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South Africa

OILSEEDS

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Report Highlights:

Due to an increase in the area planted and favorable weather conditions during the second part of the season, a 10.58 percent increase in the production of oilseeds in South Africa is expected for the 2009 marketing year. Although the sunflower crop is at almost the same level as it was in 2008 marketing year at about 875,280 tons, soybean production is expected to increase by 43.63 percent, from 282,000 tons produced in 2008 to 405,035 tons this year. Peanut production is estimated at 93,910 tons, 5.76 percent more than in the 2008/09 marketing year. South Africa's imports of oilseeds oil and meal are expected to decline this year due to the stabilization of demand and the relatively large crop.

Executive Summary:

Approximately 915,100 hectares of oilseeds were planted in 2008, 16.74 percent more than in 2007. Of the 915,100 hectares planted with oilseeds, sunflowers constituted about 69 percent, soybeans 25 percent and peanuts 6 percent. With the increase in the area planted and favorable weather conditions during the second part of the season, a 10.58 percent increase in the production of oilseeds in South Africa is

expected for the 2009 marketing year, from 1.243 million tons in 2008 to 1.374 million tons in 2009. It is expected that the area that will be planted with oilseeds later in 2009 will be slightly less than in 2008. The sunflower area will decrease while the soybean area will increase *inter alia* to support bio-diesel production. Peanut production for the 2010/11 marketing year is expected to stay constant at 91,000 tons.

In 2009, South Africa will crush about 855,000 tons of oilseeds producing approximately 285,900 tons of oil and 433,200 tons of oilseed meal. This is a production increase of approximately 7.16 percent more oil and approximately 28.51 percent more meal than in 2008. As South Africa does not produce at a sufficient level, only about one-third of its oilseeds meal and oil needs, imports will decrease in 2009 due to demand stabilization and an increase in production.

US\$1 = Rand 9.53 (04/01/09)

Sources:

vw.sagis.org.za
vw.grainsa.co.za
vw.safex.co.za
vw.nda.agic.za
vw.afma.co.za

Commodities:

Select

Production:

Total Oilseeds

Production

The South African Crop Estimates Committee (CEC) released its latest oilseeds production estimate on March 25, 2009. Approximately 915,100 hectares of oilseeds were planted in 2008, 16.74 percent more than in 2007. The 915,100 hectares planted with oilseeds is the second highest since the deregulation of the South African agricultural marketing system in 1996. Although the area planted

under oilseeds fluctuated over the past ten years, there is a definite positive trend. Of the 915,100 hectares planted with oilseeds in 2008, sunflowers constituted about 69 percent, soybeans 25 percent and peanuts 6 percent.

The main reason for the increase in hectares planted with oilseeds is the less than normal rainfall received in the summer crop-producing areas of South Africa before and during the planting season. An important relationship exists between the area planted under corn and the area planted under sunflowers due to the nature of their substitutability. Sunflowers are well adapted to the South African hot and dry climate and can be produced economically even when there is not enough moisture to produce most of the other summer crops. If the optimum date for corn planting is missed, farmers will in many instances switch to sunflower. Corn planting decreased by 13.5 percent in 2008, with some of the corn hectares being planted with sunflower.

The estimate of the area planted with sunflower seed is 635,800 hectares, which is 12.67 percent more than the 564,300 hectares planted during the previous season. It is estimated that 224,750 hectares of soybeans have been planted, which represents an increase of 35.89 percent compared to the 165,400 ha planted last season. The peanut area planted is estimated at 54,550 hectares which is about the same as the previous season. The increase in soybeans planted was mainly due to the relatively high price of soybeans during the planting season and the prospects for an increase in price in the future due to strong demand *inter alia* for use in the production of bio-diesel.

With the increase in the area planted and favorable weather conditions during the second part of the season, a 10.58 percent increase in the production of oilseeds in South Africa is expected for the 2009 marketing year compared to the 2008 marketing year (from 1.243 million tons in 2008 to 1.374 million tons in 2009). However, the sunflower crop is estimated at about 875,280 tons, almost the same as the 2008 marketing year crop of 872,000 tons. The sunflower yield will be affected by the late planting. It is estimated that soybean production will increase by 43.63 percent, from 282,000 tons produced in 2008 to 405,035 tons this year. It is estimated that about 93,910 tons of peanuts will be produced for the 2009/10 marketing year, 5.76 percent more than the 88,800 tons produced for the 2008/09 marketing year.

The area to be planted with oilseeds later in 2009 for the 2010 marketing year will be influenced by a combination of the current above average expected crop and the use of soybeans as feedstock for bio-diesel production. Rainbow Nation Renewable Fuels Limited (RNRF) announced a R1.5 billion (\$0.16bn) bio-fuels processing plant in the Eastern Cape. The plant will be located in the Coega Industrial Development Zone in the Nelson Mandela Metropolitan Municipality. It is expected to produce bio-diesel and pharmaceutical glycerine from soybeans imported and domestically produced. The facility will consume 1.36 million tons of soybeans annually producing 288 million liters of biodiesel making it the largest soybean processing facility in Africa. The facility is expected to begin operations at the end of 2009. The investment will provide a significant boost to the Eastern Cape economy. The project is expected to generate R4.5 billion (\$0.59bn) in revenue annually and create 350 new permanent jobs. An additional 725 employment opportunities in related sectors and 800 jobs during the construction phase are also expected to be created.

It is expected that the area planted with oilseeds later in 2009 will be slightly smaller than the area planted in 2008. The area planted with sunflower will decrease due to a drop off in sunflower prices, while the soybean area will increase due to the higher demand *inter alia* for use in the production of bio-diesel. The forecast is for the area under sunflower to decrease to about 550,000 hectares. An average yield of 1.40 tons per hectare, the forecast for a yield of 770,000 tons for the 2010 marketing year. The area to be planted with soybeans for the 2010 marketing year is expected to increase to 290,000 hectares which will produce 493,000 tons of soybeans. Peanut production for the 2010/11 marketing year is expected to remain constant at 91,000 tons.

The following table contains area planted and production figures for sunflower, soybeans and peanuts for the 2008 (actual), 2009 (estimate) and 2010 (forecast) marketing years.

Table 1: Area planted and production of oilseeds in South Africa

| Oilseeds | Area 000ha | Yield t/ha | Prod. 000 t | Area 000ha | Yield t/ha | Prod. 000 t | Area 000ha | Yield t/ha | Prod. 000 t |
|-----------------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|
| Marketing year | 2008 | | | 2009 | | | 2010 | | |
| Sunflower | 564 | 1.55 | 872 | 636 | 1.38 | 875 | 550 | 1.40 | 770 |
| Soybeans | 165 | 1.71 | 282 | 225 | 1.80 | 405 | 290 | 1.70 | 493 |
| Peanuts* | 54 | 1.64 | 89 | 55 | 1.72 | 94 | 55 | 1.65 | 91 |

TOTAL 783 1.59 1,243 916 1.50 1,374 895 1.51 1,354

Source: SAGIS

*Data supplied on a shelled basis, converted to in-shell (X1.33).

Sunflower is mainly planted in the western, drier areas of the Free State and the North West provinces while soybeans are grown in the higher rainfall areas of Mpumalanga and the eastern region of the Free State.

Table 2 contains the area planted, production, and yield of sunflower, soybeans, and peanuts by province for the 2008 and 2009 marketing years.

Table 2: Area planted and production of sunflower, soybeans and peanuts by provinces in South Africa

| Marketing year | 2008 Actual | | | 2009 Estimate | | |
|-----------------------|--------------------|--------------|----------------|----------------------|--------------|----------------|
| Sunflower | | | | | | |
| | Area | Yield | Prod. | Area | Yield | Prod. |
| | 1000 Ha | t/ha | 1000 Mt | 1000 Ha | t/ha | 1000 Mt |
| Free State | 270 | 1.70 | 459 | 280 | 1.50 | 420 |
| Mpumalanga | 17 | 1.50 | 26 | 27 | 1.52 | 41 |
| Limpopo | 70 | 1.10 | 77 | 90 | 1.00 | 90 |
| North West | 200 | 1.50 | 300 | 230 | 1.35 | 311 |
| Other | 7 | 1.43 | 10 | 9 | 1.44 | 13 |
| TOTAL | 564 | 1.55 | 872 | 636 | 1.38 | 875 |
| Soybeans | | | | | | |
| Free State | 48 | 1.34 | 65 | 50 | 1.40 | 70 |
| KwaZulu | 18 | 2.51 | 44 | 27 | 2.40 | 65 |
| Mpumalanga | 82 | 1.56 | 128 | 120 | 1.70 | 204 |
| Limpopo | 8 | 3.00 | 23 | 13 | 2.75 | 36 |
| North West | 6 | 2.50 | 15 | 7 | 2.50 | 16 |
| Other | 3 | 2.33 | 7 | 8 | 1.75 | 14 |
| TOTAL | 165 | 1.71 | 282 | 225 | 1.80 | 405 |
| Peanuts | | | | | | |
| N. Cape | 7 | 3.07 | 22 | 10 | 3.00 | 30 |
| Free State | 26 | 1.40 | 36 | 22 | 1.40 | 30 |
| North West | 19 | 1.35 | 26 | 20 | 1.35 | 27 |
| Other | 2 | 2.50 | 5 | 3 | 2.33 | 7 |
| TOTAL | 54 | 1.64 | 89 | 55 | 1.72 | 94 |

Source: CEC

Consumption:

Consumption

The demand for oilseeds and its by-products (except for soybeans as feedstock for bio-diesel production) in South Africa is expected to stabilize at current levels, mainly due to the current economic environment and relatively high inflation

levels. Food inflation in South Africa was recorded at 15.8 percent (year-on-year) in February 2009, while overall inflation was calculated at 8.6 percent. The year-on-year inflation in February 2009 for fats and oils was 25.6 percent. Together with relatively high fuel prices and interest rates, many South Africans are under financial pressure and have shifted to buying cheaper basic foods and less animal protein. Although there are signs of relief in lower inflation and interest rates cuts it will take time for the consumer to fully recover. Table 3 illustrates the price trends of sunflower, soybeans, peanut products and some animal products in South Africa.

Table 3: The price trends of sunflower, soybeans, and peanut products in South Africa

| Products | Price level (Rands) | | | Percentage change | |
|----------------------------|---------------------|----------|----------|-------------------|------------------|
| | Jan 2008 | Jul 2008 | Jan 2009 | Jul 08 to Jan 09 | Jan 08 to Jan 09 |
| Bacon 250g | 17.21 | 18.65 | 21.14 | 13.35 | 22.84 |
| Beef mince 1kg | 41.60 | 44.44 | 46.72 | 5.13 | 12.31 |
| Whole chicken | 24.58 | 23.94 | 26.15 | 9.23 | 6.39 |
| Fresh milk 1L | 6.31 | 6.63 | 6.63 | 0.06 | 5.21 |
| Sunflower oil 750ml | 12.70 | 16.35 | 16.37 | 0.12 | 28.90 |
| Margarine 500g | 9.29 | 12.29 | 14.23 | 15.79 | 53.18 |
| Soya mince 200g | 6.65 | 7.41 | 8.00 | 7.94 | 20.21 |
| Peanut butter 410g | 11.32 | 13.38 | 15.22 | 13.75 | 34.45 |

Source: NAMC

Most of the sunflower seeds produced in South Africa are destined for the processing industry for conversion to sunflower oil. Sunflower meal, a by-product of the oil extraction process, is sold to feed manufacturers domestically. It is generally regarded as a low-value product that does not compare well to soybean meal in terms of nutritional value. Therefore, the dilemma for the sunflower market is to somehow increase the value of sunflower meal so that sunflower oil production is more profitable. The opposite is true for soybeans, where the local producer price is derived from the soybean meal price and not from the soybean oil price which is of more value.

The domestic utilization of sunflower and soybeans is summarized in Table 4. South Africa's soybean crushing capacity has nearly doubled with the recent change by crushing facilities to crush soybeans instead of sunflower.

Table 4: The utilization of sunflower and soybeans by South Africa

| Oilseeds 000 t | Sun- flower | Soy- beans | Total | Sun- flower | Soy- beans | Total | Sun- flower | Soy- beans | Total |
|---------------------------|----------------|---------------|---------|----------------|---------------|---------|----------------|---------------|---------|
| Marketing year | 2008 | | | 2009 | | | 2010 | | |
| Crush | 637.0 | 137.0 | 774.0 | 660.0 | 195.0 | 855.0 | 670.0 | 240.0 | 910.0 |
| Food | 2.5 | 27.3 | 29.8 | 3.0 | 40.0 | 43.0 | 3.0 | 40.0 | 43.0 |
| Feed & seed | 6.7 | 114.0 | 120.7 | 7.0 | 165.0 | 172.0 | 7.0 | 205.0 | 212.0 |
| Other | 6.4 | 5.0 | 11.4 | 6.0 | 5.0 | 11.0 | 6.0 | 5.0 | 11.0 |
| Exports | 79.4 | 5.4 | 84.8 | 90.0 | 6.0 | 96.0 | 90.0 | 10.0 | 100.0 |
| TOTAL* | 731.4 | 288.7 | 1,020.1 | 766.0 | 411.0 | 1,177.0 | 776.0 | 500.0 | 1,276.0 |

Source: SAGIS & Grain SA

* Including carry over stocks from previous seasons and imports

The domestic consumption for peanuts is shown in Table 5. The domestic market is relatively stagnate at about 64,000 tons with about 39,000 tons of peanuts being consumed in the direct edible market and about 25,000 tons for the peanut butter market.

Table 5: The utilization of peanuts in South Africa

| Peanuts 000 t | | | |
|-----------------------|----------------|----------------|------------------|
| Marketing year | 2008/09 | 2009/10 | 2010/2011 |
| Direct edible market | 38.6 | 39.0 | 40.0 |
| Peanut butter market | 24.5 | 25.0 | 25.0 |
| Oil and oilcake | 1.0 | 1.0 | 1.0 |
| Seed | 3.4 | 3.5 | 3.5 |
| Exports | 22.1 | 25.0 | 20.0 |
| Other | 1.1 | 1.5 | 1.5 |
| TOTAL* | 90.7 | 95.0 | 91.0 |

Source: SAGIS & Grain SA

* Including carry over stocks from previous seasons and imports

Trade:

Trade

South Africa's trade in oilseeds is limited due to the fact that trade is in value-added products such as oil and protein meal. According to the South African Grain Information Service (SAGIS), only about 1,500 tons of sunflower seed and 16,300

tons of soybeans were imported in the 2008 marketing year. Imports of peanuts for the 2008/09 marketing year were 10,700 tons while exports were 22,100 tons.

Current import tariffs are summarized in Table 7. A full rebate, however, exists since July 1, 2008 on the import duty of soybeans for the production of bio-diesel. This rebate is valid from July 1, 2008 to June 30, 2011 to jump start the bio-diesel industry in South Africa. The animal feed industry has also submitted a request to the International Trade Administration Commission for the full rebate on the import duty of soybean meal but is awaiting a final ruling.

Table 7: Current import tariffs of oilseeds

| | General rate of duty | EU and SADC |
|-------------------------|-----------------------------|--------------------|
| Sunflower seed (12.06) | 9.4% ad valorem | Free |
| Soybeans (12.01) | 8% | Free |
| Peanuts (12.02) | 10% | Free |
| Soybean meal (23.04) | 6.6% | Free (all meals) |
| Soybean oil (15.07) | 10% | Free |
| Sunflower oil (15.1211) | 10% | Free |

Source: SAGIS

Policy:

Marketing:

Prices

The SAFEX prices as of 03/27/2009 are shown in Table 6. Current sunflower and soybean price levels reflect export parity prices at roughly R2,920/ton and R3,180/ton, respectively. Sunflower prices are 38.80 percent lower than a year ago due to lower international prices and the relatively large expected local crop. Sunflower prices are, however, still 7.28 percent higher than in March 2007 and 71.52 percent higher than in March 2006 (see also Figure 1). Soybean prices are currently 27.48 percent lower than in 2008, but 31.14 percent higher than in March 2007 and 132.46 percent higher than in March 2006. South Africa's current depreciated exchange rate, despite being volatile, is helping to keep prices higher. The rand depreciated by 31.5 percent against the dollar in 2008.

Table 6: SAFEX prices for sunflower and soybeans

| SAFEX Futures prices (04/30/2008) | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Commodity | 2009/04 | 2009/05 | 2009/07 | 2009/09 |
| Sunflower | R2,920/t (\$306/t) | R2,950/t (\$310/t) | R3,035/t (\$318/t) | R3,144/t (\$330/t) |
| Soybeans | R3,180/t (\$334/t) | R3,180/t (\$334/t) | R3,274/t (\$344/t) | R3,355/t (\$352/t) |

Source: SAFEX

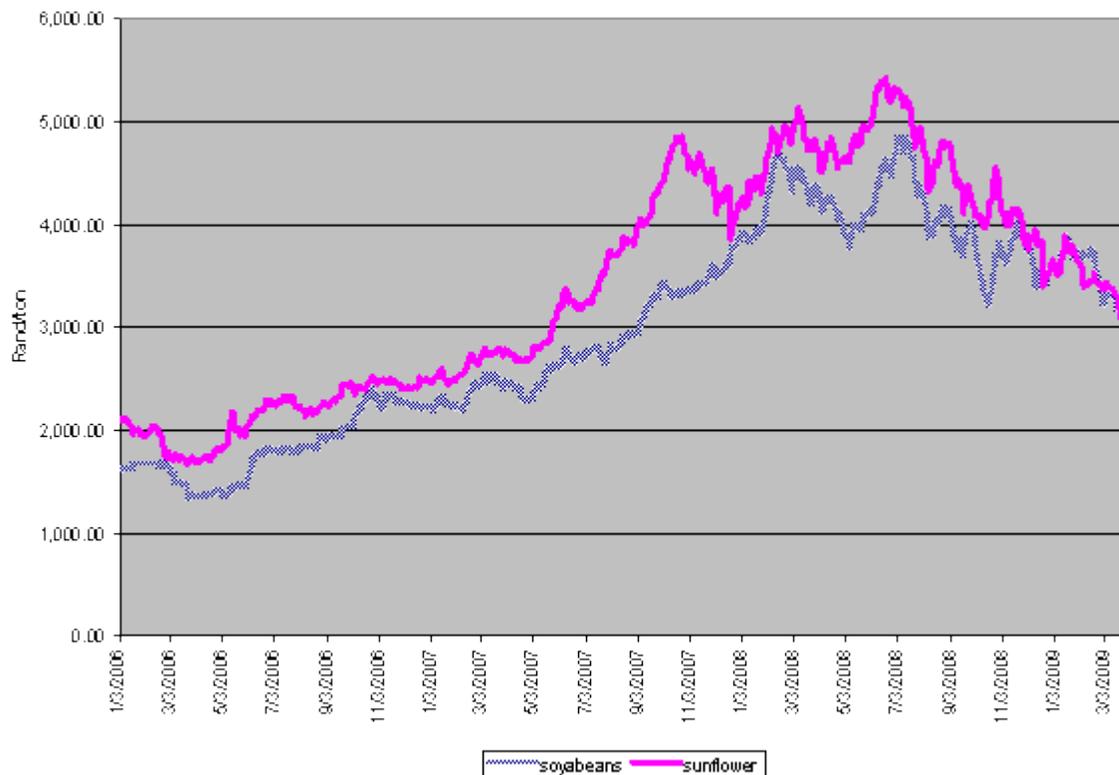


Figure1: The SAFEX prices of sunflower and soybeans since 2006

Production, Supply and Demand Data Statistics:

| Oilseed, Sunflower seed South Africa (1000 HA) (1000 MT) | 2007 | | 2008 | | 2009 | |
|--|-----------------------------|----------|-----------------------------|----------|-----------------------------|-------|
| | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | Market Year Begin: Jan 2008 | | Market Year Begin: Jan 2009 | | Market Year Begin: Jan 2010 | |
| | Annual Data Displayed | New Post | Annual Data Displayed | New Post | Annual Data Displayed | Jan |
| | | Data | | Data | | Data |
| Area Planted | 570 | 564 | 600 | 636 | | 550 |
| Area Harvested | 565 | 564 | 600 | 636 | | 550 |
| Beginning Stocks | 2 | 2 | 85 | 144 | | 255 |
| Production | 872 | 872 | 900 | 875 | | 770 |
| MY Imports | 90 | 2 | 60 | 2 | | 2 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| MY Imp. from EU | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 964 | 876 | 1,045 | 1,021 | | 1,027 |
| MY Exports | 80 | 79 | 100 | 90 | | 90 |
| MY Exp. to EU | 0 | 0 | 0 | | | |
| Crush | 786 | 637 | 768 | 660 | | 670 |
| Food Use Dom. Cons. | 1 | 3 | 1 | 3 | | 3 |
| Feed Waste Dom. Cons. | 12 | 13 | 12 | 13 | | 13 |
| Total Dom. Cons. | 799 | 653 | 781 | 676 | | 686 |

| | | | | | |
|--------------------|-----|-----|-------|-------|-------|
| Ending Stocks | 85 | 144 | 164 | 255 | 251 |
| Total Distribution | 964 | 876 | 1,045 | 1,021 | 1,027 |
| CY Imports | 2 | 2 | 2 | 2 | 2 |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 |
| CY Exports | 0 | 0 | 0 | 0 | 0 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | 0 |

| Oilseed, Soybean South Africa (1000 HA) (1000 MT) | 2007 | | 2008 | | 2009 | |
|--|--------------------------------|---------------------|-----------------------------|------------------|-----------------------------|-------------|
| | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | Market Year Begin: Jan 2007 | | Market Year Begin: Jan 2008 | | Market Year Begin: Jan 2009 | |
| | Annual Data Displayed | New Post Data | Annual Data Displayed | New Post Data | Annual Data Displayed | Jan Data |
| Area Planted | 175 | 175 | 200 | 225 | | 290 |
| Area Harvested | 165 | 165 | 230 | 225 | | 290 |
| Beginning Stocks | 0 | 0 | 0 | 10 | | 14 |
| Production | 282 | 282 | 400 | 405 | | 493 |
| MY Imports | 70 | 16 | 50 | 10 | | 10 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| MY Imp. from EU | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 352 | 298 | 450 | 425 | | 517 |
| MY Exports | 0 | 5 | 0 | 6 | | 10 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | | 0 |
| Crush | 149 | 137 | 187 | 195 | | 240 |
| Food Use Dom. Cons. | 37 | 27 | 40 | 40 | | 40 |
| Feed Waste Dom. Cons. | 166 | 119 | 195 | 170 | | 210 |
| Total Dom. Cons. | 352 | 283 | 422 | 405 | | 490 |
| Ending Stocks | 0 | 10 | 28 | 14 | | 17 |
| Total Distribution | 352 | 298 | 450 | 425 | | 517 |
| CY Imports | 70 | 16 | 80 | 10 | | 10 |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| CY Exports | 0 | 0 | 0 | 0 | | 0 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | | 0 |

| Oilseed, Peanut South Africa (1000 HA) (1000 MT) | 2007 | | 2008 | | 2009 | |
|--|--------------------------------|---------------------|-----------------------------|------------------|-----------------------------|-------------|
| | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | Market Year Begin: Mar 2008 | | Market Year Begin: Mar 2009 | | Market Year Begin: Mar 2009 | |
| | Annual Data Displayed | New Post Data | Annual Data Displayed | New Post Data | Annual Data Displayed | Jan Data |
| Area Planted | 55 | 55 | 50 | 55 | | 55 |
| Area Harvested | 54 | 54 | 57 | 55 | | 55 |
| Beginning Stocks | 6 | 6 | 19 | 15 | | 24 |
| Production | 118 | 89 | 115 | 94 | | 91 |
| MY Imports | 16 | 11 | 15 | 10 | | 10 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| MY Imp. from EU | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 140 | 106 | 149 | 119 | | 125 |

| | | | | | | | | | |
|-----------------------|-----|--|-----|-----|--|-----|--|--|-----|
| MY Exports | 20 | | 22 | 22 | | 25 | | | 30 |
| MY Exp. to EU | 0 | | 2 | 0 | | 2 | | | 2 |
| Crush | 20 | | 1 | 20 | | 1 | | | 1 |
| Food Use Dom. Cons. | 72 | | 63 | 81 | | 64 | | | 65 |
| Feed Waste Dom. Cons. | 9 | | 5 | 10 | | 5 | | | 5 |
| Total Dom. Cons. | 101 | | 69 | 111 | | 70 | | | 71 |
| Ending Stocks | 19 | | 15 | 16 | | 24 | | | 24 |
| Total Distribution | 140 | | 106 | 149 | | 119 | | | 125 |
| CY Imports | 17 | | 4 | 15 | | 5 | | | 5 |
| CY Imp. from U.S. | 0 | | 0 | 0 | | 0 | | | 0 |
| CY Exports | 20 | | 14 | 22 | | 15 | | | 15 |
| CY Exp. to U.S. | 0 | | 0 | 0 | | 0 | | | 0 |

Commodities:

Select

Production:

Total Meals

Production

South Africa has a total crushing capacity of about 1 million tons of oilseeds. This implies that in most production years excess oilseeds processing capacity exist in South Africa. It is estimated that in 2009 South Africa will crush about 855,000 tons of oilseeds producing approximately 433,200 tons of oilseed meal. This is 28.51 percent more than in 2008, but only approximately one third of the local consumption of oilseed meal. Crushing yields used includes 42 percent meal for sunflower seed and 80 percent meal for soybeans. In Table 8 the production of soybean meal and sunflower meal in South Africa are shown for marketing years 2008 (actual), 2009 (estimate) and 2010 (forecast).

Table 8: Oilseed meal production in South Africa

| Oilseeds 000 t Crush | Meal produced | | | | | | |
|-------------------------|----------------|-------|-------|-------|-------|-------|------|
| | Marketing year | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 |
| Sunflower (42% meal) | 637.0 | 660.0 | 670.0 | 267.5 | 277.2 | 281.4 | |

| | | | | | | |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Soybean (80% meal) | 137.0 | 195.0 | 240.0 | 109.6 | 156.0 | 192.0 |
| TOTAL | 774.0 | 855.0 | 910.0 | 337.1 | 433.2 | 473.4 |

Source: SAGIS

Consumption: Consumption

In Table 9 the consumption of soybean meal and sunflower meal in South Africa are shown for marketing years 2008 (actual), 2009 (estimate) and 2010 (forecast). As discussed before, the consumption of oilseed meal is expected to stabilize at its current levels due to the current economic environment.

Table 9: The consumption of soybean meal and sunflower meal

| Oilseeds 000 t | | | |
|-----------------------|----------------|----------------|----------------|
| Marketing year | 2008 | 2009 | 2010 |
| Sunflower meal | 308.0 | 310.0 | 310.0 |
| Soybean meal | 1,029.2 | 1,030.0 | 1050.0 |
| TOTAL | 1,337.2 | 1,340.0 | 1,360.0 |

In Table 10 the raw material usage and inclusion rates by members of AFMA for the 2006/07, 2007/08 and 2008/09 April/March marketing year are shown. This amounts to between 70 percent to 80 percent of the total raw material used by feed manufactures in South Africa.

Table 10: Raw material usage by AFMA members

| RAW MATERIALS | TOTAL (TON) 2006/07 | INCLUSION RATE (%) | TOTAL (TON) 2007/08 | INCLUSION RATE (%) | TOTAL (TON) 2008/09 | INCLUSION RATE (%) |
|-----------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| Sunflower oilcake | 169,172 | 3.79 | 167,836 | 2.67 | 253,114 | 4.96 |
| Groundnuts oilcake | 316 | 0.01 | 0 | 0.00 | 2 | 0.00 |
| Soy oilcake | 653,463 | 14.64 | 752,073 | 15.35 | 711,034 | 13.39 |
| Full fat soy | 183,047 | 4.10 | 130,609 | 2.67 | 81,449 | 1.60 |
| Cotton oilcake | 35,590 | 0.80 | 19,068 | 0.39 | 23,911 | 0.47 |
| Full fat cotton | 10,241 | 0.23 | 9,074 | 0.19 | 4,946 | 0.10 |
| Canola oilcake | 4,330 | 0.10 | 2,963 | 0.06 | 2,472 | 0.05 |
| Full fat canola | 3,757 | 0.08 | 553 | 0.01 | 74 | 0.00 |
| Copra and Palm Kernel | 4,029 | 0.09 | 7,016 | 0.14 | 5,628 | 0.11 |
| Maize Germ Oilcake | 2,859 | 0.06 | 5,750 | 0.12 | 3,242 | 0.06 |
| TOTAL OILCAKE | 1,063,945 | 24.67 | 1,094,941 | 22.34 | 1,085,875 | 21.27 |
| TOTAL MAIZE PRODUCTS | 2,428,502 | 54.05 | 2,627,498 | 53.61 | 2,856,814 | 55.97 |
| TOTAL FISH- | 37,871 | 0.88 | 48,156 | 1.12 | 92,599 | 1.81 |

MEAL

Source: AFMA

**Trade:
Trade**

Almost all imports of soybean meal and sunflower meal are from Argentina. Below are the import trade matrices of sunflower meal and soybean meal. In 2008 South Africa imported 973,622 tons of oilseed meal, 8.76 percent less than in 2007, mainly due to the 30.95 percent increase in locally produced oilseed meal from 2007 to 2008.

Import Trade Matrix

| | | |
|-------------------|-----------------------------------|--|
| Country | South Africa | |
| Commodity | Sunflower meal | |
| Time Period | <input type="text" value="CY"/> | Units: <input type="text" value="MT"/> |
| Imports for: | <input type="text" value="2007"/> | <input type="text" value="2008"/> |
| U.S. | <input type="text" value="0"/> | <input type="text" value="0"/> |
| Others | Others | |
| Argentina | 122310 | Argentina 40436 |
| Zambia | 531 | Zambia 30 |
| Mozambique | 175 | Mozambique 50 |
| | | |
| Total for Others | 123016 | 40516 |
| Others not Listed | <input type="text" value="1"/> | <input type="text" value="0"/> |
| Grand Total | 123017 | 40516 |

Import Trade Matrix

| | | |
|-------------------|-----------------------------------|--|
| Country | South Africa | |
| Commodity | Soybean meal | |
| Time Period | <input type="text" value="CY"/> | Units: <input type="text" value="MT"/> |
| Imports for: | <input type="text" value="2007"/> | <input type="text" value="2008"/> |
| U.S. | <input type="text" value="0"/> | <input type="text" value="0"/> |
| Others | Others | |
| Argentina | 942335 | Argentina 907884 |
| Zimbabwe | 923 | Zimbabwe 173 |
| Zambia | 739 | Zambia 0 |
| | | India 22030 |
| | | Brazil 2612 |
| | | |
| Total for Others | 943997 | 932699 |
| Others not Listed | <input type="text" value="63"/> | <input type="text" value="407"/> |

Grand Total

944060

933106

Production, Supply and Demand Data Statistics:

| Meal, Sunflower seed South Africa (1,000MT) | 2007 | | 2008 | | 2009 | |
|---|-----------------------------|----------|-----------------------------|----------|-----------------------------|--------|
| | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | Market Year Begin: Jan 2008 | | Market Year Begin: Jan 2009 | | Market Year Begin: Jan 2010 | |
| | Annual Data Displayed | New Post | Annual Data Displayed | New Post | Annual Data Displayed | Jan |
| | | Data | | Data | | Data |
| Crush | 786 | 637 | 768 | 660 | | 670 |
| Extr. Rate, 999.9999 | 0. | 0.4207 | 0. | 0.4197 | | 0.4194 |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 |
| Production | 334 | 268 | 326 | 277 | | 281 |
| MY Imports | 50 | 40 | 50 | 33 | | 29 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| MY Imp. from EU | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 384 | 308 | 376 | 310 | | 310 |
| MY Exports | 1 | 0 | 0 | 0 | | 0 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | | 0 |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |
| Feed Waste Dom. Cons. | 383 | 308 | 376 | 310 | | 310 |
| Total Dom. Cons. | 383 | 308 | 376 | 310 | | 310 |
| Ending Stocks | 0 | 0 | 0 | 0 | | 0 |
| Total Distribution | 384 | 308 | 376 | 310 | | 310 |
| CY Imports | 15 | 40 | 15 | 33 | | 29 |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| CY Exports | 0 | 0 | 0 | 0 | | 0 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | | 0 |

| Meal, Soybean Africa (1,000MT) | South | 2007 | | 2008 | | 2009 | |
|--------------------------------------|-------|-----------------------------|----------|-----------------------------|----------|-----------------------------|------|
| | | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | | Market Year Begin: Jan 2008 | | Market Year Begin: Jan 2009 | | Market Year Begin: Jan 2010 | |
| | | Annual Data Displayed | New Post | Annual Data Displayed | New Post | Annual Data Displayed | Jan |
| | | | Data | | Data | | Data |
| Crush | 149 | 137 | 187 | 195 | | 240 | |
| Extr. Rate, 999.9999 | 1. | 0.8029 | 1. | 0.8 | | 0.8 | |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 | |
| Production | 118 | 110 | 147 | 156 | | 192 | |
| MY Imports | 940 | 933 | 950 | 889 | | 878 | |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 | |
| MY Imp. from EU | 0 | 0 | 0 | 0 | | 0 | |
| Total Supply | 1,058 | 1,043 | 1,097 | 1,045 | | 1,070 | |
| MY Exports | 17 | 14 | 20 | 15 | | 20 | |
| MY Exp. to EU | 0 | 0 | 0 | 0 | | 0 | |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | | 0 | |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | | 0 | |

| | | | | | | | | | |
|-----------------------|-------|--|-------|-------|--|-------|--|--|-------|
| Feed Waste Dom. Cons. | 1,041 | | 1,029 | 1,077 | | 1,030 | | | 1,050 |
| Total Dom. Cons. | 1,041 | | 1,029 | 1,077 | | 1,030 | | | 1,050 |
| Ending Stocks | 0 | | 0 | 0 | | 0 | | | 0 |
| Total Distribution | 1,058 | | 1,043 | 1,097 | | 1,045 | | | 1,070 |
| CY Imports | 975 | | 933 | 975 | | 889 | | | 878 |
| CY Imp. from U.S. | 0 | | 0 | 0 | | 0 | | | 0 |
| CY Exports | 22 | | 14 | 25 | | 15 | | | 20 |
| CY Exp. to U.S. | 0 | | 0 | 0 | | 0 | | | 0 |

Commodities:

Select

Production:

Total Oils

Production

South Africa produced 266,800 tons of oilseed oil in 2008 and it is estimated that it will increase to 285,900 in 2009. This is approximately 7.16 percent more than in 2008. Crushing yields used include 38 percent oil for sunflower seed and 18 percent oil for soybeans.

Table 11: Oilseed oil production in South Africa

| Marketing year | Oilseeds 000 t Crush | | | Oil produce | | |
|------------------------|----------------------|-------|-------|-------------|-------|-------|
| | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 |
| Sunflower (38% oil) | 637.0 | 660.0 | 670.0 | 242.1 | 250.8 | 254.6 |
| Soybean (18% oil) | 137.0 | 195.0 | 240.0 | 24.7 | 35.1 | 43.2 |
| TOTAL | 774.0 | 855.0 | 910.0 | 266.8 | 285.9 | 297.8 |

Consumption:

Consumption

South Africa consumes about one million tons of vegetable oil per annum. Approximately 30 percent of the vegetable oil is locally produced. In Table 12 the

consumption of soybean oil, sunflower oil and palm oil in South Africa are shown for marketing year 2008 (actual), 2009 (estimate) and 2010 (forecast). There was a definite decrease in the consumption of sunflower oil and soybean oil in 2008 due to the sharp increase in prices. In 2007, 293,900 tons of sunflower oil and 297,400 tons of soybean oil were consumed. The price of imported sunflower oil increased by 73.95 percent in 2008 and that of soybean oil by 74.07 percent. Traditionally sunflower oil was the preferred edible oil, but palm oil is growing in importance as it is cheaper and is denatured and blended with other oils in the final product. Imports of palm oil, mainly from Malaysia and Indonesia, increased by 5.67 percent in 2008.

Table 12: The consumption of soybean oil, sunflower oil and palm oil in South Africa

| Oilseeds 000 t | | | |
|-----------------------|--------------|--------------|--------------|
| Marketing year | 2008 | 2009 | 2010 |
| Sunflower oil | 267.3 | 260.0 | 250.0 |
| Soybean oil | 271.2 | 270.0 | 270.0 |
| Palm oil | 314.7 | 330.0 | 350.0 |
| TOTAL | 842.0 | 860.0 | 870.0 |

Trade:
Trade

Imports of sunflower oil by South Africa decreased by 72.38 percent in 2008 due to last year's better sunflower crop and a decrease in demand for sunflower oil because of higher prices. For the same reasons, imports of soybean oil decreased by almost 10 percent in 2008. Most of the sunflower oil and soybean oil is imported from Argentina and Brazil.

Import Trade Matrix

| Country | South Africa | | Country | 2008 | |
|------------------|---------------|-----------|------------------|---------------|--|
| Commodity | Sunflower oil | | Commodity | Sunflower oil | |
| Time Period | CY | Units: | MT | | |
| Imports for: | 2007 | | 2008 | | |
| U.S. | 4351 | U.S. | 511 | | |
| Others | | Others | | | |
| Argentina | 158030 | Argentina | 43891 | | |
| Paraguay | 2810 | Paraguay | 1416 | | |
| Brazil | 2034 | | | | |
| | | | | | |

| | | | |
|-------------------|--------|--|-------|
| | | | |
| | | | |
| | | | |
| Total for Others | 162874 | | 45307 |
| Others not Listed | 619 | | 539 |
| Grand Total | 167844 | | 46357 |

Import Trade Matrix

Country South Africa

Commodity Soybean oil

| | | | |
|--------------|------|--------|------|
| Time Period | CY | Units: | MT |
| Imports for: | 2007 | | 2008 |
| U.S. | 2 | U.S. | 113 |
| Others | | Others | |

| | | | |
|-------------------|--------|-------------|--------|
| Argentina | 174413 | Argentina | 121794 |
| Brazil | 91365 | Brazil | 108093 |
| | | Netherlands | 14087 |
| | | | |
| | | | |
| | | | |
| Total for Others | 265778 | | 243974 |
| Others not Listed | 8398 | | 4258 |
| Grand Total | 274178 | | 248345 |

Import Trade Matrix

Country South Africa

Commodity Palm oil

| | | | |
|--------------|------|--------|------|
| Time Period | CY | Units: | MT |
| Imports for: | 2007 | | 2008 |
| U.S. | 0 | U.S. | 2175 |
| Others | | Others | |

| | | | |
|-------------------|--------|--|--------|
| Malaysia | 191326 | | 175718 |
| Indonesia | 103137 | | 135584 |
| | | | |
| | | | |
| | | | |
| Total for Others | 294463 | | 311302 |
| Others not Listed | 3394 | | 1259 |
| Grand Total | 297857 | | 314736 |

Production, Supply and Demand Data Statistics:

| Oil, Sunflower seed South Africa (1,000MT) | 2007 | | 2008 | | 2009 | |
|--|-----------------------------|----------|-----------------------------|----------|-----------------------------|--------|
| | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | Market Year Begin: Jan 2008 | | Market Year Begin: Jan 2009 | | Market Year Begin: Jan 2010 | |
| | Annual Data Displayed | New Post | Annual Data Displayed | New Post | Annual Data Displayed | Jan |
| | Data | | Data | | Data | |
| Crush | 786 | 637 | 768 | 660 | | 670 |
| Extr. Rate, 999.9999 | 0. | 0.3799 | 0. | 0.3803 | | 0.3806 |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 |
| Production | 310 | 242 | 303 | 251 | | 255 |
| MY Imports | 60 | 46 | 80 | 49 | | 45 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| MY Imp. from EU | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 370 | 288 | 383 | 300 | | 300 |
| MY Exports | 60 | 21 | 40 | 40 | | 50 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | | 0 |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |
| Food Use Dom. Cons. | 310 | 267 | 343 | 260 | | 250 |
| Feed Waste Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |
| Total Dom. Cons. | 310 | 267 | 343 | 260 | | 250 |
| Ending Stocks | 0 | 0 | 0 | 0 | | 0 |
| Total Distribution | 370 | 288 | 383 | 300 | | 300 |
| CY Imports | 30 | 46 | 25 | 49 | | 45 |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| CY Exports | 25 | 21 | 27 | 40 | | 50 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | | 0 |

| Oil, Soybean Africa (1,000MT) | 2007 | | 2008 | | 2009 | |
|-------------------------------------|-----------------------------|----------|-----------------------------|----------|-----------------------------|--------|
| | 2007/2008 | | 2008/2009 | | 2009/2010 | |
| | Market Year Begin: Jan 2008 | | Market Year Begin: Jan 2009 | | Market Year Begin: Jan 2010 | |
| | Annual Data Displayed | New Post | Annual Data Displayed | New Post | Annual Data Displayed | Jan |
| | Data | | Data | | Data | |
| Crush | 149 | 137 | 187 | 195 | | 240 |
| Extr. Rate, 999.9999 | 0. | 0.1825 | 0. | 0.1795 | | 0.1792 |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 |
| Production | 26 | 25 | 33 | 35 | | 43 |
| MY Imports | 290 | 248 | 280 | 238 | | 232 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| MY Imp. from EU | 0 | 14 | 0 | 15 | | 0 |
| Total Supply | 316 | 273 | 313 | 273 | | 275 |
| MY Exports | 1 | 2 | 1 | 3 | | 5 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | | 0 |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |
| Food Use Dom. Cons. | 315 | 271 | 312 | 270 | | 270 |
| Feed Waste Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |

| | | | | | |
|--------------------|-----|-----|-----|-----|-----|
| Total Dom. Cons. | 315 | 271 | 312 | 270 | 270 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 |
| Total Distribution | 316 | 273 | 313 | 273 | 275 |
| CY Imports | 285 | 248 | 285 | 238 | 232 |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 |
| CY Exports | 1 | 2 | 1 | 3 | 5 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | 0 |