

THE MINISTRY OF AGRICULTURE AND
RURAL DEVELOPMENT

**DECISION No. 39/2007/QĐ-BNN OF MAY 2,
2007, APPROVING THE PLANNING ON DEVELOPMENT
OF THE CASHEW INDUSTRY UP
TO 2010 AND ORIENTATIONS TO 2020**

**THE MINISTER OF AGRICULTURE AND
RURAL DEVELOPMENT**

Pursuant to the Government's Decree No. 86/2003/ND-CP of July 18, 2003, defining the functions, tasks, powers and organizational structure of the Ministry of Agriculture and Rural Development;

Pursuant to the Prime Minister's Decision No. 150/2005/QĐ-TTg of June 20, 2005, approving the national planning on restructuring of agricultural, forestry and fishery production up to 2010 and a vision to 2020;

Pursuant to the Prime Minister's Document No. 1661/TTg-NN of October 28, 2005, authorizing the Minister of Agriculture and Rural Development to approve the Planning on development of the cashew industry up to 2010 and orientations to 2020;

At the proposals of the director of the Department for Agricultural and Forest Product Processing and Salt Making, the director of the Cultivation Department and the director of the Planning Department,

DECIDES:

Article 1.- To approve the Planning on development of the cashew industry up to 2010 and orientations to 2020 with the following principal contents:

I. DEVELOPMENT VIEWPOINTS

1. The development of cashew production and processing in the near future must ensure the best exploitation of economic, social and environmental-protection benefits and compatibility with the national planning on restructuring of agricultural and forestry production.

2. To apply scientific and technological advances, raise productivity, quality and efficiency, and form consolidated cashew-growing areas in association with the processing industry and consumption markets.

3. To develop the processing industry with modern technologies and advanced equipment through appropriate steps, raising the quality of, and diversifying products, and ensuring their competitiveness in the context of international economic integration.

4. To mobilize resources of different economic sectors, in which the State provides partial support for investment in the development of traffic and irrigation infrastructure of consolidated cashew-growing areas, the research and transfer of scientific and technological advances, varieties and cultivation processes.

**II. DEVELOPMENT ORIENTATIONS AND
MAJOR TARGETS**

1. Development orientations

To expand the cashew areas in regions where conditions permit, especially gray-soil regions in the Central Highlands, Eastern South Vietnam and Southern Central Vietnam coast; to concentrate on the intensive growing of, and replacement of old cashew varieties with, new cashew varieties of high yield and quality; to renew processing equipment and technologies towards modernization and in-depth processing for raising the production value and efficiency.

2. Major targets up to 2010

- The cashew-growing area nationwide: 450,000 ha; harvest area: 360,000 ha.

- Average yield: 1.4 tons/ha; in high-yield regions: over 2 tons/ha.

- Output of raw cashew nuts: 500,000 tons.

- Total processing capacity will be maintained at the existing level of 715,000 tons of raw nuts/year.

- The volume of raw cashew nuts put to processing will be 625,000 tons, of which 125,000 tons will be imported.

- Output of cashew kernels: 140,000 tons.

- Export turnover: USD 670 million.

2. Orientations to 2020

- The stable cashew-growing area will be around 400,000 ha.

- The export turnover will reach around USD 820 million.

III. MAJOR SOLUTIONS

1. Planning

a/ The People's Committees of cashew-growing provinces and centrally run cities shall direct local functional agencies in reviewing and formulating local plans on development of the cashew industry in line with the national planning;

b/ From now to 2010, to reorganize cashew processing establishments by not increasing the capacity and gradually reducing the number of small processing establishments which fail to satisfy food hygiene and safety conditions; to set up large processing establishments with modern equipment and technologies.

2. Building of sustainable cashew raw-material areas

a/ To apply coordinated solutions in terms of varieties,

intensive-cultivation techniques, infrastructure investment, etc., in order to rapidly increase the yield and quality of cashew nuts;

b/ To encourage and facilitate processing factories and establishments to sign with cashew growers contracts on investment in and sale of products under the Prime Minister's Decision No. 80/2002/QĐ-TTg of June 24, 2002; to coordinate with state organizations in providing services to, and supporting farmers in agricultural extension activities, rehabilitation of cashew gardens, and rapid transfer of good varieties for production, from growing, harvest, preservation, procurement to processing and raising of the quality of products.

3. Science and technology

a/ To reorganize and improve the systems for research, selection and propagation of domestic cashew varieties in combination with the import of new varieties, striving for the target that by 2010, new varieties will be grown in more than 50% of the cashew area;

b/ Programs on plant varieties, animal breeds and forest tree varieties will give priority to the import of new cashew varieties for evaluation and transfer for production;

c/ To formulate and promulgate intensive-cultivation processes suitable to ecological areas and rapidly apply those processes to production; to increase investment in intensive cultivation for rapidly raising the yield and quality of cashew nuts;

d/ To enhance agricultural extension activities (agricultural extension by the State and by enterprises), to provide training and guidance, and build models for rapid transfer of new varieties, advanced cultivation methods and scientific and technological advances to farmers;

e/ Processing establishments shall draw up plans on investment in the renewal of equipment and technologies for raising the quality of products, ensuring food hygiene

and safety to meet international economic integration requirements. By 2010, the total processing capacity of factories up to HACCP standards will represent more than 70% of the capacity of processing establishments nationwide;

f/ Based on market demands, to make development investment in the in-depth processing and diversification of products for sustainable development; by 2010, to process around 20% of cashew kernels into instant food products (salt-roasted cashew kernels, butter-fried cashew kernels; cashew-kernel confectioneries, etc.), to turn out products processed from cashew fruits (liquors, beverages, etc.) and cashew oil for the domestic market and export;

g/ To study and rapidly apply mechanization to processing stages to redress the shortage of laborers.

4. Investment

The state budget funds shall be given to the import, evaluation and propagation of new cashew varieties, the investment in major irrigation and traffic works in consolidated cashew-growing areas, and the mechanization of processing stages.

5. Consumption and trade promotion

The State encourages and facilitates processing and exporting enterprises to build brands of, and conduct trade promotion for, cashew products.

6. Organization of production

a/ To encourage and facilitate cashew processing enterprises to enter into cooperation or joint venture for forming companies and groups with strong financial potential, high technological level and strong brands in order to participate in the world market;

b/ To consolidate and heighten the role of the Vietnam Cashew Association to properly coordinate with enterprises in the domains of market forecast, science and technology, information, trade promotion and

product consumption; to set up insurance funds for the production and export of cashew kernels;

c/ To establish cashew growers' clubs and associations in such key areas as Binh Phuoc, Dong Nai, Dac Nong, Dac Lac, Gia Lai, Binh Thuan, etc.; to organize service cooperatives acting as major bodies in supplying materials and fertilizers, selling products, managing quality, and maintaining prestige and trademarks of raw cashew nuts of each area.

IV. ORGANIZATION OF IMPLEMENTATION

1. The Ministry of Agriculture and Rural Development shall assume the prime responsibility for, and coordinate with concerned ministries and branches in, directing and inspecting the implementation of the Planning; and closely follow updated information on markets and scientific and technological advances in order to make appropriate adjustments to the Planning.

2. The People's Committees of cashew-growing provinces and centrally run cities shall approve, and direct the implementation of, local plannings on development of the cashew industry in accordance with this Planning; and direct local functional agencies in formulating and executing investment projects on the development of consolidated raw-material areas in association with cashew processing establishments.

Article 2.- This Decision takes effect 15 days after its publication in "CONGBAO."

Article 3.- Ministers, presidents of provincial/municipal People's Committees and heads of concerned agencies shall implement this Decision.

**For the Minister of Agriculture and
Rural Development
Vice Minister
DIEP KINH TAN**