

**THE ECONOMICS OF CASHEW FARMING TO RURAL FARMERS IN
IHUBE, SOUTHEASTERN NIGERIA**

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Abstract

The study examines the economics of cashew production to rural farmers in Ihube, Southeastern Nigeria considering the centrality in the rural economy. It specifically considers the benefits of cashew farming to rural farmers while positing that cashew nuts and not the fruits is the most essential product of the cashew industry and has helped to alleviate poverty among rural Ihube farmers. Based on eclectic sources of data collection, the study observes that income from cashew plantations has changed the rural narrative of poverty among farmers in Ihube. This is perhaps because it demands minimum input from farmers and has a rising export demand for its use as aphrodisiac and snacks.

Keywords: Cashew, Economics, Rural, Agriculture, Farmers.

INTRODUCTION

Cashew plant was introduced in Nigeria by Portuguese explorers.¹ In Western Nigeria, the first planting of cashew started in the 20th century at Agege in Lagos² from where it came to Eastern Nigeria. The commercial cultivation actually started in 1950s at Iwo, Eruwa and upper Ogun in the defunct Western Nigeria by the then Western Nigeria Development Corporation (WNDC).³ The Eastern Nigeria Development Corporation (ENDC) adopted the tree and established cashew farms in Oghe, Iwollo, and Oji River. Outside these farms, many of the trees grew wild and were utilized for soil protection, erosion control and forestation scheme. The cashew nuts were mainly of the medium nut-size biotype, which

¹ T. M Ventakaramah, Cashew nut production and processing: Nigeria agronomic aspect of Cashewnut production. *Unpublished paper submitted to Cocoa Research Institute of Nigeria*, (1976)39.55

² T. M Ventakaramah, Cashew nut production and processing: Nigeria agronomic aspect of cashewnut production. 42.

³ J. O Sanwo, B.O. Kutu and M. Osundolire. *Cashew Germplasm Collections*. The Annual Report of Cocoa Research Institute of Nigeria, 1972/73: (1972)100-110.

according to ISO-6477 standard fall within the W320 category. The cashew biotypes therefore, constitute the landrace of cashew in the Nigerian cashew plantation which attracted low premium in the international market. However, with the introduction of Brazilian cashew biotype (Jumbo nut-size), by Cocoa Research Institute of Nigeria (CRIN), the cultivation of the crop is rapidly spreading to all agro-ecologies of Nigeria.⁴

Industrial cashew processing in Nigeria began in the early 1980's when the Anambra State Government established the Premier Cashew Processing Factory in Oghe, primarily to process the harvest from the government owned 650 hectare cashew plantation as well as to serve other smallholder farmers in and around Imo, Bendel, and Benue states of Nigeria. The plan failed largely because of the difficulties caused by the energy supply, which led to major technical problem for the automated equipment. In addition, skilled manpower required for adequate maintenance and daily operations were reportedly lacking. Similarly, the Oyo State government-partnership with private interests including an Italian Cashew Machinery Company established a processing factory named "Cashew Processing Industrial Limited" at Eleyele, Ibadan in Oyo State to process the harvest from the government-owned farm. The Italian equipment could not be sustained due to poor infrastructure, energy supply, and management capacities etc.⁵ The reasons for the failure of these two attempts by the government were similar especially in the area of poor management of the factories due to the employment of incompetent hands.

The success story of the Ihube cashew farmers have been their resilience by engaging the right personnel to work in their farms. The cashew plant was introduced in Ihube during the colonial period by the Europeans who came to settle in the area. The aim of its introduction in the area was to control erosion, protect the soil, and forestation. The crop was first grown in Ogwuo, Ihube. The colonial masters, however, did not plant the crop for the sake of commerce; it was introduced into the area just to control erosion. With the passage of time, the seeds began to be dispersed by both man and animal and within a short period of time, the cashew plant spread to other parts of Ihube.⁶ At this time, Ihube farmers were ignorant of the economic potential of the nuts, but accepted its cultivation as a means to control erosion and to recover land which were not suitable for other food crops. They consumed just the fruit and threw away the nuts which further helped in the dispersal. The Ihube land is suited for cashew growth and performs better because of its red sandy loam soil that is acidic in nature. Due to the importance attached to the cashew apple by the people, some farmers who had cashew on their land often hired labourers to pluck the cashew fruit for the market. Men climbed the cashew tree to pluck the cashew and women does the picking after which it was taken to the Eke market and sold to neighboring Ihube villages such as Umulolo whose land is not suitable for cashew cultivation.

⁴ J.A Falade, Soils of cashew growing areas of Nigeria. *East African Journal of Agriculture* 2(1978), 31-36.

⁵ Patrick Nugawela, Roland Oroh, Cashew sub-sector strategic framework: using cashew sector markets for pro-poor Growth in Nigeria. Abuja, Nigeria. (2005) p.9

⁶ Interview with Mr. Adiele Nwankwo, 68, Civil Servant, Akpugo, 13-5-2018

In the early 1960s, cashew nuts became a cherished economic resource with the increase in processing capacity of cashew nuts in southern India. In order to meet up with the required quantity of cashew nuts for processing, Indian traders and agents traveled round the villages of Nigeria, commissioning buying agents and farmers to obtain the product on their behalf. Over time, purchasing centers were opened to arrange for procurement from the hinterlands through the local agents, and the produce transported to processing factories in India.⁷ This led to the increased demand for the nuts by traders from other parts of Igboland who flocked to Ihube in search of nuts. The quest for cashew nuts served as boost for its cultivation by farmers in Ihube and there were returns. Cashew plant began to fare well in the face of other tree crops in Ihube, not because it caught the fancy of the local farmers in Ihube, but because it was seen as a very useful addition to the existing range of fruits a market commodity.⁸

Cashew is of great economic importance in Ihube society due to a variety of reasons. One, though cashew farming does affect the farming of other food crops, food crops does not thrive on the same land where cashew plants abound. Two, cashew plants cannot be grown alongside food crops, unlike cocoa and oil palm. Three, revenue from the sales of cashew products helped men to marry, celebrate festivals, build houses, train their children, take titles, and perform other family responsibilities. To achieve all these, production was heightened, not minding any external support. Finally, the environmental impact of cashew cannot be overemphasized. For instance, the plant was introduced in Ihube purposefully for erosion control and to aid the forestation schemes of the defunct Eastern Nigeria.⁹

Despite the economic and environmental benefit of cashew, there are a lot of constraints in its production. The acquisition of cashew nuts as planting materials from any source other than Cocoa Research Institute of Nigeria, results in the perpetuation of the old, unimproved stock. The ISO-6477 standard introduced in 1988, to reconcile the Brazilian, Indian classification, gave a high premium to the W180 (jumbo) and W210 (large) grades.¹⁰ Unfortunately, the medium size cashew nuts that currently exist on many plantations in Nigeria falls within W320 and W280 categories, which attract low pricing in the international market. The highly priced Brazilian cashew biotypes (W180 and W210) are given out to cashew farmers who contacted Cocoa Research Institute of Nigeria for technical support.

In Nigeria, the production of cashew is impaired mostly by problems associated with its pest-complex. In the last twenty years, the pest-complex of cashew increased year after

⁷ Patrick Nugawela, Roland Oroh, Cashew sub-sector strategic framework. (2005) p.9

⁸ Interview with Mr. Nwakwo Charles, b.1948, Ihube. 6 May, 2018.

⁹ S. A Akinwale and E.B Esan. *Advances in cashew breeding in Nigeria*. In: progress in tree crop Research, 2nd Edn. Cocoa Research Institute of Nigeria (CRIN), Ibadun, Nigeria, (1989)166-174.

¹⁰ S. H Azam-Ali, and E.C. judge, 2001. *Small scale cashew nut processing*. A technical report to food and Agriculture organization of the united nation,(2001) 86.

year and over 286 species of pests have been reported so far. However, only *Analeptes trifasciata* (stem girdler), *pachnoda cordata* (fruit scrapper), have been comprehensively studied while stem and root borer (*plocaecderus ferrugineus L.*) is being exhaustively studied. These insect species have been associated with economic losses estimated at 52% and 75% of the production level.¹¹

Cashew ecology cuts across all agro-ecological zones of the country. Therefore, the coastal and rainforest zones of the southern Nigeria characterized with the occasional rainstorm and rainfall during the dry season, when the cashew is at its peak fruiting period, affect the quantity and quality of the maturing nuts. Nut-picking (harvesting method of cashew) especially by the unskilled casual workers involves matured, maturing and immature nuts found on the ground. However, cashew is faced with established problems in the savanna. The problems become intense northwards. Bush burning as a method of weed control especially in the savanna poses a serious threat to both young and matured cashew plantations, among other challenges.

The end of the civil war in Nigeria (1967-1970) coincided with the “Oil Boom” era, which resulted in extensive exploration and export of petroleum products which brought neglect to agriculture in favour of an unhealthy dependence on oil. Ever since, Nigeria has witnessed extreme poverty and insufficiency of basic food items. The situation was worse in 1999 when the agriculture sector accounted for less than 5% of Nigeria GDP.¹²

The oil boom of the 1970s transformed Nigeria from a relatively prosperous agrarian economy to a major exporter of petroleum products. The booming oil industry led to rapid expansion of urban-based activities. Consequently, cashew production was almost entirely neglected by policy makers and the sector suffered relative decline. Neglect of agriculture and poor economic policy measures acted to create significant disincentive for agricultural production, especially agricultural export crops such as cashew nuts. The glut in world prices of petroleum products in the early 1980s emphasized the need for changes in the economic policy of the nation¹³ and the diversification of the economy.

After a prolonged period of economic stagnation, in an effort to rejuvenate the battered economy, the Nigeria government from 1975 became directly involved in the commercial production of food and cash crops, by reducing dependence on oil and placing greater emphasis on the non-oil sector and agriculture. River basin development authorities were established to help boost agricultural production. Many large scale agricultural programmes for the production of grains, livestock, dairies and animal feeds were put in

¹¹ K. T. M Ojelade, Review of twenty years of cashew (*Anacardium Occidentale*, L.) entomology in Nigeria. *Nigeria Journal of Tree Crop Research*. 2(1996)80-91.

¹² L. Luckhman, I. Ahmed and R. Muggah. The impact of conflict on poverty in sub-Saharan Africa. Background paper for World Bank Poverty Status Assessment for sub-Saharan Africa. (Bighton, UK, Institute of Development Studies, University of Sussex, 1999) p. 21-22

¹³ M.I Abudu, "Analysis of intersectoral Linkages between Agriculture and industry in Nigeria", Central BANK of Nigeria, Research Department Occasional Paper No. 23, June 1999

place. Among such large agricultural programmes targeted at improving Nigeria exports was the two-year comprehensive Structural Adjustment Programme (SAP), which aimed at diversifying the production base of the nation by focusing more on export products.¹⁴ The two-year time frame was further extended when the government realized that implementing many of the reforms required more time. However, by the end of 1990, the Government began to retreat from the basic reforms of the initial program, and much of the momentum of the reform effort had been lost by them.

Cashew production is of greater economic value than all other tree crops in Ihubé. Unlike the other principal colonial exports in Nigeria which were negligible or non-existent before 1900 (cocoa, groundnut, cotton), cashew came in mid-1950s and had been an export crop since then. From the 1970s, the cashew industry began to fluctuate in terms of its yield because of the oil boom in Nigeria. Many studies on the production and export of cashew have been carried out in Nigeria. Many of them emphasized the nature of export and price changes of cashew nut in Nigeria over a period of time. However, there is no study on the benefit of cashew production to the rural farmers who oiled the wheel of export production, considering its significance in the socio-economic and environmental ecology of the people. The study examines the benefits of cashew production to rural farmers in Ihubé. It also interrogates the organization of cashew marketing; the resilience and adaptiveness of the farmers, and how the production of cashew has fared in the face of other competing sectors of the agricultural economy. Perhaps, this has been occasioned by the fact that the interest of government and researchers had focused on the export contribution to the country with little or no attention on the farmers 'who lay the golden-eggs'. Thus, the study tilts the discussion away from the export perspective to the rural farmers and the domestic market. Specifically, it focused on the impact of cashew farming on the economy of Ihubé as well as the environmental impact of cashew production in Ihubé.

One would not argue the obvious, the revenue from petroleum outweighs that from cashew and for this reason, government shifted its attention to the petroleum sector. This work will not only serve as a hub for quickening the actions of government towards harnessing the natural potentials of cashew production, it will also create a platform for advertising the ingenuity of the local farmers in a bid to attract both local and foreign partnership initiatives. This study will no doubt contribute immensely to the general economic history of Igboland and indeed Nigeria.

Ihubé is in Okigwe Local Government Area of Imo State and occupies an area of about 18sq.km and has a population density of about 1,300 persons per sq.km in 2006. It is situated on rolling hills – a continuation of the Udi escarpment, with the intermingling valleys holding the streams: Nchi, Nnochi, Ibii, Ohugwu, Nele Aku, both in Akpugo. The streams influenced the population spread of Ihitte.¹⁵ Ihitte as an agro based community

¹⁴ S. Bamidele Ileso, *Structural Adjustment Program and Agricultural production in Nigeria*. M.A Thesis. (Dalhousie University Halifax, Nova Scotia, 2000) p.3

¹⁵ A.E Afigbo. *The spell of oral History: A case study of Northern Igboland in Africa*, Vol 33. 2006, p.39-42.

spread to its present location as a result of the search for fertile land suitable for agriculture.

Methodology

This study adopts the qualitative research method, to arrive at a holistic narrative of cashew production in the economy of Ihube society. However, data on cashew production will be quantified to ascertain the volume of production and revenue accruable to local farmers. The study relies on primary sources and extant literature. Interviews were conducted among twenty three persons in the study area, four from each village, except Akpugo which had five and Ogwuo six; the reason for this is that the number of persons that have cashew farms in the two villages outnumbered the three other villages. The categories of people interviewed were cashew farmers, traders, middlemen and civil servants in the selected area under study. Data was also obtained by appraising the account books of the Local Government Authority to ascertain the number of tons of cashew produced. This excluded those that were taken out of the area without any payment to the local government and those local officials failed to issue receipt. From the stumps of the receipts, we were able to guesstimate the quantity of cashew produced and ascertain the financial benefits to the farmers in Ihube.

Literature Review

A number of books and scholarly articles have been written on Cashew production, its processing, and exports potentials as a whole, but none have focused on the benefits accruable to the rural famers. K.B Umesh, Vishnuvardhana and G.T Thirmularaju¹⁶ suggest that cashew represents a diversification option for inferior/degraded lands which are less suitable for commercial cultivation of other food crops while observing that that there has always been a stable price in the international market for cashew when compared to other edible nuts.

D. Behura and D. Naik,¹⁷ observe that India's cashew kernel controls 60-70% of the global market of the world cashew trade. They further found out that the exports of cashew kernel from India has increased from 32,260 tons in 1981-82 to 69,680 tons in 1995-96 and registered a compound growth rate of 6.49%. India's export position in the international market (especially to USA was the largest importer of Indian cashew kernels), was getting eroded by stiff competition from Brazil due to its close proximity to US market and also other tree nuts like almond, pistachios, and walnuts which compete with cashew kernel in

¹⁶ K. B Umesh, Vishnuvardhana and Thirmularaju, G. T., Cashew Industry. *Agro India*, 6(9&10): (2002)16-18.

¹⁷ D. Behura, and Naik, D., Growth of Cashew Production in India with Special Reference to its Export Opportunities. *Indian Journal of Agricultural Marketing*, 11(1&2): (1997)31.

the global nut trade. L.A Hammed, J.C Anikwe and A.R Adedeji¹⁸ examine the challenges facing cashew production in Nigeria as well as the strategies for cashew production development in Nigeria. I.C Olife, M.A Jalaoso, and A.P Onwualu¹⁹ suggest that the processing of agro raw materials such as cashew into various innovative products will promote market acceptability and gives the product high economic value which consequently brings higher income to the producers. Lawal, Oduwale, Shittu, and Muyiwa's study²⁰ of cashew farmers households in Kabba Bunu area of Kogi State who practiced value addition by converting the apples to juice and kernels to roasted nuts for commercial sales, concluded that value addition to cashew nuts and apples increased income for the peasant farmer's household in Nigeria. However, after assessing the Nigeria cashew industry Cheonics International,²¹ observed that the long term neglect of the cashew industry in favor of crude oil production has left Nigeria behind the pack in competing for a global cashew market worth \$1 billion annually.

Despite the volume of literature on the subject, scholars have not been fair to cashew farmers, as most of their literature focused on production, its processing, value addition, and exports of cashew nuts. It is not enough to discuss the amount of revenue a country earns in the international market on an agricultural product, without examining how far the rural farmers who are the 'goose-that-laid-the-golden-eggs' have fared.

Cashew Farming in Ihube

Farmers in Ihube produce cashew for both domestic and commercial purposes. Cashew trees are planted in plantations and some others grow wildly on abandoned lands due to erosion. Often some land is set out for cashew plantation, but most of the cashews in Ihube grow wild in scattered formation. Cashew trees do not grow alongside food crops unlike oil palm and cocoa trees. It should be noted that cashew trees grow on their own through accidental dropping on the ground, animal dispersal, or on locations where cashew nuts were harvested or was eaten by man. Such cashew nuts were allowed to develop where they germinated or replanted appropriately in better locations.²² Cashew farms are mainly owned through inheritance – ownership of land determines the ownership of cashew trees growing on it. Majority of the trees were planted by family heads, and handed over to their

¹⁸ L.M. Hammmed, J.C. Anikwe and A.R Adedeji. "Cashew nuts and Production Development in Nigeria". *America-Eurasian Journal of Scientific Research* vol. 3 no.1(2008) 54-61

¹⁹ I.C. Olife, M.A. Jalaoso and A.P Onwualu. "Cashew processing for Economic Development in Nigeria". *Agricultural Journals* vol.8, no.1(2013)45-50

²⁰ J.O Lawal, O.O Oduwale, T.R Shittu, and A.A Muiyiwa. "Profitability of Value Addition to cashew farming Households in Nigeria". *African Journal of Crop Science* Vol. 19, No. 1 (2011), 49 – 54.

²¹ Cheonics International Inc. *Subsector Assessment of the Nigerian Cashew Industry*(Washington Dc, Chemonics Inc, 2002).

²² Interview with Mr. Chibuike Okongwu 75, farmer, Agbala, 23-7-2018.

children. In some cases, the head of the family may allocate land to the children for cashew plantation, which in turn becomes the family farm.²³

At the end of the Nigeria Civil War in 1970, several hundred hectares of cashew farms had been planted by human and animal dispersal. The amount of raw cashew available was still not enough to feed a growing population with a capacity considered economically viable at the time. Thus, the impetus for the development of cashew farms in Ihube between 1970 and 2010, was dampened in post-war agricultural planning in East Central State. However, some non-governmental organizations and corporate agencies developed a relevant action using cashew in the context of forest interventions.²⁴ The use of cashew trees as a cash crop, in forest protection schemes, or as a way to recover soil fertility in fallows was stressed. Cashew was considered an important plant used to restrain deforestation in Ihube, because of its acceptability by the peasants. The plant is economically sustainable, both as food and cash crop, and its implementation was a strong boost to cashew cultivation.

During this period, agricultural export crops such as cocoa, groundnut, cotton, palm kernel and cashew etc accounted for an average of between 65% -75% of Nigeria foreign exchange earnings and provided for the federal as well as state governments through export products and state taxes. Despite the reliance of Nigerian peasant farmers on traditional tools and indigenous farming methods, farmers produced 70% of Nigeria's exports and 95% of its domestic food needs.²⁵

However, of great importance to agriculture, is land of which the Ihube are emotionally attached. Land meant so many things to the Ihube. It is the domain of the earth goddess; a burial place for the ancestors; a place to live on and make a living. Land is, therefore, the most important asset to the people. It guarantees autochthony and security, which is emotionally protected from alienation. It is believed that a people cannot have too much land and that no opportunity to acquire rights on land should be lost.²⁶ Perhaps, the greatest obstacle to a radical change in agricultural methods among the Igbo is the tradition of land tenure, which results in the numerous holdings and prevents the consolidation of agriculture.²⁷ Geography has also influenced the economic life of the people especially on issues relating to land use. Those living on low lands took to farming as occupation while those in riverine areas engaged in fishing. Uzozie observes that in a region where bulk of the population were composed mainly of subsistence farmers, the pattern of cropping were

²³ Interview with Mr. Nzekwe Sunday, 56, Trader, Agbala, 4-5-2018

²⁴ Interview with Mr. Ikenna Sunday, 56, Trader, Amagu, 8-8-2018.

²⁵ S. Bamidele Ileso, *Structural Adjustment Program and Agricultural Production in Nigeria*. M.A Thesis. (Nova Scotia: Dalhousie University Halifax, 2000) 7

²⁶ S. Bamidele Ileso, *Structural Adjustment Program and Agricultural production in Nigeria*. M.A Thesis. (Dalhousie University Halifax, Nova Scotia, 2000) 7

²⁷ V.C. Uchendu, *The Igbo of Southeastern Nigeria*. Holt Rinehart and Winston, 1965, p 22.

very closely tied up with the physical environment as expressed in the geology, physical features, soil type, climate, and vegetation.²⁸

Among the Igbo, land is centrally owned and readily available to the farmers, individually or collectively. Land ownership in Ihube was vested in the hands of village heads, but later, especially as the population increased, it started to be split among the various lineages, and from the lineages it passed to the extended families (*Umunna*) and from there to individual families (*Ezi n` ulo*). Some families had very few plots and had to borrow extra plots from friends or in-laws, through usufruct rights.²⁹ Consequently, Ihube most lands are individually owned, such that sons usually expect portions of land from their fathers. In some cases, land could be leased or in rare cases sold outright.³⁰ Cashew plantations are either on individual lands or in some cases on rented community land for a particular period of time.³¹

Land tenure has continued to be a major concern to government policy and discussions on agricultural decline.³² Community plantations were at the heart of the region`s rural development agenda. As a major component of the six-year development plan, the regional government aimed at changing rural land tenure patterns to guarantee larger land holding`s to genuine farmers.³³ As Floyd observed, the scheme aimed at “changing and modernizing village life in details”.³⁴ In formulating the community plantation policy, the government capitalized on existing common goals of expansion of commodity production. The community development programs therefore aimed to use local resources especially “abundant labor as a substitute for scarce capital.”³⁵ Thus, the self-help method became a key component of the rural development program.

In each location in Ihube, the government acquired land which it then handed over to individual members of a farmers` co-operative society. The land, which was leased for 60 to 99 years, was to be planted with cash crop (cashew) in addition to food crops from which

²⁸ L. C Uzozie “The Relative importance of yam and Cassava in the staple food Economies of Eastern Nigeria”, M.A Thesis, University of Ibadan, 1966, p 31

²⁹ .T Chubb, *Ibo Land Tenure, Ibadan*: Ibadan University press, 1961, pp 56-58; D. Forde and G Jones, *The Ibo and Ibibio speaking people of southern Nigeria*, Oxford: Oxford University press, 1950, pp: 12-13.

³⁰ Elizabeth Isichei, *Igbo worlds: An Anthology of Oral Histories and Historical Descriptions* (Philadelphia, 1976), 81.

³¹ Interview with Elder. Okonkwo Izuchukwu, Farmer, Ugwuntu, 18-7-2018.

³² The Nigerian Government enacted the Land Use Decree of 1977 and put all lands in the hands of the states and local governments.

³³ Barry Floyd. *Eastern Nigeria: A Geographical Review* (London: Macmillan 1966), 213. See R.K Udo, “Sixty years of plantation Agriculture in Southern Nigeria, 1902-1962”, *Economic Geography* 12, (1965), 356-368, in *The Way we lived* by Chima J.Korieh, 2013, 235.

³⁴ Floyd, *Eastern Nigeria*, 236.

³⁵ Floyd, *Eastern Nigeria*, 237.

the farmer maintained himself and his family.³⁶ Although, the proceeds from cash crops went directly to the farmers, the marketing arrangements and the supervision of the scheme by rural development officers placed the farmer effectively under government control. The project faced other problems beside improper projections. The regional government ignored the social, economic, and cultural context in which the scheme was to operate. The settlement projects, which amounted to forced *villagization* and relocation of peasants, failed because they disrupted local, social, and production patterns. They operated under a labor arrangement which limited settlers' ability to call upon traditional forms of labor arrangements, a household relied on the labor of the immediate family, the lineage and various work groups in which cashew farmers relied heavily upon to carry out its farming tasks.³⁷ The government's approach to agricultural development is important in understanding some of the dynamics of the agrarian crisis in which Ihubé cashew production experienced. This is because the attempt to transform agriculture was taking place in the area that was already involved in intensive agriculture and heavily burdened by high population pressure. The contradiction inherent in the attempts to improve agricultural production led to their failure. State sponsored agricultural projects could not produce the desired effect, but in fact limited the ability of peasants to achieve their objectives. It became a means of extracting peasant surplus and disrupting agricultural productivity³⁸ while ignoring the cooperative nature of production in the traditional economy. The government acted out of near contempt for the peasant farmer who is generally regarded as incapable of spearheading higher productivity which did not go down well with cashew farmers. They forgot that in the case of oil palm production, rural farmers were resilient and met the export needs.³⁹

Cashew Marketing in Ihubé

Cashew marketing involves several players and channels. The marketing channels of cashew may vary, depending on the marketing margin and the mark-up policy of the traders in the marketing system.⁴⁰ The most important product of the cashew plant is the nut. The fruit is also important but could not serve the export drive because it easily deteriorates.

³⁶ Floyd, *Eastern Nigeria*, 238.

³⁷ For an analysis of state interventions in African economy, see D. Siddle *Rural change in Tropical Africa: from colony to nation states* (Oxford: Basil Blackwell, 1990), 152 ff.

³⁸ D. Siddle *Rural change in Tropical Africa*, 153.

³⁹ Apeh, A. A., & Opata, C. C. (2019). "The oil palm wine economy of rural farmers in Nigeria: Evidence from Enugu Ezike, south-eastern Nigeria". *Rural History, Economy, Society, Culture* 30(02), 111–128.

⁴⁰ V.O Onyenobi, J.E Ewuziem, and M.C Ogbonna, "Analysis of Effect of Marketing Channel on Market Performance of Ware Yam in Abia State, Nigeria". Proceeding of the Annual Conference of the Agricultural Society of Nigeria. Abuja, Nigeria, 20th – 23rd October, 2009, pp 360-362.

There were government marketing boards which controlled the buying of export commodities, including cashew. The Board has licensed buying agents (LBA's) who in turn had their agents in various locations in Eastern Nigeria. The arrangement was that the LBA's were the only authorized buyers from the farmers and sellers to the Board. In other words, the marketing was a monopsony – a market situation where there is only a single buyer. This had implications - they determined the price of the commodity. The activities of cashew marketing boards and their pricing policies reduced potentials of producer's income by keeping prices in the study area from 50-70 percent of actual market value.⁴¹ While the middlemen and the Board made huge profits, farmers in Ihube suffered as a result of low producers' price.

Most of the farmers in Ihube are poor and relied on loans from the middlemen to attend to their farms. The arrangement was that the middlemen gave the farmers loan (money) before harvest with the understanding that they will buy their products at the going price. With such monies, the farmers hired labour to pick the nuts, spray insecticide, and herbicide on the trees. Often, the farmers paid these labourers in kind. For example, for every four bags picked, the labourer received one bag.⁴²

The licensed buying agents (LBAs) commissioned the sub-buyers to buy the nuts on their behalf. With the introduction of the Structural Adjustment Programme (SAP) and the liberalization of the export sector by the Nigerian government in the 1980s, farmers became reluctant or sometimes refused to sell to the licensed buying agents because of the poor price they offered. To beat down the price, the LBAs complained that the nuts were not properly sundried and may putrefy before it gets to its destination.⁴³ The sub-buyers were very important in the distribution chain because they dealt directly with the farmers. However, the marketing channels could be broken when the sub-buyer misappropriated the loan received from the LBA and absconded.⁴⁴ To forestall this occurrence, for someone to be a sub-buyer he/she must be and indigene of Ihube, join the National Cashew Farmers Association of Nigeria (NACF), Ihube branch, provide a landed property as collateral, and must be guaranteed by a responsible person in the community. The licensed buying agent consists of local cashew traders that sold the nuts directly to the export merchants. Sometimes, the merchants provided farming incentive in the forms of agro chemicals and fertilizers to the farmers through the LBAs in order to improve their yields but most often, the LBAs sold these chemicals to the farmers instead of giving them free of charge as directed⁴⁵.

The export merchants were representatives of cashew processing companies in India, Singapore, and other parts of the world. They bought the nuts from LBAs who obtained it

⁴¹ F.S Idachaba, "Food Policy in Nigeria" *Agricultural Research Bulletin*. Vol. 1, (2000), p.162.

⁴² Interview with Mrs. Anayochukwu Chioma, 65, Civil servant, Ugwuntu, 3-7-2018

⁴³ Interview with Mr. Nnaemeka Ozoemena, Agent, 65, Ogwuo, 2-7-2018.

⁴⁴ Interview with Mr. Nnamani Uche, Farmer, 60, Ugwuntu, 15-7-2018.

⁴⁵ Interview with Mrs. Ozoemena Ifeoma, 70, Trader/Famer, Amagu, 4-6-2018.

from the sub-buyers. From the merchants to the sub-buyer, each fixed the prices of the commodity. In such a market situation where there were few buyers and many sellers, it was the sellers that suffered.⁴⁶ The price was often beneficial to the middlemen and the merchants but detrimental to the farmers.⁴⁷ Although the farmers were the producers, their gain was the least. The middlemen were the major bottleneck preventing the farmers from enjoying the full financial benefit of their hard work as they sometimes exploit the farmers by reducing the price of the product.

Ihube farmers often faced the problem of lack of storage and processing facilities for the primary goods.⁴⁸ The rains usually set in after cashew harvest and it was difficult for farmers to sundry their products which often resulted in low quality and poor-priced nuts. The sub-buyers in the local markets had no good measuring scales and the unsuspecting farmers were often shortchanged and they ended up getting peanuts for the sale of their nuts just because they cannot afford to transport them to the cities. At different levels of the marketing channel, different measures were used: the sub-buyers bought from the farmers in baskets and in small nylon bags and sold to the LBAs in jute bags. The LBAs sold to the merchants in tones. Ten baskets make up a jute bag (10 baskets= 1 jute bag); while Twelve and half jute bags make up a ton ($12\frac{1}{2}$ jute bags = 1 ton).⁴⁹

Impact of Cashew Farming on the Ihube Farmer

The study contends that the cashew industry has impacted on the lives of people of Ihube in various ways.⁵⁰ It provided employment to over 2000 people in the study area which ripple effects has implications for local economic development. For example, apart from the 2000 people directly employed in the production, others were employed in the warehouses and indirectly as food vendors at the factory sites and taxi/okada drivers that convey people to and from the factory sites.⁵¹

On infrastructural development, roads leading to the cashew warehouses in Ihube were initially constructed by the warehouse owners at their own expense to enable their trucks convey the cashew nuts to the site. However, 6 percent of the respondents identified that the presence of the warehouses in the community has brought about the influx of people and rising urbanization and its attendant problems.

⁴⁶ Interview with Mrs. Chinazepkere Uwakwe. Trader, Agbala, 5-8-2018.

⁴⁷ Interview with Mr. Okorie Zereuwa, Agent, Ugwuntu, 28-7-2018.

⁴⁸ R.J Bani, and B.C Stening, *Stores and Storage: Postharvest Technology and Commodity Marketing*. Proceedings of a Postharvest Conference on 2nd November-1st December, 1995. International Institute of Tropical Agriculture (IITA), Ghana.1995, pp 284.

⁴⁹ Interview with Mr. Felix Amarabe, 64, Farmer, Ogwuo, 12-8-2018.

⁵⁰ World Bank. World Development Report, available in http://econ.WorldBank.Org/wdr/wdr_2003/. (Accessed on August 18, 200

⁵¹ Interview with Mrs. Ujunwa Aneke, 64, farmer, Akpugo, 6-7-2018.

However, cashew industry has helped to boost the economy of Ihube as farmers continue to smile to banks after harvest. The Okigwe Local Government collected N4.00 per bag as cashew taxes while the Imo State Government collected N6 per bag as revenue. The revenue from cashew produce form about 40 percent of the internally generated revenue of the local government during the period.⁵²

In order to understand the multi-dimensional importance of cashew, an expository analysis is needful. The cashew plants have industrial, medical and export potentials. Products from cashew includes: liquor, vinegar, juice concentrate, jam, beverages, pickle, chutney and candied products. Cashew nut shell contains inedible Cashew Nut Shell Liquid (CNSL), and Cashew Nut Kernel Oil (CNKO) which is sweet edible oil. The pressed kernel cake from CNKO extraction process is suitable for use in human and animal feed.⁵³ Cashew Nut Shell Liquid is a potent anti bacteria activity that can be used to treat sores, warts, ringworms, and psoriasis. Its anti microbial properties can be used in food and cosmetics industries.⁵⁴ The nuts are high in protein, oil and vitamin especially thiamine. It is made up of 47% fat and 22% protein. The CNSL found in the shell represents 15% of the gross weight and has medicinal and industrial uses that can be transformed into cashew butter and nut milks. The cashew shell which is the waste gotten from the processed nut can be used for shell resin or as fuel for the processing unit. The presence of magnesium in the nut ensures healthy bones and teeth structures. It also helps in killing bacteria and germs, stopping diarrhea, drying secretion, increasing libido, reducing fever, blood sugar, and blood pressure.⁵⁵ Due to the absence of cholesterol, cashew nuts are healthy fat food for patients with poor heart condition.⁵⁶

The CNSL contains high proportion of phenolic compounds which are used in industries as raw materials for making vehicle brake lining compounds, water proof agents, preservatives, manufacture of paints, plastics, and type writer rollers. The cashew false fruit (apple) is also good for consumption, if the undesirable tannins are removed.⁵⁷ The

⁵² Interview with Mr. Ikenna Sunday, 56, Trader, Amagu, 8-8-2018.

⁵³ Federal Development of Agriculture Fourth National Development Plan: An Annual Proceeding of a workshop organized by FDA Abuja, 29-30 August 1992 cited in Okolo D.A 2004 Regional Study on Agricultural support, Nigeria`s case. Special Study Report prepared for food and Agricultural organization, (Rome: FAO, 1992).

⁵⁴ Cocoa Research Institute of Nigeria, *Cashew research programmes and achievements* (1970-1990), (Nigeria: CRIN, 2001).

⁵⁵ Cocoa Research Institute of Nigeria, *Cashew research programmes and achievement*.³².

⁵⁶ L. A Hammed and A.R Adedeji, "Incidence and control of twig die-back on young cashew in Ibadan (South Western Nigeria)" *Agriculture Journal*. Vol.3, no3 (2008) 175.

⁵⁷ Food and Agricultural organization of the United Nations, minor oil crops. (Rome: FAO, 1992).

apple is very rich in fibre and high in vitamin A and C. The apple can be produced into valuable products like juice, syrups, canned fruit, pickle, jams, chutney, and candy. The cashew juice could also be fermented to produce wine and further concentrated to produce cashew apple brandy.⁵⁸

Cashew production in Ihube has greatly improved the livelihood of the people for instance, most cashew farmers agreed to the fact that the money they generated from their cashew farms enabled them to send their children to school and also bought items such as motor cycles, bicycle and wheel barrow for domestic and commercial uses.⁵⁹

Table 1: Guesstimated value of cashew nuts produced in Ihube from 1980 to 2010

Year	Average No of Tons	Average No of Bags	Average Price Per Bag ₦=000	Guesstimated income to farmers ₦000	Guesstimated income to Local Govt ₦000
1980	5.28	66	80	5,280	-
1981	5.52	69	80	5,520	-
1982	5.76	72	80	5,760	-
1983	6	75	85	6,375	-
1984	6.24	78	85	6,630	-
1985	6.56	82	85	7,970	-
1986	6.8	85	90	7,650	340
1987	7.04	88	100	8,800	352
1988	7.28	91	100	9,100	364
1989	7.44	93	100	9,300	372
1990	7.6	95	150	14,250	380
1991	7.84	98	150	14,700	392
1992	8	100	150	15,000	400
1993	8.24	103	300	30,900	412
1994	8.4	105	300	31,500	420
1995	8.72	109	300	32,700	436
1996	8.96	112	450	50,400	448
1997	9.12	114	450	51,300	456
1998	9.36	117	450	52,650	468
1999	9.52	119	450	53,550	476
2000	9.76	122	800	97,600	1220
2001	10	125	800	100,000	1250
2002	1.16	127	1,500	190,500	1270
2003	10.32	129	1,500	193,500	1290
2004	10.48	131	2,000	262,000	1310
2005	10.64	133	2,000	266,000	1330

⁵⁸ I. C Olife, M.A Jalaoso and A.P Onwualu “Cashew processing for Economic Development in Nigeria” *Agricultural Journal Vol 8, no1* (2013), p: 47.

⁵⁹ Interview with Mr. Okechukwu Ugwu, 60, Trader, Ogwuo, 10-8-2018

2006	10.88	136	2,000	272,000	1360
2007	11.12	139	3,500	486,500	2780
2008	11.36	142	3,500	497,000	2840
2009	11.6	145	3,500	507,500	2900
2010	11.52	144	4,000	576,000	2880
Total	258.5	3344		3,860,293	98,178

Source: Field Work

Note: Twelve and half bags of cashew are equal to 1ton. Between 1980 and 85, the Okigwe Local Government did not collect on cashew nuts. However, with SAP, there became a boom in agricultural commodities and they got interested. From 1986, they began to collect ₦4 as revenue per bag and this was increased to ₦10 in 2000 and ₦20 per bag since 2007.

From Table 1 above it was evident that the price of cashew nuts began to rise from 1986 when SAP was introduced and has been going up ever since. Cashew nuts have continued to be exported as primary products and are under-utilized for income generation. There is still much wastage of the fresh apples on farms since a negligible proportion is consumed. This wastage reduces the household income. It is thus, imperative that value addition to cashew apple and nuts be explored and farmers educated to avoid this yearly waste of resources. From cashew farming many farmers in Ihube became wealthy and have played significant roles in the socio-economic development of the community. Their personal achievement tends to be the index of the benefits of cashew farming. Pa Okorie Uchenna could not continue his elementary education because of poverty and dropped out in primary four. He took to cashew farming and became wealthy, employing more than 50 labourers annually. Mr Okorie is married and has five children, three of whom are graduates and two others are businessmen. He also tried his feet in politics, contesting the councillorship position for his Akpugo Ward.⁶⁰

Another prominent Cashew farmer in Ihube is Mr. Chibuike Okongwu, a retired civil servant from the Okigwe Local Government Council. While in service, Chibuike invested his salary over the years in cashew farming. According to him “when I retired as a civil servant, I became fully committed to my cashew farm, which made me to increase the number of cashew nuts I produce yearly”⁶¹. He is a chief consultant on cashew farming related issues. Many young people who went into the business of cashew farming approach him for advice; often time, he gives out loan to youths who are interested in starting up cashew businesses. Mr. Chibuike also has a cashew warehouse. He buys cashew nut from other cashew farmers in order to meet up the number of tons required by his customers. He employed up to ten labourers working in his cashew warehouse. Through his cashew business, he built six bedroom apartments and owned two cars. He is married and has six children of which four are graduates and two others are into cashew business.

Mr Eze Nwafor was a former vice principal of Ihube Girls Secondary School who inherited his cashew farm from his late father. Mr. Eze has diversified the business by

⁶⁰ Interview with Mr. Okorie Uchenna, 71, Farmer, Ugwuntu 16-4-2018.

⁶¹ Chibuike Okongwu, 75. Cashew farmer and trader, Amagu, Ihube, 23-7-2018.

dealing in agro-chemicals for cashew pest and diseases. According to him “I started this other business through the money I realized from this cashew farm. As we speak, my first son is outside the country and he is doing fine, my second son is a graduate and two of my children are in the university. My brother there is money in cashew farming but the problem we normally have is lack of government support in the area of the expensive nature of the chemical and also on the price fixed by the LBA`s.”⁶²

Chief Okonkwo Izchukwu could not have forma; education because his father was poor took to cashew farming. A prominent cashew farmer and a member of the Eze-in-Council Chief Okonkwo reiterated: “as PTA chairman, I placed all the best pupils in each class on scholarship, but for the best graduating pupils in primary six, I gave them gifts of cash, all from this cashew farm.. Since the beginning of cashew farming in Ihube, things have gotten easy for a lot of families, I as a cashew farmer have been able to take care of my families and train my children in school up to university level. Right now, five of my children are graduates and they are in different parts of Nigeria. I built two two-storeyed houses.”⁶³

Mr. Nnamani Uche is a prominent cashew farmer as well as a part-time tailor. According to him “I only do tailoring work when it is no longer cashew season, instead of sitting at home, I take care of my family from the proceeds of my cashew farm. As I talk to you now I have two sons in the university and a daughter in Federal Polytechnic, Nekede. I own a motorcycle and a bus. I bought the bus for my first son, he is using it to run town service and the bore-hole you are look at belongs to my wife. I opened the business for her since I discovered that water is a problem in our village; our people walk distance to buy water, but since I opened this bore-hole our people no longer find it difficult to fetch water.”⁶⁴

Conclusion

Initially, cashew was introduced in Ihube to check erosion menace but as time went on it turned to be the chief revenue earner of the people. The agricultural system in Ihube involves the exploitation of wild cashew trees and food crop farming. Aside from agriculture, the farmers engage in other occupations such as, petty trading, herbal medicine, carpentry, blacksmith and other local craft productions. This enabled them to transfer capital from one occupation to another. The petty trader might increase his capital after selling his cashew nut. The capital from the cashew industry was ploughed back in some other areas of economic endeavor. The income from the cashew industry was, therefore, used to solve the problem of other occupations. It had helped the people diversify into other businesses.

Farmers in Ihube attach great economic importance to cashew farming because of the returns. Apart from being an aspect of their economic activity, the industry had helped to

⁶² Interview with Mr. Eze Nwafor, 58, Farmer, Ogwuo, 16-8-2018.

⁶³ Interview with Mr. Nnamani Uche, 60, Farmer, Ugwuntu, 15-7-2018.

⁶⁴ Interview with Elder. Okonkwo Izuchukwu, 73, Farmer, Ugwuntu, 18-7-2018.

strengthen the entire economy by providing the initial take-off capital for various other businesses. Cashew is a major cash crop with high potential that generates foreign exchange and also creates employment, as well as used to curb desertification and protect the environment from erosion.

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