



A Big Future for Small Nuts

First SAMAC Macadamia Nuts Seminar in Shanghai

The first South African Macadamia Nuts Seminar was held in Shanghai, China on 22 June 2016, presented by Walter Giuricich, SAMAC Chairman, and Barry Christie, SAMAC Operations Manager.

SUBTROP

Initiated by the Subtrop Market Development Manager Bonnie Buthelezi, the seminar 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 honored 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 is needed."

South African production

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

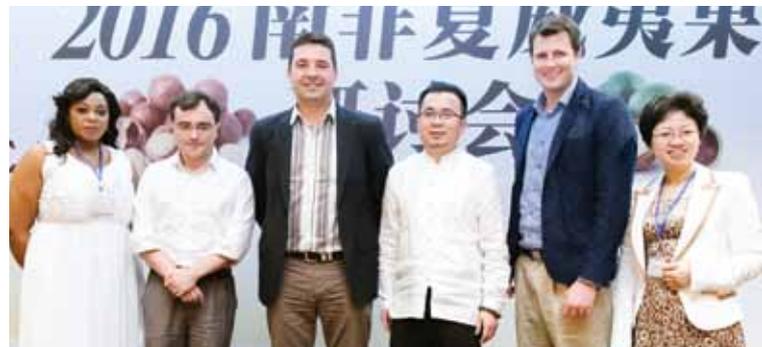
South Africa is currently the biggest exporter of macadamia nuts globally and production is still developing at a rapid pace, with an increase of 1 500 hectares per year. SAMAC has more than 470 grower members, who consists of just over 500 macadamia nut farmers.

During the past 20 years, South African macadamia nut production has exhibited a huge increase from 1 211 tons in 1991 to 46 000 tons in 2015. Sales have increased from 32 million to 4 miljard South African Rand. The number of trees have increased from 1 million in 1996 to 6,5 million in 2016, altogether covering 21 500 hectares.

However, that does not mean that the production of these nuts 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 could decrease by 15 percent this year 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".

South African macadamia nuts have started to enter



Subtrop Market Development Manager Bonnie Buthelezi, CEO of Dauxe Consulting and SAMAC chairman Walter Giuricich, President of Lin'an Nuts and Roaster Association Yu Zhongwu,, Operations Manager Barry Christie and MZM Marketer Mabel Zuang.

mainland China, Hong Kong, Vietnam and other far eastern countries since 2009, with sales in this region constituting half of South Africa's production at over 20 000 tons.

The Eastern market

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 Dauxe Consulting, revealed a market research result at the seminar, saying that 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 for cracking the shells." Matthieu said.

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 that Chinese consumers prefer high-quality, good-price and nutritious food, and tend turn to buying online. This leaves a potential market for South African macadamia nuts to develop further.

In the interactive session, Yu Zhongwu hosted the discussion on the challenges and opportunities for South African macadamia 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.

For more information, visit <http://www.samac.org.za/index.php/info/suppliers>. <<