



25 PALM ST, WHITE RIVER, 1240, SOUTH AFRICA

TEL: +27 87 820 4650 – WWW.GFNC.CO.ZA

Dear Grower,

Welcome to our new quarterly newsletter format - which we hope you like!

Each edition will include dedicated market update, technical, and company and factory news sections. As well as information about upcoming industry events and recent press coverage.

The 2019 macadamia season already passed the halfway mark and the market looks buoyant all round, kernel and in-shell included. South Africa is on track to deliver its forecasted 58 500 mt tons. Disappointingly the Australian crop is significantly down this year, which is likely to have a small positive knock on effect on prices.

From a technical perspective we would like to ask for your participation in a short survey about our service, so that we can work towards exceeding the expectations you have from us. An update from the recent farmers day roadshow events as well as information on orchard management is also included.

Together with ongoing infrastructure investment at all three factories around the country, the business has continued to upweight its team throughout this year with further strategic appointments to the business, including Brett Balsdon who steps into a contract role at the White River factory as general manager.

We're proud to announce that Jill Whyte, GFNC chairperson, has recently won the DAFF Mpumalanga Female Entrepreneur Award.

MARKET UPDATE

Global crop estimates are set to meet forecasts, with the exception of Australia, which is significantly down from 49 000 mt tons in-shell to 42 500, due to adverse weather conditions. South Africa's production estimate remains at 58 500 mt tons, and although China's output is anticipated at 30 000 mt tons in-shell, its quality and size are not likely to meet domestic market in-shell demands.

Following Alex Whyte's recent attendance at the China International Tree Nuts Conference, hosted 5 - 7 August in Zhengzhou, feedback on the Chinese market is positive. It continues to grow, albeit at a slower pace than previous years. Demand for quality in-shell remains high, together with a growing kernel market.

It was anticipated that the in-shell market to China may be compromised due to the expectation of a strong domestic crop and inventory carry over from the 2018 season. It has since become apparent that domestic crop is not of sufficient quality, and this together with settling down of concerns around the trade war means that the in-shell market has picked up significantly.



25 PALM ST, WHITE RIVER, 1240, SOUTH AFRICA

TEL: +27 87 820 4650 – WWW.GFNC.CO.ZA

The kernel market has maintained its strong position throughout the season due to growing demand from around the globe, and prices are likely to increase slightly off the back of the poorer Australian crop. Based on this, very little carry over of the 2019 season is expected, which means the outlook for 2020 looks strong.

The exchange rate has been volatile throughout the year. GFNCs opening price offer was at R14 to the US dollar, and the exchange rate has fluctuated both below and above this level. The business has covered well and with current Rand weakening we anticipate a robust profit share payout to growers for this season.

COMPANY NEWS

Factory infrastructure investment plans continue, together with the ongoing appointments of new members to the team to ensure the business is robustly positioned for the future. Brett Balsdon has taken a contract position at the White River Factory in the role of general manager.

We are pleased to let you know that final trials on the WIS drying container, mentioned at grower meetings earlier this year, have successfully been completed. Developed with technical input from industry experts, the product, named “DryMac”, holds excellent prospects for the industry.

Chairperson, Jill Whyte, has recently won the DAFF Mpumalanga Female Entrepreneur Award. She will attend the National Awards in Cape Town this week. Her award money of R150 000 will all be invested into offering agriculture bursaries for the next generation of South African farmers.

GFNCs head office moved from Casterbridge Lifestyle Centre to a standalone commercial premises in July. The new address is 25 Palm Street, White River.

EVENTS

Upcoming Events

- * Levubu Boere Dag 13 September

TECHNICAL NEWS / GROWERS GUIDE

GFNC is striving to become the leading processor of quality macadamias in the country. We have created a survey that seeks to understand our farmers and their needs better, including technical support and customer service requirements. Click on this link to complete: [GFNC Grower Survey](#). In participating you stand a chance to win one of two prizes in each region – winners will be announced at the Christmas function.

We recently hosted 14 study group events between May to July; over 450 farmers in the six key growing regions of Southern Africa, attended including: Mpumalanga (Kiepersol & Barberton), Limpopo (Levubu), Zimbabwe (Chipinge), Eswatini (Malkerns), Western Cape (Riversdale, George



25 PALM ST, WHITE RIVER, 1240, SOUTH AFRICA

TEL: +27 87 820 4650 – WWW.GFNC.CO.ZA

and Craggs) and KZN (Pongola, Mtubatuba, Umhlali and Ramsgate). Both the Levubu and Chipinge events hosted sessions for both commercial and emerging growers. Watch a short summary video from the events [here](#).

Orchards around the country are beginning to turn to full bloom. It is important to remember to ensure trees are sufficiently watered during flowering and fruit set. Continue to monitor for pests (thrips, stink bugs and the nutborer complex), as well as new pests like the Macadamia Felted Coccid. Try to avoid spraying insecticides during flowering and continue to scout weekly.

All the best of luck for the final leg of the season,

Allen Duncan