



***The Southern African Macadamia Growers' Association
Die Suider Afrikaanse Maġadamiaprodusentevereniging***

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MEDIA RELEASE

UPDATED 2018 SOUTH AFRICAN MACADAMIA CROP FORECAST

The Southern African Macadamia Growers' Association (SAMAC) recently conducted a third round of data collection on a forecast for the 2018 season. The latest forecast is slightly down by 500 metric tons from the previous forecast to 53 500 t on an inshell basis (at 1.5% kernel moisture content). The new 2018 forecast is 20% higher than the previous year, which totalled 44 610 t.

The strength of the kernel market is evident, as 54% of the crop is expected to be processed to kernel in 2018, compared to 50% in 2017. In terms of volume on an inshell basis, approximately 2 000 tons more macadamias will be exported in 2018 as nut-in-shell than the previous year, while nearly 7 000 tons more will be processed to kernel. Processing capacity in South Africa has increased significantly and many factories are still in the process of expanding their operations.

Forecasts submitted by individual handlers (a collective term for processors and nut in shell consolidators) vary significantly and forecast increases of up to 90% higher than the previous season have been submitted. "The general feeling in our area in Northern Limpopo is that the 2018 crop is fairly similar to last year, but it might be up by about 10%", said Johan Furstenberg, a grower director of SAMAC.

Barry Christie, operations manager at SAMAC recently attended the INC XXXVII World Nut and Dried Fruit Congress in Seville, Spain. According to Christie, all participants in the macadamia round table discussion that was held at the congress were in agreement that the demand currently still outstripped supply. The panellists included Jolyon Burnett (session chair, from Australia), Alex Whyte (South Africa), Maria-Theresa Camargo (Brazil), Mbugua Ngugi (Kenya)



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and Cheng Huang Kay (China). Mr Kay also mentioned that even though there are large plantings occurring in China and that a huge influx of macadamias will start flowing into the market in the next few years, he did not believe there would be a market crash due to the strong demand. What also transpired from the congress was that the ingredient sector is also developing, and more products are launched on a continuous basis with “the queen of nuts” as main ingredient, stimulating further demand. In the past there was a shortage of supply, which also coincided with poor industry statistics. “Industry information has improved drastically due to a more mature and transparent industry, supply has increased and will continue to increase for the foreseeable future, so food manufacturers can with confidence start including macadamias more and more in their products”, said Alex Whyte.





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