



**HD An Australian Original**

**BY** macadamia nuts, nuts, native food, food, snack

**WC** 3,389 words

**PD** 31 May 2014

**SN** Australian Broadcasting Corporation Transcripts

**SC** ABCTRS

**LA** English

**CY** (c) 2014 Australian Broadcasting Corporation

**LP**

The first **commercial** plantings of macadamias was planted 40-years ago and as the milestone nears, the industry finds itself with much to celebrate.

PIP COURTNEY, PRESENTER: If you were asked to name which Australian native foods have gone mainstream, what would you pick?

**TD**

Many fall into the "got potential" category, but apart from kangaroo meat, which is exported, none have developed into significant industries, except the macadamia nut. While they're well-known now, the first **commercial** plantings only went in 40 years ago.

As the big 4-0 has come round, the industry finds itself with much to celebrate, as Asia's growing appetite for macadamias is boosting sales and prices, leaving many to conclude the future is bright if they can just plant more trees.

This building overlooking this view. What better place to celebrate the 40th birthday of Australia's most successful native food. And what better way to start than with a barbecue helmed by Australia's best-known chefs.

Growers hope one day Australians will regard the macadamia as much as an icon as this house (Sydney Opera House shown) and this bridge (Sydney Harbour Bridge shown).

In farming terms, the macadamia is a mere pup compared to other nuts, but in 40 exciting, challenging and sometimes heartbreaking years, this young industry has made headway in acreage, marketing, agronomy and where it matters: with the ultimate ambassadors, chefs.

KYLIE KWONG, CHEF: Macadamia nuts will be in my kitchen and on my menus forever. It's very important. We need to celebrate this beautiful native ingredient.

KAREN MARTINI, CHEF: I use them in cakes, muffins, slices, but I also love the versatility of them because they're so good in savoury dishes as well.

ADRIANO ZUMBO, CHEF: I always see it as a luxury, as people kind of think of it, and it's that thing where you think, "Oh, macadamia, wow!" Like, when you eat one, it's pretty special.

PIP COURTNEY: The chef entrusted with devising a memorable menu said he had no problem showcasing the nut's versatility.

SIMON SANDALL, CHEF: They're so, so rich and full of fat and good fats. It adds a great, rich creaminess to any dish. Obviously you've got the flavour, that beautiful nutty flavour you get from the macadamias, and the texture. I think it will be a staple in Australian cuisine. It's a native nut to Australia, you know; why wouldn't you use it?

PIP COURTNEY: As growers dined in style, harvesters were sweeping up a crop estimated at 40,000 tonnes. After a series of dismal years with poor prices, shocking weather and falls in land prices, they could be forgiven for being down. But prices are strong and yields are good.

KIM WILSON, GRAY PLANTATIONS: It's just a great relief to not only us, but to every farmer I think in the area, that we're having a reasonable crop this year.

PIP COURTNEY: Indeed, growers feel their industry is on the cusp of serious growth.

PETER ZADRO, HINKLER PARK, QLD: The Chinese nut-in-shell market that's just opened up has awoken a sleeping giant.

TAMARA WILLIAMS, MACADAMIA GROWER: There are many markets that haven't even been tapped with macadamia nuts. We haven't even - we're not able to get macadamia nuts into India yet because there's just not enough supply to satisfy that level of demand.

PIP COURTNEY: As it marks 40 years in business, the industry's taking stock of its achievements. This range of products shows how far it's come from the early days when macadamias were a luxury salty nibble or chocolate treat.

JOLYON BURNETT, AUST. MACADAMIA SOCIETY: It's one of the few products that's available in eight aisles in the supermarket - breakfast cereal, snack bars, fresh snacks, ice-creams, confectionery, cooking ingredient. The list goes on and on. And now we're seeing it turn up in cosmetics and skin and body care products.

PIP COURTNEY: But the industry's also looking back to acknowledge the pioneers who started it all in the Northern Rivers region of NSW. The first commercial plantings were in 1974, growers emboldened at the time by the Hawaiians, who 30 years earlier had taken our nut and created an industry.

JOLYON BURNETT: They had done a great job in starting a commercial industry for the macadamia nut. But it was a very localised one. They had a good market in the US and they had a confectionery market in Japan. That was essentially it.

PIP COURTNEY: They may have been 30 years behind, but a handful of Australians, showing the same entrepreneurship as the Hawaiians, invested. Australia overtook Hawaii long ago. With 6 million trees now in the ground, the industry's worth \$200 million a year.

JOLYON BURNETT: If you look at some of the industries that were starting off in Australia around the time of the macadamia industry like jojoba, alpacas, tea tree, these sorts of industries - I think we're almost unique in being a well-established, globally-traded and commercially-successful industry.

PIP COURTNEY: Jolyon Burnett says the industry's 750 growers owe the founders a debt for the direction they steered the industry in, like its focus on exports.

JOLYON BURNETT: We've avoided so much of the supply-and-demand dynamic that operates on those industries that are locked into the Australian domestic market. We've been able to escape that by exporting over 70 per cent of the product to over 40 countries around the world.

PIP COURTNEY: But perhaps the biggest gift the founders gave the industry was a compulsory levy.

JOLYON BURNETT: The levy system has been absolutely fundamental to our success and that's been ploughed into research and development and market development and market expansion and both of those things have been absolutely fundamental to an industry that was really starting from ground zero.

PIP COURTNEY: Despite being novices, many of the early trees, like these, which are nudging 40, are still producing.

I think if the soil's looked after right and they're the right variety, there's no reason why they can't go on for another 39 years.

PIP COURTNEY: Can you believe that the industry's about to turn 40?

KIM WILSON, GRAY PLANTATIONS: No, it's quite surprising, actually, when you think - certainly when you were involved with it from the start, you think, "Wow, where's all that time gone?" But there's been some amazing changes in the last 39, 40 years.

PIP COURTNEY: One of the industry's old hands, Kim Wilson, has worked for Gray Plantations for 35 years. He remembers the maca' crash of the late '80s, a crash he says the cottage industry had to have.

KIM WILSON: That was really the time where mechanical harvesters were introduced to the industry. And I think it really also sorted out the people that were serious about growing macadamias. So, in my words, it sort of got rid of the cowboys out of the industry.

PIP COURTNEY: Kim Wilson's boss, Sydney doctor George Gray, was typical of the early growers: a professional from Sydney. But not typical was the size of the operation he developed. From the first farm in 1975, the late Dr Gray bought two more and then a nursery. Then eight years ago, he made the radical decision to set up a 100,000-tree nursery and plant new orchards on much cheaper land, 1,200 kilometres north in Mackay. The move bemused locals.

KIM WILSON: Initially they were sort of looking over the fence - or looking over the top of their sugarcane, I should say - and sort of saying, "What in the hell are you guys doing?" And, you know, "This won't work in our environment up here." But now we're into our second harvest year up there - the trees are six years of age and we're into the second crop - they're starting to look a bit more serious and ask some genuine questions about what it's all on about.

PIP COURTNEY: Gray Plantations is big on innovation. It's commercialising some CSIRO micrografting research that will halve the time and cost of producing trees in a nursery.

Apart from the tax advantages, an early investment driver was the area's beauty.

Do you think some people over-romanticised how easy it would be, that, "These big trees pretty much look after themselves," and, "Gee, prices are great and we can just go to Byron and lie on the beach and be a macadamia farmer?"

KIM WILSON: Yes. Yes, there's no doubt about that. That's what I think has happened to a lot in the - certainly in the early - probably five, six, seven, eight years ago, when people came in thinking this was pretty easy money. I think they've had a wake-up call now that things have got a bit tougher. But, yes, it's a lot more to it than just watching the trees - watching the nut fall from the trees.

PIP COURTNEY: This is probably the most expensive farmland in Australia. But nearly a decade ago, prices were even higher.

KIM WILSON: A typical 100-acre farm or 40-hectare producing macadamia farm seven or eight years ago was probably selling between \$2.2 million and \$2.5 million, and that's for a 40-hectare property without a house on it, but all the infrastructure for macadamias. That same farm probably 12 months ago was selling for \$1.1 million, \$1.2 million, so it's basically halved its price in that four or five years period. But I think that's hit its bottom and it's starting to climb back up now.

PIP COURTNEY: This industry, unlike any other in agriculture, apart from wine, has attracted cashed-up city professionals.

JOLYON BURNETT: We have people who've made their money out of swimwear, out of concreting and construction, Qantas pilots, lawyers, doctors, cosmetic surgeons, people who've been in beauty products, in advertising, chemical engineering.

PIP COURTNEY: Lots of opinions and strong personalities. (Laughs)

JOLYON BURNETT: (Laughs) Pip, you know too much! It does have its challenges, having people who have been the masters of their universe and now want to be the masters of ...

PIP COURTNEY: Yours.

JOLYON BURNETT: ... this universe. And we welcome and appreciate that, but it has come as shock to many of them how uncontrollable farming often is.

PIP COURTNEY: One of those cashed-up amateurs was Doug Rowley, who bought in 20 years ago while working as an accountant in Sydney. After 10 years managing the farm from afar, he quit his office job and moved up to be a full-time farmer.

DOUG ROWLEY, FORMER MACADAMIA GROWER: It's not some idyllic pastoral pursuit where you listen to the gentle lowing of cattle and smell the freshly-mown grass. You've just got to get out there and run it as a business. And unless you do that, then you're doomed to - well, not doomed to failure, but you are not going to succeed.

I couldn't believe just how absorbing growing macadamias could become. I just loved every bit of it.

PIP COURTNEY: Doug Rowley was successful, but after 20 years, sold up. The physical nature of the work meant it was time.

We caught up with him on his first visit to the farm since he sold it 14 months ago.

DOUG ROWLEY: I think the future is rosy, to say the least. I think that the new generation of farmers is becoming far more focused on cost control, more efficient forms of production.

PIP COURTNEY: Doug Rowley might be a bit rueful about the timing of his exit, for as he got out, the long-awaited Asian demand kicked in.

Asia doesn't just want our nuts, it wants our expertise to start their own industries.

40 years of R&D means Australia has much to offer overseas growers, as well as its own.

One project in Bundaberg is causing much excitement.

HELEN HOFMAN, QLD DEPT. AGRICULTURE: These are subtropical and tropical tree crops that traditionally grow really large, which is hard to manage, but they also become less productive as they get larger, more dense, less shade inside them. So we're trying to work with these crops to produce small-tree, highly-intensive systems that are still very productive.

PIP COURTNEY: I see a trellis. Are you going to try with macadamias what people did with apples?

HELEN HOFMAN: That's the inspiration behind this. Apple productivity increased a huge amount over 50 years and that's the inspiration behind this.

PIP COURTNEY: A breakthrough with dwarf trees or trellising would be transformative.

HELEN HOFMAN: If we can move this forward 20 per cent, 100 per cent increase in productivity - and we're actually hoping for more than that - it'll be great for both growers, for the country, for processors. ... We had some visitors from Vietnam here yesterday. They are interested in setting up a macadamia - a large macadamia growing and possibly processing operation in Vietnam and they came here basically to learn from us. Even though we feel we know very little, we probably in world terms do know a great deal.

PIP COURTNEY: Kim Wilson's consulted in **China**, Myanmar and Vietnam. But rather than see Asian expansion as a threat, he says it's good for Australia.

KIM WILSON: The beauty of what's happening there, it's exposing macadamias to many, many more people throughout the world. The biggest issue in the worldwide macadamia industry is the inability to supply, or inability to supply consistent product throughout the world. So the more countries that are producing macadamias we can get on **board**, the more consistent supply of product we can supply.

PIP COURTNEY: Jolyon Burnett says if the Australian industry doesn't expand, it will miss out on growing overseas markets.

JOLYON BURNETT: The industry desperately needs new investment. We have demand strongly outstripping supply and we also have huge growth potential. We make up around 1 per cent of the world trade in tree nuts. I would like to see, in the next 40 years, us be 10 per cent of the world trade market. We have the product that's worthy of that share of the market.

PIP COURTNEY: In the '90s, several growers decided the best way to increase production was to move to Queensland, where land was cheaper and flatter. The centre of this northern push is Bundaberg and one of the first to **buy** in was Phil Zadro. The Sydney **property** developer bought his first farm in NSW 35 years ago. It was meant to be a relaxing hobby.

PHIL ZADRO: Once I started, I wanted to do it well. And then it was imperative that it had to grow. So from one farm, you **buy** another farm and then another farm and then you go into processing and marketing. And then you don't have enough product to supply those markets, so you'll have to **buy** more farms, and this is where we are today.

PIP COURTNEY: What did the Bundaberg people think when you bought all that land and started planting trees?

PHIL ZADRO: Initially they thought I was a nut. But as I began - I continued to plant after a few years, I guess they saw me more as a threat to the cane industry than what they initially thought of me.

PIP COURTNEY: This new macadamia processing factory in Bundaberg is 50 per cent owned by Phil Zadro.

These bags hold nuts in the shell. They're headed for **China** and a market which didn't exist two years ago. But now, orders are pouring in.

SHANE JOHNSON, PACIFIC GOLD MACADAMIAS: Yes, we put some machinery in in the offseason, so that at the start of this season, we could actually supply nut and shell into that **Chinese** market. And it seems to be working very successfully at the moment.

PIP COURTNEY: Mr Zadro's 2,200-hectare Bundaberg operation employs 50 permanent staff and is still growing. But now Bundaberg's land is getting scarcer and more expensive, so Phil Zadro's looking for new ground and he thinks Emerald is next.

13 years ago, he invested in plantations in South Africa, making him now the world's biggest grower. He says South Africa is taking booming world demand more seriously than Australia.

PHIL ZADRO: South Africa are still planting big times, and within a matter of about three or four years from now, they will leave Australia way, way behind.

PIP COURTNEY: While the Northern Rivers attracted professionals outside agriculture, Bundaberg has attracted mostly farmers.

JOLYON BURNETT: The farms in Bundaberg are the farms demonstrating the biggest growth, but they're also the farms that are now driving some of the greatest innovation in the industry. Some of them have been planted using GPS technology. They're using some really cutting-edge precision agriculture technologies. We're using unmanned flying vehicles to monitor the reflection - the reflectivity of the canopy and then apply nutrition specific to individual rows and often individual trees within an orchard, so, this is cutting-edge technology.

PIP COURTNEY: Every year, more cane farmers are giving macadamias a try. Bundaberg's Chris Harte abandoned cane in 2007.

CHRIS HARTE, MADACADAMIA GROWER: Between drought and low prices of sugar, we thought there must be a better way of making a living. And we really enjoyed the farming side of things, so we had nut growers planting either side of us.

PIP COURTNEY: With yields growing every year, his punt on 9,000 trees is paying off.

CHRIS HARTE: When they're fully matured, they have perhaps 80, 90 tonne, so that should give us a comfortable lifestyle, I think. And we do everything ourselves, between my wife and myself.

PIP COURTNEY: While the focus on growth is in Queensland, the Northern Rivers won't fade away.

New growers Tamara Williams and her husband Mike are the young face of the region's next phase, as some of the early players retire.

TAMARA WILLIAMS: We came up from Sydney to do some **property** development in Byron because we really liked the area and we thought it offered some good returns. And I thought it would be a good opportunity for us to become involved in what I believe is a growing industry worldwide.

PIP COURTNEY: The former investment banker's specialty was putting together **property** deals and she hasn't lost her touch. She's just back from Asia, where she and Kim Wilson pitched the industry to investors.

TAMARA WILLIAMS: From Kuala Lumpur, from **China**, Thailand, many different parts of Asia, they were very interested in the macadamia industry.

PIP COURTNEY: They pushed a consolidation plan, something Tamara says boosted the almond industry in California.

TAMARA WILLIAMS: There are over 500 farms owned in the Northern Rivers where many of the farms have 2,000 trees or less sitting on their farm. Bringing many farms together, it makes the profit that you can actually get per hectare higher because you can spread some fixed costs over a much larger number of planted hectares.

PIP COURTNEY: After several frustrating years when all went wrong, now markets and weather are coming right, favouring those who are patient.

The job of steering the industry towards a quantum leap in size is Jolyon Burnett's. All he needs are investors with dollars and dreams - a few younger versions of Phil Zadro.

PHIL ZADRO: I wish I was 30 years younger. If I was 30 years younger, I would probably double and quadruple the industry overnight, knowing what I know today. Every morning when I wake up and I think about macadamias, I see the need for expansion. How we going to supply all the increasing demand

around the world, be as it may nut-in-shell or as kernel? And I can't find an answer for that. The only answer that I can see is: plant more trees.

**IN** i01001 : Farming | i0 : Agriculture

**NS** ntra : Transcripts | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpe : FC&E Executive News Filter | niwe : IWE Filter

**RE** austr : Australia | nswals : New South Wales | queensl : Queensland | sydney : Sydney | apacz : Asia Pacific | ausnz : Australia/Oceania

**IPD** Pip

**PUB** Australian Broadcasting Corporation

**AN** Document ABCTRS0020140601ea5v0002t