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**EL SALVADOR**

## SUCCESS STORY

# Cashew processors flourish with modern technology



Workers at APRAINORES remove cashew skin before packaging.



Workers at La Nuez de Oro use shelling machines to remove the outer shell of the cashew.

*The Agricultural Diversification Program (USAID-ADP) is helping four major cashew processing companies in El Salvador improve efficiency through training in production and by introducing them to modern manufacturing practices. These companies have significantly improved operations, reduced costs and increased sales.*

In 2004, 12 young adults from cashew producer families from Usulután started **La Nuez de Oro** to process their families' cashews. During its first year, La Nuez de Oro invested \$2,500 in utensils and basic equipment and was able to stay afloat by processing small quantities that generated \$8,200 in sales to local markets from 15,000 pounds of raw cashews from 2004 to 2005.

In October 2005, La Nuez de Oro linked up with USAID, which helped them improve and expand operations through co-investment and training. Existing facilities were remodeled and the program helped them buy equipment such as shelling machines, ovens and autoclaves.

With the new equipment, processing changes and training from USAID-ADP, processing capacity doubled in two years and La Nuez de Oro nearly tripled sales to \$24,190.

Initially started as a vegetable production cooperative, **Grupo Quiriguá**, which was established in 2000 by 16 women and one man, suddenly found themselves unable to compete with other producers in the area and were forced to find a new way to generate income for their families.

The group approached USAID-ADP in June 2007 and the program recommended cashew processing equipment and helped them set a new course by developing a plan to equip a small facility and investing \$8,500 in equipment (oven, autoclave, shelling machines, tables, scales and shelves) and training in all aspects of cashew processing.

The group also invested \$5,100 in infrastructure and working capital and began operations in March 2008. In only nine months, the group processed 950 pounds of processed nuts and generated \$4,200. They are currently supplying gas stations and other community markets. In 2009 the group is buying more raw product from local producers to expand output and sales and is expected to at least double income by year end.

“None of us would have had work or would have brought money home if it weren't for the cashew [processing] plant

that the USAID-ADP helped us build," said Dolores Esperanza Maravilla, a member of the group.

**The Juárez family** in the department of La Paz has processed cashews for 25 years but used outdated processing methods and could not seem to get ahead. They dried the nuts in the sun and used rocks to remove the shells. They processed 7,000 pounds of nuts per year at an average price of \$2 per pound and sold to local markets.

USAID-ADP started introducing them to more modern processing techniques and equipment and the improvements were evident right away in the quality of their product and now they receive \$5.42 per pound.

The program also helped the Juárez family obtain business permits, which helped them get into new markets and expand sales. The program is now helping the family develop packaging and branding.

Since starting with USAID-ADP, their annual gross income increased from \$2,800 to \$7,588 and they have generated job opportunities in the region. They started with seven employees and now employ 12.

"I am very happy with USAID-ADP's assistance because I can now show my family, who didn't believe in my ideas, that we can increase profits," said Don Carlos Juarez.

**The Association of Organic Agroindustrial Producers of El Salvador, APRAINORES**, was created in the mid 1990s and managed by small-scale organic cashew producers in San Vicente.

They had basic facilities and equipment and were shipping organic cashews to England and Germany but it seemed they hit a ceiling on production that they could not break.

Following USAID-ADP training, personnel from APRAINORES started using new technology and the program helped them buy equipment including an autoclave and shelling machines instead of rocks, both of which significantly reduced costs. The autoclave reduced production costs by 85 percent, from \$6.22 to \$0.96 for every 100 pounds, a savings of \$9,205 per season. The quantity of nuts exported in 2008 with the use of USAID-ADP's technology package was 17.5 tons with gross sales increasing by 6 percent to \$137,637.

The association also increased jobs by 40 percent, from 57 before program assistance to 80 after USAID-ADP's intervention.