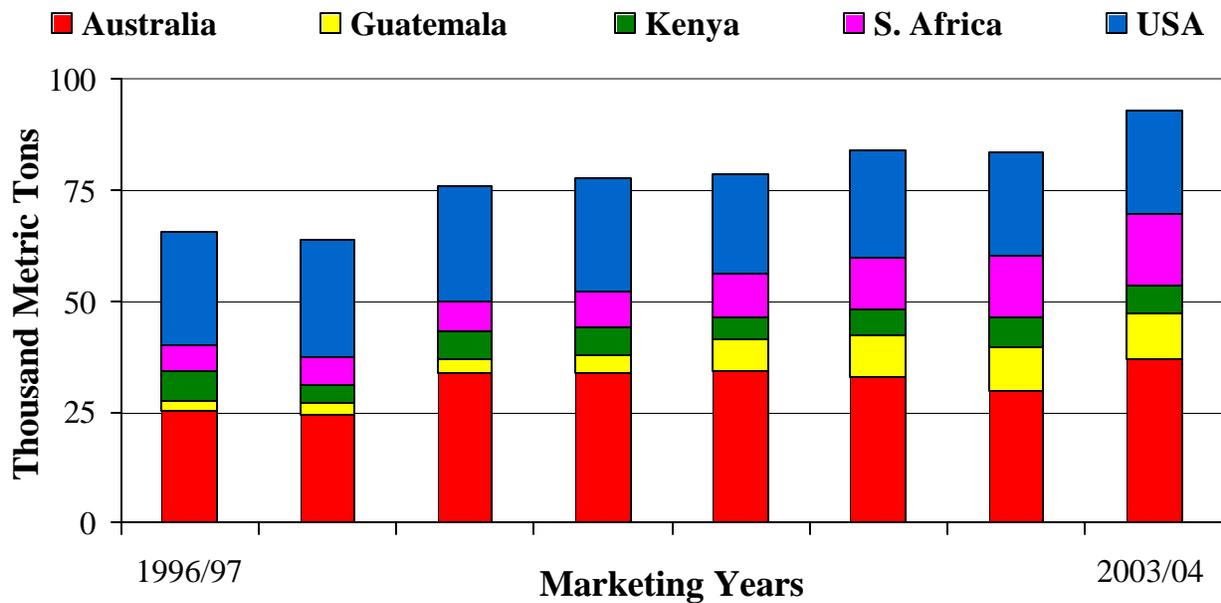


## Macadamia Situation & Outlook in Selected Countries

### Production

The U.S. Department of Agriculture (USDA) Production, Supply and Distribution (PSD) database contains data on wet-in-shell macadamias for Australia, Kenya, the United States, South Africa, and Guatemala. Of the selected countries in the PSD database, the United States accounted for 25 percent of reported

### Macadamia Production in Selected Countries



Source: USDA Agricultural Attache Reports; USDA National Agricultural Statistical Service.  
 Marketing Years: Australia, Kenya, South Africa: Mar-Feb; Guatemala, Jan-Dec; United States, July-June.

production in marketing year (MY) 2003/04.

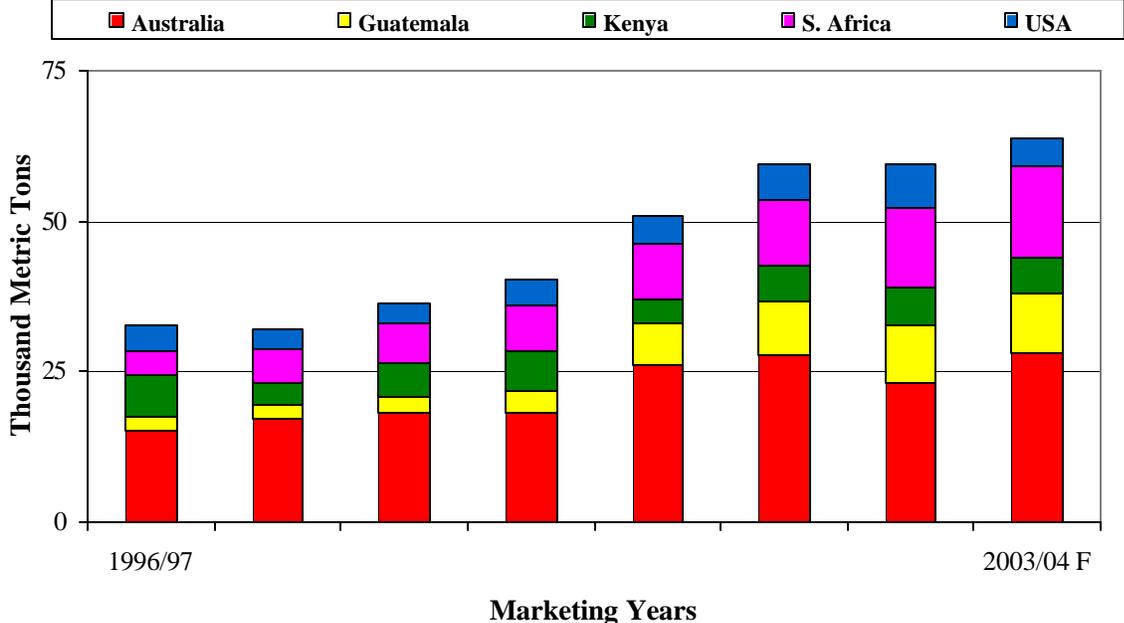
Macadamia production for 2003/04 in selected countries (the United States, South Africa, Australia, Kenya, and Guatemala) is estimated at 92,923 tons, an 11 percent rise over 2002/03-production.<sup>1</sup> As illustrated above, production grew 42 percent since 1996/97 to 2003/04, with large increases in Australia, Guatemala, and South Africa. The high market value of macadamia nuts and the need to diversify sources of agricultural income in developing countries has led to increased plantings and production. Macadamia trees are often inter-cropped with other commodities, such as coffee or plantains, to compensate farmers for falling prices of traditional cash crops.

1. Split years refer to harvest and marketing period, which begins in the fall and extends to the spring. This corresponds roughly to July-October in the Northern Hemisphere and January-March in the Southern Hemisphere. For Southern Hemisphere, harvest occurs almost entirely during the second year shown.

According to the Hawaii Agricultural Statistical Service 2004 [Preliminary Crop Report](#), the initial 2003/04 forecast is 21,133 metric tons, down 2 percent from a year earlier. Production in Australia is expected to reach a record 37,000 tons in 2003/04 and 38,500 tons in 2004/05. Although Australian statistics regarding tree plantings are not available, industry sources state that new plantings are occurring and that the industry is set to expand over the next 5 years. Production in Guatemala is expected to grow at 5 percent reaching 10,290 tons in 2003/04 and 10,780 tons in 2004/05. Guatemalan production is projected to increase over the long term as new orchards become commercially mature and new plantings continue. In Kenya, the 2003/04-production is up 2 percent, reaching 6,500 metric tons. Kenyan production is expected to increase by 10 percent in 2003/04 for reasons similar to Guatemala. Production in South Africa was up 14 percent, reaching 16,000 tons in 2003/04. South African plantings are expected to grow 15-20 percent annually resulting in 30,000-ton crops by 2010.

**Trade**

**Macadamia Nut Exports for Selected Countries**



Source: USDA Agricultural Attache Reports; USDA National Agricultural Statistical Service. Marketing Years: Australia, Kenya, South Africa: Mar-Feb; Guatemala, Jan-Dec; United States, July-June.

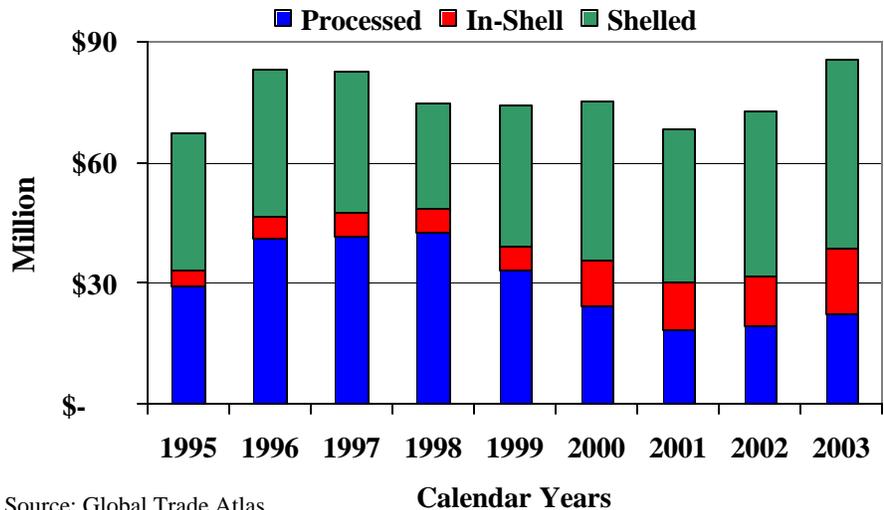
Exports of macadamia nuts from selected countries continue to accelerate. Export growth has been led by Australia and South Africa. Increasing production capacity and a growing share of production exported have nearly doubled the volume exported since 1996/97. For all countries but the United States, exports on a wet-in-shell basis in 2003/04 accounted for over 75 percent of total production. In contrast, the United States only exported 20 percent of its domestic production in the same period.

## Australia

Australia, the leading producer and exporter of macadamias (wet-in-shell basis), has been characterized as a bulk-commodity producer, supplying the world with shelled and in-shell macadamia nuts for further processing. However, the composition of Australian exports has shifted in the past few years from processed macadamias to shelled products. In

2003/04, Australia exported 28,000 tons. Exports are forecast to rise 4 percent in 2004/05 to 29,500 tons. Major markets for Australian macadamia's are Japan, the United States and the EU. For 2003/04, Australia exported 76 percent of its total macadamia production. For further information, please see the [2004 Australia Tree Nut Annual](#) report.

### Australian Macadamia Nut Exports



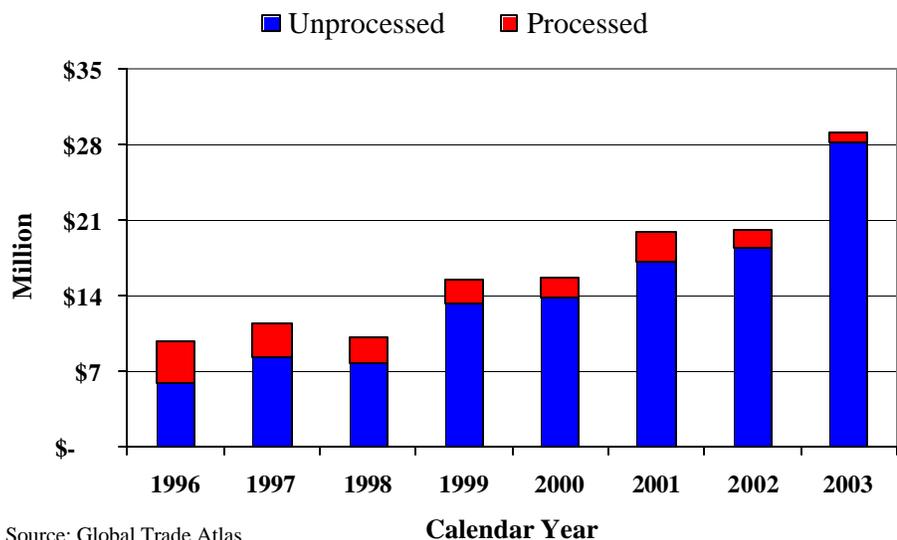
Source: Global Trade Atlas

## South Africa

South Africa is the second largest exporter of macadamia nuts in the world. The 44-percent jump in exports for CY 2003 (\$29 million) is attributable to commercial maturation of new orchards. As is the case for Australia, South Africa has shifted away from exporting processed macadamias to shelled and in-shell nuts. In CY 1996, processed

macadamia nuts accounted for 39 percent of exports while in CY 2003, they were only 3 percent of total exports. In 2003/04, South African exports of macadamia nuts accounted for 96 percent of total production. For more information, please see the [2004 South Africa Tree Nut Annual](#).

### South African Macadamia Nut Exports



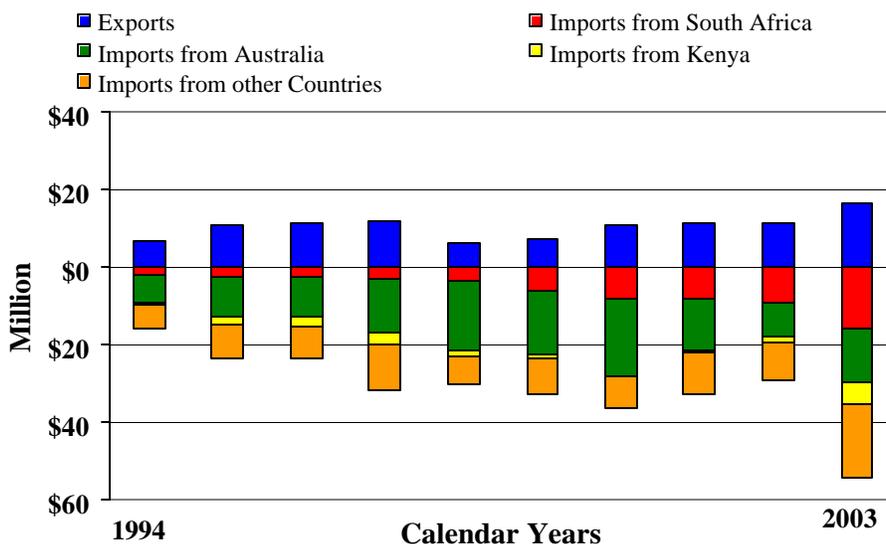
Source: Global Trade Atlas

## United States

While the United States is a notable exporter of processed macadamias, the United States is also a leading importer of macadamia products. The United States only exports prepared and processed macadamias while primarily importing shelled macadamia nuts. In CY 2003, South Africa remained the primary U.S. supplier of macadamias for

the second year, with shipments of \$15.7 million. In CY 2002, South Africa surpassed Australia to become the primary macadamia supplier to the United States. Total U.S. imports for CY 2003 totaled \$54 million, while exports were valued at a record \$17 million. Other notable suppliers of macadamia nuts for CY 2003 are Brazil (\$3.9 million), China (\$3.8 million), Malawi (\$2.7 million), and Costa Rica (\$2.1 million). The primary markets for U.S. macadamia nuts in CY 2003 were Japan (\$5.4 million, 32 percent market share), Hong Kong (\$1.2 million, 8 percent) and China (\$1.2 million, 7 percent).

## U.S. Trade of Macadamia Nuts



Source: Bureau of the Census, DOC

## Kenya

Although Kenya has over 100,000 small-scale farmers, the Kenya Nut Company is the sole processor of macadamia nuts. Kenyan exports reached 6,030 tons in 2003/04, and are expected to increase to 7,300 tons in 2004/05. The United States has surpassed Japan as the primary export market for Kenyan macadamias. Kenya has historically exported a large share of its production, with 93 percent being shipped off-shore in 2003/04. For further information, please see the [2003 Kenya Tree Nut Annual](#).

## Guatemala

Guatemalan exports reached 10,290 tons in 2003/04 and are forecast to reach 10,450 tons in 2004/05. Domestic consumption of macadamia nuts and products has been slowly increasing in Guatemala, which is reflected in a declining share of production being exported. In 2003/04, 92 percent of production was exported, down from 100 percent in 1997/98. The primary market for Guatemalan exports is the United States, and key exporters have show interest in further penetrating the U.S. market with a variety of raw and processed macadamia products.

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