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Report Highlights:
Post forecasts a 14 percent increase in Zimbabwe's total oilseed production in the 2014/15 MY, to 359,000 tons, due to a strong demand from oilseed processors as oilseed crushing is starting to recover. The area planted to oilseeds is expected to increase by 18 percent to 635,000 hectares. As a result, oilseed meal production in the 2014/15 MY will double to 117,000 tons from the 58,000 tons produced in the 2012/13 MY. Oil production from oilseeds is expected to increase to 36,000 tons. However, Zimbabwe is still expected to import about 30,000 tons of soybean meal and 70,000 tons of vegetable oil.

Executive Summary

Post forecasts a 14 percent increase in Zimbabwe's total oilseed production in the 2014/15 MY, to 359,000 tons, due to a strong demand from oilseed processors as oilseed crushing is starting to recover. The area planted to oilseeds is expected to increase by 18 percent to 635,000 hectares. The area planted with oilseeds in the 2013/14 MY is estimated at 624,000 hectares, an increase of 12 percent from the 555,000 hectares planted in the 2012/13 MY. Oilseed production increased by 50 percent from 209,000 tons in the 2012/13 MY to 315,000 tons in the 2013/14 MY, due to improved yields after a good rainfall season. A total of 170,000 tons of oilseeds comprising of 72,000 tons soybean and 98,000 tons cottonseed were crushed in the 2013/14 MY, representing capacity utilization of 34 percent of Zimbabwe's total crushing capacity estimated at 500,000 tons.

Total production of oilseed meal in the 2013/14 MY is estimated at 101,000 tons, comprised of 58,000 tons soybean meal and 43,000 tons cottonseed meal and is forecast to increase to 117,000 tons in the 2014/15 MY. In 2013/14 MY, domestic soybean meal production will fall short of demand due to expansion of the poultry sector that uses approximately 82 percent of locally produced soybean meal. Non-GMO soybean meal will be imported mainly from Zambia and India in line with government policy that prohibits importation of GMO grain or meal. Domestic demand for cottonseed meal will be fully met through local production with the surplus being exported, mainly to South Africa.

Domestic oil production in the 2013/14 MY at 30,000 tons will be inadequate to meet the country's requirements estimated at 100,000 tons. As a result, Zimbabwe will continue to import the bulk of its vegetable oil requirements from South Africa.

TOTAL OILSEEDS

Production

Soybean, cottonseed and peanuts are the main oilseeds produced in Zimbabwe. Table 1 below illustrates the increasing trends in area planted and production of the oilseeds from the 2012/13 MY.

Table 1: Area planted and production of oilseeds in Zimbabwe since the 2012/13 MY

Oilseeds	MY 2012/13 (actual)		MY 2013/14 (estimate)		MY 2014/15 (forecast)	
	Area (ha)	Production MT	Area (ha)	Production MT	Area (ha)	Production MT
Cottonseed*	240,000	84,000	295,000	110,000	300,000	139,000
Soybeans	55,000	40,000	65,000	70,000	70,000	85,000
Peanuts **	260,000	85,000	264,000	135,000	265,000	135,000
Total	**555,000**	**209,000**	**624,000**	**315,000**	**635,000**	**359,000**

Source: Post estimates

Notes: *cottonseed is 58 percent of seed cotton production figure i.e. after removal of 41 percent lint and allowing for a 1 percent loss factor.

** Data supplied on an in-shelled basis, converted to shelled (x 0.67).

In the 2013/14 MY, Zimbabwe produced about 315,000 tons of oilseeds, a 50 percent increase from the 209,000 tons produced in the 2012/13 MY. Production of the three main oilseeds grew in the 2013/14 MY, mainly as a result of growth in area planted and improved yields following the good rainfall experienced in most parts of the country. Post forecasts a 14 percent increase in production of oilseeds in the 2014/15 MY, to 359,000 tons, mainly due to an increased demand from oilseed processors as oilseed crushing gains momentum.

Cotton production in 2012/13 MY increased as farmers planted more of the crop following increased financial support for contract cotton production from ginners and merchants. Cotton area planted increased by 23 percent from 240,000 hectares in the 2012/13MY to 295,000 hectares in the 2013/14 MY, following an increase in inputs funding for production from US$22 million in the previous season to US$39 million. Cotton is grown by an estimated 170,000 smallholder farmers that produce 99 percent of Zimbabwe's cotton crop, mainly through contract farming arrangements between individual growers and cotton ginning companies. Cotton ginners and merchants supply producers with seed, fertilizers and chemicals on loan, provide extension support to the growers whilst farmers repay the loans at the time of seed cotton sale. Post forecasts seed cotton area and seed cotton production to increase in the 2014/15 MY, to 300,000 hectares and 240,000 tons, respectively, due to improved funding after implementation of measures to prevent side marketing of cotton, a major threat to contractor viability.

Area planted under soybean increased by 18 percent from 55,000 hectares in the 2012/13 MY to 65,000 hectares in the 2013/14 MY and production in 2013/14 MY is estimated at 70,000 tons. Production is forecast to maintain an upward trend spurred by increasing demand by local oil processors who are the main users of soybean. The local demand for soybeans is estimated at 200,000 tons per annum. Contract farming arrangements between private sector oil expressing companies and producers have resulted in improved production of the crop. Soybean production is projected to increase in the 2014/15

MY propelled by the high local prices of US$550 per ton, due mainly to low local supply as well as contract production arrangements.

Peanuts are predominantly grown by small scale farmers who typically plant small areas with very little or no fertilizer. Accuracy of peanut production estimates is low because an estimated 70 percent of the local peanut production is directly consumed at household level. Peanut yields are generally poor due to low plant populations, unavailability of certified seed as well as poor crop nutrition. There are no significant contract-farming investments by the private sector to increase productivity as is the case with cotton and soybean. The production of peanuts in the 2013/14 MY is estimated at 135,000 tons, an increase of almost 60 percent from the 85,000 tons produced in the 2012/13 MY. The increase in peanut production is mainly attributed to improved yields after particularly good rainfall was experienced in most parts of the country. Post forecasts peanut production to remain unchanged in the 2014/15 MY.

Consumption

Oilseed crushers are the main consumers of oilseeds. Soybean and cottonseed are crushed primarily for oil extraction and the high protein residues or meals are important ingredients in stock feeds. Peanuts are not crushed into cooking oil but are grown for direct consumption and for processing into peanut butter. An estimated 70 percent of the peanut crop is consumed at local household level, with only about 30 percent of production entering formal markets.

Between 6,000 tons to 8,000 tons soybean is reserved for planting seed and 1,000 tons for food processing and the bulk of the soybean crop is destined for processing into oil. For cottonseed, apart from 12,000 tons reserved for planting seed, all cottonseed produced locally is crushed for oil. Domestic utilization of cottonseed and soybean is summarized in Table 2 below.

Table 2: The domestic utilization of soybean and cotton seed in Zimbabwe

Oilseeds 000 MT	MY 2012/13			MY 2013/14			MY 2014/15		
	Soybean	Cotton seed	Total	Soybean	Cotton seed	Total	Soybean	Cotton seed	Total
Crush	33	72	105	72	98	170	76	127	203
Food	1	0	1	1	0	1	1	0	1
Seed	6	12	18	7	12	19	8	12	20
Total*	**40**	**84**	**124**	**80**	**110**	**190**	**85**	**139**	**224**

Source: Post estimates

* Includes imports

Trade

According to ZIMSTATS data, Zimbabwe imported 7,602 tons and 1,994 tons soybean from Malawi and Zambia, respectively, to augment local production in the 2013/14 MY. The country also imported 5,361 tons shelled peanuts for the confectionery market from Malawi in the 2013/14 MY.

Oilseed, Cottonseed Zimbabwe	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Apr 2013		Market Year Begin: Apr 2014		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted (Cotton)	240	240	230	295	300	300
Area Harvested (Cotton)	240	240	230	295	300	300
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	99	84	114	110	141	139
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	99	84	114	110	141	139
MY Exports	7	0	5	0	5	0
MY Exp. to EU	0	0	0	0	0	0
Crush	84	72	99	98	115	127
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	8	12	10	12	21	12
Total Dom. Cons.	92	84	109	110	136	139
Ending Stocks	0	0	0	0	0	0
Total Distribution	99	84	114	110	141	139
1000 HA, RATIO, 1000 MT						

Oilseed, Soybean Zimbabwe	2012/2013		2013/2014		2014/2015	
	Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	45	55	45	65	50	70
Area Harvested	50	55	50	65	50	70
Beginning Stocks	0	0	0	0	0	0
Production	90	40	90	70	90	85
MY Imports	0	0	0	10	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	90	40	90	80	90	85
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	87	33	87	72	87	76
Food Use Dom. Cons.	2	1	2	1	2	1
Feed Waste Dom. Cons.	1	6	1	7	1	8
Total Dom. Cons.	90	40	90	80	90	85
Ending Stocks	0	0	0	0	0	0
Total Distribution	90	40	90	80	90	85
1000 HA, 1000 MT						

MEALS

Production

Cottonseed meal and soybean meal are the two main meals produced in Zimbabwe. These meals are key protein sources for animal stock feeds. Soybean crushing yields 80 percent meal and cottonseed crushing yields 44 percent meal. Table 3 illustrates the soybean meal and cottonseed meal production in Zimbabwe for the 2012/13 MY, 2013/14 MY and 2014/15 MY.

Table 3: Oilseed meal production in Zimbabwe

Oilseeds 000 MT	**Crush**			**Meal produced**		
Marketing year	**2012/13 (actual)**	**2013/14 (estimate)**	**2014/15 (forecast)**	**2012/13 (actual)**	**2013/14 (estimate)**	**2014/15 (forecast)**
Soybean (80% meal)	33	72	76	26	58	61
Cotton seed (44% meal)	72	98	127	32	43	56
Total	**105**	**170**	**203**	**58**	**101**	**117**

Source: Post estimates

Total production of oilseed meal in the 2013/14 MY is estimated at 101,000 tons and is forecast to increase to 117,000 tons in the 2014/15 MY. In the 2013/14 MY, an estimated 43,000 tons of cottonseed meal will be produced from crushing 98,000 tons of cottonseed compared to 32,000 tons produced in 2012/13 MY from 72,000 tons cottonseed. Soybean meal production in the 2013/14 MY is estimated at 58,000 tons from crushing 72,000 tons of soybeans compared to 26,000 tons soybean meal that was produced in the 2012/13 MY. Post forecasts an increase of both soybean meal and cotton seed meal in 2014/15 MY to 61,000 tons and 56,000 tons respectively.

Consumption

Soybean meal has a protein content of between 44 percent and 46 percent and is a key vegetable protein source for animal feeds particularly for monogastric animals that include poultry, pigs, fish, horses, dogs, rabbits and crocodiles. Soybean meal is the main protein source in poultry and pig feeds produced in Zimbabwe. The stock feed industry uses around 7,500 tons of soybean meal per month. Approximately 82 percent of locally produced soybean meal is used in making poultry feed.

The poultry sector in Zimbabwe is in a growing phase and local produced soybean meal is inadequate to meet local requirements for animal feed. Demand for soybean meal is expected to remain relatively firm in the 2014/15 MY, due to the steady expansion of the poultry sector.

The use of soybean meal in the pork sector in the 2014/15 MY will be depressed and is estimated at 10,000 tons. The pork industry is declining, mainly due to poor viability as a result of high costs of feed and low producer price that has fallen from US$3.10/kg to about US$2.50/kg. Annual soybean meal requirement for the dairy sector is estimated at 5,000 tons per annum.

Cottonseed meal is an essential protein ingredient in the manufacture of beef and dairy cattle stock feeds. It contains about 42 percent protein. Local cottonseed meal production is adequate for the dairy sector that has declined by 50 percent, due to land reform, from 39,000 head of milking cows in 2000 to

the current 26,000 head of milking cows. Government and private sector have embarked on schemes to revive the dairy sector through replenishment of the dairy herd in order to boost milk production.

The commercial beef herd that also consumes cottonseed meal is estimated at 200,000 head of cattle. Of the 43,000 tons cottonseed meal produced in the 2013/14 MY, 5,000 tons was exported mainly to South Africa while the balance was consumed domestically. Post estimates that demand for cottonseed meal will increase to 46,000 tons in 2014/15 MY, due to the government and private sector initiatives to increase the dairy herd and milk production.

Trade

Trade in oilseed meals is dominated by soybean meal imports to augment local production and cottonseed meal exports.

Zimbabwe is a net importer of soybean meal. The country imported 27,594 tons non-GMO soymeal from Zambia in the 2013/14 MY and a total of 2,394 tons from India, Malawi and Singapore as shown on table 4 below.

Table 4: Imports of soybean meal in the 2013/2014 MY

Country of importation	Quantity imported (tons)
Zambia	27,594
Malawi	1,013
Singapore	870
India	511
Total	**29,988**

Source: ZIMSTATS, Ministry of Finance

Meal, Soybean Zimbabwe	2012/2013		2013/2014		2014/2015	
	Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	87	33	87	72	87	76
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	0	0	0	0	0	0

Production	69	26	69	58	69	61
MY Imports	0	33	0	30	0	30
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	69	59	69	88	69	91
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	69	59	69	88	69	91
Total Dom. Cons.	69	59	69	88	69	91
Ending Stocks	0	0	0	0	0	0
Total Distribution	69	59	69	88	69	91
1000 MT, PERCENT						

Meal, Cottonseed Zimbabwe	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Apr 2013		Market Year Begin: Apr 2014		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	84	72	99	98	115	127
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	36	32	43	43	49	56
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	36	32	43	43	49	56
MY Exports	10	8	15	5	15	10
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	26	24	28	38	34	46
Total Dom. Cons.	26	24	28	38	34	46
Ending Stocks	0	0	0	0	0	0
Total Distribution	36	32	43	43	49	56
1000 MT, PERCENT						

OILS

Production

Table 5 illustrates the production of soybean oil and cottonseed oil from the 2012/13 MY. A total of 170,000 tons cottonseed and soybeans were available for crushing in the 2013/14 MY compared to 105,000 tons in 2012/13 MY. Only 34 percent of the country's oilseed crushing capacity estimated at 500,000 MT per annum was utilized in the 2013/14 MY. Crushing yields used are 18 percent oil for soybeans and 17 percent oil for cottonseed. Domestic oil production in the 2013/14 MY increased by 67 percent to 30,000 tons. Although recovering, local cooking oil manufacturers are failing to meet local demand mainly due to a shortage of oilseeds for crushing. Post forecasts domestic oil production to increase by 20 percent in the 2014/15MY to 36,000 tons in line with the projected increase in oilseed production.

Table 5: Oilseed oil production in Zimbabwe

Oilseeds 000 MT	**Crush**			**Oil produced**		
Marketing year	**2012/13 (actual)**	**2013/14 (estimate)**	**2014/15 (forecast)**	**2012/13 (actual)**	**2013/14 (estimate)**	**2014/15 (forecast)**
Soybean (18% oil)	33	72	76	6	13	14
Cotton seed (17% oil)	72	98	127	12	17	22
Total	**105**	**170**	**203**	**18**	**30**	**36**

Source: Post estimates

Consumption

Zimbabwe's oil consumption is estimated at about 100,000MT per annum. Oil consumption is mostly in the form of blended vegetable oils with a high proportion of imports from South Africa being sunflower and soybean oils. Local brands of cooking oil are slowly gaining market share after virtually disappearing from retail supermarket shelves during the hyperinflation period from 2005 to 2009 and the period following dollarization from 2009 to 2012.

Trade

Table 6 below illustrates cooking oil imports to Zimbabwe between May 2013 and April 2014. Zimbabwe is a net importer of cooking oil and imported 77,829 tons cooking oil in the 2013/14 MY. A total of 74,038 tons or 95 percent of all cooking oil imports was imported from South Africa, while the balance of 3,791 tons was imported from various other countries. Cooking oil imports from South Africa are done directly by retail chain supermarket outlets and agents. Sunflower oil constituted about 47 percent of oil imports from South Africa.

Table 6: Cooking oil imports in 2013/14 MY

Import destination	**Cooking oil type**	**Import quantity (MT)**
South Africa	Crude oil	18,348
	Soybean oil	15,879

	Olive oil	60
	Palm oil	2,544
	Palm oil	2,424
	sunflower	34,692
	safflower	91
Total South Africa		**74,038**
Mauritius	crude	159
Egypt	soybean	726
Mozambique	soybean	1,317
Mozambique	crude	649
Malaysia	crude	867
Italy	Olive	19
Zambia	safflower	54
Total others		**3,791**
Grand total		**77,829**

Source: ZIMSTATS – Ministry of Finance

Oil, Cottonseed Zimbabwe	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Apr 2013		Market Year Begin: Apr 2014		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	84	72	99	98	115	127
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	13	12	16	17	20	22
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	13	12	16	17	20	22
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	13	12	16	17	20	22
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	13	12	16	17	20	22
Ending Stocks	0	0	0	0	0	0
Total Distribution	13	12	16	17	20	22
1000 MT, PERCENT						

Oil, Soybean Zimbabwe	2012/2013		2013/2014		2014/2015	
	Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	87	33	87	72	87	76
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	20	20	9	12	3	9

Production	16	6	16	13	16	14
MY Imports	48	18	50	18	55	20
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	84	44	75	43	74	43
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	75	32	72	34	72	36
Feed Waste Dom. Cons.	0	0	0	0	0	0
-	0	0	0	0	0	0
Total Dom. Cons.	75	32	72	34	72	36
Ending Stocks	9	12	3	9	2	7
Total Distribution	84	44	75	43	74	43
1000 MT, PERCENT						