



First nut seminar a huge success

The first South African Macadamia Nuts Seminar was held in Shanghai late last month.

It was initiated by the Subtrop Market Development manager, Bonnie Buthelezi and presented by Walter Giuricich, South African Macadamia Growers Association (Samac) chairman, and Barry Christie, Samac operations manager. They introduced the planting, export, and trade of macadamia nuts from South Africa. Altogether over 100 major Chinese importers, distributors, and e-commerce leaders, as well as media representatives participated in the event.

Yu Zhongwu, president of Lin'an Nuts and Roaster Association, said during the welcome speech, "I am honoured to be at this seminar. I visited South African macadamia plantations and was amazed at the culture and trade of nuts. At present China's nut market is still primitive, where the price war is fierce and with low added value. But, with a huge consumer market, it is still lucrative. This means more international cross-border communication and cooperation are needed. The first South African Macadamia Nuts Seminar in Shanghai provides those who are still not familiar with the product a great opportunity to know more about it."

According to Christie, "South Africa is an amazing country with rich soil, beautiful views, and adventurous safari. The eastern part is where macadamia nuts are produced and now it is well known in the world as a treasure house of nuts."

South Africa is the biggest exporter of macadamia nuts globally and production is still developing at a rapid pace, with an increase of 1 500 hectares per year. Samac has more than 470 grower members, out

of just over 500 macadamia nut farmers.

During the past 20 years production has shown a huge increase from 1 211 tons in 1991 to 46 000 tons in 2015. Sales have increased from 32 million to four billion South African rand. The number of trees have increased from one million in 1996 to 6,5 million in 2016, altogether covering 21 500 hectares.

However, that does not mean that the production is easy. Pests, plant diseases, droughts, and storms can all result in unsuitable nuts that are either too small in size or too thick in shell. Another common problem is theft.

Due to the drought for example, production this year could decrease by 15 per cent and the negative influence might last until 2017. According to Christie, "that requires us to invest more in scientific research so as to combat the challenges".

Apart from natural challenges, Giuricich also mentioned the trade barrier that South African nuts have to face. Since the Sino-Australian Free Trade Agreement came into effect, Australian macadamia nuts currently enjoy an import tax of 14,9 per cent, while that for South Africa stands at 19 per cent. Over a period of five years the import tariff for Australian macadamia nuts will be brought down to zero per cent. This requires both governments and those in the industry to work together so that Chinese consumers will eventually be able to enjoy more macadamia nuts from South Africa. South African macadamia

nuts have started to enter mainland China, Hong Kong, Vietnam, and other Far Eastern countries since 2009, with sales in this region constituting half of South Africa's production and standing at over 20 000 tons.

Giuricich explained how macadamia nuts are rich in phosphorus, calcium, iron, vitamins B1 and B2, and eight amino acids, and are attractive with their smooth and fragrant taste.

Thanks to the fast development of the Asian market, exports of such nuts have enjoyed a tenfold increase over the past six years. The US and Canada remain the largest macadamia kernel market, with Europe, the Middle East, and Japan following. In 2009, kernels maintained their fast increase rate with a production of around 22,000 tons and surged to a historic high of 26,000 tons in 2014.

David Matthieu, CEO of Daxue Consulting, revealed a market research result at the seminar, saying that actually Macadamia nuts are also planted in China's Yunnan Province and are welcomed by middle-class consumers.

"New-generation consumers tend to buy healthy, high-protein, safe, and high-quality food and prefer nuts in shells very much due to the safety and hygiene factors as well as the fun of cracking the shells. Apart from nut in shell, kernels and oil are two of the other main forms of this product."

However, in the four cities of Beijing, Shanghai, Guangzhou, and Chengdu,

out of 900 consumers surveyed, half of them were not aware of macadamia nuts. Matthieu said, "Chinese consumers prefer high-quality, good-price, and nutritious food now and turn to buy online very much, and all these leave a potential market for South African macadamia nuts to develop further."

Chen Yuxiu, president of the Yunnan Nuts Association, said there are more than one million Mu or around 66 000 hectares of trees being planted in Yunnan. She said, "Consumers tend to care more about quality and health, and only by selling good-quality products can we win the market. And that means those in the industry need to protect the nut quality, and plant, process, and sell top-quality nuts, so as to help the industry to boom."

In the interactive session, Yu Zhongwu hosted the discussion on the challenges and opportunities for South African macadamia nuts. Participating enterprises posed questions on the planting standards, varieties, sourcing, and production of such nuts. Furthermore, many considered South Africa as their preferred sourcing destination, due to the high-quality products grown there. Moreover, they hoped to cooperate more with suppliers to further expand on China's consumer market.

Giuricich advised interested parties to visit <http://www.samac.org.za/index.php/info/suppliers> to view the name list of exporters and processors with a good reputation and high credibility. Meanwhile, Christie advised that it is not recommended to buy directly from orchards, since most of them do not have adequate processing and food safety measures in place to ensure the end-product quality.

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