



CASHEWUT BOARD OF TANZANIA

SUMMARY OF THE RULES AND SALES CONDITIONS FOR THE 2024/2025 CROP SEASON

The Cashewnut Board of Tanzania (CBT) wishes to inform all Raw Cashewnut prospective buyers that, the new season 2024/2025 officially commenced on 1st September 2024 and sales auctions will commence on **11th October 2024**.

CBT has already started to issue Raw Cashewnut buying licenses online through Agricultural Trade Management Information System under the Ministry of Agriculture (ATMIS).

1.0. PROCEDURES TO APPLY FOR RAW CASHEWUT BUYING LICENSE

- (i) Register online through www.atmis.kilimo.go.tz
- (ii) All applications should be attached with one colored passport size picture of one of the company directors and certified copies of:
 - TIN certificate;
 - Company's Certificate of Registration/ Incorporation.
 - Valid Business License;
 - Value Added Tax (VAT) Registration Certificate; and
 - Valid Tax Clearance Certificate.
- (iii) Last seasons registered companies through (ATMIS) are required to update their particulars and apply for new cashewnut buying license with attached certified copies of:
 - Valid Business License;
 - Valid VAT Certificate; and
 - Valid Tax Clearance Certificate.
- (iv) All online registered and verified raw cashewnut buyers are required to deposit their bid security amounts before being issued a buying license by CBT. The bid security amount depends on the quantity of RCN intended to be purchased for each auction, as per categories narrated in the table 1 below;
- (v) Local Processors have special arrangement to procure RCN through primary market (refer special guidelines) however they are also allowed to procure RCN in the auctions.

Table 1: Categories of Bid Securities as per RCN Auction Amount

TONNES PER AUCTION	AMOUNT (TZS)
50 – 100	20,000,000.00
101 – 250	50,000,000.00
251 – 500	100,000,000.00
501– 1000	300,000,000.00
1001-3000	500,000,000.00
3001 and above	1,000,000,000.00

All bid securities should be deposited in the following CBT Bank A/c:

Bank	Account Name	Account Number
CRDB Bank	CBT CASHEWNUT A/C 1992/93	No. 01J1015826005

NOTE: *The Bid Securities are refundable to buyers upon written request and after fulfillment of their obligations thereof for all cashew nuts bought during the season.*

2.0. BUYING PROCEDURES

2.1 GENERAL INFORMATION

- i. A bidder must have raw cashew nut buying license for the 2024/2025 crop season issued by the Cashewnut Board of Tanzania (CBT);
- ii. The sale of RCN will be conducted at auctions through an electronic system under the management of the Tanzania Merchantile Exchange (TMX);
- iii. The buyer who has completed the registration process and deposit Bid Security to the Tanzania Cashewnut Board of Tanzania will be registered into the TMX electronic sales system.
- iv. The buyer will register in the TMX system by filling out a consent form to participate in auctions.
- v. Auctions will be held online (in a competitive manner) and buyers can participate wherever they are in an area with internet access.
- vi. Buyers shall compete to buy RCN by Lot [One Lot is the amount of cashews delivered for auction with particular quality grade (Primary or Secondary) based on the amount of cashews in the warehouse]. One Lot takes one minutes and if a buyer has set a price, then it will repeat for 40 seconds until another buyer set another price;
- vii. Highest bidder/s will be announced at the auction site after the relevant Cooperative Union approves the prices offered on behalf of the farmers;
- viii. RCN stored in the warehouse shall be sold in two distinguishable quality grades which are **Standard Grade** (Shelling Outturn \geq 48 lbs/80 Kg bag) and **Under Grade** (47 \geq Shelling Outturn \geq 44 lbs /80 kg bag);
- ix. The minimum bidding quantity shall be 50 metric tons of RCN, except for local processors.

- x. The licensed buyers will be provided with sales catalogue at least 12 hours before the auction.
- xi. The selling price shall be in Tanzanian Shillings (TZS);
- xii. The bidding price shall be ex-warehouse.
- xiii. Successful bidder shall collect sales invoice from the respective Cooperative Union within 24 hours after the auction.

xiv. Payments for the invoice shall be in full and must be deposited within five (5) working days from the auction date through respective accounts as described in the invoice issued by the Cooperative Union. Delays in payment will subject the buyer to penalty as described below: -

When the buyer fails to pay for RCN bought through the Online trading system, the cargo will be taken for sale in the next auction;

- a) If the price of the resold cashew will be lower than the original auctioned price, the Bid Security deposited by the buyer who failed to pay for the cargo will cover the difference in price to compensate the farmers.
 - b) If the price of the resold cashew will be higher than the original price or equal to the original price, the buyer who failed to pay for the cashews on time will be penalized by paying five percent (5%) of the value of the cashews he failed to pay on time.
 - c) If the buyer is penalized and his security deposit amount is reduced; The buyer will be allowed to continue to participate and buy cashews in the auctions according to the amount of Security Bond remaining, or he will have to top up the Security Bond to cover the deducted amount. If he fails to top up the amount of Security Bond and the amount remaining is below the minimum amount; the buyer will not be allowed to continue participating in the auctions.
- xv. A bidder/buyer shall not bid for RCN more than the quantity attached to his respective bid security deposit. If that happens, he should write “commitment letter” and submit the banker’s cheque with the amount value equal to the excess raw cashew nut to be bought.
- xvi. Charges and levies paid by buyer are as follows;

S/N	Particular	Cost (TZS/Kg)	Collector
1	UNION and AMCOS Operations	100	UNION
2	Crop Cess	56.94	UNION
3	Storage Charges	52	UNION
4	Gunny Bags	87.50	CBT
5	Contribution for Cashew Development	110	CBT
6	Cashew Industry Management	25	CBT
7	Cashew Research	25	CBT
8	Export Levy of USD 160 per metric ton or 15% of FOB value whichever is higher	160 USD/MT or 15% of FOB Price	TRA

xvii. Mode of payment shall be in banker’s cheque/TISS to the respective bank account. After payment for RCNN and Levies, the buyer shall receive the original

Warehouse Receipt and RCN Release Warranty from respective Cooperative Union.

- xviii. The storage period for RCN in the Warehouse after sales is **16 working days** (including Saturday and Sundays), these days will start counting after five (5) days of payment. After 16 days, the buyer will pay an additional cost of storing raw cashews at a rate of TZS 5 per kilogram per day for the next 14 days only. These charges will be paid directly into the Account of the Warehouse Operator/Collateral Manager.
- xix. The Warehouse Operator/ Collateral Manager will issue purchased RCN to the respective buyer after receiving and verifications of the original Warehouse Receipt and Release Warranty from the Cooperative Union;
- xx. The buyer shall sign certificate prepared by the Warehouse Operator/ Collateral Manager describing Quantity and Quality of RCN collected from the warehouse. The buyer is allowed to check quality of RCN before collecting the cargo from the warehouse.
- xxi. The RCN from Mtwara, Lindi and Ruvuma regions must be shipped through Mtwara Port. RCN bought from other areas, can be shipped through Mtwara, Dar es Salaam and Tanga ports.
- xxii. The permits that will be issued electronically by the Cashewnut Board of Tanzania (Produce Dispatch Note-PDN) to transport cashews within the country will be valid for the period of 48 hours after being issued. Transportation of RCN in country will be done within a day from 12am to 12pm throughout the season.

Unlicensed buyers are not allowed to buy RCN and participate in the auctions in the season of 2024/2025.

Cashewnut Board of Tanzania (CBT) will keep on updating buyers on Rules and Guidelines through website www.cashew.go.tz . For more information Buyers can visit the Cashewnut Board of Tanzania Head Quarter Office located in Mtwara or CBT branches: Dar es Salaam, Tunduru, Tanga, Nachingwea and Manyoni.

Disclaimer: This document summarizes only a few main issues found in the Cashewnut Marketing and Sales guidelines. ALL buyers are emphasized to go through the *Cashewnut Marketing and Sales Guidelines for Season 2024/2025* for more details.

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