

A Case Study of Cashew Industry in Karnataka

Reema Jenifer D'Silva¹, & Ganesh Bhat S.²

¹Research Scholar, College in Management & Commerce, Srinivas University, Mangalore-575001

Orcid-ID: 0000-0002-9374-7028; E-mail: reemajenifer@gmail.com

²Research Professor, College in Management & Commerce, Srinivas University, Mangalore
Orcid-ID: 0000-0003-1950-8536; E-mail: ganbhatbvr@rediffmail.com

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²Research Professor, College in Management & Commerce, Srinivas University, Mangalore

Orcid-ID: 0000-0003-1950-8536; E-mail: ganbhatbvr@rediffmail.com

ABSTRACT

Purpose: *In the Indian food processing sector, the cashew nut processing industry plays a critical role. Often, the cashew is considered as 'both a poor person's crop and a rich person's meal.' From the cultivators, traders, wholesalers, processors to supermarkets and retailers, the cashew processing sector is a vital source of income. Cashew processing is a labour-intensive sector that has always employed a significant number of rural women. The purpose of this study is to gain an in-depth understanding of the Cashew Processing Sector, its position in the world market, issues it is confronting and future prospects. While doing so, the present study attempts to examine the profile of the Indian Cashew Industry, including cashew processing and international trade. The quality, flavour and appearance of the Indian cashew kernels are highly respected in other nations and are consumed in more than 60 countries worldwide. Unfortunately, it was found that cashew production in India has been fluctuating in recent years. Despite its tremendous expansion, India's cashew sector has been affected by low-quality cashew cultivated in some regions, which is mostly due to improper harvesting techniques, inadequate drying of the nuts and insufficient storage and warehouse facilities for dried cashew nuts.*

Design: *For the purpose of analysis, this study used secondary data sources - Google Scholar articles, cashew industry and other related websites. Moreover, the literature is used to analyse the position of the industry within SWOC and PESTLE framework analysis.*

Findings: *Based on the analysis, the cashew business needs certain incentives to attain a better rate of production and export growth in the future.*

Value: *This paper emphasizes on the growth of the cashew industry in India in relation to its current status and future opportunities. Based on findings and their interpretation, the Indian Cashew Industry must prepare itself for the ever-increasing demand of the domestic market and contribute more effectively to the country's economic growth.*

Paper Type: *Case Study-based Research Analysis*

Keywords: Cashew, Cashew Industry, Food Processing Industry, Marketing Aspects, SWOC framework, and PESTLE analysis

1. INTRODUCTION :

Globalization and liberalization have led to substantial variations in the livelihood of people all over the world. In the liberalization era, India's food processing sector has seen significant changes, and it has been able to use tailor-made creative development approaches to compete in the global market [1]. In fact, *inter alia* food processing sector, the first country to enter the global cashew trade was India and the country processed about 1.14 million tons of cashew in 3650 cashew processing mills strewn around the country. The number of processing mills increased from 170 units in 1959 to over 3500 units in 2008. Half a million people were employed in the Indian cashew industry and about 95% of them were rural women [2]. Of the cashew processing units, whereas the unorganized sector accounts for 54% and the organized sector accounts for 46%. The annual demand for cashew processing in India is at 1.5 million tons, with only half of it being met by current production. India buys raw cashews from Congo, Tanzania, Indonesia and Thailand to meet expanding demand [3]. India exports processed nuts to the United States, the United Kingdom, Japan, The Netherlands, Australia, Canada and Germany [4].

The main cashew producers, the industry leaders, the United Nations Food and Agriculture Organization (FAO), the United Nations Economic Commission for Europe (UNECE), and the International Nut and Dried Fruit Council (INC) signed a historic agreement in Budapest, Hungary, on May 21, 2011, in the name of promoting development and sustainability of the cashew nut sector. The Global Cashew Council aims at enhancement of consciousness of the health and nutritional benefits of cashew by promoting their use and consumption, initiating nutritional and health research, promoting food safety, developing quality standards, and initiating nutritional and health studies. Cashews from India are consumed in more than 60 nations around the world and are increasingly being employed as a preferred component in a wide range of meals such as candies, dates, ice creams and so on, due to their superb flavour and unusual texture. It may be dried, oil-roasted, salted, chocolate-coated, spice-coated, honey-coated, and so on. Though the cashew nut was originally introduced to India as a soil conservation crop, gradually understanding the nut’s commercial value, it has become the world’s largest cashew grower. In the worldwide market, Indian cashew is prized for its quality, look and flavour and it accounts for more than 65% of global cashew kernel exports.

2. PRESENT SCENARIO OF CASHEW INDUSTRY IN INDIA :

The Portuguese introduced the cashew tree, which is native to eastern Brazil, to India, about 500 years ago. Cashew was first bought in India, in the state of Goa, from where it quickly expanded throughout the country. In FY 2020, cashew nut export earnings totalled \$566.76 million. Between April 2019 and March 2020, cashew exports totalled \$566.82 million. The entire cashew export from April 2020 to March 2021 was US\$ 420.17 million, with US\$ 40.44 million in March 2021. Cashew exports totalled US\$ 49.71 million in April 2021 [5]. According to the International and Dried Fruit Council (INC), the Indian cashew harvest has reduced by about 50,000 tons in 2021-21 due to multiple reasons including the Covid-19 pandemic. India is the world’s largest consumer of cashew kernels and after Ivory Coast, the world’s second-largest producer of raw cashews. The International and Dried Fruit Council (INC) projects raw cashew production to India to reach 6,91,000 tons in 2020-21, up from 7,42,000 tons in 2019-20. Global raw cashew output is expected to reach 37,22,000 tons in 2020-21, with a total supply at 39,24,000 tons and carryover stockpiles of 2,02,000 tons [6]. According to the INC, the worldwide tree nut crop is expected to reach over 5.4 million metric tons in 2020-21. The crops of pine nuts, pistachios, almonds and pecans are projected to be much higher than last year, while walnuts, cashews, macadamias, hazelnuts and Brazil nuts are expected to be similar. Below, Table 1. shows the state-wise share of processing units and installed capacities. Overall, the country has 3940 cashew processing units, with a total installed capacity of 1643 thousand MT and an average installed capacity of 0.4 thousand MT. Maharashtra has the majority of them with 55.8%. Kerala, on the other hand, has the greatest installed capacity of 36.5%.

Table 1: State-wise Share of Cashew Processing Units and Installed Capacities in India.

States	Processing units (Nos.)	Share of processing units (%)	Capacity ('000 MT)	Share of installed capacity (%)	Average installed capacity	Utilization ('000 MT)		
						Indi- genous	Import	Total
Tamil Nadu	417	10.6	400	24.3	1	294	225	519
Kerala	432	11	600	36.5	1.4	67	320	387
Andhra Pradesh	175	4.4	100	6.1	0.6	92	0	92
Karnataka	266	6.8	300	18.3	1.1	45	20	65
Goa	45	1.1	50	3	1.1	21	0	21
Maharashtra*	2200	55.8	50	3	0	20	0	20
North Eastern States	22	0.6	10	0.6	0.5	15	0	15

Orissa	350	8.9	120	7.3	0.3	11	0	11
West Bengal	30	0.8	8	0.5	0.3	8	0	8
Chhattisgarh	3	0.1	5	0.3	1.7	0	0	0
Total	3940	100	1643	100	0.4	573	565	1138
Source: http://dccd.gov.in/stat.htm								
*Includes 1850 small scale cottage industry								

Cashew Industry is located in the states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, the Union Territory of Goa, Maharashtra, North Eastern States, Orissa, West Bengal and Chhattisgarh. During the recent past, the crop suffered from the Covid19 induced lockdown during the peak harvesting season, both in terms of quality and quantity. Normally cashew crop is harmed by the Tea Mosquito and other pests. Many trees had only one flowering cycle due to the delayed flowering. Indian demand is expected to rebound and remain stable in the immediate future as well. This paper focuses on the internal and external factors affecting cashew industries in India.

3. CASHEW INDUSTRY IN KARNATAKA :

Karnataka has put up a tremendous effort in collaboration with industry and farmers to become the country's largest raw cashew producer. The State is taking steps to increase the amount of land under cultivation and increase yield by fourfold. The industry has set a goal of manufacturing 1,50,000 metric tons (MTs) yearly and the area under cultivation would be doubled to 1.20 lakh hectares. Karnataka aspires to be the world's leading cashew-nut producer by focusing on high-yield varieties and expanding the area under cultivation. In the districts of Kolar, eastern Belgaum, eastern Dharwad, eastern Uttara Kannada, Mysore, Shimoga, Hassan and Kodagu, through the schemes like MUDRA, Aatmnirbhar Bharat the State has taken significant steps to increase cashew nut production and the State is providing financial assistance to small-scale industries especially rural women entrepreneurs. The cashew industry in Karnataka is growing owing to the development of the exporting community particularly on the west coast where rural units are producing 100,000 metric tons of cashew kernels. The Indian Council for Agriculture Research (ICAR) has approved around 20 new varieties of cashews developed by scientists. In comparison with normal seedling types, which produce one kg cashews per tree, these new variety cashews produce over 10 kilos per tree. Moreover, the amenities provided by New Mangalore Port Trust (NMPT) and regular container services make Karnataka competitive in import and export activity. Kernel exporters can use the Cashew Export Promotion Council of India (CEPCI) for a variety of amenities, including finding buyers, resolving issues with kernel importers, and obtaining quality certificates. Members of CEPCI are eligible for consulting amenities as well as financial advantages for process and product improvements including monetary support for cashew factory mechanisation [7].

4. CASHEW INDUSTRY IN COASTAL KARNATAKA :

Coastal Karnataka is responsible for 70% of its State's cashew production. Among its several districts of the State, Dakshina Kannada takes first place in terms of area under cultivation. Mangalore was the birthplace of large-scale labour-intensive cashew processing units. Women make up the majority of the workforce, accounting for approximately 95% of all workers, particularly in rural areas where socially and economically disadvantaged groups exist [8]. While cashew processing in Mangalore has remained stagnant if not diminished over time, processing in the vicinity (such as Udupi and Uttara Kannada districts, where cashew is widely cultivated) is thriving and expanding. Cashew processing industries are stagnating in Mangalore, and they prefer to shift to the hinterlands. While statutory benefits and other financial recompense are completely paid to workers in Mangalore city, they are not paid in the newly growing processing units elsewhere. As a result, an increasing number of units are relocating to 'non-problematic' locations, away from Mangalore. Even though payments are provided on a piece-rate basis, working hours in rural units are long. Any increase in working hours in Mangalore, on the other hand, must be rewarded monetarily. Due to this reason, many units have relocated to or are being established in the rural areas. Another reason for the stagnation of cashew processing units in Mangalore

is that obtaining raw nuts throughout the season is risky. The rural units, on the other hand, can obtain raw nuts whenever they wish. For these rural operations, inventory handling costs are substantially lower, and the risk of price fluctuations is much lower. Another feature is deferred payments for raw cashews, it is common in rural areas because the processors know most of the cultivators in the areas.

5. SUPPLY CHAIN ANALYSIS OF CASHEW INDUSTRY :

Collection of nuts, distribution of domestic and imported nuts, processing of raw nuts, gathering and selling of processed nuts are all part of cashew nut agriculture. Processing is one of the important steps in the supply chain of cashew. The cashew supply chain is made of up producers, processors and traders. Under producers, there are small-scale, medium scale and large-scale producers. Cashew fruit processors, kernel processors, roasters and those who process on a small, medium, or big scale make up the processing sector. The trading subsector includes small, medium and large-scale community buyers and exporters.

Traders act as a link between the producer and the processor. During the harvesting season, many wholesale merchants and processing manufacturers set up collection centres in key cashew-producing locations. These collection centres buy the nuts from the small traders who buy them from the growers. Small traders in primary and rural marketplaces sell the nuts to growers, who then sell to urban markets. Only a few cashew importers trade to huge roaster/salter companies, who then trade to retailers. These companies then package themselves and trade to the public under their supermarket brand name. The intricacy of each node of the supply chain, in relation to the number of individuals involved, the extent of communication among these characters, and the fundamental structure of social ties, are highlighted throughout the construction of this supply chain in Figure 1. The chain only represents cashew nuts produced in India. Many commission agents, processors, and exporters, on the other hand, are also raw cashew importers [9].

The raw cashew nut and kernel market is dominated by traders and middlemen. Obtaining raw cashew is the greatest component of the cashew processing sector’s operational costs. Even a small increase in cashew price has a negative impact on the entire economics of cashew processing. Individual farmers are disadvantaged because they are forced to sell their crops at a price set by the traders.



Fig. 1: Exhibits a simplified cashew supply chain including international links

Adopted: Eapen, M., Jeyaranjan, J., Harilal, K. N., Swaminathan, P., & Kanji, N. Liberalisation, gender and livelihoods: the cashew nut case. Working Paper 3 [9].

6. REVIEW OF LITERATURE ON CASHEW INDUSTRY :

Several researchers have studied different facets of the cashew industry. Some of the scholarly papers published on the cashew industry are listed in Table 2. with a specific reference on the area of study, the focus of the research along with references.

Table 2: Related publications on the cashew industry by different researchers

Sl. No	Area of Study	Focus of the Research	References
1	Resources	This paper focuses on the potential of exploiting the available marketing avenues of areas under organic farming practices.	Muthu Kumar, S., Ponnuswami, V., & Padmadevi, K. (2011, December) [10]
2	Export and Import	Research focuses on the growth and prospects, production and exports of cashew nut industry of India and identifies the reasons of its export fluctuations and suggests certain incentives to achieve higher growth rate of production.	Vellingiri, D., & Thiyagarajan, D. (2007). [11]
3	Production and Processing	Comparative advantage of India with the world in the production and processing of cashew nuts - an Industry perspective	Ganesh, S., Kannan, M., & Jawaharlal, M. (2011, December). [12]
4	Employment and Income	Analysis of the problems and potentials of cashew industry in Kerala. Viability and sustainability of employment and income generation and overall development of Kollam district.	Retheesh, K. A., & Rajasenan, D. (2005). [13]
5	Women Entrepreneurship	Understanding the challenges and opportunities of women entrepreneurs. The paper discusses the export challenges faced by cashew industry and establishment of a nexus between sharing economy and entrepreneurial sustainability.	Patil, P. J. (2020). [14]
6	Marketing and Promotion	Analysis of value chain and marketing channels of cashew industry. This paper also discusses the futures trading in cashew industry.	Balamurugan, A., & Ramya, T. (2011). [15]
7	Environment and Behaviour	Impact of quality of work life on employees in cashew industry. Improving the quality of work life of employees to get better performance from them for their contribution to the growth of the state. Various techniques used for the study are explained.	Sethulekshmi, J. R., & Ambily, A. S. (2018). [16]
8	Quality control and assurance	Inspection schemes for assurance of quality of cashew exports in India based on the size, grading and packaging of the kernels.	Jayasinghe, S. (2013). [17]

Further, after reviewing the literature of several researchers, the evolution of women entrepreneurship in the cashew industry has shown great potential for the development of the economy. Researchers have studied the viability, sustainability of employment and income generation of women and also the impact of quality of work-life of employees in the cashew industry. Inspection schemes for assuring the quality of cashew export have been discussed and also the industry perspective of the comparative advantage of India with the world in the production and processing of cashew nuts. Currently, the status of women has evolved drastically in the food industry especially in cashew industry. The majority of employees

in the cashew industry consist of women as women perform well and contribute to the growth of the state. These studies have helped to formulate the below-mentioned objectives of this paper to analyse the cashew industry, with special reference to Karnataka. This paper also assesses the industry's position by using SWOC and PESTLE analysis which helped to suggest the strategies be formulated by the cashew industry to retain their market position in the international market.

7. OBJECTIVES OF THE STUDY :

This study is focused on the comprehensive analysis of the cashew industry. The main objectives of the study are:

1. To have a comprehensive knowledge of the cashew industry in India with special reference to Karnataka.
2. To assess the industry's position through the Strengths, Weakness, Opportunities and Challenges (SWOC) framework.
3. To understand the position of the cashew industry through PESTLE Analysis.
4. To suggest the strategies formulated to retain the market position of the cashew industry in the international market.

8. RESEARCH METHODOLOGY :

This study is based on secondary data sources that highlight Cashew Industry in the food processing sector. Apart from it, this study uses the SWOC framework and PESTLE analysis to determine the growth opportunity and competitive strategy to be followed by the company for sustainable growth. A detailed analysis has been presented with the help of information collected from journal articles, webpages of Global Cashew Council and Cashew Export and Promotion Council-Karnataka.

9. SWOC ANALYSIS OF CASHEW INDUSTRY :

The SWOC framework is the common tool used for measuring and analysing a company's competitive role. Its main purpose is to evaluate corporate plans to develop a business strategy that supports the organization's resources and skillsets with to market needs. Organizations use this framework to evaluate their own strengths, weaknesses, opportunities and challenges, and those of their competitors and products [18]. SWOC is a complete assessment of the industry's operational environment that helps in the projection of many aspects of the environment and their integration into the decision-making of the organization [19]. After a detailed analysis of extensive literature on this industry, the following Strengths, Weaknesses, Opportunities and Challenges were identified:

Strengths: The Cashew Industry has the following strengths:

1. Cashew processing is one of the country's most traditional industries, employing lakhs of labourers; most of them being rural women. The movement of surplus labour from agriculture (traditional sector) to industry (modern sector) helped to increase productivity and decrease operational costs.
2. Due to high levels of research and development and technology infusion, India has secured good production and post-production technologies covering cashew cultivation and post-harvest operations in the cashew business.
3. Cashew production has also increased due to efficient mechanization, increasing demand and profits in the cashew sector.
4. The establishment of cashew industries in rural areas due to improved means of communication reduced the operational cost of each processing unit.

Weaknesses: The Cashew Industry has the following weaknesses:

1. The implementation of the import duty on raw cashew nuts resulted in a decrease in raw cashew nut imports. As a result, processing in the country became unviable, and many processing units began to reduce their volumes or close, resulting in a drop in exports.
2. Inadequate post-harvest facilities, low-quality labelling, value addition, branding and packing materials also affect cashew production.
3. India's heavy reliance on raw cashew nut imports has put the producing countries in such a strong position that India is now at the mercy of these countries for raw cashew nut processing.

4. High processing costs and inefficient processing procedures of old enterprises, diminish the quality of cashew kernels, particularly broken cashew kernels, which have a lower market price than whole cashew kernels and are not acceptable for export.
5. The processing business relies on manual labour 95% of the time, and many cashew nut processing plants have closed due to a lack of labour and a competitive marketplace.
6. Due to labour turnover, there is high training cost which leads to absenteeism and low productivity of labour.

Opportunities: The opportunities of the cashew industry are as follows:

1. India's cashew has many value-added products, for example, Phalguni Cashew in Mangalore. They sell deep-fried cashews, dried, oil-roasted, salted, spice-coated, honey-coated, and so on, flavours of cashews. They also sell whole, half and small pieces of cashews in convenient consumer packs of 500g, 250g and 100g. On the other hand, cashews can be added to candies, dates, ice creams and so on, due to their superb flavour and unusual texture.
2. With the help of Cashew Export Promotion of India (CEPCI), the export of cashew kernels can meet their future export forecasts and the possibilities for cashew processing of its by-products like the Cashew nutshell Liquid (CNSL).
3. Cashew processing industries employ women as over 95% of the workers in the Indian processing industries are women.
4. Cashew consumption has risen in India, due to improved corporate buying, a better business environment and a rise in functions, marriages and festivals [20].
5. Packaging cost has to be reduced so the cashew processing industries can increase their marginal profits.

Challenges: The Cashew Industry has the following challenges to face:

1. Cashew-growing countries are expanding into cashew-kernel processing and export.
2. In the export of cashew kernels, India faces stiff competition from Vietnam and Brazil as cashew kernels are being processed and exported by these developing countries.
3. In some raw nut producing countries, raw material and processing costs are low when compared to India.
4. Political instability and unstable price are a big challenge for the cashew industry.
5. Increased cost of living and associated cost of production will increase the cost of production of India when compared to other underdeveloped countries.
6. Importing countries are enforcing strict quality criteria making it a disadvantage for the Indian cashew exporters to compete with other countries in the foreign markets.
7. Compared to India, many other countries provide higher subsidies for input materials for production, making them more competitive on the final product price.
8. Due to low multiplication rates and farmers' unwillingness to uproot old plantations, a key challenge in cashew production is the low replacement rate of low-yielding old cultivars with new high-yielding cultivars.

10. PESTLE ANALYSIS FRAMEWORK OF CASHEW INDUSTRY :

The PESTLE analysis is used by companies to keep track of the environment in which they function or to design the inauguration of a new product, project or service. When assessing a particular concept or design, the system provides a view of the entire ecology from a variety of viewpoints that one may wish to study and keep track of. The elements vary depending on the industry, but the PESTLE analysis is required for any plan a company intends to pursue because it is a much more extensive form of the SWOT analysis [21]. It is a qualitative report on an organizations or industry's external environmental analysis. Such models/techniques make it easy and accurate to identify various factors/issues that affect an individual or an organization's system, as well as suggest areas for development [22].

Political:

1. Every cashew industry has put a thorough regulatory framework imposed by governments all over the world. Political factors influence not only global firms' investment decisions but also cashew

companies. The cost of doing business, as well as long-term profitability, is influenced by the political environment and other factors.

2. Africa used to export to India but now they are growing cashews themselves and employing the local people by providing job opportunities and supporting their country.

Economic:

1. Cashews can raise poor farmers' incomes as it generates job opportunities during harvesting and processing and increases exports.
2. Workers are earning more money and the cost of hiring new employees is increasing, resulting in increased demand for jobs as well as higher government minimum wage rules. As in many other firms, the impact of growing labour costs resulted in less profit margin for the company's owner and thus less gain.
3. Many cashew industries were losing money due to Covid-19 as a result of many cashew industries that were not operating. As market conditions recovered following the lockdown, cashew industries began to adopt contactless delivery in compliance with government regulations, which increased the possibility of cashew buyers.

Sociocultural:

1. People are becoming more conscious of the relationship between their lifestyle and diet. As a result, many people are looking for healthier ways to fuel their bodies. The fats, proteins, carbs, minerals and vitamins are all different. The fat content of cashew is 47%, however, 82% of the fat is unsaturated fatty acids.
2. Cashews unsaturated fat content not only prevents cholesterol but also helps to balance or lower cholesterol levels in the body.
3. Cashew has also a good balance of amino acids, minerals and vitamins, with 21% protein and 22% carbs.
4. Because cashew has a very low soluble sugar concentration of 1%, cashew nuts do not cause obesity and can even aid with diabetic management.
5. The edible portion of the nut, the kernel, is consumed in three ways: directly by the consumer, as roasted and salted nut, in confectionery and bakery products, for example, finely chopped kernels are used in the production of sweets, ice creams, cakes and chocolates, both at home and in industry and as a paste to spread on bread [23].

Technology:

1. India is constantly losing its comparative advantage over its competitors, owing to high production costs and a lack of infrastructure as well as high import prices for raw cashew nuts.
2. India's manufacturing costs are higher than those of its competitors, owing to a lack of mechanization and high labour costs.
3. Research and development in cashew cultivation and post-harvest operations must be reinforced to provide the cashew business with new technology.
4. Farmers will be encouraged to increase cashew production as a result of the use of diverse by-products.
5. According to studies, greater level fixed investments for mechanization and a lack of institutional support are the causes for the rejection of adopting new technologies in production [24].

Legal:

1. When it comes to food safety, the food industry is under a lot of pressure. Each country has its own set of rules for how food should be delivered, processed and prepared, as well as suggestions for what temperatures different types of food should be stored, cleaned and prepared at. As a result, those in the food industry must exercise considerable caution to ensure that they adhere to these guidelines to prevent costly litigation.
2. The environment is threatened by the unexpected nature of the Internet, which poses both financial and privacy threats because it is beyond the control of the online sellers and consumers [25].
3. Cashew nut international trade is based on two factors: cashew nut processing and cashew nut packaging. Inefficient processing procedures significantly degrade the quality of cashew kernels,

particularly broken cashew kernels, which have a lower market price than whole cashew kernels and are not suitable for export.

4. As customers are duped by low-quality labelling and packaging materials, which leads to health problems, will lead to litigation charges.

Environmental:

1. The public is well-informed about the health consequences of what individuals eat and how it affects the environment. The cashew tree has ecological welfares in the fight against deforestation and soil erosion as a tough and drought-resistance tree that can adapt to poor soil situations.
2. In many parts of the world, cashew trees are seen as neglected trees that grow in wastelands without much care, reducing the crop's output.
3. Raw nut production is harmed by the age of cashew trees and adverse weather conditions.
4. The cashew sector is seasonal, and it is dependent on the availability of domestic raw cashews. The output peaks in March and ends in October. There will be no output and no work for the rest of the months [26].

11. FINDINGS :

The following are the findings based on extensive literature analysis:

1. The cashew tree can adapt to shifting soil conditions while maintaining its production. Although cashew may be grown on poor soils, it performs significantly better in good soils. The cashew tree has been identified as an excellent reforestation option. When planted in severely graded areas, the tree reduces soil erosion, slows water flow and reduces flash floods.
2. Cyclones and other severe weather have a significant influence on crops. Pests and illnesses emerge during the flower and fruiting periods of the cashew tree, reducing productivity.
3. Export of cashew kernels can satisfy future export estimates with the support of Cashew Export Promotion of India (CEPCI), as can the potential for cashew processing of its by-products like Cashew nutshell Liquid (CNSL).
4. India confronts tough competition from Vietnam and Brazil in the export of cashew kernels. For India to compete in the world cashew market and reclaim its supremacy in the cashew trade, productivity must be increased, and processing costs must be reduced.
5. Not only global enterprises, but also cashew companies, are influenced by political factors. Due to high import prices for raw cashew nuts, India is constantly losing its comparative edge to its competitors. The adoption of the raw cashew nut import fee resulted in a drop in both imports and exports of raw cashew nuts.
6. The cashew industry helps disadvantaged farmers earn more money, create jobs during harvest and processing and improve exports.
7. Nuts are an important part of the diet in many countries around the world. Tree nuts will continue to gain popularity in people's diets because they are suggested as a requirement in a balanced diet for healthy living.
8. Due to a lack of mechanization and high labour expenses, India's manufacturing costs are greater than those of its competitors. To provide the cashew industry with new technologies, research and development in cashew cultivation and post-harvest activities must be bolstered.
9. Customers are duped by low-quality labelling and packaging materials, resulting in health problems, which lead to legal action.
10. The age of cashew trees, as well as poor weather conditions, have a negative impact on raw nut production. The cashew industry is seasonal and reliant on the supply of domestic raw cashews.

12. SUGGESTIONS :

The productive resources, entrepreneurial competences and production linkages that determine an economy's ability to produce and add value to goods and services, would be strengthened as a result of the policy action and support outlined below:

1. Clonal material of high-yielding cultivars is proven to be more effective, and if such material can be used for replanting in the rapidly aging areas, Indian production might reach one million tons within 15 years [27].

2. The cashew industry must conduct marketing research for increasing sales. Likewise, the industry has to attach good labels while packaging.
3. To reach out to the general audience, the cashew industry has to make use of advertisements and publicity to the full extent.
4. Efforts should be made to obtain raw materials at lower cost, with an emphasis on product quality and the finished product must be verified on a frequent basis.
5. The public interest that identifies the agricultural techniques and technology that operate best in the local environment and economy should be supported.
6. To better connect cashew plantations and processing facilities, rural infrastructure particularly minor roads should be improved.
7. Assisting market entry by improving access to market data and developing technical skills.
8. Cashew processor's capabilities should be enhanced to fulfil quality standards in potential overseas marketplaces.
9. The development of cashew by-products should be promoted, namely, beverages made from cashew apples, which are typically thrown away as waste.
10. To increase market stability, prevent supply bottlenecks and reduce inducements for cross-border smuggling, collaboration among cashew-growing regions should be encouraged [28].
11. Union Government must remove the 5% import duty on raw cashew nuts and raise the Merchandise Exports from India Scheme (MEIS) in order to restore competitiveness between India and its competitors [29].

13. CONCLUSIONS :

With new potential competitors joining the cashew industry, worldwide output and international commerce have evolved throughout time. Cashew is a vital crop that brings export earnings and has the potential to help local populations' livelihood while also empowering the most vulnerable groups in rural areas. The cashew nut is an important cash crop for farmers and has the prospective to provide employment and export revenue for developing countries because it is the most valued processed nuts on the global commodities market. Earlier, India had agri-processing units and the cashew industry had adopted the traditional technology of burning cashews. The cost of production used to be high as women used to peddle to break the cashew nuts which led to low productivity and high cost of production. Now, due to the onslaught of mechanised cashew processing units and the use of steam boiling for cashew processing which resulted in no wastage and hence, the future of conventional cashew processing has become bleak. If India is to keep up with expanding global demand, maintain market share, and remain ahead of the fast-emerging competition in the global market, it must expand and fully use agricultural potential.

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