Oilseed production in South Africa is expected to decrease by 15 percent in the 2014/15 MY, due to a mid-summer drought that hit the main summer rainfall producing areas. Post, however, forecasts that oilseed production will increase in the 2015/16 MY to reach a historical high of 2.0 million tons on 1.5 million hectares, due to the added soybean crushing capacity and the increased affinity by farmers to use soybeans as a rotational crop with corn. As a result, South Africa will crush a record of 1.8 million tons of oilseeds in the 2015/16 MY and oilseed meal imports will drop by 15 percent to about 495,000 tons.
Executive Summary

Due to a demand pull, post forecasts that a record area of 1.5 million hectares will be planted with oilseeds later in 2015, for the 2015/16 MY, up 10 percent from the area planted in the 2014/15 MY. Post forecasts a 16 percent growth in the area planted with soybeans to 800,000 hectares, due to added soybean crushing capacity and the increased affinity by farmers to use soybeans as a rotational crop with corn. Post forecasts that sunflower seed and groundnut planted areas will only increase marginally to 590,000 hectares and 60,000 hectares, respectively.

Based on average yields, South Africa should produce a historical high of 2.0 million tons of oilseeds in the 2015/16 MY. Soybean production will increase to 1.3 million tons, while sunflower and groundnut production will increase to 710,000 tons and 72,000 tons, respectively. As a result, post forecasts that South Africa will crush a historical high of 1.8 million tons of oilseeds in the 2015/16 MY and should import only about 30 percent of oilseed meal consumption, down from the more than 70 percent ten years ago, while oilseed oil imports should drop to about 900,000 tons.

Production of oilseeds will be down in the 2014/15 MY, due to a mid-summer drought that hit the summer rainfall production areas of South Africa. Oilseed production is expected to be almost 15 percent less than in the 2013/14 MY, despite a 14 percent increase in area planted, at 1.6 million tons.

US$1 = Rand 12.25 (03/20/2015)

Sources:
www.sagis.org.za
www.grainsa.co.za
www.safex.co.za
www.daff.gov.za

Total Oilseeds
Production

South Africa planted a record of 1.3 million hectares of oilseeds in the 2014/15 MY, up 14 percent from the 1.2 million hectares planted in the 2013/14 MY. This positive trend in oilseeds area planted (see also Figure 1) was mainly driven by an increase in soybean plantings after South Africa invested an estimated R1 billion (US$100 million) the past few years on expanding its soybean processing capacity to replace soybean meal imports. As a result, about 1.2 million tons of additional oilseed processing capacity has been created, bringing South Africa’s current total oilseed capacity to an estimated 2.2 million tons per annum.

Due to this demand pull, post forecasts that a record area of 1.5 million hectares will be planted with oilseeds later in 2015, for the 2015/16 MY (marketing year starts March 1, 2016), up 10 percent from the area planted in the 2014/15 MY. Post forecasts a 16 percent growth in the area planted with soybeans to 800,000 hectares, due to the added soybean crushing capacity and the increased affinity by farmers to use soybeans as a rotational crop with corn. Post forecasts that sunflower seed and groundnut planted areas will only increase marginally to 590,000 hectares and 60,000 hectares, respectively.

Based on average yields, post forecasts that South Africa will produce a historical high of 2.0 million tons of oilseeds in the 2015/16 MY (see also Figure 2). Soybean production will increase to 1.3 million tons, while sunflower and groundnut production will increase to 710,000 tons and 72,000 tons, respectively.

![Figure 1: Trends in the area planted with oilseeds in South Africa since the 1999/00 MY](image-url)
Production of oilseeds will be down in the 2014/15 MY, due to a mid-summer drought that hit the summer rainfall production areas of South Africa. The season started normal and most areas received normal to above-normal rainfall during December 2014. However, during the first two months of 2015, most parts of South Africa’s main oilseed producing areas experienced extreme drought condition that impacted negatively on yields. As a result, oilseed production is expected to be almost 15 percent less than in the 2013/14 MY, despite a 14 percent increase in area planted.

The South African Crop Estimates Committee (CEC) released its first oilseeds production estimate for the 2014/15 MY (marketing year starts March, 1, 2015) on February 26, 2015. The CEC estimated the commercial oilseed crop at 1.6 million tons on 1.3 million hectares. Although the soybean area planted increased by almost 37 percent from the previous marketing year, soybean production is expected to decrease marginally to 938,350 tons. A 45 percent decrease in sunflower production to 574,300 tons is also expected. Most of the sunflower production in South Africa is taking place in the Northwest Province and the western side of the Free State Province where the drought was extremely severe. The CEC estimates that the peanuts crop will decrease by almost 10 percent to 67,845 tons.

The following table indicates the area planted and production figures for sunflower, soybeans and peanuts for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast).

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

<table>
<thead>
<tr>
<th></th>
<th>Area (1,000 ha)</th>
<th>Yield MT/h</th>
<th>Prod. (1,000 MT)</th>
<th>Area (1,000 ha)</th>
<th>Yield MT/h</th>
<th>Prod. (1,000 MT)</th>
<th>Area (1,000 ha)</th>
<th>Yield MT/h</th>
<th>Prod. (1,000 MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14 MY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunflower</td>
<td>600</td>
<td>1.4</td>
<td>832</td>
<td>568</td>
<td>1.0</td>
<td>574</td>
<td>590</td>
<td>1.2</td>
<td>710</td>
</tr>
<tr>
<td>Soybeans</td>
<td>503</td>
<td>1.9</td>
<td>948</td>
<td>687</td>
<td>1.4</td>
<td>938</td>
<td>800</td>
<td>1.6</td>
<td>1,255</td>
</tr>
<tr>
<td>Peanuts*</td>
<td>52</td>
<td>1.6</td>
<td>82</td>
<td>58</td>
<td>1.2</td>
<td>68</td>
<td>60</td>
<td>1.3</td>
<td>75</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,154</td>
<td>1.6</td>
<td>1,855</td>
<td>1,313</td>
<td>1.2</td>
<td>1,580</td>
<td>1,450</td>
<td>1.4</td>
<td>2,040</td>
</tr>
</tbody>
</table>

Source: SAGIS

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

Consumption

Post forecasts that South Africa will consume about 2.0 million tons of oilseeds in the 2015/16 MY, an increase of 11 percent from the estimated utilization of 1.8 million tons in the 2014/15 MY, due to higher oilseed production. As a result of the current drought conditions, post anticipates a drop of six percent in oilseed utilization for the 2014/15 MY. In the 2013/14 MY, South Africa utilized a record of 1.9 million tons of oilseeds locally. As already mentioned, South Africa’s crushing capacity increased to an estimated 2.2 million tons per annum after new soybeans crushing facilities were added the past couple of years. Post forecasts that a record 1.8 million tons of oilseed will be crushed in the 2015/16 MY, up 13 percent from the estimated 1.6 million tons that will be crushed in the 2014/15 MY. Table 2 illustrates the domestic utilization of sunflower seed and soybeans in South Africa for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast).

Table 2: The utilization of sunflower seed and soybeans in South Africa

<table>
<thead>
<tr>
<th>Oilseeds (*1,000 MT)</th>
<th>Sunflower</th>
<th>Soybeans</th>
<th>Total</th>
<th>Sunflower</th>
<th>Soybeans</th>
<th>Total</th>
<th>Sunflower</th>
<th>Soybeans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketin g year</td>
<td>2013/14</td>
<td>2014/15</td>
<td>2015/16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crush</td>
<td>865</td>
<td>650</td>
<td>700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Animal feed</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seed</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>880</td>
<td>1,110</td>
<td>1,260</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td>70</td>
<td>105</td>
<td>175</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SAGIS & Grain SA
South Africa processes almost its entire sunflower seed crop for the conversion to sunflower oil. The crushing capacity for sunflower seeds in South Africa is estimated at around one million tons per annum, while the capacity of oilseed refineries is estimated at 950,000 tons per annum. In years of lower sunflower production, the activities at crushing plants are reduced and the refineries import more crude oil, as it is more cost effective than importing sunflower seeds. Figure 3 illustrates the strong correlation between the local production and crushing of sunflower seeds annually.

Sunflower meal, a by-product of the oil extraction process, is sold to local animal feed manufacturers. Sunflower meal is generally regarded as a low-value product that does not compare well to soybean meal in terms of nutritional value and fiber content. As a result, broiler rations cannot include more than seven percent sunflower meal. Hence, sunflower meal is mainly used as feed in the dairy and beef industries.

![Figure 3: The utilization of sunflower seed in South Africa since the 1999/00 MY](image)

Figure 4 illustrates the increasing trend in the local utilization of soybeans in South Africa, mainly driven by an increase in crushing capacity. With the increase in crushing capacity, South Africa crushed a record 840,000 tons of soybeans in the 2013/14 MY. Post estimates South Africa will crush 950,000 tons and 1.1 million tons of soybeans in the 2014/15 MY and 2015/16 MY, respectively. The local demand for soybean meal, as the preferred source of protein for animal feed, has increased in correlation with the increase in poultry production in South Africa and more than doubled over the past decade. As local production of soybean meal was limited in the past, almost all of the local consumption had to be imported. With the expansion of the local soybean crushing industry and soybean production, imports are expected to decrease to less than 30 percent of local consumption compared to more than 60 percent five years ago.
The domestic consumption for peanuts is indicated in Table 3 for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast). The domestic market is relatively stagnating at around 60,000 tons, with about 25,000 tons of peanuts being consumed in the direct edible market and about 30,000 tons for the peanut butter market.

Table 3: The utilization of peanuts in South Africa

<table>
<thead>
<tr>
<th>Peanuts* (‘1,000 MT)</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct edible market</td>
<td>22</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>Peanut butter market</td>
<td>28</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Oil and oilcake</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Seed</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Exports</td>
<td>12</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL**</td>
<td>69</td>
<td>70</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: SAGIS & Grain SA

*Data supplied on a shelled basis, converted to in-shell (X1.33)
** Including carryover stocks from previous seasons and imports
Trade

For the 2015/16 MY, post does not foresee any oilseed imports by South Africa. South Africa’s trade in oilseeds is mainly directed to the imports of oil and protein meal, however, in the 2013/14 MY, South Africa imported about 70,000 tons of sunflower seeds and 105,000 tons of soybeans to augment the local oilseed crop and to utilize crushing capacity optimal. In the 2014/15 MY, post anticipates that South Africa will imports about 100,000 tons of sunflower seed and 100,000 tons of soybeans to supplement the drop in local oilseed production, due to the drought conditions.

South Africa exported a small amount of 2,000 tons of soybeans and 2,000 tons of sunflower seeds in the 2013/14 MY, destined mainly for South Africa’s neighboring countries. Exports of soybeans and sunflower seeds are expected to drop to zero in the 2014/15 MY and 2015/16 MY, as total local production will be used locally.

Exports of peanuts (according to Global Trade Atlas) reached about 12,000 tons in the 2013/14 MY. South Africa also imported about 9,000 tons of peanuts in the 2013/14 MY. Post expects peanut exports to stay constant at 10,000 tons in the 2014/15 MY and 2015/16 MY.

Current import tariffs for oilseeds and oilseed products are summarized in Table 4.

Table 4: Current import tariffs of oilseeds and oilseed products

<table>
<thead>
<tr>
<th>Product</th>
<th>General rate of duty</th>
<th>EU</th>
<th>EFTA</th>
<th>SADC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunflower seed</td>
<td>9.4%</td>
<td>Free</td>
<td>9.4%</td>
<td>Free</td>
</tr>
<tr>
<td>Soybeans</td>
<td>8%</td>
<td>Free</td>
<td>8%</td>
<td>Free</td>
</tr>
<tr>
<td>Peanuts</td>
<td>10%</td>
<td>Free</td>
<td>10%</td>
<td>Free</td>
</tr>
<tr>
<td>Soybean meal</td>
<td>6.6%</td>
<td>Free</td>
<td>6.6%</td>
<td>Free</td>
</tr>
<tr>
<td>Sunflower meal</td>
<td>6.6%</td>
<td>Free</td>
<td>6.6%</td>
<td>Free</td>
</tr>
<tr>
<td>Soybean oil</td>
<td>10%</td>
<td>Free</td>
<td>10%</td>
<td>Free</td>
</tr>
<tr>
<td>Sunflower oil</td>
<td>10%</td>
<td>Free</td>
<td>10%</td>
<td>Free</td>
</tr>
</tbody>
</table>

Source: Cargo-info

Prices

The South African Future Exchange (SAFEX) prices for sunflower seed and soybeans as of 03/17/2015 are indicated in Table 5. Year-on-year local sunflower prices and soybean prices are trading, respectively, 16 percent and 23 percent lower, mainly driven by lower global oil, meal and oilseed prices (see also Figure 5 and Figure 6). Local soybean and sunflower seed prices are inter alia influenced by international soybean meal and oilseed oil prices.

Table 5: SAFEX prices for sunflower and soybeans
**SAFEX Futures prices**

(03/17/2015)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2015/03</th>
<th>2015/05</th>
<th>2015/07</th>
<th>2015/09</th>
<th>2015/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunflower</td>
<td>R5,030/t ($410/t)</td>
<td>R4,930/t ($402/t)</td>
<td>R5,015/t ($409/t)</td>
<td>R5,080/t ($415/t)</td>
<td>R5,160/t ($421/t)</td>
</tr>
<tr>
<td>Soybeans</td>
<td>R5,072/t ($414/t)</td>
<td>R4,977/t ($406/t)</td>
<td>R5,042/t ($412/t)</td>
<td>R5,131/t ($419/t)</td>
<td>R5,147/t ($420/t)</td>
</tr>
</tbody>
</table>

Source: SAFEX

---

**Figure 5:** The SAFEX prices for soybeans since January 2013
Figure 6: The SAFEX prices for sunflower since January 2013

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Planted</td>
<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td>Area Harvested</td>
<td>600</td>
<td>600</td>
<td>610</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>41</td>
<td>41</td>
<td>79</td>
</tr>
<tr>
<td>Production</td>
<td>853</td>
<td>832</td>
<td>800</td>
</tr>
<tr>
<td>MY Imports</td>
<td>0</td>
<td>70</td>
<td>0</td>
</tr>
<tr>
<td>MY Imp. from U.S.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MY Imp. from EU</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Supply</td>
<td>894</td>
<td>943</td>
<td>879</td>
</tr>
<tr>
<td>MY Exports</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>MY Exp. to EU</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Crush</td>
<td>800</td>
<td>865</td>
<td>800</td>
</tr>
<tr>
<td>Food Use Dom. Cons.</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Feed Waste Dom. Cons.</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Total Dom. Cons.</td>
<td>813</td>
<td>878</td>
<td>813</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>79</td>
<td>63</td>
<td>64</td>
</tr>
<tr>
<td>Total Distribution</td>
<td>894</td>
<td>943</td>
<td>879</td>
</tr>
</tbody>
</table>

1000 HA, 1000 MT
### Oilseed, Soybean

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>560</td>
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<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>503</td>
<td>503</td>
<td>560</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>165</td>
<td>165</td>
<td>255</td>
</tr>
<tr>
<td>Production</td>
<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>944</td>
<td>948</td>
<td>920</td>
</tr>
<tr>
<td>MY Imports</td>
<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>110</td>
<td>105</td>
<td>130</td>
</tr>
<tr>
<td>MY Imp. from U.S.</td>
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<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>3</td>
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<td>3</td>
</tr>
<tr>
<td>MY Imp. from EU</td>
<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Supply</td>
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<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>1,219</td>
<td>1,218</td>
<td>1,305</td>
</tr>
<tr>
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<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>MY Exp. to EU</td>
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<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Crush</td>
<td>USDA Official</td>
<td>New post</td>
<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>750</td>
<td>840</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>26</td>
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<td>28</td>
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<td></td>
<td>184</td>
<td>135</td>
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<td></td>
<td>960</td>
<td>1,000</td>
<td>1,020</td>
</tr>
<tr>
<td>Ending Stocks</td>
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<td>New post</td>
<td>USDA Official</td>
</tr>
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<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>1,219</td>
<td>1,218</td>
<td>1,305</td>
</tr>
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</table>

1000 HA, 1000 MT

### Oilseed, Peanut

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Planted</td>
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<td>USDA Official</td>
</tr>
<tr>
<td></td>
<td>52</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>Area Harvested</td>
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1000 HA, 1000 MT
Total Meals

Production

Post forecasts that South Africa will crush a record 1.8 million tons of oilseeds in the 2015/16 MY, mainly due to an expected 34 percent increase in soybean production to meet the expansion in crushing capacity. In the 2013/14 MY, South Africa crushed a record of 1.7 million tons of oilseeds, on a record production of 1.9 million tons of oilseeds. Due to the current drought conditions post estimates that oilseed crushed will drop by six percent to 1.6 million tons in the 2014/15 MY (see also Figure 7). However, oilseed meal produced in the 2014/15 MY, should be at the same level as in the 2013/14 MY i.e. 1.0 million tons as more soybean will be crushed. In Table 6, the production of soybean meal and sunflower meal in South Africa are indicated for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast). Crushing yields used includes 42 percent meal for sunflower seeds and 80 percent meal for soybeans.

![Figure 7: Trends in oilseeds crushed in South Africa](image)
Table 6: Oilseed meal production in South Africa

<table>
<thead>
<tr>
<th>Oilseeds (1,000MT)</th>
<th>Crushed</th>
<th>2014/15</th>
<th>2015/16</th>
<th>Meal produced</th>
</tr>
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<tbody>
<tr>
<td>Sunflower (42% meal)</td>
<td>865</td>
<td>650</td>
<td>700</td>
<td>363</td>
</tr>
<tr>
<td>Soybean (80% meal)</td>
<td>840</td>
<td>950</td>
<td>1,100</td>
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<td>1,705</td>
<td>1,600</td>
<td>1,800</td>
<td>1,035</td>
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</table>

Consumption

South Africa’s consumption of sunflower meal and soybean meal is currently at around 1.5 million tons per annum and is expected to grow by about three percent per year over the next two years. A weak economic outlook for South Africa is diminishing a more aggressive demand growth for animal products and as a result animal feed. The economic growth outlook for South Africa remain sluggish at less than two percent per annum in 2015 and 2016, due to *inter alia* electricity constraints, labor unrest, relatively lower commodity prices and a relatively weak exchange rate. In Table 7 the consumption of soybean meal and sunflower meal in South Africa is shown for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast).

Table 7: The consumption of soybean meal and sunflower meal

<table>
<thead>
<tr>
<th>Oilseeds (1,000MT)</th>
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<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing year</td>
<td>2013/14</td>
<td>2014/15</td>
<td>2015/16</td>
</tr>
<tr>
<td>Sunflower meal</td>
<td>400</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td>Soybean meal</td>
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<td>1,200</td>
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<td>TOTAL</td>
<td>1,500</td>
<td>1,550</td>
<td>1,600</td>
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</table>

Trade

Figure 8 illustrates the trend in the replacement of oilseed meal imports with locally produced oilseed meal in South Africa. Post expects that South Africa will import only about 30 percent of oilseed meal consumption in the 2015/16 MY, down from the more than 70 percent ten years ago.
Imports of sunflower meal and soybean meal dropped by almost 23 percent in the 2013/14 MY to 530,000 tons, on increased local production. Almost all imports of oilseed meal were from Argentina. For the 2014/15 MY, post predicts that the imports of sunflower meal and soybean meal will increase by ten percent to 585,000 tons (490,000 tons of soybean meal and 95,000 tons of sunflower meal), due to a six percent drop in oilseeds crushed as a result of the drought conditions. In the 2015/16 MY, sunflower meal and soybean meal imports will decrease again by 15 percent to around 495,000 tons (420,000 tons of soybean meal and 75,000 tons of sunflower meal) on increased local oilseed production.

Figure 8: The gap between oilseed meal produced in South Africa and oilseed meal imports

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<td>Production</td>
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<td>MY Imports</td>
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<td>MY Imp. from EU</td>
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<tr>
<td>Total Supply</td>
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<td>456</td>
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1000 MT, PERCENT

**Total Oils**
Production

Post estimates that South Africa will produce about 464,000 tons of oilseed oil in the 2015/16 MY. This is 11 percent more than the 418,000 tons oil post estimates South Africa will produced in the 2014/15 MY. In the 2013/14 MY, South Africa produced a record 480,000 tons of oilseed oils, 35 percent higher than in the 2012/13 MY, due to a record local production of 1.9 million tons of oilseeds. In Table 8, the production of soybean oil and sunflower oil in South Africa is indicated for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast). Crushing yields used include 38 percent oil for sunflower seed and 18 percent oil for soybeans.

Table 8: Oilseed oil production in South Africa

<table>
<thead>
<tr>
<th>Oilseeds (1,000MT)</th>
<th>Crushed</th>
<th>Oil produce</th>
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<tbody>
<tr>
<td>Sunflower (38% oil)</td>
<td>865</td>
<td>650</td>
</tr>
<tr>
<td>Soybean (18% oil)</td>
<td>840</td>
<td>950</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,705</td>
<td>1,600</td>
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Consumption

South Africa consumes about 1.2 million tons of oilseed oil per annum. In Table 9, the consumption of soybean oil, sunflower oil, palm oil and other vegetable oils in South Africa are illustrated for the 2013/14 MY (actual), 2014/15 MY (estimate) and 2015/16 MY (forecast). Post estimates that the consumption of oilseed oil will grow by only about three percent in the 2014/15 MY and by another three percent in 2015/16 MY. Economic growth is the main overall driver for the increase in the demand for oilseed oil and, as already mentioned, South Africa’s economic growth is expected to remain sluggish at less than two percent growth per annum in 2015 and 2016.

Table 9: The consumption of soybean oil, sunflower oil and palm oil in South Africa

<table>
<thead>
<tr>
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<th>2014/15</th>
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<td>Palm oil</td>
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<td>Other oils</td>
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<td>TOTAL</td>
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Trade
South Africa imported about 825,000 tons of vegetable oil in the 2013/14 MY, marginally more than in the previous season. Major oils imported included palm oil (435,000 tons), soybean oil (170,000 tons) and sunflower oil (135,000 tons).

For the 2014/15 MY, post expects oilseed oil imports to increase by 11 percent to 915,000 tons, due to a decreased in oilseeds crushed because of the drought. Post estimates South Africa will import about 155,000 tons of sunflower oil and 190,000 of soybean oil in the 2014/15 MY to augment local oil production. In the 2015/16 MY, oilseed oil imports should drop to about 900,000 tons, due to an increase of oilseed being crushed. Sunflower oil imports are expected to drop to about 140,000 tons, while soybean oil imports should be on the same level at 190,000 tons.

South Africa also exports oilseed oils to neighboring countries such as Zimbabwe and Mozambique. In the 2013/14 MY, South Africa exported almost 155,000 tons of oilseed oil, including 55,000 tons of sunflower seed oil, 90,000 tons of soybean oil and 8,000 tons of palm oil. These exports are expected to continue at the same levels in the 2014/15 MY and 2015/16 MY.

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1000 MT, PERCENT
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1000 MT, PERCENT