

Building Capacity towards Sustainable Development for the Cashew Nut Supply Chain in Vietnam



Ethical Trade Norway is a multistakeholder initiative and a member organization. We work to promote responsible business conduct respecting people, animals, society and the planet.

The cashew industry in Vietnam

Vietnam is the world's largest processor of cashew kernels and an important production country of raw cashew nuts, as well as the biggest exporter of cashew to Europe. The industry employs over one million people working in 200 000 farmer households and over 500 processing companies.

In 2018, Ethical Trade Norway carried out a due diligence study of the supply chain for cashew nuts in Vietnam. The study confirmed challenges related to labour standards and sustainability both at processor and farmer level: At processor level there was a lack of social dialogue and complaint mechanisms; missing contracts; excessive use of overtime; low wages and inadequate HSE conditions with sub-contractors. At the cashew farmer level, the study identified low income and lack of knowledge about good agricultural practices and environmental stewardship as key challenges.

Our partners in the project

Project partners

- SDRC (Center for Social Work – Community Development Research and Consultancy)
- Vietnam Cashew Association (VINACAS)
- Binh Phuoc Cashew Farmers Association
- Binh Phuoc Cashew Association

Participating companies

- Aldi South Group
- Axfood AB
- Coop Norge SA
- FoodMan AS
- Intersnack Cashew Company Pte Ltd
- Orkla ASA
- Rema 1000 Norge AS
- Scandza AS
- Unil AS
- Importaco S.A.

The project is currently also receiving funding from NorgesGruppens sustainability fund Handle



March, 2024

Objectives and activities

Objective 1

Enhance the knowledge of the cashew farmers regarding good agricultural, labour and environmental practices

Good agricultural practices leads to increased yields and earnings, through proper soil management and weed control. **Effective environmental management** includes handling of pesticides and chemicals. Training in labour standards includes the use of protective equipment during spraying and hazardous work, and raising awareness of child labour and discrimination.

The project has:

- Trained 80 farmers in 10 modules (finalized) and 160 farmers in 5 modules
- Increased the number of trainers through a ToT program to 20 trainers
- Established a monitoring group and support platform for the farmers where they can get feedback and advice from the trainer

Objective 3

Improve the working conditions in the cashew supply chain

The project is also conducting training for subcontractors and exporters in workers' rights, social dialogue and worker representation. This work also includes the establishment of networks for sharing best practices.

The project has:

- Provided trainings on labour standards for subcontractors (total of 101 trained since start)
- Provided training on social dialogue for exporting processors (total of 94 trained since start)

Objective 2

Build sustainable supply chain linkage between farmers, processing firms and the buyers

To enable increased sustainability and traceability, the project has focused on stakeholder dialogue and knowledge sharing before defining next steps.

The project has:

- Facilitated workshops with relevant stakeholders.
Topics addressed:
 - *How to achieve, document and assess sustainability in the various links in the supply chain*
 - *How to improve traceability*
 - *What support is needed from European buyers and the project*
- Conducted a study on supply chain linkages (2023)
Main findings:
 - *Almost all farmers sell their nuts through agents (98%)*
 - *Farmers often sell below market price (43%)*
 - *Most farmers are not familiar with traceability technology (60,8%)*

