



### **To market, to market**

To call 2007 a difficult season for macadamia growers is an understatement. In this newsletter we endeavour to provide as much up to date information to our suppliers as possible. Information on the market is presently very difficult to ascertain as the fluctuations in the market place make the answers to everyone's questions change on a daily or hourly basis.

We are also aware that many of our suppliers are facing difficult times, particularly financially. Be assured we are managing our own cash flow very closely. Rationalising expenses and scrutinising business decisions to ensure we remain a strong business in this disheartening season.

The current Australian dollar value at 0.859 USD has an enormous adverse effect on overseas sales efforts and our receipts, as the U.S. is still the largest market in the world for macadamias. This is a major factor that impacts the price of kernel sales and therefore eventual farm gate price.

We have worked hard to increase our sales nationally and internationally and follow leads from every source available. We are excited to see the results of our labour as we progress into new market segments and countries where we are working towards stimulating demand for the future, for now, the going remains slow.

In addition to the difficult market, an alarming downturn in kernel recoveries has been evident overall. Conversations with other processors reveal they are experiencing similar kernel aspects this season. Noticeably smaller kernel and higher unsound percentages are appearing in consignments from macadamia properties throughout the region where previously high kernel recovery results are usual. The unfortunate consequence of poorer quality kernel is much less efficiency through our system from dehusking to our lab.

Due to the above and the unseasonal rate at which the crop has come in, our resources are stretched to say the least. We are operating at maximum capacity in every area. Everyone has experienced delays with weigh dockets, sort sheets and kernel recovery results this season, more so than ever before. Our intake is monitored closely to ensure our facilities are able to dry and store nut in shell for shipment to our processing factory. Our lab struggles with the numerous tests which must be completed each month. Further delays can be expected for your consignment results, as always, we thank you for your patience.

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