



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information
Network

Required Report - public distribution

Date: **5/27/2005**

GAIN Report Number: **SF5015**

South Africa, Republic of

Oilseeds and Products

Annual

2005

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Report Highlights:

South Africa currently produces about a million tons of sunflower seed and soybeans per year. This amounts to about half of annual consumption requirements. The shortfall is made good by meal and oil imports, mainly from Argentina. This situation is not likely to change much in the foreseeable future.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Pretoria [SF1]
[SF]

Summary

South Africa produces about a million tons of the main oilseeds, sunflower and soybeans, per year. This amounts to about half of annual consumption requirements. As a result of different oil and meal yields local production constitutes one third of the protein needs and half the oil needs. Ironically there is serious overproduction of corn in spite of a 33% cutback in area planted since deregulation of the agricultural industry. In a perfect world the area planted to oilseeds would increase and the area planted to corn decrease. Oilseed production is slow to increase as international product prices are low, the SA Rand strong, and import tariffs low. As a result, imports mainly from Argentina amounted to about 650,000 tons of soybean meal and about 175,000 tons of oil in 2004 and this is likely to continue.

Sources:

www.sagis.org.za
www.afma.co.za
www.grainsa.co.za
www.safex.co.za

Oilseeds; Production

Total	2003*	MY 2004	2004	MY 2005	2005	MY 2006
Oilseeds	Area	Production	Area	Production	Area	Production
	'000 ha.	'000 MT	'000 ha.	'000 MT	'000 ha.	'000 MT
Sunflower	530	651	497	665	550	700
Soybeans	135	220	153	277	175	300
Peanuts**	72	115	43	76	60	100
TOTAL	737	986	693	1018	785	1100

* Denotes the year of planting, marketing is done in the next year.

** Shelled

South Africa is a plant protein deficient country. The production of sunflower is the main supply of local protein due to agronomic conditions and oil preferences, in spite of the high demand for soybean meal. Soybean oil is gaining market share. The main demand for protein in the animal feed sector is for soybean meal, which has an advantage in the production of poultry feeds due to its high protein and low fiber content compared to sunflower meal. The use of sunflower meal is limited by its high fiber and lower protein content. Sunflower and soybean production has been increasing but it is still short of domestic demand.

During 2004 South Africa imported sunflower oil equivalent to 223,000 tons of sunflowers, the soybean meal equivalent of 650,000 tons of soybeans and soy oil equivalent of 975,000 tons. It can thus be argued that sunflower production can be expanded by about 200,000 tons (150,000 ha.) and soybean production by 800,000 tons (450,000 ha.) This shift in production will solve the corn oversupply problems. It will, however, require adequate import protection and/or a weaker SA Rand to encourage domestic production. The strong Rand and low import tariffs currently limits domestic production in this free economy. Ironically, at the end of 2004 there were still 125,000 tons of locally produced sunflower seed and 100,000 tons of soybeans carried over to the new season as a result of the low prices caused by the cheap products imported.

The area planted to sunflower constituted about 72%, soybeans 22% and peanuts 6% of the total area planted to the main oilseeds in 2004. Canola and cottonseed are further locally produced sources of protein.

The crops planted in 2004 initially suffered from a late start to the rainfall season. Later in the growing season conditions improved, and the average yield of the 2004 sunflower crop is actually higher than in 2003. The long season soybean crop, however, suffered during a mid season hot, dry spell and the yield decreased. An increase in oilseed production is forecast for the crops to be planted in 2005, mainly due to the low price for corn.

Consumption

Domestic consumption is summarized in the following table. The high feed and seed total for soybeans is due to the extensive use of full fat soy in feeds. This amounted to 142,000 tons in CY 2003 and 126,000 tons in CY 2004, and could increase significantly during the current and following season because of the improved supply. The production of soybean products for human consumption amounted to 45,000 tons in CY 2003 and 35,000 tons in CY 2004, but is expected to stabilize at this level. The major processor of soybeans for food insists on non-GMO beans, as some of the local and international markets require non-GMO products.

Oilseeds, Local consumption

Thousand Mt.	Crush	Food	Feed, seed	Total
2002, My2003				
Sunflower	799	5	10	814
Soybean	8	45	158	211
Peanuts	3	66	13	82
Total	810	116	181	1107
2003, My2004				
Sunflower	657	1	16	674
Soybean	12	35	138	185
Peanuts	3	55	11	69
Total	672	91	165	928
2004, My2005				
Sunflower	710	1	14	725
Soybean	25	35	235	295
Peanuts	5	60	10	75
Total	740	96	259	1095
2005, My2006				
Sunflower	700	5	15	720
Soybean	50	35	220	305
Peanuts	5	65	10	80
Total	755	105	245	1105

Prices:

The current SAFEX futures prices follow:

Rand, US\$/Metric ton	July 2005	September 2004	December 2004
Soybeans	R2140 \$322 July 2004 R1181 \$180	R2400 \$361 September 2005 R1201 \$183	R2420 \$364 December 2005 R1200 \$183
Sunflower	R2214 \$333 July 2004 R1608 \$245	R2260 \$340 September 2005 R1635 \$250	R2300 \$346 December 2005 R1680 \$256
US\$=R6.65 (06/04)			
US\$=R6.55 (06/05)			

The July 2005 soybean price is down 45%, sunflower seed down 27%, and corn down 45% on the corresponding prices last year. This is mainly due to the low import parity price for oilseed products and a massive oversupply in corn.

Trade

Trade in oilseeds is limited with none exceeding 100,000 tons. About 18,000 tons of sunflower seed, 18,000 tons of soybeans and 17,000 tons of peanuts were imported during 2004 but the oilseed trade is in meal and oil. Edible peanut imports and exports continue. The MY2004/05 exports amounted to 21,100 tons after 20,400 tons were exported during the previous season. At the same time imports amounted to 12,300 tons after 18,500 tons were imported during the previous season.

Current import tariffs are available on the www.cargoinfo.co.za website but is summarized in the following table.

	General rate of duty	EU and SADC
Sunflower seed	9.4% ad valorem	Free
Soybeans	8%	Free
Peanuts	10%	Free
Soybean meal	6.6%	Free
Soybean oil	10%	Free
Sunflower oil	10%	Free

PSD Table

Country	South Africa						
Commodity	Oilseed, Sunflower						
1000 ha.	2003	Revised	2004	Estimate	2005	Forecast	
1000 MT	USDA Official [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]	
Market Year Begin	01/2004		01/2005		01/2006		
Area Planted	620	530	620	497	0	550	
Area Harvested	530	530	510	497	0	550	
Beginning Stocks	20	125	0	120	0	75	
Production	648	651	650	665	0	700	
MY Imports	20	18	20	15	0	10	
MY Imp. from U.S.	0	0	0	0	0	0	
MY Imp. from the EC	0	0	0	0	0	0	
TOTAL SUPPLY	688	794	670	800	0	785	
MY Exports	1	0	1	0	0	0	
MY Exp. to the EC	1	0	3	0	0	0	
Crush Dom. Consumption	674	657	658	710	0	700	
Food Use Dom. Consump.	6	1	5	1	0	5	
Feed,Seed,Waste Dm.Cn.	7	16	6	14	0	15	
TOTAL Dom. Consumption	687	674	669	725	0	720	
Ending Stocks	0	120	0	75	0	65	
TOTAL DISTRIBUTION	688	794	670	800	0	785	
Calendar Year Imports	0	18	0	15	0	10	
Calendar Yr Imp. U.S.	0	0	0	0	0	0	
Calendar Year Exports	0	0	0	0	0	0	
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	

Import Trade

Country	South Africa			
Commodity	Sunflowerseed			
Time Period	CY	Units:	MT	
Imports for:	2003	2004	2004	
U.S.		U.S.		
Others	Others			
China	596	Ukraine	17247	
Malawi	524	China	361	
Australia	151	Malawi	249	
Argentina	122	Mozambique	159	
Total for Others	1393		18016	
Others not Listed	10		81	
Grand Total	1403		18097	

PSD Table

Country	South Africa,					
Commodity	Oilseed, Soybean					
1000 ha.	2003	Revised	2004	Estimate	2005	Forecast
1000 MT	USDA Official [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	01/2004		01/2005		01/2006	
Area Planted	115	135	118	153	0	175
Area Harvested	135	135	145	153	0	175
Beginning Stocks	20	49	40	100	40	100
Production	220	220	250	277	0	300
MY Imports	25	18	30	23	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	265	287	320	400	40	410
MY Exports	3	2	3	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	54	12	63	25	0	50
Food Use Dom. Consump.	25	35	39	35	0	35
Feed,Seed,Waste Dm.Cn.	143	138	175	235	0	220
TOTAL Dom. Consumption	222	185	277	295	0	305
Ending Stocks	40	100	40	100	0	100
TOTAL DISTRIBUTION	265	287	320	400	0	410
Calendar Year Imports	0	35	0	23	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	5	0	5	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade

Country	South Africa			
Commodity	Soybeans			
Time Period	CY	Units:	MT	
Imports for:	2003	2004		
U.S.	0	U.S.	0	
Others	Others			
Argentina	20343	Argentina	18111	
Total for Others	20343	18111		
Others not Listed	2915	35		
Grand Total	23258	18146		

Country	South Africa,					
Commodity	Oilseed, Peanut					
1000 ha.	2003	Revised	2004	Estimate	2005	Forecast
1000 MT	USDA Official [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	03/2004		03/2005		03/2006	
Area Planted	96	72	96	43	0	60
Area Harvested	72	72	43	43	0	60
Beginning Stocks	0	17	0	54	0	40
Production	115	115	71	76	0	100
MY Imports	25	12	25	10	0	10
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	140	144	96	140	0	150
MY Exports	15	21	15	25	0	25
MY Exp. to the EC	3	0	3	0	0	0
Crush Dom. Consumption	33	3	22	5	0	5
Food Use Dom. Consump.	70	55	45	60	0	70
Feed,Seed,Waste Dm.Cn.	22	11	14	10	0	10
TOTAL Dom. Consumption	125	69	81	75	0	85
Ending Stocks	0	54	0	40	0	40
TOTAL DISTRIBUTION	140	144	96	140	0	150
Calendar Year Imports	15	17	15	10	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	50	16	50	25	0	25
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Imports

Country	South Africa	
Commodity	Peanuts	
Time Period	CY	Units: MT
Imports for:	2003	2004
U.S.	0	0
Others	Others	
Malawi	3225	6838
India	1269	3919
Tanzania	7413	1993
China	4935	1876
Ghana	326	885
Zambia	904	436
Burkino Faso	0	425
Mozambique	1954	135
Total for Others	20026	16507
Others not Listed	9355	349
Grand Total	29381	16856

Exports

Country	South Africa		
Commodity	Peanuts		
Time Period	CY	Units:	MT
Exports for:	2003		2004
U.S.	0	U.S.	0
Others	Others		
Japan	8867	Japan	6536
Netherlands	7766	Netherlands	3165
Mozambique	1771	Mozambique	2434
Germany	1173	Germany	1931
UK	1801	UK	943
Norway	434	Norway	398
Ukraine	0	Ukraine	208
Finland	324	Finland	180
Angola	127	Angola	168
Total for Others	22263		15963
Others not Listed	1054		279

Total meals**Production**

'000 MT	Crush			Production		
	My2004	My2005	My2006	My2004	My2005	My2006
Soybean	12	25	50	10	20	40
Imports				651	605	640
Consumpt.				628	650	675
Sunflowers	657	710	700	290	310	315
Imports				32	25	25
Consumpt.				320	330	335
Total meal	669	735	750	300	330	355
Imports				683	630	665
Consumpt.				948	980	1010

It is clear from the table above that South Africa is only producing about a third of its plant protein needs and imports two thirds. In 2004 the U.S. sold 22,000 tons of soybean meal to South Africa and Argentina 629,000 tons for a total of 651,000 tons. Argentina also sold 32,000 tons of sunflower meal to South Africa.

Detailed feed production and use statistics are available from the feed producers website at www.afma.co.za.

PSD Table

Country	South Africa					
Commodity	Meal, Soybean					
1000 MT	2003	Revised	2004	Estimate	2005	Forecast
Percent	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	01/2004		01/2005		01/2006	
Crush	54	12	63	25	0	50
Extr. Rate, 999.9999	0.796296	0.833333	0.793651	0.8	0	0.8
Beginning Stocks	0	0	0	30	0	0
Production	43	10	50	20	0	40
MY Imports	540	651	540	605	0	640
MY Imp. from U.S.	0	22	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	583	661	590	655	0	680
MY Exports	3	3	4	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consump.	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	580	628	586	650	0	675
TOTAL Dom. Consumption	580	628	586	650	0	675
Ending Stocks	0	30	0	0	0	0
TOTAL DISTRIBUTION	583	661	590	655	0	680
Calendar Year Imports	0	651	0	605	0	640
Calendar Yr Imp. U.S.	0	22	0	0	0	0
Calendar Year Exports	0	3	0	5	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Imports

Country	South Africa,	
Commodity	Soybean meal	
Time Period	CY	Units: MT
Imports for:	2003	2004
U.S.	0	U.S. 22119
Others	Others	
Argentina	442876	Argentina 628550
Total for Others	442876	628550
Others not Listed	0	710
Grand Total	442876	651379

PSD Table

Country	South Africa,					
Commodity	Meal, Sunflowers					
1000MT	2003	Revised	2004	Estimate	2005	Forecast
Percent	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin		01/2004		01/2005		01/2006
Crush	674	657	658	710	0	710
Extr. Rate, 999.9999	0.461424	0.4414	0.460486	0.43662	0	0.443662
Beginning Stocks	0	0	0	0	0	0
Production	311	290	303	310	0	315
MY Imports	26	32	28	25	0	25
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	337	322	331	335	0	340
MY Exports	3	2	3	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	334	320	328	330	0	335
TOTAL Dom. Consumption	334	320	328	330	0	335
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	337	322	331	335	0	340
Calendar Year Imports	0	32	0	25	0	25
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	2	0	5	0	5

Imports

South Africa

MealCommodity **Sunflowers**Time Period Units:

Imports for: 2004

U.S. U.S. Others Others

Total for Others 32197

Others not Listed **Grand Total 32285**

Total Oils

1000 MT	CY 2004	CY 2005	CY 2006
Sunflower oil			
Production	275	300	300
Imports	94	80	95
Consumption	368	375	390
Soybean oil			
Production	2	5	9
Imports	176	187	191
Consumption	177	190	197
Total oils			
Production	277	305	309
Imports	270	267	286
Consumption	545	565	587

According to the table South Africa produced about half of the two main table oils consumed in 2004. Traditionally sunflower oil was the preferred edible oil but soybean oil is growing in importance as it is cheaper and is denatured and blended with other oils in the final product.

PSD Table

Country South Africa

Commodity **Oil, Sunflowers**

1000 MT

	2003	Revised	2004	Estimate	2005	Forecast
	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	01/2004		01/2005		01/2006	
Crush	674	657	658	710	0	710
Extr. Rate, 999.9999	0.360534	0.418569	0.360182	0.422535	0	0.422535
Beginning Stocks	0	0	0	0	0	0
Production	243	275	237	300	0	300
MY Imports	50	94	50	80	0	95
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	293	369	287	380	0	395
MY Exports	2	1	2	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	291	368	285	375	0	390
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	291	368	285	375	0	390
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	293	369	287	380	0	395
Calendar Year Imports	25	94	25	80	0	95
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	15	1	15	5	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Imports

Country	South Africa		
Commodity	Oil, Sunflowers		
Time Period	CY	Units:	MT
Imports for:	2003		2004
U.S.	1	U.S.	3
Others		Others	
Argentina	41215	Argentina	87700
Brazil	25	Brazil	3250
Total for Others	41240		90950
Others not Listed	32		2712
Grand Total	41273		93665

PSD Table

Country	South Africa					
Commodity	Oil, Soybean					
1000 MT	2003	Revised	2004	Estimate	2005	Forecast
	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin		01/2004		01/2005		01/2006
Crush	54	12	63	25	0	50
Extr. Rate, 999.9999	0.185185	0.166667	0.174603	0.2	0	0.18
Beginning Stocks	0	0	0	0	0	0
Production	10	2	11	5	0	9
MY Imports	127	176	137	187	0	191
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	137	178	148	192	0	200
MY Exports	1	1	1	2	0	3
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	136	177	147	190	0	197
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	136	177	147	190	0	197
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	137	178	148	192	0	200
Calendar Year Imports	0	176	0	187	0	191
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	1	0	2	0	2
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Imports

Country	South Africa		
Commodity	Oil, Soybean		
Time Period	CY	Units:	MT
Imports for:	2003		2004
U.S.	2060	U.S.	501
Others		Others	
Argentina	49321	Argentina	87689
Brazil	75377	Brazil	82920
Australia	251	Australia	1950
UK	4	UK	1008
Total for Others	124953		173567
Others not Listed	265		1773
Grand Total	127278		175841