

# The empowering impact of macadamia trading on the SA economy

From humble beginnings to an export powerhouse, the South African macadamia industry is the largest producer of macadamia nuts worldwide. Despite the setback of the recent drought, reports from the 2018 World Nut and Dried Fruit Conference signal a strong growth trajectory for this flourishing local industry, which has an estimated yield of 53,500 tonnes and sales value well over R3,2bn in 2018.



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According to Valley Macadamia chairman, Alan Sutton, the South African macadamia industry is mainly fuelled by China's growing appetite for macadamias. The growing global demand and limited supply has caused local farming to increase exponentially. With more than 7,5 million macadamia trees and 2,000 hectares added every year, production is expected to double in the near future.

To capitalise on this lucrative market, local growers continue to diversify their crops with some now focused solely on macadamias. The booming South African macadamia industry will undoubtedly have a significant impact on agricultural and economic development.

## Job creation

Employment across the macadamia industry is currently estimated at 12,500 workers, including seasonal workers for harvesting and processing. In 2017, an estimated 7,750 permanent job opportunities were created on macadamia farms and in cracking facilities. An additional 8,150 jobs were created during peak season. The growing rate of new plantings will also create hundreds of sustainable jobs that can uplift rural communities and boost the local economy.

## Multiple streams of income

Where macadamia farms are owned by local communities, households can benefit from annual dividends or earn a steady income from renting out fields. Additional income can also be generated when rural communities own and manage the full value chain including nurseries and factories.

## **Skills sharing**

Valley Macadamia's commitment to education and information in the industry is driven by their mission to uplift all farmers, communities and related stakeholders. In addition, 20% of the grower levy imposed by the Southern African Macadamia Growers' Association (SAMAC) is used to provide training, workshops and equipment to improve quality, competitiveness and access to global markets.

## **New money, markets and technology**

The stabilising political environment and growing global demand for food production could lead to greater investment opportunities. In turn, investments could secure the acquisition of world-class technology essential for processors to improve quality and productivity. Emerging markets are experiencing greater economic prosperity which can secure a larger local macadamia market. Given the forecast doubling of local production, processors need to find new markets to increase exports.

The impact of macadamia trading on the South African economy is undeniable and the opportunities are attracting many prospective growers. "This industry takes grit, determination and hard work, but you'll never regret it", says Sutton. "We're seeing a global market growth of 33% per year and an insatiable market demand makes for attractive returns. The generic marketing currently undertaken by the International Nut and Dried Fruit Council (NIC) is an example of our industry body hard at work to increase the supply and demand of macadamias and secure a bright future for the industry at large."

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