

World's largest macadamia factory opened in White River

By [Marika Brits](#)

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Following a massive boom in the South African and global macadamia industry, South Africa is now the largest producer of macadamia nuts in the world. The South African market is largely driven by exports and, as demand increases, we have seen hectares under macadamias trees increasing rapidly in South Africa's macadamia growing areas.



More than 600 farmers attended the factory opening and farmer's day. GFNC also took the opportunity to announce the 2017 profit share and 2018 price offer. (Image Source: AgriOrbit)

"The industry does, however, have one weakness," says Alex Whyte, general manager of Green Farms Nut Company (GFNC). The South African industry is extremely reliant on the Chinese market. "In 2017, more than 50% of the crop was exported to China. This is quite a heavy and unhealthy reliance for an industry to have on one market."

SA cracking its own nuts

The industry's reliance on the Chinese market is explained by the fact that it is a nut in shell market and that South Africa has a limited cracking capacity. "For the Chinese market, the nuts are just dried, bagged and sent out as a bulk commodity, while most other markets demand kernel. The South African industry doesn't have the ability to crack its entire crop, so we need China to take some of our volume. As mentioned, this makes us over-reliant on a single market and therefore there is a challenge to processors to expand their cracking capacity."

This is exactly why GFNC has now built the largest under roof macadamia processing facility in the world in White River, Mpumalanga. "Building this infrastructure signifies that our long-term view for a sustainable industry, including creating value-add and marketing capability domestically as opposed to, for example, outsourcing processing to China. This approach ensures we remain price givers rather than price takers in years to come," explains Whyte.

Whyte says that the increased processing capacity means that GFNC can now crack its entire intake of macadamia nuts if it needs to. "This gives us more control over how we market the farmer's product. We believe this was a key step required for a sustainable future for both GFNC and the South African macadamia industry and is completely warranted by local macadamia production."



Image Source: [Green Farms Nut Company](#)

Growing in capacity

The macadamia production forecast for 2018 is 54,000 tonnes and according to Whyte this will most probably be doubled in the next five to seven years. “If the industry’s cracking capacity is not increased in step with the production increase, we will end up sending 80% of our crop to China, which is not a good situation to be in.

The first of the two phases in developing the factory to its full capacity has now been completed. The factory was officially opened on 6 March 2018 and will be active during the 2018 season. “The 10,000 m² facility has a long-term capacity of handling up to 25,000 tonnes of macadamia, but we will grow into this capacity over time as production increases.

For the 2018 season, it is ready to handle an 8,500-ton capacity.” The new factory increases GFNC’s processing capacity by 40% and includes state-of-the-art technology and the latest sterilisation techniques. These technologies will drive higher efficiency. For example, state-of-the-art optical sorters will drive efficiency through increased processing speed. These technologies also help to reduce water and electricity usage.

Part of the new developments will be to use the old factory to establish value-adding capabilities, such as roasting and manufacturing oil. “This is not as urgent as increasing cracking capability, but will be beneficial in giving us and the industry more options, especially in serving and increasing demand in the local market,” says Whyte.

GFNC, established in 1991, is the oldest active macadamia processing and exporting company in South Africa and prides itself on three key aspects that sets it apart from other macadamia processors and exporters. “Firstly, we operate on a basis of free enterprise and do not require growers to sign supply contracts. The onus is on us to do a good job to make sure that they want to deliver to us,” explains Whyte. Furthermore, GFNC operates a pool system and any exchange rate

benefits or price increases that occur during the season is passed on to the grower. “The other very important aspect is that we are part of the largest global macadamia marketing company, Green & Gold Nuts. GFNC works together with a number of companies around the world. This gives us more influence in the marketplace and allows us to talk directly to retailers.”

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