

Managed by:



2007 Macgrove Project Harvest update

Growing conditions have been close to perfect during this season, with a dry flowering and nut set period in August and September last year, followed by heavy rain in October which filled the soil's water profile. A reasonably mild Christmas, with good follow-up rains leading up to harvest, has given RFM reason to be optimistic about the 2018 crop. **Figures one and two** show good flowering spread, density and nut set from the growing season.

Figure one: Good flowering spread and density, August 2017



Figure two: Nut set from early flower, October 2017



The harvest commenced in February and is expected to run through until August. Whilst some wet weather experienced at the start of the season caused initial delays, the overall good weather and the upgraded de-husking shed have seen the harvest the most advanced for this time of year since the Project began. As at 1 June, approximately 714 tonnes (wet weight) of Nut In Shell (NIS) had been delivered to the processors, compared to only 368 tonnes at the same time last season. **Figures three and four** show harvest operations at the Swan Ridge orchard.

Figure three: Twin row fingerwheel harvester in operation, April 2018



Figure four: Harvested nuts being delivered to the de-husking shed, April 2018



The quality of the harvested nuts has been reasonable, however some loads have presented with “brown centering” at slightly higher levels compared to last season. This has been prevalent throughout the Bundaberg region and may be attributable to climatic conditions.

Overall RFM expects a material increase in the 2018 crop yield as compared to 2017. Approximately half of the nuts from the Project orchards are delivered to the Pacific Gold Macadamias processing facility near Bundaberg. **Figures five and six** show images taken from the processing of last year’s macadamia harvest at Pacific Gold Macadamias.

Figure five: Sorted kernel being elevated towards packing stations, October 2017



Figure six: Finished cartons of processed kernel ready for sale, October 2017



Market conditions

Pricing has remained broadly consistent with last season at \$5.20/kg (standard kernel recovery). An expectation of higher yield from South African orchards has led to a slowing of demand from China for NIS, although this has been more than compensated for by the increasing demand from other regions, particularly for kernel.

On-farm research

RFM continues to undertake research on the orchards into tree carbohydrate levels. Carbohydrate levels are an indicator of the amount of stored energy in trees and have an influence on crop yield. RFM is seeking to develop a better understanding of what the optimum carbohydrate levels are for different varieties of macadamia trees in order to drive yield growth.

The research has expanded this year to include the use of the sap flow metering technology that has been used on RFM's almond orchards over the past few seasons.

Annual Grower webinar

RFM will host an annual grower update webinar later in the year which will contain harvest results and Grower positions with respect to their 2018 distributions.

In the meantime should you have any questions please don't hesitate to contact our client services team on 1800 026 665 or at investorservices@ruralfunds.com.au