



## NEWSLETTER NUUSBRIEF

June 2016

DEAR VALUED SUPPLIER

The 2016 crop has been revised to 34,000 tons, a 25% drop on the 2015 season crop. This is even less than what was projected in May. I cannot express how disappointing this is, for all of us, and certainly from our marketing perspective, it is a major problem. Managing supply to our customers and fulfilling contractual obligations is part of a professional business. Please be sure to do your absolute best to support our efforts, and keep our good name by supplying us with as much as you possibly can. When the volumes come in in future we will need to have all our customers support.

In early June Graeme and I attended the International Nut Council conference in San Diego, California. It was good to get back to the USA as over the last few years the industry has focused a lot on developing markets in Asia. The USA remains the largest consumer of Macadamia nut kernel worldwide, and it is good to see that the economy there has picked up and the demand for macadamia nuts is excellent.



He did not waste time!!

Food safety is becoming a greater than ever concern. Our FSSC 22,000 accreditation stands us in good stead. Supermarkets in the USA, now also require that product is pasteurised and we are going to have to comply with this requirement. The whole nut industry is moving towards this. With this in mind Green Farms Nut Company have been planning a Mega factory in the White River area, where we will install a pasteuriser. Our first step was to purchase an additional property next to the White River factory, and the first phase of the Mega factory will be ready for the 2017 season. This is a massive step and we are very excited about it and will keep you informed as we progress!



Jill on the Pecan panel.

The Australian 2016 crop is 46,000 tons, a lot bigger this season than it has been for the last few years, so in terms of keeping customers supplied internationally this is a good thing, this is a real benefit we get from our Green & Gold joint venture.

Of concern is that SAMAC have announced that all macadamia nut farmers must be GlobalGAP or SAGAP accredited in order to pass inspection by the PPECB for NIS exports in 2017. The ramifications of this for farmers and factories are huge. The question begs to be asked whether the impact of this has been properly considered in an industry which, is a minute part of the World nut industry. To date nobody enforces any such compliance anywhere in the world in any other nut industry. Are we not giving the bureaucratic PPECB considerable powers and are we going to end up with more costs, paperwork and unnecessary interference in our industry for little or no gain?

Many large farmers already have got either Global gap or SA gap especially if they export fresh fruit products that are exported to Europe. It would be foolish to argue that, in principle, Good Agricultural Practices are a bad thing. As a farming tool, there are benefits. We sincerely hope that common sense will prevail on this issue. We will keep farmers informed and will help them where necessary if indeed this becomes law. Farmers themselves need to be proactive in having their voice heard on this matter.

From a factory perspective, the most important item on the agenda at present, is that many farmers are still struggling to control stink bug, both early and late. This is costing our industry a fortune, and is where we desperately need SAMAC to invest in. A rough estimate on the loss **alone to GFNC farmers is in the region of R27 million** without consideration of additional processing costs. Our factories are running at 50% capacity, and this is an additional problem as it slows down deliveries. SAMAC are funding research on this and hopefully will come with solutions soon, please support this initiative as an absolute priority for our industry. In the interim, be sure to prune large trees, test your equipment for efficiency and monitor orchards carefully.

To end on a positive note, our sales have gone extremely well this season and we are happy to say that we are more than 100% sold with the short crop. Farmers can look forward to a good profit share again this year. Managing the movement of the Rand is proving difficult, as predicted at our farmers meetings in early March. We always try to err on the side of caution, so that there are no nasty surprises for farmers. Green & Gold and our international marketing strength places us in a unique position to get you the absolute best prices. We are indeed fortunate to be in a very successful industry and to have a fabulous product which we can all be proud of and reap the benefits from !

**Jill Whyte**  
CEO  
Green Farms Nut Co.  
whytespr@mweb.co.za



**Alex Whyte**  
Marketing Manager  
Green and Gold Marketing  
alex.whyte@greengoldnuts.com  
072 031 1838



**Werner van Niekerk**  
Procurement  
Green Farms Nut Co.  
werner@gfnc.co.za  
082 783 3407

**Graeme Whyte**  
Procurement  
Green Farms Nut Co.  
graeme@gfnc.co.za  
073 250 1846