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Global Agricultural Information Network

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Soybean production in South Africa could reach 1.62 million tons by 2020

Report Categories:

Oilseeds and Products

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Report Highlights:

The Bureau for Food and Agricultural Policy (BFAP) projects that 605,000 hectares of soybeans could be planted by 2020 in South Africa, based on increased yields and growing demand for animal protein. As a result, soybean production could triple to 1.62 million tons by 2020.

Executive Summary:

The South African Bureau for Food and Agricultural Policy (BFAP) projects 605,000 hectares of soybeans could be planted by 2020, based on increased yields and growing demand for animal protein. As a result, soybean production in South Africa could triple to about 1.62 million tons by 2020. BFAP was founded in 2004 by the University of Pretoria to facilitate agricultural decision-making through the operation of comprehensive analytical systems.

According to BFAP, the expansion of soybean production in South Africa will be driven by growth in the livestock and poultry sectors as rising incomes will increase demand for animal protein. BFAP's predictions are based on an increased average soybean yield of 2.7 tons/hectare (South Africa's average soybean yield in the past 5 years is 1.7 tons/hectare) which will increase profit margins and give farmers the necessary incentive to increase the planted area under soybeans.

Currently, South Africa consumes about 1.3 million tons of oilseed meal for animal feed purposes annually of which approximately 70 percent is soybean meal (see Table 1). More than 90 percent of the soybean meal consumed in South Africa is imported, mainly from Argentina, as locally produced soybean meal is only about 100,000 tons. Sunflower meal is generally regarded as a low-value product that does not compare well to soybean meal in terms of nutritional value.

BFAP predicts that by 2020 South Africa's demand for soybean meal will double to 1.8 million tons of which 720,000 tons will be produced locally. This means South Africa will crush about 900,000 tons of soybeans by 2020. Furthermore, the demand for soybeans by full fat processing plants will amount to 540,000 tons. Thus, by 2020, 1.44 million tons of soybeans could be processed in South Africa while exports of soybeans are expected to reach 185,000 tons.

Table 1: The consumption of soybean meal and sunflower meal in South Africa

Oilseeds (TMT)			
Marketing year	2009 (actual)	2010 (estimate)	2011 (forecast)
Sunflower meal	414	342	340
Soybean meal	874	972	1,000
TOTAL	1,288	1,314	1,340

BFAP's projection that a doubling of South African soybean area planted is feasible given the growth in soybean production in the past ten years. During this time, the area planted to soybeans in South Africa more than doubled from 134,000 hectares in the 2001/02 marketing year to 311,000 hectares in the 2010/11 marketing year. In fact, South Africa produced a record soybean crop in the 2010/11 marketing year of 561,000 tons, making it the first time in South Africa's agricultural history that more soybeans were produced than sunflower. Farmers are starting to realize that soybeans are an excellent choice for crop rotation with corn and also that they put nitrogen back into the soil. The production of soybeans has been made relatively easier with the GM cultivars that are available in South Africa and the high degree of mechanization in soybean production. Figure 1 illustrates the production and area planted with soybeans the past 20 years in South Africa. The increase in soybean production in South Africa is driven by both the increase in area planted as well as an increase yields.

Figure 1: The trend in production, area and yield of soybeans the past 20 years in South Africa

