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Prepared By: Dirk Esterhuizen

Approved By: Amy Caldwell

Report Highlights:

South Africa has experienced an upsurge in oilseed plantings over the past 20 years with a near nine-fold expansion in soybean area. Post foresees that the positive trend in soybean plantings will continue in marketing year 2023/24 with area and oilseed production reaching historically high level of 1.8 million hectares and 3.6 million metric tons, respectively. However, with local crushing nearing capacity and domestic demand stagnating, South Africa's exports of oilseeds could reach a record high of 800,000 metric tons in marketing year 2023/24. South Africa is currently experiencing unprecedented power outages, high utility costs, inflation, and rising interest rates. These challenges are likely to delay significant investment in the processing sector.

Executive Summary

The Oilseed and Products annual report provides information regarding the production, supply, and distribution of soybeans and sunflower seeds in South Africa for marketing year¹ (MY) 2021/22, MY 2022/23, and MY 2023/24.

Post forecasts that South Africa's oilseed area for MY 2023/24 will continue its upward trend of the past 20 years and expand by four percent to reach a record level of 1.8 million hectares (MHa). Assuming a 3-year average yield and normal weather conditions, total oilseed production in South Africa could reach a new record of 3.6 million metric tons (MMT), pushing MY 2022/23 estimated record oilseed crop of 3.5 MMT to second place.

As a result, Post forecasts that South Africa's oilseed export will reach a record high of 800,000 MT in MY 2023/24. In the past, South Africa's trade in oilseeds was generally limited, as the bulk of production was destined for local crushing and trade was directed to oils and meals. However, with the surge in the local production of oilseeds leading production to exceed crushing capacity South Africa has become a net exporter of oilseeds.

South Africa's economic growth outlook over the medium term remains lackluster. The deterioration of infrastructure, including roads, rail, water and, most notably, the electricity supply, will hinder significant investments to increase the capacity of the broiler and feed manufacturing industries. This will limit significant growth in the demand for animal feed. As a result, a major upsurge in the demand for feedstocks for animal feed in South Africa is unlikely in the near future.

US\$1 = Rand 17.90 (3/31/2023)

¹ *The MY's used in the text refers to the USDA marketing years in the PS&D table, and do not necessarily correspond with the marketing years used by the South African oilseed industry.*

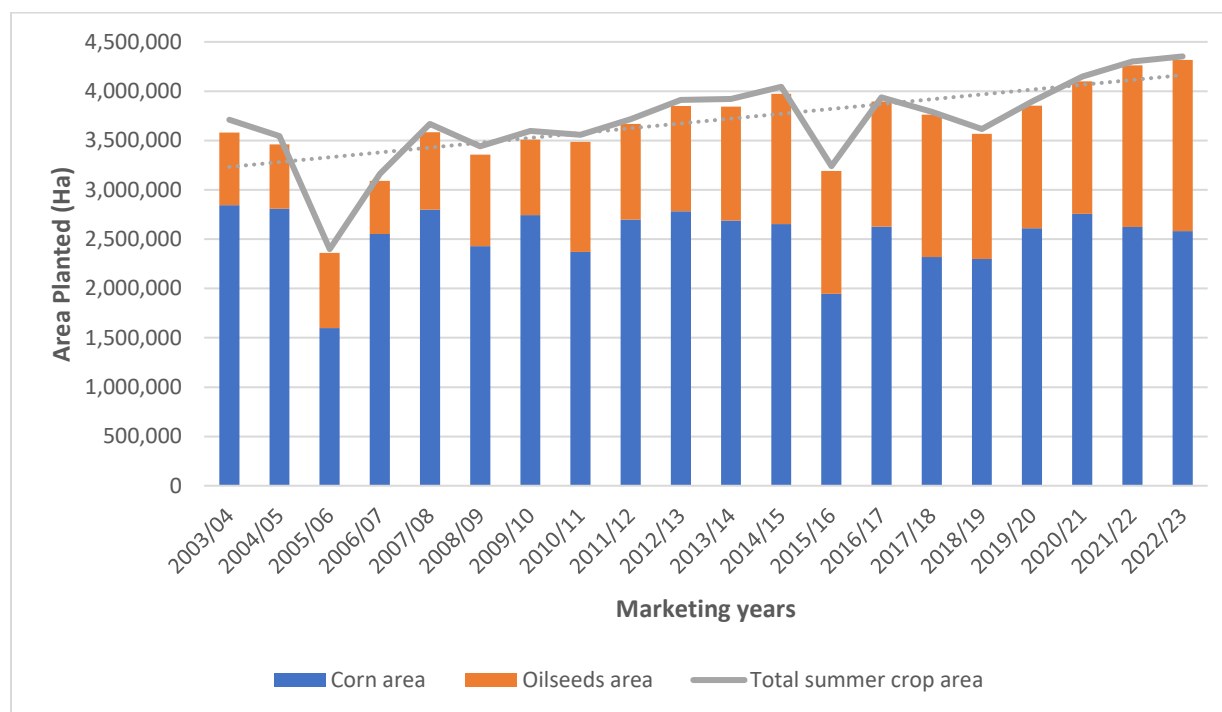
Total Oilseeds

Production

Post forecasts that South Africa’s oilseed area for MY 2023/24 (planted later in 2023) will continue its upward trend of the past 20 years and expand by four percent to reach a record level of 1.8 MHa. South Africa has experienced an upsurge in oilseed plantings during the past 20 years that enabled farmers to plant a 30-year high of 4.4 MHa with summer rainfall field crops in MY 2022/23 (see Figure 1). Corn and sunflower area stayed relatively flat during the past 20 years, while there was a definite decline in peanuts and sorghum plantings. However, South Africa expanded soybean area by almost 9-fold during the past 20 years (see also Figure 2). This surge has been driven by farmers’ growing interest in using soybeans as a rotational crop with corn and a growing local demand for soybeans through extensive investments in oilseed processing plants. In addition, higher yielding cultivars were introduced by seed companies after a statutory seed levy was introduced. The seed levy is payable to the South African Cultivar and Technology Agency (SACTA) on an annual basis.

Figure 1

Trends in the Areas Planted with Summer Rainfall Field Crops in South Africa



Source: South African Grain Information Services (Sagis)

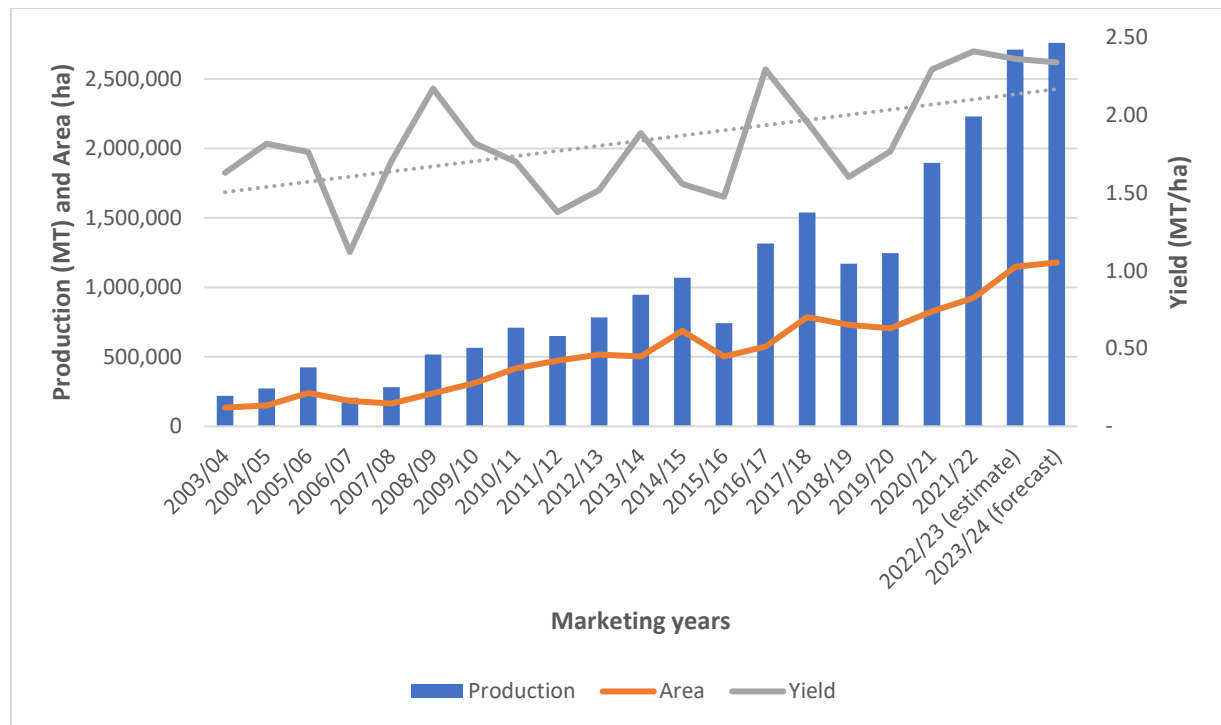
In MY 2022/23, farmers in South Africa planted a record soybean area of 1.1 MHa, an upsurge of 24 percent from the previous marketing year, surpassing yellow corn area for the first time. This upsurge was supported by the high input cost environment. Post foresees that the positive trend in soybean plantings will continue in MY 2023/24, but at a less aggressive pace as

softening input costs prices may lead some producers to turn back to corn. Therefore, Post forecasts a three percent expansion to 1.2 MHa in the area planted with soybeans in MY 2023/24. Assuming a 3-year average yield and normal weather conditions, South Africa could realize a record soybean crop of about 2.8 MMT in MY 2023/24 (see Figure 2 and Table 1).

The sunflower market in South Africa is mature and finely balanced. When prices rise towards import parity levels, expansion occurs, but this typically causes a correction in the market and prices decline to export parity levels. As a result, profitability deteriorates, and producers start cutting back on sunflower area. With a 17 percent drop in sunflower area in MY 2022/23, Post expects farmers will increase sunflower planting in MY 2023/24. Post forecasts sunflower area would move to the trend line and surge by eight percent to 600,000 hectares (ha). Assuming a 3-year average yield and normal weather conditions, South Africa could realize a sunflower seed crop of about 810,000 MT in MY 2023/24 (see Figure 3 and Table 1). As a result, total oilseed production in South Africa could reach a historically high level of 3.6 MMT, exceeding the anticipated record of MY 2022/23.

Figure 2

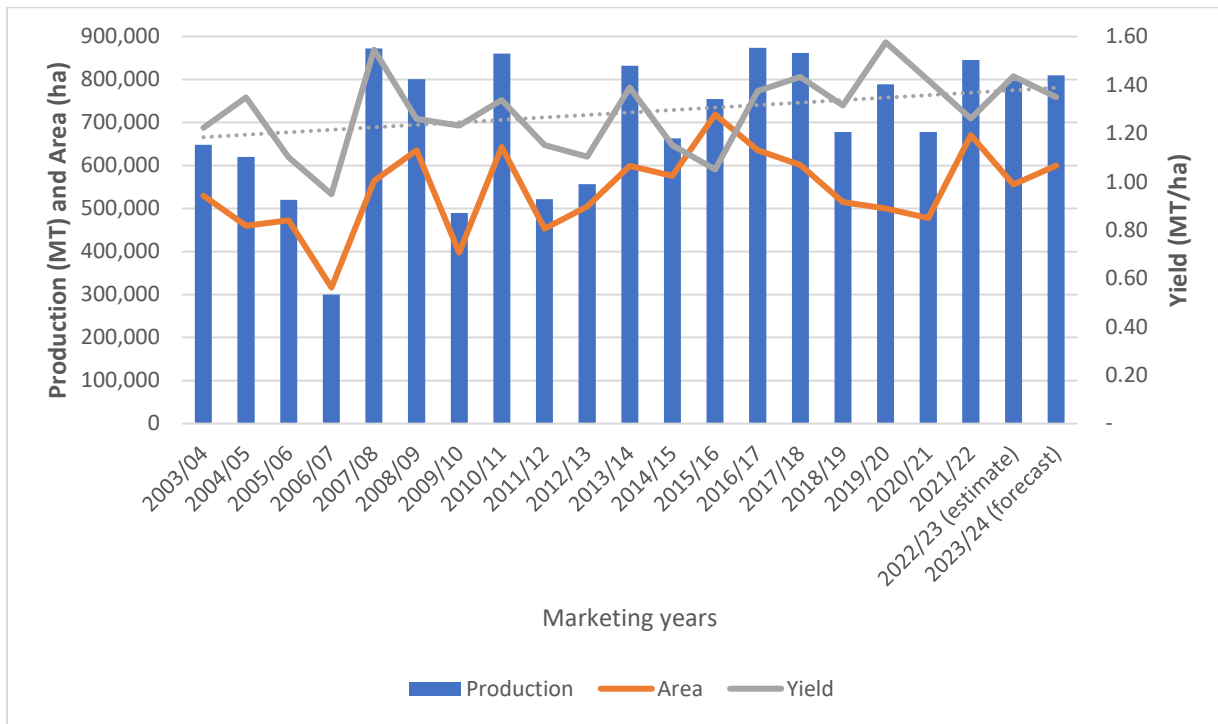
Trends in Area Planted, Production and Yields of Soybeans in South Africa



Source: Sagis, Post estimates and forecast

Figure 3

Trends in the Production of Sunflower Seeds in South Africa



Source: Sagis, Post estimates and forecast

In terms of MY 2022/23, South Africa’s oilseed production was off to a decent start with above-average rains over most parts of the summer rainfall production area during November and December 2022 that boosted crop plantings. Though excessive rains in some parts of the Mpumalanga, the eastern Free State and Kwazulu-Natal provinces delayed planting operations, favorable conditions in January with warmer and sunnier days provided conducive growing conditions for the developing crop. However, in small pockets of the summer rainfall area, excessive heat damaged the oilseed crop. The warmer weather was followed by above-average rains in February month over most parts of the oilseed production area boosting plant growth and positively affected anticipated yields. This was clear when South Africa’s Crop Estimates Committee (CEC) released its second commercial production estimate for summer rainfall crops on March 28, 2023 (see <http://www.old.dalrrd.gov.za/Home/Crop-Estimates>).

According to the CEC, South Africa could produce its largest soybean crop on record in MY 2022/23 at 2.7 MMT on 1.1 MHa. The CEC estimates a national average yield of 2.4 MT/ha. On the other hand, the sunflower seed crop is expected to drop by six percent to 797,610, on a 17 percent decline in area, to 555,700 ha. Sclerotinia, a fungus that limited yields in the previous marketing year, led to a decline in planted area in MY 2022/23. However, for the current marketing year the occurrence of sclerotinia is minimal and the average anticipated sunflower seed yield is expected to grow by 10 percent to 1.4 MT/ha (see Table 1).

On February 9, 2023, CEC finalized South Africa’s summer crops production estimates for MY 2021/22. The CEC finalized the soybean and sunflower crops at 2.2 MMT and 845,550 MT, respectively, after total producer deliveries and on-farm usage were considered.

The following table details area planted, yield and production figures for sunflower seed and soybeans for MY 2021/22 (actual), MY 2022/23 (estimate), and MY 2023/24 (forecast).

Table 1

Area Planted (1,000 ha), Yields (MT/ha), and Production (1,000 MT) of Soybeans and Sunflower Seeds in South Africa

Oilseeds	Area	Yield	Prod	Area	Yield	Prod	Area	Yield	Prod
	MY 2021/22 (actual)			MY 2022/23 (estimate)			MY 2023/24 (forecast)		
Sunflower	671	1.3	846	556	1.4	798	600	1.4	810
Soybeans	925	2.4	2,230	1,148	2.4	2,710	1,180	2.3	2,760
TOTAL	1,596	1.9	3,076	1,704	2.1	3,508	1,780	2.0	3,570

Source: CEC

Consumption

The bulk of soybeans and sunflower seeds produced in South Africa are crushed to produce both edible oil for human consumption and protein meal for inclusion in animal feed rations. Sunflower seed is a higher oil yielding seed, therefore more oriented towards human consumption. Sunflower meal, a by-product of the oil extraction process, is sold to local animal feed manufacturers. In contrast, soybeans yield higher protein meal and are mainly crushed to be used by the animal feed sector.

Figure 4 illustrates the rising trend in oilseeds crushed in South Africa after investments in oilseed processing capacity during the past 15 years. South Africa’s total oilseed processing capacity is estimated at 2.5 MMT and is derived from a combination of dedicated soybean and sunflower seed processing facilities, as well as plants with the ability to switch between soybeans and sunflower seeds. However, South Africa started to export soybeans in MY 2021/22 as local production of oilseeds exceeded the current processing capacity.

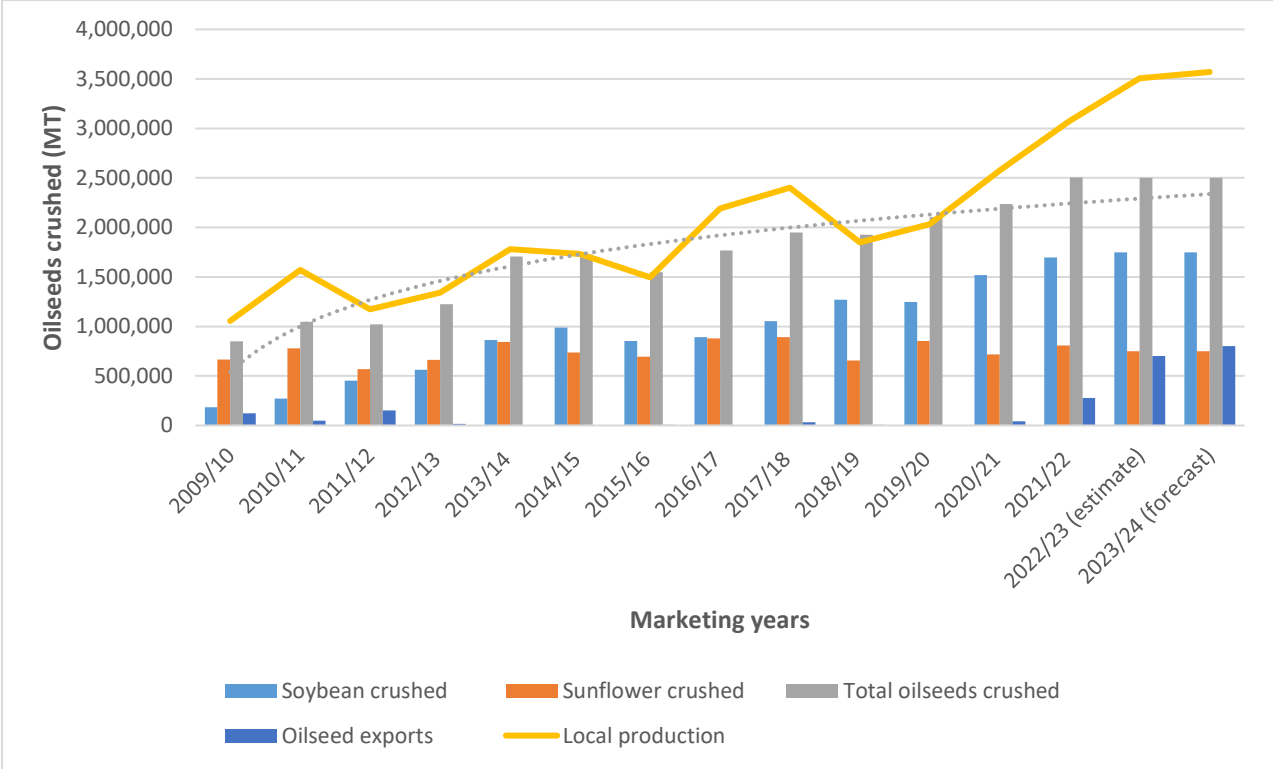
South Africa crushed a record 2.5 MMT of oilseeds in MY 2021/22. Post forecasts that South Africa will continue to crush around 2.5 MMT of oilseed in MY 2022/23 and MY 2023/24 as crushing capacity will be fully utilized, yet unfavorable economic conditions and additional operational costs imposed by load shedding will prevent significant investment in increased capacity.

The food consumption of soybeans and sunflower seed are relatively small in South Africa and were around 24,000 MT in MY2021/22. Post does not foresee major growth in the human consumption of soybeans and sunflower seeds in MY 2023/24 and MY2022/23 as demand are limited. On the other hand, full fat soybean usages for animal feed were 190,000 MT in MY 2021/22 and is expected to grow to 240,000 MT in MY 2022/23 and MY 2023/24 on higher soybean production.

Table 2 illustrates the domestic utilization of sunflower seed and soybeans in South Africa for MY 2021/22 (actual), MY 2022/23 (estimate) and MY 2023/24 (forecast).

Figure 4

Trends in Oilseeds Crushed in South Africa



Source: Sagis

Table 2*The Utilization of Sunflower Seeds and Soybeans in South Africa*

Oilseeds (1,000 MT)	Sunflower Soybeans		Total	Sunflower Soybeans		Total	Sunflower Soybeans		Total
	MY 2021/22 (actual)			MY 2022/23 (estimate)			MY 2023/24 (forecast)		
Crush	808	1,697	2,505	750	1,750	2,500	750	1,750	2,500
Food	2	22	24	2	23	25	2	23	25
Feed, seed & waste	8	199	207	10	250	260	10	250	260
Exports	2	282	284	50	650	700	50	750	800
TOTAL	820	2,200	3,020	812	2,673	3,485	812	2,773	3,585
Imports	9	5	14	0	0	0	0	0	0

Source: Sagis, Trade Data Monitor LLC, Post estimates and forecasts

Trade

Post forecasts that South Africa's oilseed export will reach a record high of 800,000 MT (750,000 MT of soybeans and 50,000 MT of sunflower seed) in MY 2023/24 on higher production, 14 percent more than the estimated 700,000 MT of oilseeds that will be exported in MY 2022/23. In the past, South Africa's trade in oilseeds was generally limited, as the bulk of production was destined for local crushing. As a result, exports and imports were directed to oils and meals. However, with the surge in the local production of soybeans and crushing capacity reaching optimal levels, South Africa's soybean exports reached a historical high level on 282,342 MT in MY 2021/22. Malaysia (121,628 MT), Mozambique (61,720 MT) and Thailand (52,440) were the major markets for South Africa's soybeans. At the end of 2022, South Africa also completed export protocols to China, opening the market for exports to the world's largest soybean market. Despite ample opportunity for export growth, the industry is expected to face challenges in loading the crop due to structural constraints at the ports. It is anticipated that some of the soybeans grown in Mpumalanga province will be exported through Mozambiquan ports.

Although the current tariff schedule on soybeans and sunflower seed allows tariff-free importation from neighboring countries and the European Union, Post expects that imports of oilseeds will cease in MY 2022/23 and MY 2023/24, as domestic supply will meet demand.

Table 3*South Africa's Import Tariffs for Oilseeds*

Oilseeds	General	European Union (EU)	European Free Trade Association (EFTA)	Southern Africa Development Community (SADC)	Mercosur
Soybeans	8%	Free	8%	Free	8%
Sunflower seed	9.4%	Free	9.4%	Free	9.4%

Source: South African Revenue Services (SARS), Sagis

Marketing

South Africa's local oilseeds prices are trading in correlation with export parity levels, an indication of the greater availability of oilseeds in the local market (see Figure 5 and Figure 6). As of March 31, 2023, local sunflower seed and soybean prices were trading at R8,690/MT (\$485/MT) and R8,079/MT (\$451/MT), respectively (see Table 4). Year-on-year, soybean prices are trading five percent lower while sunflower seed prices are trading 18 percent lower. South Africa's agricultural industries operate in an open-market environment, where local and international factors have an impact on domestic oilseed prices.

Local oilseed prices will continue to move with export parity levels for the rest of the season and will be influenced by variations in the international price of oilseeds, planting progress in the United States, local production conditions, export progress and South Africa's volatile exchange rate.

Stocks

Ending stocks are expected to rise in MY 2022/23 and remain elevated into MY 2023/24 on higher production and storage capacity. All stocks are stored by producer-owned agribusinesses (formerly cooperatives), traders and processors. However, some farmers are increasingly interested in cutting out the middlemen and are installing more on-farm storage to sell directly to crushers. South Africa's storage capacity for grains and oilseeds exceeds 20.0 MMT and with bumper crops anticipated in both corn and soybeans, storage options may be scarce. In anticipation of this challenge, storage bunkers have been erected in potentially higher production areas.

Table 4

Local oilseed prices

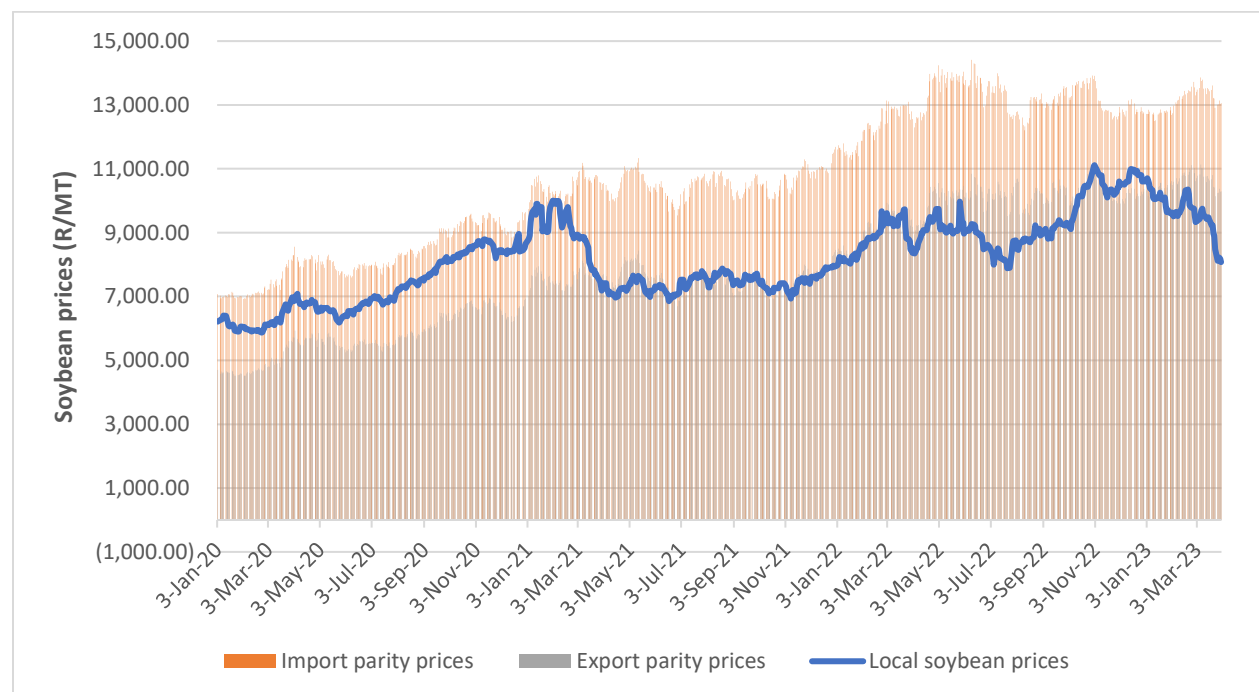
Current and futures prices (year/month)				
Commodity	2023/03	2023/05	2023/07	2023/09
Soybeans	R8,079/MT (\$451/MT)	R8,080/MT (\$451/MT)	R8,224/MT (\$459/MT)	R8,360/MT (\$467/MT)
Sunflower seed	R8,690/MT (\$485/MT)	R8,708/MT (\$486/MT)	R8,949/MT (\$500/MT)	R9,204/MT (\$514/MT)

Source: GrainSA (as of 03/31/2023)

Note: US\$1 = Rand 17.90

Figure 5

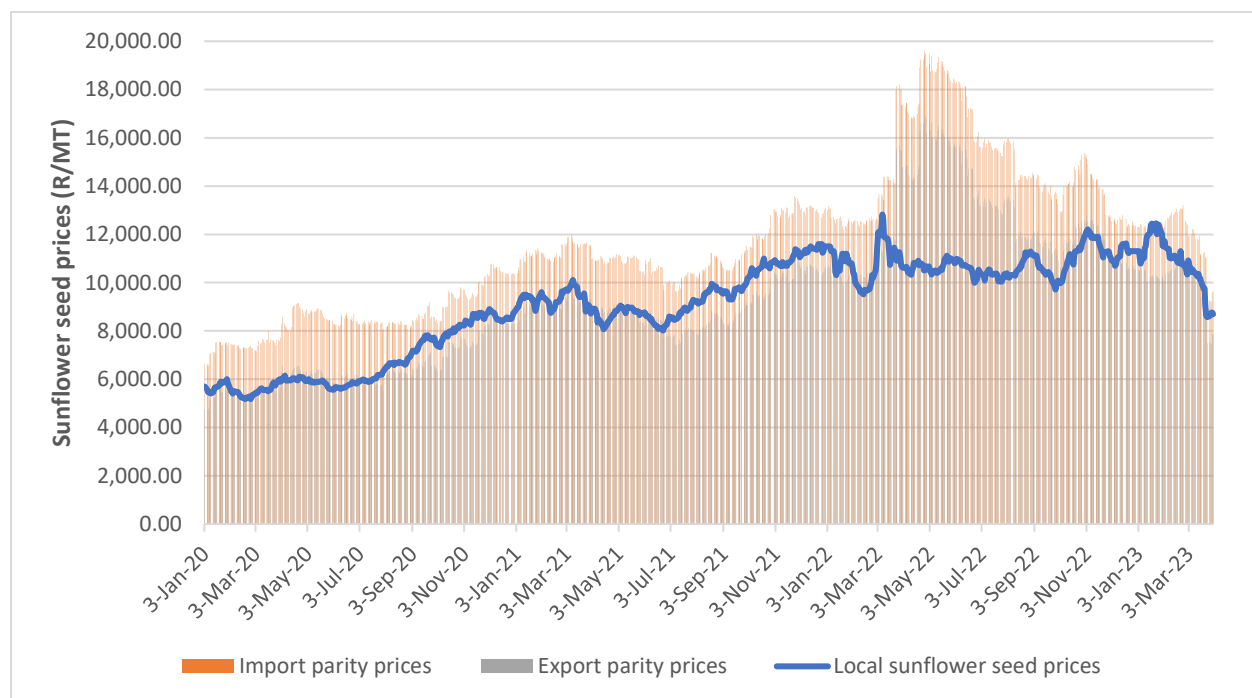
Trends in the Local Price for Soybeans from January 2020



Source: GrainSA

Figure 6

Trends in the Local Price for Sunflower Seeds from January 2020



Source: GrainSA

Table 5

Soybean Production, Supply, and Distribution

Oilseed, Soybean Market Year Begins South Africa	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	925	925	1150	1148	0	1180
Area Harvested (1000 HA)	925	925	1150	1148	0	1180
Beginning Stocks (1000 MT)	123	123	43	158	0	195
Production (1000 MT)	2200	2230	2650	2710	0	2760
MY Imports (1000 MT)	10	5	10	0	0	0
Total Supply (1000 MT)	2333	2358	2703	2868	0	2955
MY Exports (1000 MT)	285	282	300	650	0	750
Crush (1000 MT)	1725	1697	1900	1750	0	1750
Food Use Dom. Cons. (1000 MT)	35	22	35	23	0	23
Feed Waste Dom. Cons. (1000 MT)	245	199	300	250	0	250
Total Dom. Cons. (1000 MT)	2005	1918	2235	2023	0	2023
Ending Stocks (1000 MT)	43	158	168	195	0	182
Total Distribution (1000 MT)	2333	2358	2703	2868	0	2955
Yield (MT/HA)	2.3784	2.4108	2.3043	2.3606	0	2.339

(1000 HA) ,(1000 MT) ,(MT/HA)

Table 6*Sunflower seed Production, Supply, and Distribution*

Oilseed, Sunflower seed Market Year Begins South Africa	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	675	675	600	556	0	600
Area Harvested (1000 HA)	671	671	560	556	0	600
Beginning Stocks (1000 MT)	62	62	56	97	0	83
Production (1000 MT)	846	846	775	798	0	810
MY Imports (1000 MT)	10	9	5	0	0	0
Total Supply (1000 MT)	918	917	836	895	0	893
MY Exports (1000 MT)	1	2	1	50	0	50
Crush (1000 MT)	830	808	750	750	0	750
Food Use Dom. Cons. (1000 MT)	1	2	1	2	0	2
Feed Waste Dom. Cons. (1000 MT)	30	8	30	10	0	10
Total Dom. Cons. (1000 MT)	861	818	781	762	0	762
Ending Stocks (1000 MT)	56	97	54	83	0	81
Total Distribution (1000 MT)	918	917	836	895	0	893
Yield (MT/HA)	1.2608	1.2608	1.3839	1.4353	0	1.35
(1000 HA) ,(1000 MT) ,(MT/HA)						

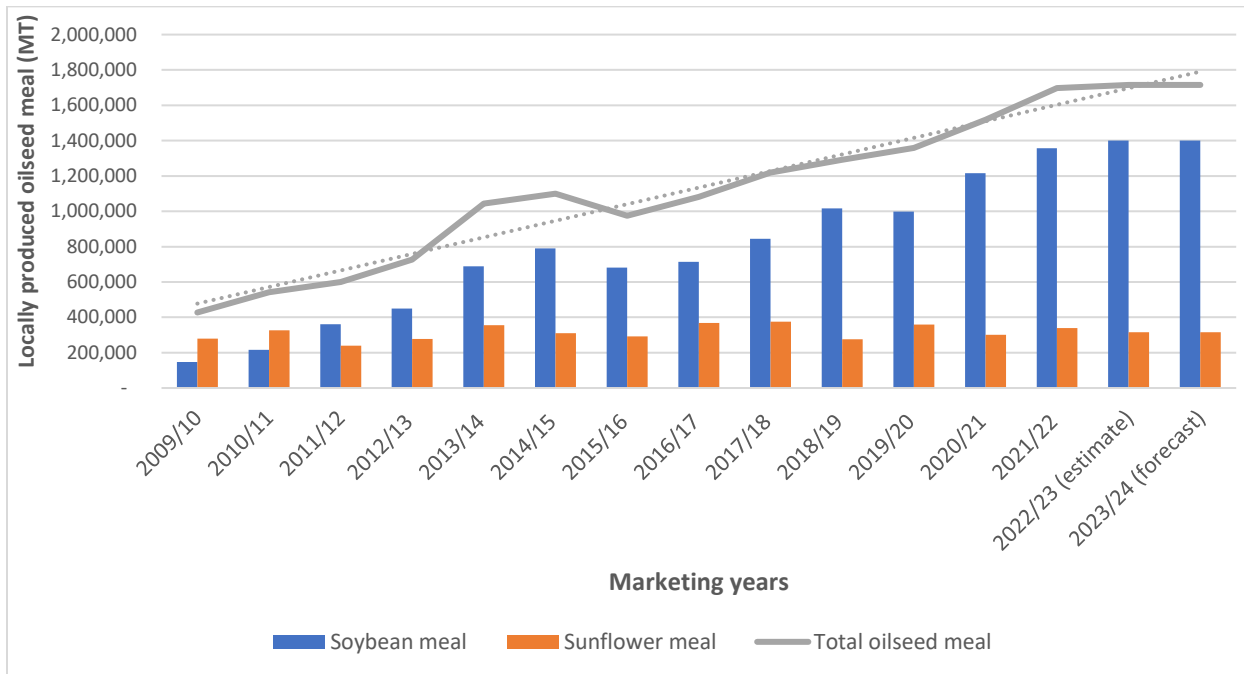
Total Meals

Production

Post forecasts that South Africa will have a record of 1.7 MMT locally produced oilseed meal available in MY 2023/24 and MY 2022/23 after crushing 2.5 MMT of oilseeds, in line with higher local oilseed production (see Figure 7). In Table 7, the production of soybean and sunflower meal in South Africa is indicated for MY 2021/22 (actual), MY 2022/23 (estimate), and MY 2023/24 (forecast). Crushing yields are 42 percent meal for sunflower seeds and 80 percent meal for soybeans.

Figure 7

Positive Trends in Oilseed Meal Production in South Africa



Source: Sagis, Post estimates and forecasts

Table 7*Oilseed Meal Production in South Africa*

Marketing years	Crushed (1,000 MT)			Meal produced (1,000 MT)		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Sunflower (42% meal)	808	750	750	340	315	315
Soybean (80% meal)	1,697	1,750	1,750	1,358	1,400	1,400
TOTAL	2,505	2,500	2,500	1,698	1,715	1,715

Source: Sagis, Post estimates and forecasts

Feed Consumption

Soybean meal has grown to be the most important protein used by feed manufactures in South Africa and represents more than 75 percent of protein meal usage in animal feed. Utilization of soybean meal expanded from approximately 550,000 MT, 20 years ago, to 1.4 MMT in MY 2022/23. Soybean meal is followed by sunflower meal, and together these two commodities represent more than 95 percent of protein usage by feed manufactures in South Africa. The average inclusion rate of protein meal in feed rations is about 20 percent. Corn, as the key source of carbohydrates, is the main product used by feed manufacturers with more than 50 percent inclusion rate in feed rations. The use of fishmeal as a protein source in feed rations is determined by availability, product mix, and price in relation to other available protein sources. However, the inclusion rate of fishmeal by South African animal feed manufactures has been minimal in recent years at less than one percent.

Post projects a marginal growth in the feed consumption of soybean and sunflower meal in MY 2023/24 over MY 2021/22 to 1.8 MMT (see Table 8)., South Africa's economic growth outlook over the medium term remains lackluster due to prevailing policy uncertainty, structural constraints, including continuous power outages (also read [Load Shedding the Achilles Heel of the South African Agricultural Sector](#)). This is expected to hamper growth in the poultry and livestock sectors, which, will lead to stagnation in demand for animal feed.

In MY 2021/22, South Africa consumed an estimated 1.7 MMT of soybean and sunflower meal, a drop of five percent from the previous marketing year mainly due the sharp upsurge in oilseed prices after the start of the Russia/Ukraine war.

In Table 8, the estimated consumption of soybean meal and sunflower meal in South Africa is indicated for MY 2021/22, MY 2022/23, and MY 2023/24.

Table 8*Consumption of Soybean Meal and Sunflower Meal in South Africa*

Marketing year (1,000 MT)	2021/22	2022/23	2023/24
Soybean meal	1,385	1,410	1,420
Sunflower meal	350	360	360
TOTAL	1,735	1,770	1,780

Source: Animal Feed Manufacturing Association, Post estimates and forecasts**Table 9***Meal Demand in South Africa as Soybean Meal Equivalent (SME)*

Marketing year (1,000 MT)	2021/22	2022/23	2023/24
Soybean	1,385	1,410	1,420
Sunflower seed	233	240	240
Canola	52	60	70
Cotton	10	8	8
Copra	2	2	2
TOTAL	1,682	1,720	1,740

Source: Animal Feed Manufacturing Association, Post estimates and forecasts**Industrial Consumption**

South Africa does not consume any notable amount of meal for this purpose.

Food Use

South Africa does not consume any notable amount of meal for this purpose.

Trade

Post forecasts that South Africa's soybean meal imports will drop to about 190,000 MT in MY 2023/24 and MY 2022/23, to a level of less than 15 percent of local consumption. Figure 8 illustrates the trend in the replacement of soybean meal imports with locally produced soybean meal in South Africa, after investments that enlarged crushing capacity. However, the high cost of transportation from South Africa's summer rainfall regions in the north, to the Western Cape

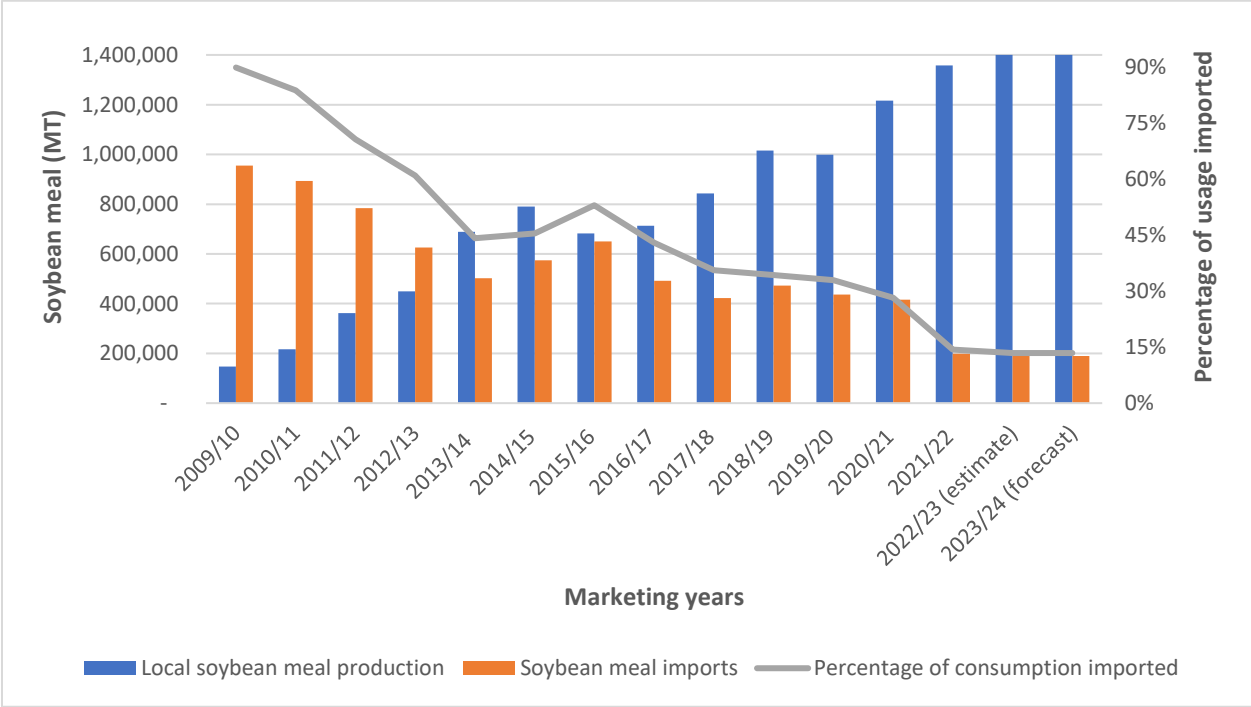
province in the south, implies that South Africa will continue importing soybean meal to the coastal regions. Due to deteriorating rail infrastructure, South Africa is unlikely to become fully self-sufficient in terms of soybean meal in the near term. In MY 2021/22, South Africa experienced a 50 percent drop in soybean meal imports to 198,603 MT after local soybean production surged by 18 percent. The majority of South Africa’s soybean meal imports originate from Argentina.

Sunflower meal imports are expected rise to around 60,000 MT in both MY 2023/24 and MY 2022/23, on the back of lower locally produced sunflower meal. In MY 2021/23, South Africa imported 21,539 MT of sunflower meal, mainly from Zambia and Malawi.

Post estimates that South Africa will boost oilseed meal exports by three percent to 190,000 MT (175,000 MT of soybean meal and 15,000 MT of sunflower meal) in MY 2023/24 and MY 2022/23 on higher local soybean meal production. The bulk of protein meal exports will be destined for neighboring countries. Oilseed meal exports in MY 2021/22 were 185,164 MT, a growth of seven percent from the previous marketing year.

Figure 8

Trends in the Replacement of Soybean Meal Imports with Locally Produced Soybean Meal in South Africa



Sources: Trade Data Monitor LLC, Sagis, and Post estimates and forecasts

Stocks

The stocks for soybean and sunflower meal will not fluctuate over the reporting period as crushing plants have restricted storage capacity.

Table 10

Soybean Meal Production, Supply, and Distribution

Meal, Soybean Market Year Begins South Africa	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1725	1697	1900	1750	0	1750
Extr. Rate, 999.9999 (PERCENT)	0.7878	0.8002	0.7884	0.8	0	0.8
Beginning Stocks (1000 MT)	17	17	36	17	0	22
Production (1000 MT)	1359	1358	1498	1400	0	1400
MY Imports (1000 MT)	225	199	215	190	0	190
Total Supply (1000 MT)	1601	1574	1749	1607	0	1612
MY Exports (1000 MT)	190	172	240	175	0	175
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1375	1385	1455	1410	0	1420
Total Dom. Cons. (1000 MT)	1375	1385	1455	1410	0	1420
Ending Stocks (1000 MT)	36	17	54	22	0	17
Total Distribution (1000 MT)	1601	1574	1749	1607	0	1612
(1000 MT) ,(PERCENT)						

Table 11

Sunflower Seed Meal Production, Supply, and Distribution

Meal, Sunflower seed Market Year Begins South Africa	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	830	808	750	750	0	750
Extr. Rate, 999.9999 (PERCENT)	0.4253	0.4208	0.424	0.42	0	0.42
Beginning Stocks (1000 MT)	28	28	36	27	0	27
Production (1000 MT)	353	340	318	315	0	315
MY Imports (1000 MT)	25	22	30	60	0	60
Total Supply (1000 MT)	406	390	384	402	0	402
MY Exports (1000 MT)	15	13	15	15	0	15
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	355	350	340	360	0	360
Total Dom. Cons. (1000 MT)	355	350	340	360	0	360
Ending Stocks (1000 MT)	36	27	29	27	0	27
Total Distribution (1000 MT)	406	390	384	402	0	402
(1000 MT) ,(PERCENT)						

Total Oils

Production

Post forecasts that South Africa will produce approximately 600,000 MT of sunflower and soybean oil in MY 2023/24 and MY 2022/23, marginally down from the 612,000 MT produced in MY 2021/22 on lower sunflower seed crushing. In Table 12, the production of soybean and sunflower oil in South Africa is indicated for MY 2021/22 (actual), MY 2022/23 (estimate), and MY 2023/24 (forecast). Crushing yields include 38 percent oil for sunflower seed and 18 percent oil for soybeans.

Table 12

Oilseed Oil Production in South Africa

Marketing years	Crushed (1,000 MT)			Oil produced (1,000 MT)		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Sunflower (38% oil)	808	750	750	307	285	285
Soybean (18% oil)	1,697	1,750	1,750	305	315	315
TOTAL	2,505	2,500	2,500	612	600	600

Source: Sagis, Post estimates and forecasts

Food Consumption

Vegetable oil consumption in South Africa declined in MY 2021/22 by six percent to 1.2 MMT as prices surged to unprecedented levels mainly driven by global supply constraints. These included reduced canola production in Canada, poor palm oil yields in Malaysia and reduced sunflower oil supply due to the Russia/Ukraine war. Post estimates that the consumption of edible oil will increase marginally in MY 2022/23 and MY 2023/24 as prices normalize. The demand for edible oils is sensitive to changes in consumer purchasing power, and South African consumers are facing myriad challenges that are constrain spending.

Palm oil imports continue to play an important role in the South African edible oil consumption mix, due to its relatively affordability and favorable heating properties. During the past 10 years, palm oil imports surged by 25 percent to 450,000 MT in MY 2021/22. As a result, the share of palm oil in the total edible oil consumption mix of South Africa accelerated to almost 40 percent. South Africa imports palm oil mainly from Indonesia and Malaysia. In Table 13, the estimated consumption of soybean oil, sunflower oil, palm oil, and other edible oils in South Africa are indicated for MY 2021/22, MY 2022/2, and MY 2023/24.

Table 13*The Consumption of Soybean Oil, Sunflower Oil, and Palm Oil in South Africa*

Marketing year (1,000 MT)	2021/22	2022/23	2023/24
Sunflower oil	355	365	375
Soybean oil	290	295	295
Palm oil	435	450	460
Other oils	95	90	90
TOTAL	1,175	1,200	1,220

Source: Sagis, Trade Data Monitor, Post estimates and forecasts**Industrial Consumption**

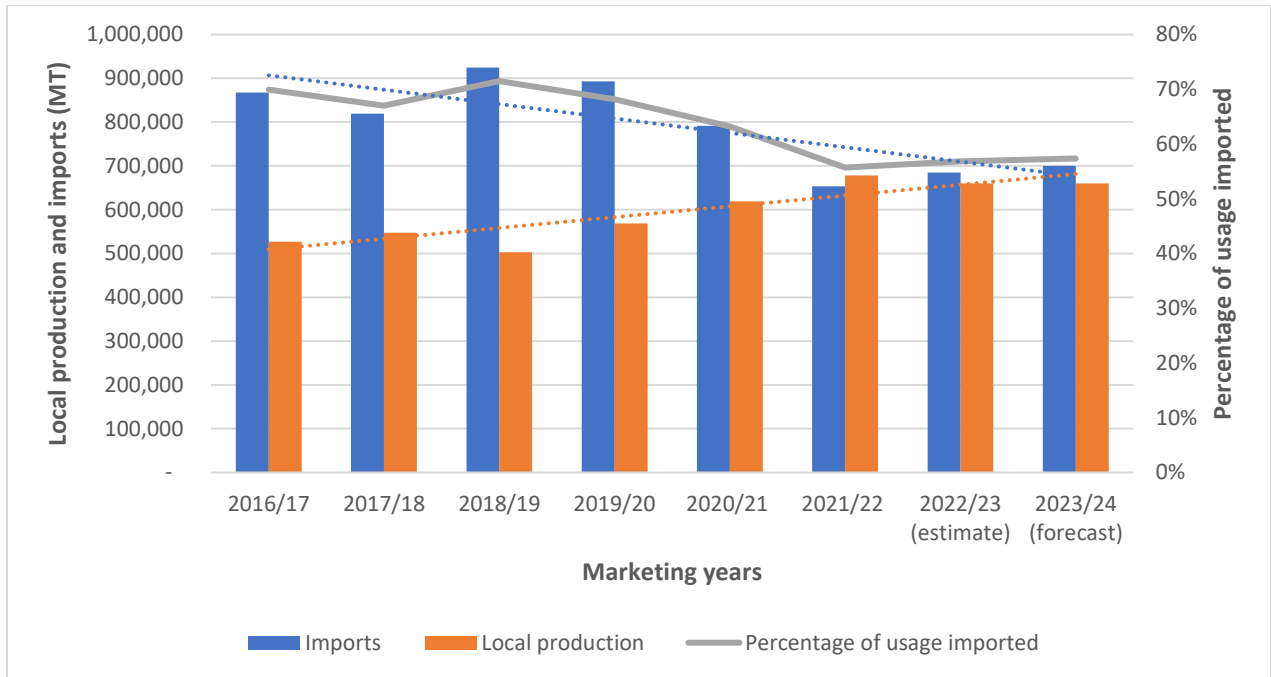
South Africa does not consume any notable amount of oil for this purpose.

Trade

Post forecasts that South Africa's edible oil imports will grow slightly in MY 2022/23 reflecting slow recovery after an 18 percent drop in edible oil imports in MY 2021/22. Soybean oil imports are expected to increase to 50,000 MT in MY 2023/24 while sunflower oil imports are expected to stay flat. The two major countries that supplied South Africa with sunflower oil in MY 2021/22 were Bulgaria and Romania. South Africa imported most of its soybean oil from Argentina. The contribution of imported edible oils to local consumption are about 60 percent (see Figure 9). Post estimates that exports of sunflower seed oil will decline in MY 2022/23 on lower production, while exports of soybean oil will grow by 13 percent.

Figure 9

Trends in South Africa's Local Production and Imports of Edible Oils



Source: Trade Data Monitor LLC, Sagis, and Post estimates and forecasts

Stocks

No major fluctuations in sunflower oil and soybean oil are expected over the reporting period. Sunflower oil stocks are estimated to remain flat in MY 2022/23 and decline slightly in MY 2023/24 on higher consumption. Soybean oil stocks will decline in MY 2022/23 and are forecasted to remain low in MY 2023/24.

Table 14*Soybean Oil Production, Supply, and Distribution*

Oil, Soybean Market Year Begins South Africa	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1725	1697	1900	1750	0	1750
Extr. Rate, 999.9999 (PERCENT)	0.1843	0.1797	0.1858	0.18	0	0.18
Beginning Stocks (1000 MT)	14	14	12	10	0	5
Production (1000 MT)	318	305	353	315	0	315
MY Imports (1000 MT)	50	43	85	45	0	50
Total Supply (1000 MT)	382	362	450	370	0	370
MY Exports (1000 MT)	65	62	85	70	0	70
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	305	290	330	295	0	295
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	305	290	330	295	0	295
Ending Stocks (1000 MT)	12	10	35	5	0	5
Total Distribution (1000 MT)	382	362	450	370	0	370
(1000 MT) ,(PERCENT)						

Table 15*Sunflower Seed Oil Production, Supply, and Distribution*

Oil, Sunflower seed Market Year Begins South Africa	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	830	808	750	750	0	750
Extr. Rate, 999.9999 (PERCENT)	0.4193	0.38	0.4173	0.38	0	0.38
Beginning Stocks (1000 MT)	31	31	34	32	0	32
Production (1000 MT)	348	307	313	285	0	285
MY Imports (1000 MT)	160	120	175	140	0	140
Total Supply (1000 MT)	539	458	522	457	0	457
MY Exports (1000 MT)	70	71	60	60	0	60
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	435	355	435	365	0	375
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	435	355	435	365	0	375
Ending Stocks (1000 MT)	34	32	27	32	0	22
Total Distribution (1000 MT)	539	458	522	457	0	457
(1000 MT) ,(PERCENT)						

Attachments:

No Attachments