

8th World Macadamia Symposium

In October, 2018, we joined the Australian Macadamia Society tour party to the World Macadamia Symposium in Lincang, Yunnan Province, China. Following is our report of the trip. Jan and Nick King.

Day 1. Arrive Shanghai Pudong airport. Take touted taxi to Hotel at 400 RMB (\$88 NZD) after having been told not to take a touted taxis and being told fare should be 170 RMB (\$45 NZD) for regular taxi. Journey time to hotel 1.30 mins, for the most part on an elevated motorway. Alternatively, the fast train is 16 NZD and then taxi to hotel. No doubt quicker, and a fraction of the price. Hotel, Sofitel Hyland, kindly gave us early check in. Bit of a nap followed by walk around town and down to the famous Bund.



Lunch in a food hall, around \$4 NZD for 2 courses. We were due to meet up with the Australian Macadamia Society tour party at 9.30 pm when they arrived from Brisbane, but went to bed, as it had been a big day. Aussies arrived late at 10.30 pm so good call.

Day 2. Meet AMS tour group. We have 1200 macadamia trees, the smallest Aussie orchard on tour has 5000, the largest 150,000 trees. Businesses from family through to corporate, some already exporting finished product to China, though NIS makes up 25% of Australia's macadamia exports to China. This morning, again, a walk along the Bund. The Bund museum was remarkably ideologically free.

2 pm AMS China agency **Havas** seminar.

China pre-tour Havas Presentation



1810 China
pre-tour Havas Presen

Australia is the fastest growing exporter of nuts to China, and this will be boosted with the FTA coming into effect next year.

Day 3. Visit wholesale market. New buildings as the Government demolished the old wholesale district for intensive redevelopment. In our 14 days travelling in China we saw very few buildings, and infrastructure anywhere, older than 20 years. Most built within the last 10 years. The wholesale market has many individual businesses with footprints of about 20sq meters inside numerous large buildings of about 3000sq meters. We saw local macadamia kernel in vacuum packed packets. A carton of 24 packs, 500gms each pkt, came out at about A\$ 32/kg. This wholesale NZD about \$34/kg.

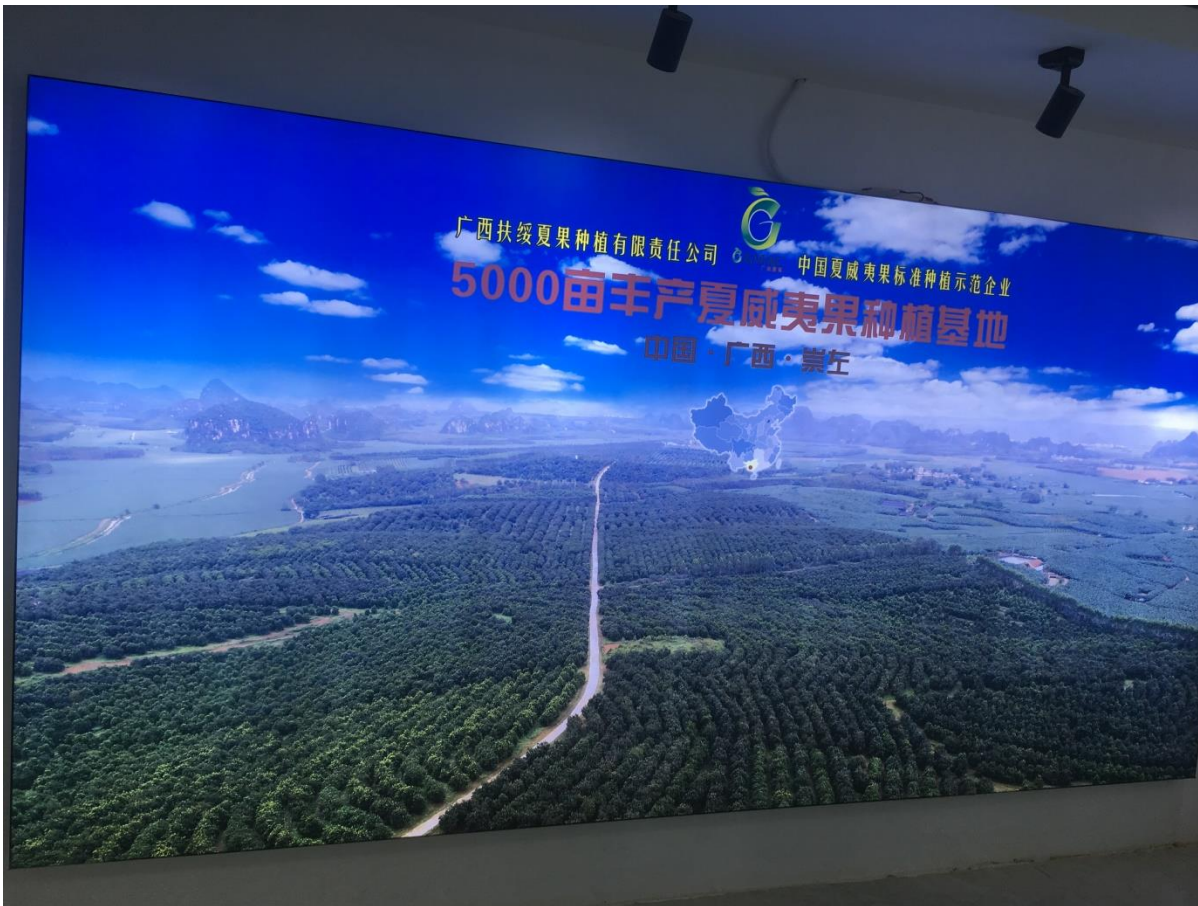


The leading macadamia product in China is dried down NIS with a slot cut in the shell. Each pack comes with a small metal key which you put in the slot and the turn. As the NIS is dried down the shell is brittle and cracks. You get the nut out and eat it, more like eating pasticcios or peanuts. The NIS product comes in a variety of flavours as well, with vanilla being the most popular.

Packaging print detail often included calling the macadamias Hawaiian nut, Queensland nut. Pictures of palm trees, sand etc.

We next visited a Carrefour supermarket, one of the largest supermarket chains in the world, (over 12,000 stores, a pioneer of food traceability, French). Macadamia product from Hawaii, Kenya, South Africa, and Australia, including product from tour party members. Also looked at Ali Store, (one of Alibaba's trial of bricks and mortar stores. They offer free delivery to within 3kms of the store in under 30 mins. from order). The idea is that you check out the store to satisfy yourself as to quality products and have a very positive experience and from then on you just order on your phone. Smart phones are ubiquitous, cheap and the internet is everywhere and almost free. Here, in this store, the top brands of packaged macadamia product sold for up to A\$110/kg, NZD \$115/kg when multiplied up. Typical package size 200gms.

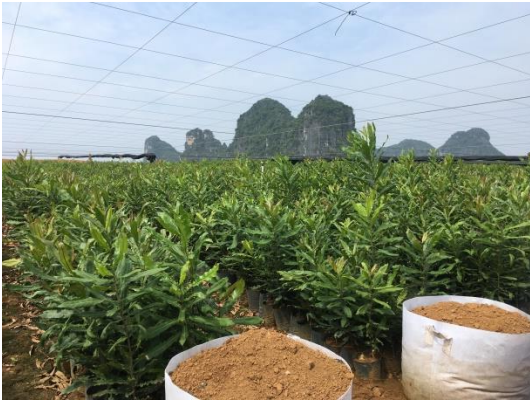
Day 4. Flight to Nanning, "Green City", Guangxi province. Visit macadamia orchards, hosted by Guangxi Macadamias Association. Aiming for 18,400 hectares. Have developed own cultivar Guangxi 1. Land generally flat laterite soil, Previously growing sugarcane and maize. Land ownership in China is very complicated. All land is leased or rented with the state being the ultimate owner. Agricultural leases are up to 30 years. Rentals for good quality land, from what I heard, can be about NZD \$2000/hectare.



Day 5. Farm tour day. Fusui Macadamia Farms, 400 hectares with around 130,000 trees. Producing 850 tonnes of nut in-husk. Below are pictures of a field nursery with tubs for nuts filled direct from the earth.



This nursery is a scenic part of China with limestone hills forming the backdrop.



In China they talk of nut in-husk, this is possible because harvesting is by hand so little leaf litter and twigs. I would guess that 1 kg of nut in-husk is about 40% NIS. This gives a yield per tree of between 2.5kg and 3 kg. This is about 850 tonnes a hectare. Macadamias at the NIS price, even with yields typically a third of Australian orchards, could be as high as 3X this. This has led to a rise of household incomes in intensive macadamia orchard areas to \$6000pa to \$8000 pa. More than 50% above previous household income. Macadamias are called in these areas “the golden nut”. Grafted trees cost about \$4, with the State subsidizing the nurseries so that the farmer pays \$1 while the State covers the rest. This is part of poverty elimination, in this case through macadamias.

The better Australian and South African orchards are around 5000 tonnes of NIS per hectare. Over 15 kg per tree. This yield differential helped allay the fears of many on the tour that the huge growth in macadamia planting in China would soon swamp the world macadamia markets. Until better cultivars are developed and given the long lead time from seed to a commercially producing tree this possibility is probably many years off.

The future. Million tree nurseries and both flat land and hillside orchard development. Yes, a macadamia orchard in Guangxi province on the flat and 1380 kilometers away in Lincang, Yunnan province on hillsides up to 1800 meters above sea level.



Day 6. High speed train from Nanning to Kunming. This train runs at around 200 kilometers an hour. The line passes through rural China. This is a region of lakes, hills and mountains and farmland. Everywhere is evidence of infrastructure construction. Also most farming villages had new houses and solar panels. It is policy to aggregate small farm sizes and move some rural people to cities and this is evident from the many abandoned old small farm hovels.

Day 7. Today we had a tiki tour to the legendary Stone Forest. A region of limestone pillars and sinks. Known for over 600 years and first developed as a large temple area during the Ming dynasty. It is a very popular local tourist attraction with bus parking bars and a very Disney world feel to it. Electric open minibuses take about 20 visitors at a time from the parking area and shops down to the most accessible and sign-posted walk through the pillars. At the height of the holiday season over 100,000 people a day will visit.



That evening we flew from Kunming to Lincang, Yunnan Province. We all checked into the preconference tour.

Day 8 and 9. Lincang City is the host of the 8th International Macadamia Symposium. Yunnan shares a border with Myanmar and is the home of the Wa ethnic group. The city sits on the Tropic of Cancer and the province is hilly to mountainous with plenty of original forest cover. There are supposedly still wild elephants in some of the more inaccessible southern regions. The Yunnan macadamia society hosted a Pre-Tour of the region. Here is their video clip of the day:-



Source: <https://www.youtube.com/watch?v=uWseJJG3Mbo>

The tour was by convoy of medium size buses. Some dozen or so, with a police escort front and back. Visits to nurseries and processing plants were included. A certain level of stage management was evident but nevertheless the scale of expansion of plantings is real.



The million tree nursery. Grafting in the million tree nursery



Source: <https://www.youtube.com/watch?v=FszMAloaGII>



Macadamias in the mountains, Yunnan province. Myanmar China border



Dehusking



Sorting NIS before going to dryer

Day 10 8th International Macadamia Symposium begins. Some 600 delegates from China and around the world.

Below is the link to the program over the next 3 days.

<http://www.ims2018.net/en/program.html#>

The Venue

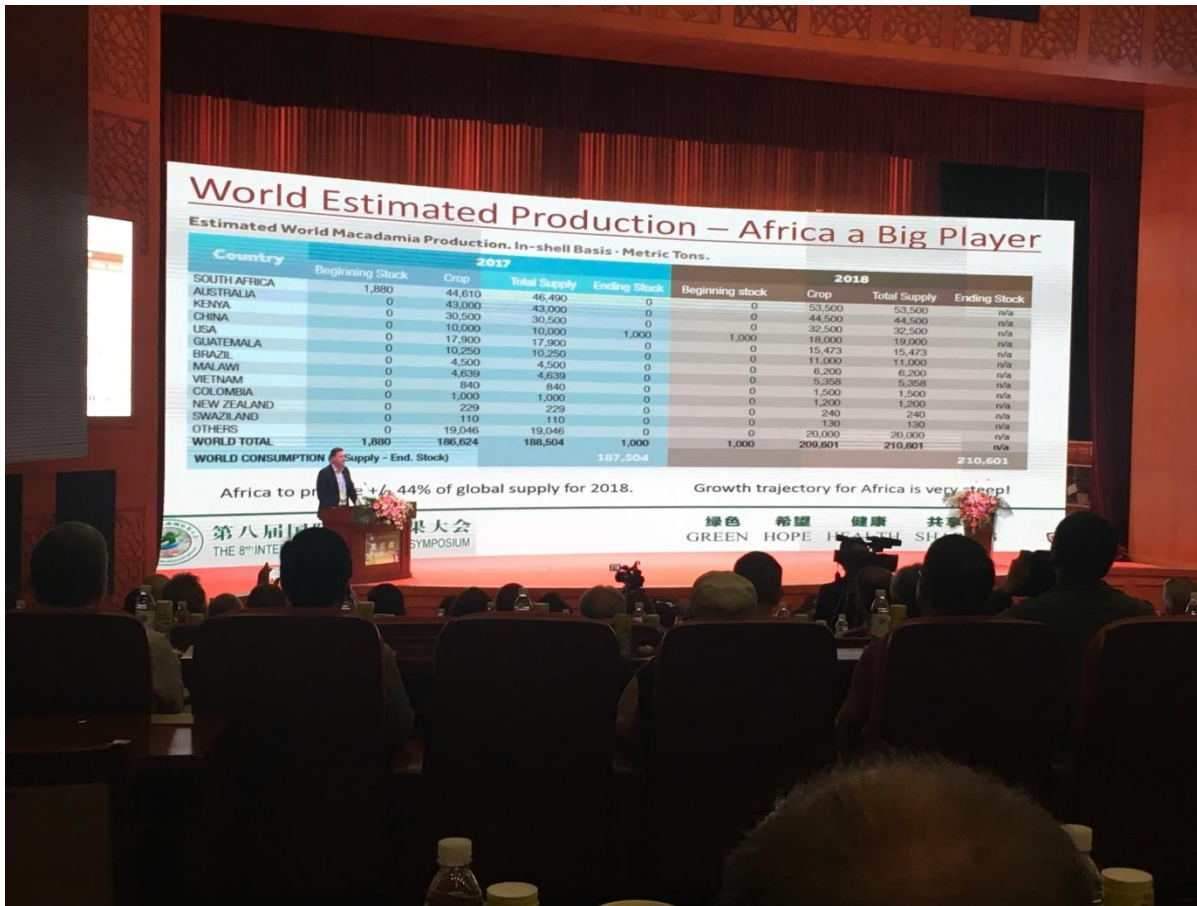


The Opening Ceremony

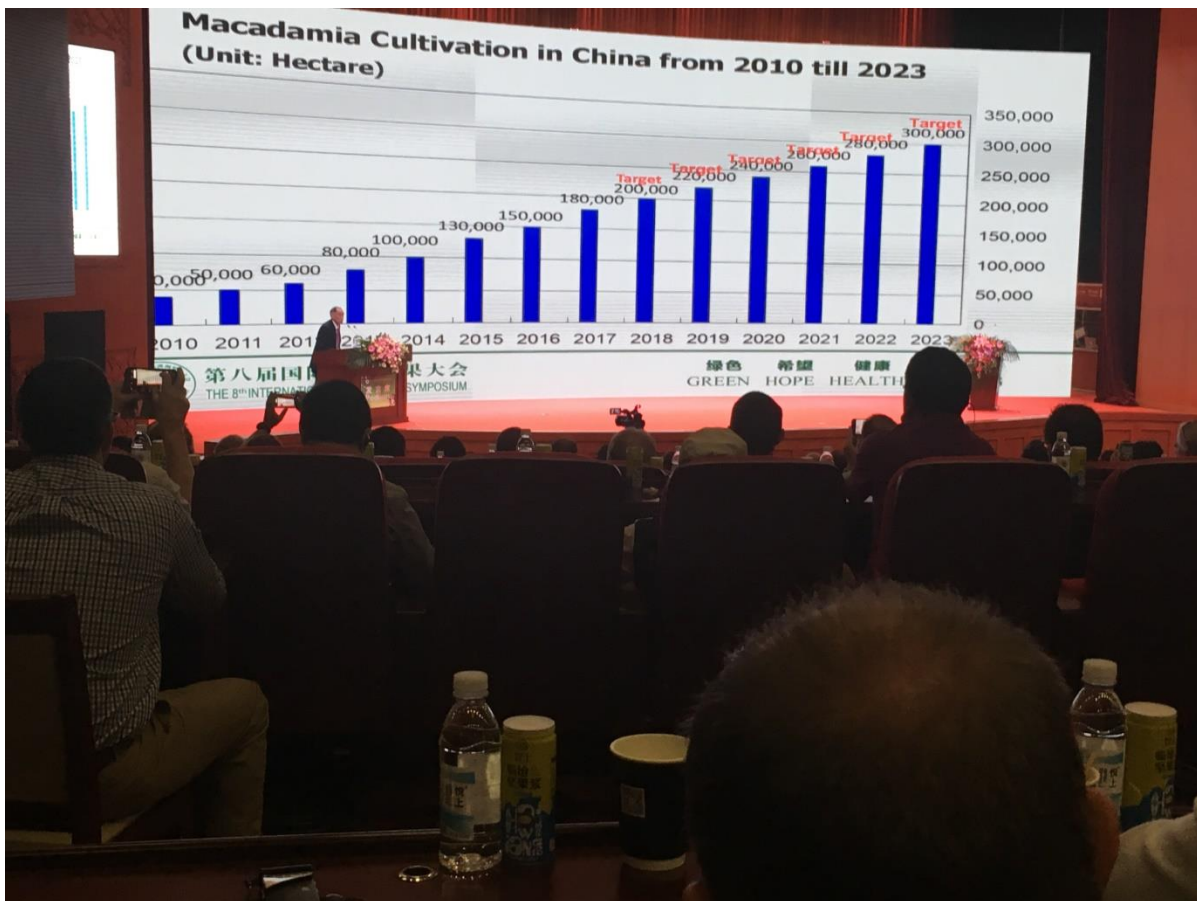


Day 11 Symposium

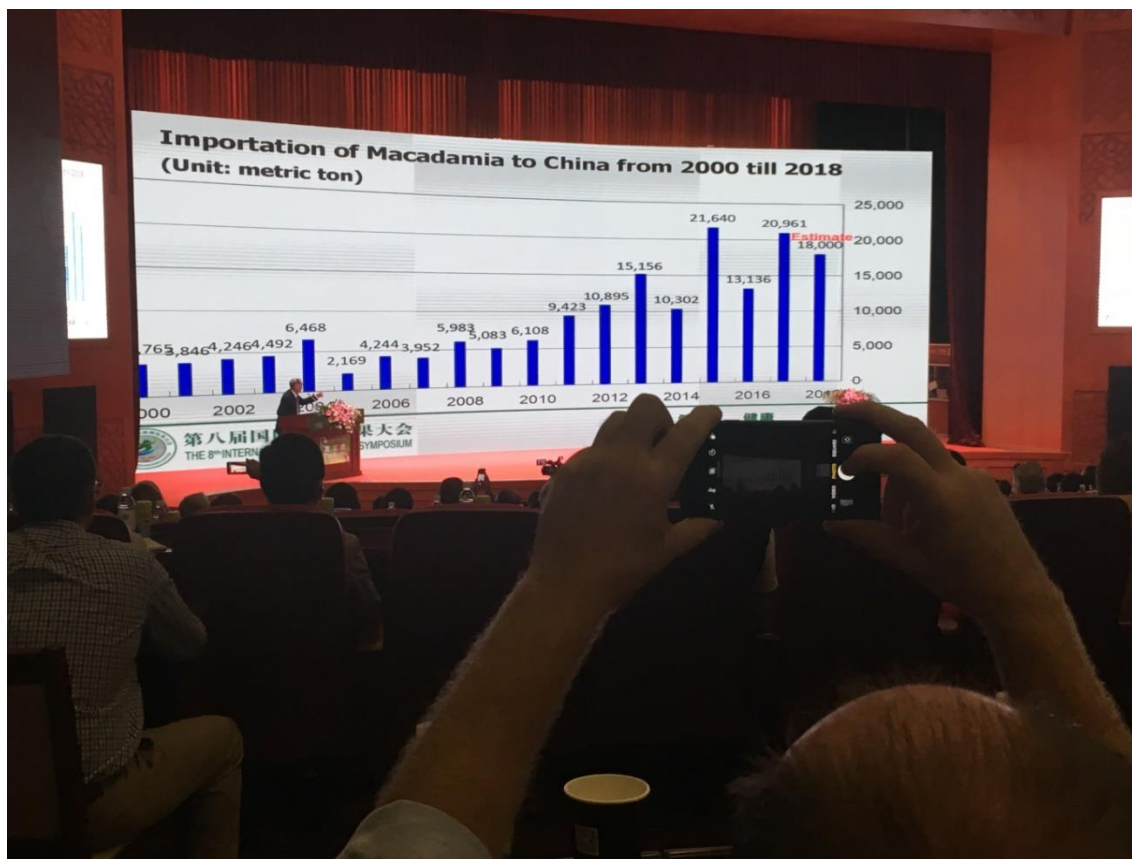
World macadamia production, pointing out that Africa produces 44% of the world's macadamias.



China has big plans for production increases



China imported approx 20,000 metric tonnes of macadamia in 2018. So production for local consumption has a huge domestic shortfall to fill.



Day 12 Symposium ends.

There was a wide range of presentations and at what can be called a very professional level. A very well run and planned program. This is clearly the type of industry development that State support enables rapid growth to become a major industry player. There is a link somewhere out there to all the presentations but at the moment I can not find it. Well worth viewing, especially the 3Squirrels story and the World Avocado Council's marketing program.

Here are the Australian presentations at the Symposium. Other presentations may well be available on the internet by searching based on the Symposium program, link above.

IMS Australian industry overview - Jolyon Burnett



1810 IMS Australian industry overview - J

IMS Australian Orchard Management Practices - Leonie Kojetin



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IMS Putting The Spotlight On Innovation - Lynne Ziehlke



1810 IMS PUTTING
THE SPOTLIGHT ON I

Review of the Symposium by the Yunnan Macadamia Society.

Day 13 Tour of Lincang, an almost totally new city of 400,000 people in a Yunnan province, total population.



For an idea of the scale of China, 5 cities have a population of over 10 million, while a further 60 have a population of over 1 million. The feeling from the conference was that it would be many years before China's domestic demand for macadamias would be met. The next World Macadamia Symposium is in Kenya in 3 years' time.

Day 14 Back to NZ, Lincang to Kunming to Hong Kong to Auckland.