

CASHEW VALUE CHAIN ANALYSIS IN *PUTTALAM* DISTRICT OF SRI LANKA

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Cashew (*Anacardium occidentale*), introduced to Sri Lanka in the sixteenth century, has adapted well to the island's varied climate, becoming a vital cash crop. According to the Food and Agriculture Organization report, despite its lucrative global market potential, Sri Lanka's cashew industry has struggled to capitalize on export opportunities, with sector performance remaining low. Sri Lankan cashew producers face challenges in accessing international markets due to limited marketing and promotional activities. This research aimed to analyze the cashew value chain in *Puttalam* district which is the largest cashew-growing region, focusing on identifying key constraints, understanding the network structure, actors, value-adding activities, governance structures and upgrading options. Snowball sampling was used to select the cashew value chain actors. The data has been collected by conducting interviews using interview schedules made separately for the cashew value chain actors. Thematic analysis was carried out using MAXQDA-24 software. According to the analysis, climate-related risk, wild animal threats, limited access to the export market and credit are the main constraints. The study identified the five cashew value chain actors (input suppliers, farmers, collectors, processors and exporters) and their horizontal and vertical relationships. In the cashew value chain, most value was added at the processing stage. Highlighted value-adding activities were drying, shelling, peeling, grading, oven drying, roasting, flavoring (chili powder, salt, pepper) and packaging. The activities of the chain are poorly coordinated, with individual actors operating independently. Strengthening both horizontal and vertical coordination, fostering linkages with exporters and introducing quality and safety standards could significantly upgrade the value chain, improving access to the international market.

Keywords: Cashew industry, Snowball, Thematic analysis