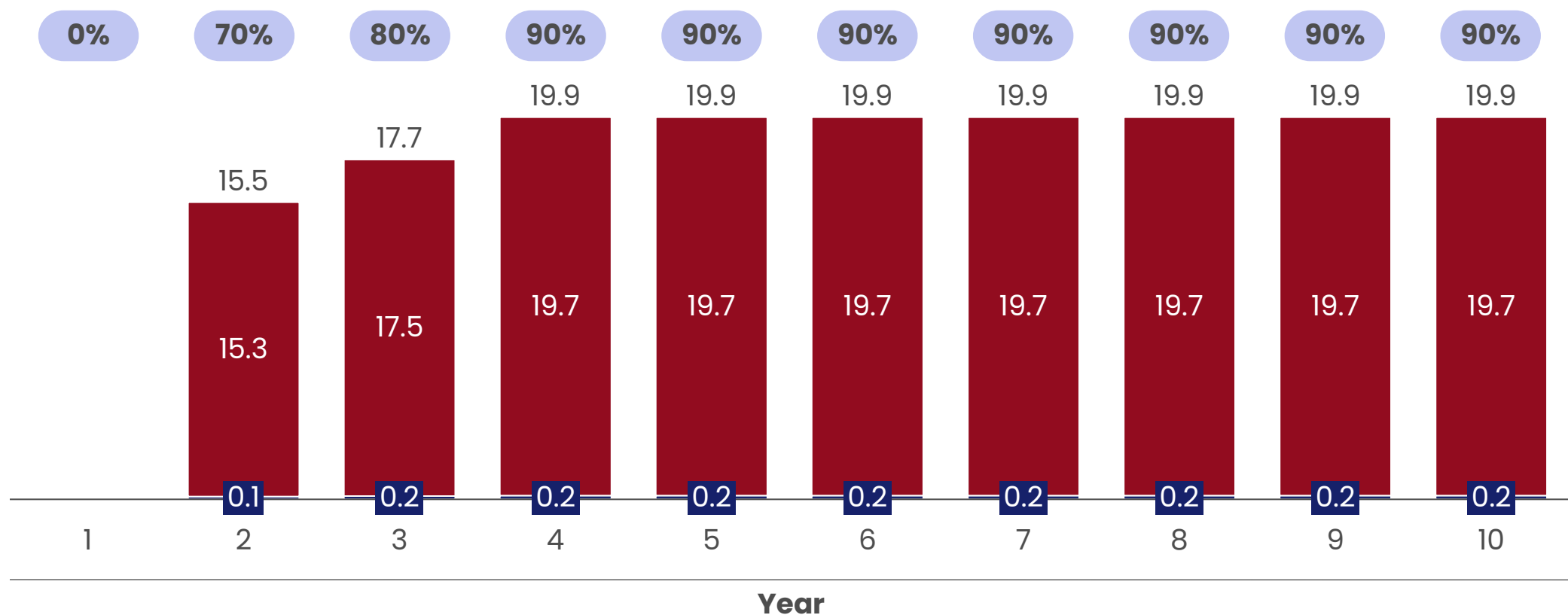
~\$8-9 M

...generating ~\$20Mn in annual revenue at steady state, achieving EBITDA margins of ~16%

Economics for a primary processing plant with 15 ktpa capacity, total revenue, USD M

Raw Kernel CSNL

Capacity utilisation, %



EBITDA Margin, %



- 1 Earnings Before Interest, Taxes, Depreciation and Amortization. Further margin details (i.e., EBIT and net profit) would require accounting for CAPEX depreciation and tax considerations
- 2 Internal Rate of Return. Based on nominal cash flows -- does not account for time value of money



Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique



Permanuts is Mozambique's leading cashew processor, combining strong growth with scaled impact since 2017...

Permanuts®

Company snapshot

Permanuts is a single-origin cashew platform with a mission to supply the food industry with high-quality, ethically processed nuts and a lower carbon footprint



Ethical RCN procurement

+50,000 smallholder farmers engaged for RCN procurement across Mozambique, under a strong regional tradition where nut buying is crucial for family income

Primary processing

10 ktpa installed capacity at proprietary plant in rural Mozambique, which **reduces carbon footprint** relative to the traditional model where nuts are shipped in shell to distant processors

+500 employees, with a significant part of the Mozambican factory workforce made up of **women working along the cashew value chain**



Globally certified on food safety



E2E traceability

At district-level, offering clear provenance **valued by premium buyers**

Commitment to social impact, providing on-site kindergarten for the **children of factory working mothers**



Opportunity to partner with Permanuts to scale cashew processing in Mozambique with an attractive return profile

Economics for an additional 15 ktpa cashew primary processing plant

Permanuts[®]
The pure taste of nature

brings 10+ years of proven cashew procurement and processing expertise in Mozambique, with a trusted network of farmers and aggregators to secure high-quality RCN sustainably and ethically

A new processing facility anchored can leverage its operating know-how and sourcing relationships, accelerating ramp-up and de-risking performance

IRR

~25-30%

NPV

~\$25-30 M















Payback time

~5-6 years











CAPEX

~\$8-9 M

Potential investors (1/2)

Company	Country	Description/ Relevance	Country of operations	Revenue, USD Bn	Presence in Sub-Saharan Africa
		Vertically integrated agribusiness supply chain player and processor, active across Africa Asia, the Middle East and Europe	22	0.1	 
		Mid-scale agri-commodity international trader engaged in many agricultural products, with cashew sourcing and processing in Nigeria	1	1.4	 
		Specialist investor in African agriculture that has provided long-term debt and equity to agribusinesses across sub-Saharan Africa	12	N/A ¹	 

Potential investors (2/2)

Company	Country	Description/ Relevance	Country of operations	Revenue, USD Bn	Presence in Sub-Saharan Africa
 Olam Agri		World's #1 cashew trader (USD 630mn in cashew exports); operates four processing plants in Côte d'Ivoire; expanding sourcing across West and East Africa	+60	42	  +2 more
 DORADO		Operates the world's largest cashew processing facility – 70,000 MT/yr capacity in Côte d'Ivoire; fully mechanized, solar-powered, with CNSL plant	~5	n/a	 
 METL GROUP <small>The People's Brand</small>		East African industrial conglomerate; runs Mo Cashews in Dar es Salaam – one of Tanzania's largest cashew processors (10 MT/day), 1,580 hectare cashew farm, 450+ employees	12	n/a	