25 Palm St, White River, 1240, South Africa
Tel: +27 87 820 4650 – www.gfnc.co.za

Dear valued grower,

Approximately 400 growers entrust their crop to Green Farms Nut Company each year, testament to the level of service and prices they receive. Our factories across key growing regions are in full steam toward a strong season.

Processing:

The early maturation of the 2019 crop coupled with high incidences of on farm theft in Mpumalanga and Limpopo has meant that many growers took the decision to harvest crops earlier than usual this season.

The consequences of early harvesting have been felt in the factories, with a higher early crop incidence of immature nuts causing higher unsound kernel recovery and increased early deliveries which has put pressure on drying bin space. Sorting the higher unsound kernel adversely affected factory throughput.

We will be investing in more drying and storage facilities and urge farmers to do the same, an industry benchmark is crop drying/storage facilities for 30% of estimated tonnage. This good governance practice means more control of your crop and flexibility of delivery. The drier the nut is on delivery the sooner it goes into production, yielding more bin space. Defects are more easily recognised, offering an earlier indication of quality.

The KwaZulu Natal factory is going very well due to good volumes, quality and a dedicated team. The crop is growing very well and we are planning a factory upgrade in the off season. As usual, nut quality is improving across the board, as the season progresses.

Technical:

We have taken the stance to assist growers with technical information at a high level, while not overspending on a massive arsenal of technical experts. Study groups and small grower meetings will be held in all growing areas - where relevant information to improve production and quality will be presented. Local area representatives or the technical manager will visit farms on request, should time allow it.

Late stinkbug damage is of great concern this year. Although the effect of weather on population growth is not fully understood, it does seem to play a role - and was likely partly responsible for some of the damage this season. Early stink bug damage is in some instances higher than late stink bug damage. More information on issues that need to be addressed <https://gfnc.co.za/wp-content/uploads/2019/06/Technical_June-2019.pdf>

The alien invasive insect, Macadamia Felted Coccid, is present on several farms and seems to be spreading to neighbouring farms more rapidly than initially anticipated. Dr Schalk Schoeman (ARC-

25 Palm St, White River, 1240, South Africa
Tel: +27 87 820 4650 – www.gfnc.co.za

TSC) is busy with the importation of biocontrol agents from Hawaii. More details can be obtained from SAMAC. Download the SAMAC app <https://itunes.apple.com/za/app/samac/id1441529722?mt=8>

Growers are encouraged to make use of a consultant of their choice, who would be able to give much more of their time than any large group of technical employees could for less money. We can provide you with contact details of reputable consultants on request.

International Nut Council Congress (INC):

The annual INC- hosted this year 23 - 25 May in Florida in the U.S. - once more highlighted confidence in the macadamia sector. Over 1300 industry leading delegates from over 60 countries from all aspects of the nut industry attended the event.

2019 global supply is anticipated to grow by 9000 mt tons, reaching 232 428 mt tons, up 4% on 2018 (223 537 mt tons). However this is 1% down on forecast (234 890 mt tons) from March this year, leaving the market in tight supply. Longer term 7 year crop growth projection remains extremely positive: 500 000 mt ton increase from 200 000 in 2018 to 700 000 in 2025. Full press release for further details.

I want to assure you that as a collective team we are doing everything in our power to give you the best service possible.

Kind regards,

Allen Duncan, CEO, Green Farms Nut Company

25 Palm St, White River, 1240, South Africa
Tel: +27 87 820 4650 – www.gfnc.co.za

Geagte Verskaffers,

Ongeveer 400 produsente vertrou elke jaar hul oes aan Green Farms Nut Company, wat getuig van die vlak van diens en pryse wat hulle ontvang. Ons fabrieke in die verskeie streke is volstoom oppad na 'n sterk seisoen.

Verwerking:

Die vroeë rypwording van die 2019 oes, tesame met hoë voorvalle van plaasdiefstal in Mpumalanga en Limpopo, het daartoe gelei dat baie produsente die seisoen besluit het om hul oeste vroeër as gewoonlik af te haal.

Die gevolge van die vroeë oes is in die fabrieke gevoel, met 'n hoër teenwoordigheid van onvolwasse neute wat hoër ongesonde kernherwinning tot gevolg gehad het. Verhoogde vroeë aflewerings het ook druk op droogingsfasiliteite geplaas en sorteering van die hoër ongesonde kern het die fabrieksdeurset negatief beïnvloed.

Ons sal belê in meer droog- en bergingsfasiliteite en moedig boere aan om dieselfde te doen. Die industrie standaard is droog- en bergingsfasiliteite vir 30% van die beraamde tonnemaat. Hierdie goeie bestuurspraktyk beteken meer beheer oor u gewas en buigsaamheid van lewering. Hoe droër die neut by aflewering, hoe vinniger gaan dit in produksie, wat meer spasie in ons droogingsfasiliteite bied. Defekte word ook makliker geidentifiseer en bied 'n vroeëre aanduiding van gehalte aan.

Dit gaan baie goed by die KwaZulu-Natal fabriek as gevolg van goeie volumes, kwaliteit en 'n toegewyde span. Dit gaan goed met die gewas en ons beplan 'n fabrieksopgradering in die af seisoen. Soos gewoonlik verbeter die algehele kwaliteit van die neute soos wat die seisoen vorder.

Tegnies:

Ons het die standpunt ingeneem om produsente te help met tegniese inligting op 'n hoë vlak, maar terselfdetyd nie oor te bestee op 'n massiewe arsenaal van tegniese kundiges nie. Studiegroepe en boeredae vir kleinskaalse boere sal in alle produksie gebiede gehou word waar relevante inligting om produksie en kwaliteit te verbeter deurgegee sal word. Plaaslike verteenwoordigers of die tegniese bestuurder sal op versoek plase besoek, indien die tyd dit toelaat.

Laat stinkbesieskade is vanjaar van groot kommer. Alhoewel die effek van die weer op bevolkingsgroei nie ten volle verstaan word nie, lyk dit of dit tog 'n rol speel - en dit was waarskynlik deels verantwoordelik vir van die skade die seisoen. Vroeë stinkbesieskade is in sommige gevalle hoër as laatstinkbesieskade. Meer inligting oor kwessies wat aangespreek moet word.

Die uitheemse indringende insek, die Makadamia Filtluis, is op verskeie plase teenwoordig en het blykbaar na naburige plase vinniger versprei as wat aanvanklik verwag is. Dr Schalk Schoeman (ARC-

25 Palm St, White River, 1240, South Africa
Tel: +27 87 820 4650 – www.gfnc.co.za

TSC) is besig met die invoer van biokontrolemiddels uit Hawaii. Meer besonderhede kan verkry word vanaf SAMAC. Laai die SAMAC toep af.

Produsente word aangemoedig om van 'n konsultant van hul keuse gebruik te maak, wat meer tyd kan gee as 'n groot groep tegniese werknemers, vir minder geld. Ons kan u voorsien van kontakbesonderhede van betroubare konsultante.

International Nut Council Congress (INC):

Die jaarlikse INC het vanjaar in die VSA vanaf 23 tot 25 Mei in Florida plaas gevind. Die bedryf het weereens hul vertroue in die makadamia sektor bevestig. Meer as 1300 industrie afgevaardigdes van meer as 60 lande uit alle sektore binne die neutbedryf het die geleentheid bygewoon.

Die 2019 wêreldwye aanbod sal na verwagting met 9000mt groei om 232 428mt te bereik. Dit is ‘n verhooging van 4% vanaf 2018 (223 537mt). Dit is egter 1% laer as wat voorspel is (234 890mt) in Maart vanjaar, en gevolglik laat dit die mark met n laer aanbod. Langtermyn 7-jaar oesvooruitskattings bly uiters positief: 500 000mt styging van 200 000mt in 2018 tot 700 000mt in 2025. Volle persverklaring vir verdere besonderhede.

Ek wil u verseker dat ons as 'n kollektiewe span alles in ons vermoë doen om u die beste diens te gee.

Vriendelike groete,
Allen Duncan, HUB, Green Farms Nut Company