

China's appetite for macadamias fuel SA industry

The demand for macadamia nuts in China is on the rise and has local farmers feeling optimistic. And for good reason. China has increased its nut consumption in recent years and is currently South Africa's fastest growing importer, importing up to 40% of the total haul according to China's National Industry Association (CSNC).



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South Africa is swiftly becoming the world's leading producer of macadamia nuts with almost 4,000 hectares of new trees added every year.

Valley Macadamias Group chairman, Alan Sutton recently visited China to gain more insight. As a leading global exporter, the Valley Macadamia Group has built long-standing relationships with a vast network of buyers in China. Over the years, Sutton has developed a deep understanding of the market, international quality expectations and demand.

"The demand and consumption of macadamia nuts in China are growing fast and opportunities for the South African macadamia industry are incredible," says Sutton. "However, as the market grows, the dynamics change and Valley Macadamia feeds that information to South African farmers to help them meet global demands."

In the past when demand outweighed supply, buyers had less choice of style and price. The balance is starting to shift, with the Chinese now producing their own nuts (10,000 tons in 2017) which is leading to a global increase in supply. "The market is now a buyer's negotiated space. With greater demands for quality and size, South Africa's produce ticks these boxes," says Sutton.

China a nut-eating nation

Culturally, China is a nut-eating nation. Sutton says the demand for dry-nut-in-shell from South Africa is strong due to the perceived higher quality. Chinese buyers are looking for a homogeneous, premium quality product from harvest to end product.

One long-term challenge facing South Africa's trade with China is that Chinese macadamia farmers could pose a threat to export rates in the long term. But there is still opportunity for growth in speciality nuts and ingredients.

South Africa's macadamia industry is poised for growth of between 8% and 10% this year. With demand in China set to increase, the boom in South Africa can only continue.

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