



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 2/4/2003

GAIN Report #AS3003

Australia

Tree Nuts

Annual

2003

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Report Highlights:

Australia's 2003/04 macadamia crop is forecast at 33,000 MT, unchanged from year-earlier levels. A 15 percent rise is expected for the 2004/05 crop, as more normal weather should boost harvest prospects. Exports in 2003/04 are expected to total 24,750 MT, 10 percent below year-earlier figures, and reflecting reduced domestic availability.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Canberra [AS1], AS

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SECTION I: SITUATION AND OUTLOOK

Macadamia production for 2002/03 is estimated at 33,000 MT nut-in-shell (NIS), down 4,000 MT on the figures provided in the previous report (AS 2003, 1/29/2002). Some industry sources place the crop as low as 29,600 TMT, but Post does not see this as feasible given the strong export number on a year-to-date basis. Despite increased plantings, below average rainfall and extremely hot and windy conditions prior to harvest reduced both yield and quality.

Post has revised exports for 2002/03 upwards slightly to 27,625 MT (NIS). Japan and Belgium appear to have surpassed the U.S. as the primary export markets, based on year-to-date figures. Strong export performance and a smaller than expected crop have significantly increased domestic prices. Industry sources report that macadamia prices have steadily improved to around A\$2.70/kg (NIS).

Domestic consumption figures are not available for macadamia nuts in Australia. Figures quoted by Post represent domestic disappearance and are derived as the residual of production less exports. Post has revised both stocks and domestic consumption downwards for 2002/03 in line with lower production and anecdotal evidence suggesting acute domestic shortages of macadamia nuts.

Post forecasts production for 2003/04 at 33,000 MT, unchanged from the previous year. Severe drought conditions currently affecting much of the Australian continent are also affecting coastal areas where macadamia nuts are produced. Industry sources are concerned that these dry conditions will lower yields and also cause quality problems. The 2003/04 macadamia harvest begins in March 2003.

Post forecasts exports for 2003/04 to decrease 10 percent to 24,750 MT (NIS). A smaller crop and a dramatic fall in domestic stock levels are expected to drive exports lower for 2003/04. Industry sources are concerned that exporters may have "over sold" the 2003/04 crop. Dry conditions have significantly reduced yield potential in the lead up to harvest.

Domestic consumption and ending stocks for 2003/04 remain unchanged from the previous year's low levels. Another below average harvest is expected to keep consumption from returning to more normal levels.

Macadamia nut production is projected to increased 15 percent in 2004/05, to 38,000 MT (NIS). An expected return to more normal weather conditions combined with a steady increase in plantings is expected to produce an average sized crop after three years of below average production. Post projects exports, domestic consumption and ending stocks to also increase to more normal levels, driven by the rise in production.

Post notes with interest small but increasing levels of macadamia imports. Investigations by Post indicate that imported macadamia product is actually grown in Australia, exported for value adding and then re-imported as macadamia product for domestic consumption. An unknown amount of product is re-exported as product.

SECTION II: STATISTICAL TABLES

Production

PSD Table						
Country	Australia					
Commodity	Macadamia, Inshell Basis				(HA)(1000 TREES)(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		03/2002		03/2003		03/2004
Area Planted	15789	15789	16578	16578	0	17578
Area Harvested	12632	12632	13264	13264	0	13500
Bearing Trees	3380	3380	3528	3528	0	3728
Non-Bearing Trees	840	840	884	884	0	872
Total Trees	4220	4220	4412	4412	0	4600
Beginning Stocks	3300	3300	3750	425	4250	425
Production	37000	33000	38850	33000	0	38000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	40300	36300	42600	33425	4250	38425
Exports	27300	27625	28850	24750	0	28000
Domestic Consumption	9250	8250	9500	8250	0	8500
Ending Stocks	3750	425	4250	425	0	1925
TOTAL DISTRIBUTION	40300	36300	42600	33425	0	38425

Trade

Export Trade Matrix			
Country	Australia		
Commodity	Macadamia, Inshell Basis		
Time period	Yr End Feb	Units:	MT
Exports for:	2002		2003
U.S.	7153	U.S.	2008
Others		Others	
Japan	6328	Japan	5591
Belgium	3341	Belgium	2086
Hong Kong	3258	Hong Kong	1364
The Netherlands	2193	The Netherlands	804
Germany	797	Germany	691
Rep of Korea	324	Taiwan	342
Singapore	262	Canada	239
Taiwan	245	Rep of Korea	167
Lebanon	168	New Zealand	146
New Zealand	129	Lebanon	142
Total for Others	17045		11572
Others not Listed	6060		5124
Grand Total	30258		18704