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## **Zimbabwe**

## **Oilseeds and Products**

## **Annual**

## **2001**

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### **Report Highlights:**

**Zimbabwe's oilseed production is expected to decline from the 697,000 tons harvested in 2000, to 665,000 tons this year, as a result of a combination of weather and political and economic instability in the country. Indications are that the 2002 harvest could rebound again if weather conditions permit. This will allow some exports of oilseeds. Oilmeal production is sufficient to supply local demand but oil is in deficit. Some oil imports are needed in 2001 but purchases are hampered by the country's foreign currency shortage. Zimbabwe will export an estimated 20,000 tons of soybeans in 2001.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Annual Report  
Pretoria [SF1], RH

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## Executive Summary

Zimbabwe's total oilseed production is expected to decline from 697,000 tons in 2000 (year of harvest) to 665,000 tons this year. Cottonseed is the main oilseed produced and production, after reaching a national record of 353,000 mt. in 2000, is expected to decline to 286,000 mt. in 2001. The decline is mainly due to adverse weather conditions during the summer of 2000/01. Given a reasonable rainfall season in 2001/2002, production of cottonseed could reach 400,000 mt. Peanuts are grown for direct consumption with the surpluses sold in the urban markets. As a result, peanuts have virtually no influence on the domestic oilseed market as they are seldom sold to the crushers. Sunflowers are also grown for home consumption with only a small amount reaching the crushers. Soybeans are gaining importance in the local oilseed equation; production rose 35% to 175,000 tons in 2001 producing an exportable surplus.

Total oilmeal production generally exceeds domestic consumption as the oil is the product most in demand. Soybean meal is necessary for the swine and poultry industries as fishmeal is no longer imported. Cottonseed meal is needed for the cattle industry with surpluses being exported.

Total oil production is forecast to be 12,000 mt. less than domestic requirement in 2001 and there is therefore an export opportunity for vegetable oil to Zimbabwe. Due to foreign currency constraints, some form of assistance would likely be needed to facilitate sales.

The marketing year used in this report refers to the year in which the crop is planted. For example, MY 2000 refers to the crop planted from October to December 2000 and harvested in 2001, for marketing during the local April 2001 to March 2002 Marketing Year.

As of 02.06.1998, US\$ 1.00 = Z\$ 18.1200.

As of 15.05.1999, US\$ 1.00 = Z\$ 38.1750.

As of 26.05.2000, US\$ 1.00 = Z\$ 58.6000

As of 10.06/2001, US\$ 1.00 = Z\$118.0000 (Parallel Market)

US\$ 1.00 = Z\$ 55.0000 (GOZ Rate)

## TOTAL OILSEEDS

### General

The situation is summarized in the following table:

Product	Area planted 1999	Production MY 2000	Area planted 2000	Production MY 2001	Area planted 2001	Production MY 2002
	'000 Ha.	'000 Mt.	'000 Ha.	'000 Mt.	'000 Ha.	'000 Mt.
Cottonseed	370	353	390	286	410	400
Peanut	268	194	276	172	280	175
Soybean	63	130	77	175	80	160
Sunflower	27	20	45	32	40	27
TOTAL:	728	697	788	665	810	762

Cottonseed is the major oilseed produced in Zimbabwe, accounting for 50% of all oilseed production in 2000; it is expected to account for 43% of output in 2001. Producers are currently being offered a price of between Z\$16.50 (US 30 cents at the official exchange rate) and Z\$18.50/kg (34 cents) for B Grade cottonseed, depending upon the buyer and variety grown. GOZ no longer controls the price of lint nor offers any assistance to domestic spinners. Forecast cottonseed production for 2002 could well exceed 400,000 mt., given reasonable rains during next summer.

Peanuts are mainly grown for food in the Communal (small scale) sector, with the surplus being sold directly to the urban market. As a result, prices received are totally market driven. The Large Scale Commercial (LSC) sector produces a small quantity of largekerneled confectionary peanuts. The limited production of confectionary peanuts produced by the LSC sector is sold to their own marketing organisation. They are capable of satisfying the domestic market and are currently developing export markets. The LSC production is all under irrigation, while the communal sector production is entirely rain fed.

Cottonseed is produced by all sectors with the LSC sector accounting for 15.2% and the remainder produced by the Small Scale (SSC) and Communal sectors.

Soybeans are produced mainly to satisfy domestic oil requirements, with the meal the only source of protein for the swine and poultry industries. Production has been increasing on the premise that exports will be permitted. Permits have already been issued for the export of 20,000 mt. of soybeans for this year and it is expected that further exports will be allowed.

The marketing of oilseeds within Zimbabwe is now entirely dependent upon market forces. However, the GOZ still controls the export of these products as no products may be exported without a permit issued by the Ministry of Agriculture.

### Consumption

Most cottonseed is crushed. A small quantity is retained for seed purposes, and, on occasions, small quantities may be exported. No peanuts are crushed as crushers consider the current price too high. Peanuts are grown mainly for own use. It is estimated that the annual total crushing capacity in Zimbabwe is 350,000 mt. Crushers consider their capacity is best divided up amongst locally produced oilseeds as 112,000 mt. soybeans, 170,000 mt. cottonseed and 50,000 mt. sunflower seed. Should there be a shortfall of one oilseed, they will make up some of that capacity with another. The difficult economic conditions (with inflation averaging 50-70% p.a during the last year) are greatly reducing disposable income and GOZ's attempts to control the price of oil to the consumer have been to no avail. The GOZ had to remove the controls when the threat of shortages became apparent. Crushers are importing the oil shortfall as raw oil and may import oilseeds for crushing where there is a need for a specific oilmeal in a local market.

### **Trade**

Zimbabwe generally does not produce enough oilseeds to satisfy the domestic market. There is, therefore, a limited scope for US exports of oilseed products to Zimbabwe. Because of cost considerations, local crushers have always sourced oilseeds from the neighbouring countries. Due to the current inability to produce adequate oil for the domestic market, there is an export opportunity for oil to Zimbabwe, provided prices are competitive, and foreign exchange is available.

PSD Table						
Country	Zimbabwe					
Commodity	Oilseed, Cottonseed				(1000 HA)(1000 MT)(RATIO)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Area Planted (COTTON)	325	370	370	390	0	410
Area Harvested(COTTON)	365	370	370	390	0	410
Seed to Lint Ratio	0	1.5:1	0	1.5:1	0	1.5:1
Beginning Stocks	0	0	0	20	0	20
Production	225	353	200	286	0	400
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	225	353	200	306	0	420
MY Exports	30	0	25	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	180	310	160	262	0	374
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	15	23	15	24	0	26
TOTAL Dom. Consumption	195	333	175	286	0	400
Ending Stocks	0	20	0	20	0	20
TOTAL DISTRIBUTION	225	353	200	306	0	420
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	25	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Zimbabwe					
Commodity	Oilseed, Peanut				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Area Planted	268	268	260	276	0	280
Area Harvested	268	268	260	276	0	280
Beginning Stocks	22	0	23	0	0	0
Production	190	194	180	172	0	175
MY Imports	0	0	0	0	0	0
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	212	194	203	172	0	175
MY Exports	4	3	12	3	0	2
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	0	0	0	0	0	0
Food Use Dom. Consump.	179	185	185	163	0	167
Feed,Seed,Waste Dm.Cn.	6	6	6	6	0	6
TOTAL Dom. Consumption	185	191	191	169	0	173
Ending Stocks	23	0	0	0	0	0
TOTAL DISTRIBUTION	212	194	203	172	0	175
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	3	3	3	3	0	2
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Zimbabwe					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Area Planted	70	63	65	77	0	80
Area Harvested	63	63	65	77	0	80
Beginning Stocks	0	0	5	0	15	7
Production	120	130	150	175	0	160
MY Imports	5	0	1	10	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	125	130	156	185	15	167
MY Exports	1	0	1	20	0	20
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	100	123	115	150	0	139
Food Use Dom. Consump.	5	1	7	1	0	1
Feed,Seed,Waste Dm.Cn.	14	6	18	7	0	7
TOTAL Dom. Consumption	119	130	140	158	0	147
Ending Stocks	5	0	15	7	0	0
TOTAL DISTRIBUTION	125	130	156	185	0	167
Calendar Year Imports	0	0	0	10	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	8	0	0	20	0	20
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Zimbabwe					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Area Planted	0	27	0	45	0	40
Area Harvested	0	27	0	45	0	40
Beginning Stocks	0	0	0	0	0	0
Production	0	20	0	32	0	27
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	0	20	0	32	0	27
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	0	9	0	20	0	16
Food Use Dom. Consump.	0	7	0	7	0	7
Feed,Seed,Waste Dm.Cn.	0	4	0	5	0	4
TOTAL Dom. Consumption	0	20	0	32	0	27
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	20	0	32	0	27
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0



## TOTAL OILMEAL

### Production

The situation is again best summarized by a table:

Product	Planted 1999	MY 2000	'000 mt.	Planted 2000	MY 2001	'000 mt.
	Crush	Meal	Oil	Crush	Meal	Oil
Cottonseed	310	149	50	262	126	42
Soybean	123	90	20	150	118	27
Sunflower	9	4	2	20	9	5
TOTAL	442	243	72	432	253	74

Cottonseed meal production in 2001 will be below that of 2000 due to the expected significant decrease in seed production. The increase in soybean production will help to reduce the decline in total meal production. The main component of the annual crush is cottonseed. Soybean meal produced is high protein, i.e. the hulls have been removed to some extent, while sunflower-seed meal is low protein. No effort is made to remove the sunflower-seed hulls during the crushing process as the oil content of the seeds crushed is highly variable. Crushers only crush sunflower-seed if cottonseed and soybeans do not meet their requirements. In addition, the limited market for sunflower oilmeal does not encourage crushers to process sunflower-seed.

### Consumption

Since the mid 1970's, the importation of fish meal has been discouraged by the GOZ, leaving soybean meal as the only suitable alternative source of protein for the poultry and swine industries. The estimated requirement for soybean meal of these two industries is around 60,000 mt., which will be met from domestic production this year. Cottonseed meal is used mainly for the cattle feed industry with any surplus being exported. Following the good rains in the summer of 2000/01, roughage available for the beef industry is again high and the consumption of feed is likely to be similar to that of 2000.

### Trade

As local production meets domestic demand, there is very little scope for imports. In addition, transport costs are prohibitive and any deficit will be made up from regional sources.

PSD Table						
Country	Zimbabwe					
Commodity	Meal, Cottonseed				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Crush	180	310	160	262	0	374
Extr. Rate, 999.9999	0.4444444	0.480645	0.44375	0.480916	ERR	0.481283
Beginning Stocks	0	0	0	20	0	20
Production	80	149	71	126	0	180
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	80	149	71	146	0	200
MY Exports	9	69	7	71	0	122
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	71	60	64	55	0	58
TOTAL Dom. Consumption	71	60	64	55	0	58
Ending Stocks	0	20	0	20	0	20
TOTAL DISTRIBUTION	80	149	71	146	0	200
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	28	69	0	71	0	122
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Zimbabwe					
Commodity	Meal, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Crush	100	123	115	150	0	139
Extr. Rate, 999.9999	0.79	0.731707	0.791304	0.786667	ERR	0.784173
Beginning Stocks	0	0	0	0	0	3
Production	79	90	91	118	0	109
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	79	90	91	118	0	112
MY Exports	0	0	0	30	0	22
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	79	90	91	85	0	86
TOTAL Dom. Consumption	79	90	91	85	0	86
Ending Stocks	0	0	0	3	0	4
TOTAL DISTRIBUTION	79	90	91	118	0	112
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	30	0	22
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

## TOTAL OIL

### Production

Product	Planted 1999	MY 2000	'000 mt.	Planted 2000	MY 2001	'000 mt.
	Crush	Meal	Oil	Crush	Meal	Oil
Cottonseed	310	149	50	262	126	42
Soybean	123	90	20	150	118	27
Sunflower	9	4	2	20	9	5
TOTAL	442	243	72	432	253	74

Domestic oil demand is expected to decline to 86,000 mt. in 2001 as a result of the poor economic conditions. This still means that imports of about 12,000 mt. will be needed as production is only expected to reach 74,000 tons. The demand for oil has not been met from domestic production since the mid-1980's but this is expected to change in 2002 as cottonseed oil production is expected to increase to 60,000 tons and soybean meal production to stay high at 25,000 tons, which means that domestic requirement is expected to be met.

### Consumption

There is very little demand in Zimbabwe for specific oils and most oils marketed are blends. With the population growth rate of 3% per annum, it is forecast that annual consumption of oil will increase at least at a similar rate. However with very high inflation (currently 50-70%) the buying power of wages is declining rapidly and this will adversely affect any expansion in consumption. Until GOZ is able to get inflation reduced, consumption is unlikely to expand.

### Trade

Now that GOZ is allowing free market forces and is permitting the importation of oil, there is an export opportunity in the Zimbabwe market. The general economic conditions coupled to the shortfall in foreign exchange is limiting the potential. The opportunity for imports over the next five years will depend on the growing season in Zimbabwe, and the resulting shortfall or surplus.

PSD Table						
Country	Zimbabwe					
Commodity	Oil, Cottonseed				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Crush	180	310	160	262	0	374
Extr. Rate, 999.9999	0.155556	0.16129	0.15625	0.160305	ERR	0.160428
Beginning Stocks	0	0	0	0	0	0
Production	28	50	25	42	0	60
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	28	50	25	42	0	60
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	28	50	25	42	0	60
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	28	50	25	42	0	60
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	28	50	25	42	0	60
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Zimbabwe					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Crush	100	123	115	150	0	139
Extr. Rate, 999.9999	0.17	0.162602	0.165217	0.18	ERR	0.179856
Beginning Stocks	0	0	0	0	0	0
Production	17	20	19	27	0	25
MY Imports	8	30	10	12	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	25	50	29	39	0	25
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	25	50	29	39	0	25
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	25	50	29	39	0	25
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	25	50	29	39	0	25
Calendar Year Imports	35	30	0	12	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0