

Macadamias are on the mend

By Lindi Botha | 19 February 2024 | 2:11 pm

The macadamia nut industry is entering a recovery phase as low prices stimulate demand and value-adding. Over the last two years, the crop fetched significantly lower prices as world economies took a downturn after the COVID-19 lockdowns.



Prospects for the macadamia industry are looking good as the prices recover from the lows seen after the COVID-19 lockdowns

Photo: Lindi Botha

The increase in the global crop as a result of new plantings coincided with the lower demand, pushing prices further down.

In 2023, farmers achieved on average US\$8,25/kg (R152/kg at an average exchange rate) for kernel for the season.

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This was even lower than the average price of US\$11,50 (R188/ kg at the 2022 exchange rate) in 2022, and US\$16/kg (R236/kg at 2021's average exchange rate) in 2021.

This year, marketers expected a slight increase from the 2023 prices.

Although the prices were on an upward trajectory, they were not expected to reach the highs of 2018, where kernel sold for as much as US\$20/kg (R375/kg).

Roelof van Rooyen, director of Marquis Macadamias, noted the way in which macadamias were priced had also changed.

“Certain styles and specifications will get sharper increases, while others will get lower increases, due to the respective popularity of the different styles. This means farmers need to pay more attention to the quality and crackouts of their crops.”

Regarding uptick in demand, Van Rooyen said that demand stimulation as a result of the lower prices had been vast.

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“The industry is in a very different position than it was last year. Most of the stock is sold out, which is a tell-tale sign of just how quickly the market has been able to respond to lower prices. The lower-priced stock is also finally making its way on to supermarket shelves, which will stimulate demand further as the nuts became more affordable for consumers.”

The global crop is still increasing as orchard expansion continues. Macadamias South Africa reported that the 2023 crop ended on 77 532t dry-nut-in-shell at 1,5% moisture, up from 68 849t the previous year.

This was in line with the predicted annual growth rate of around 12%. Next year’s crop was therefore expected to come in at just above 86 000t.

Volatile weather was expected to have an impact on the 2024 crop, as cold spells, followed by heatwaves were common in spring 2023.

Barry Christie, group agricultural technical manager for Green Farms Nut Company, said this typically led to thicker shells, reducing the amount of recoverable kernel, and therefore farmer income.

Farmers were advised to continue maintaining crop protection programmes to achieve high-quality crackouts and better prices.

