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Report Name: The South African Dry Bean Industry

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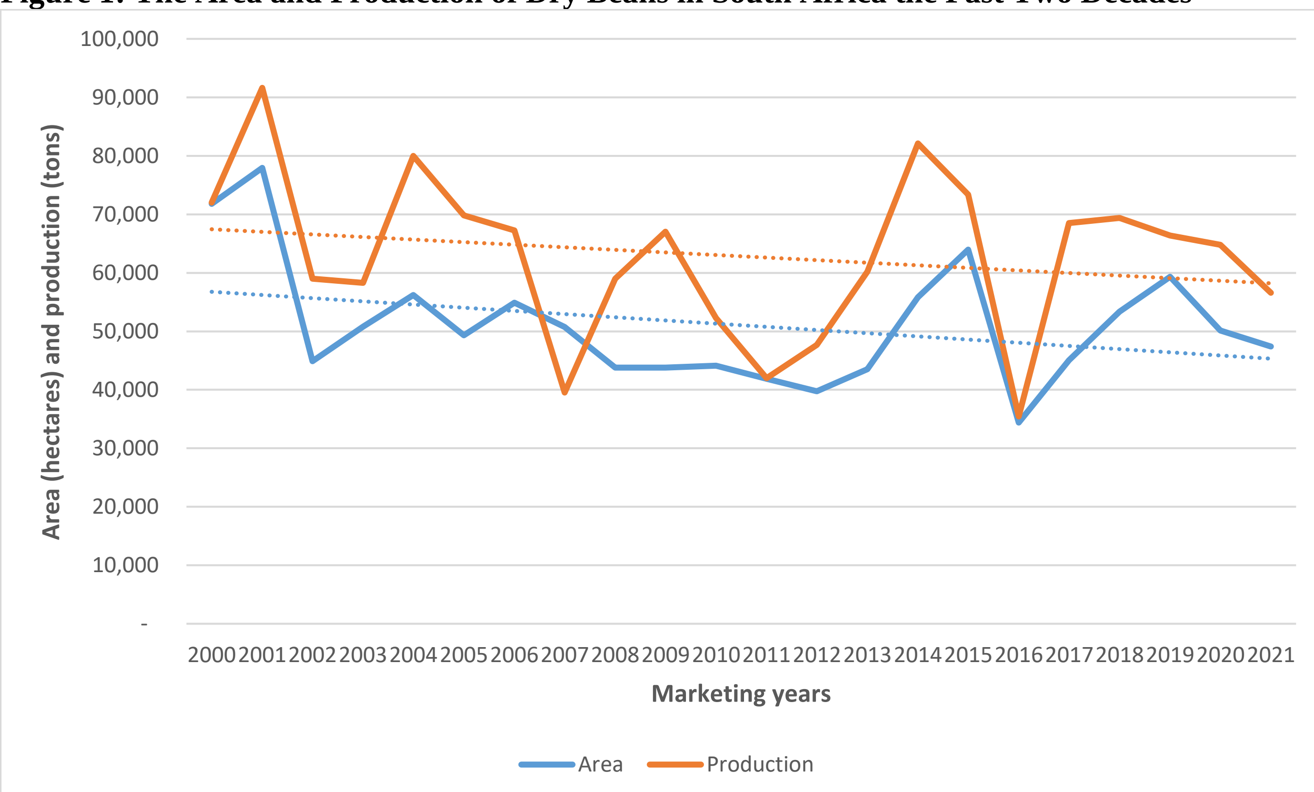
Report Highlights:

South Africa's production and imports of dry beans have been declining over the past decade in correlation with a decrease in consumption. Dry bean imports declined by more than 50 percent since 2010 with South Africa's dry bean consumption stabilizing at around 60,000 tons per year. Dry bean production is relatively small and averaged around 65,000 tons over the past five years. However, for the 2021 marketing year (MY) it is estimated that South Africa will realize a dry bean crop of 56,577 tons down 13 percent from the previous marketing year. As a result, dry bean imports for the 2021 MY are expected to increase by six percent to 32,000 tons, while dry bean exports are expected to decrease by 20 percent to 29,000 tons. Dry beans will continue to be a small but important niche market in South Africa with many nutritional benefits.

Production

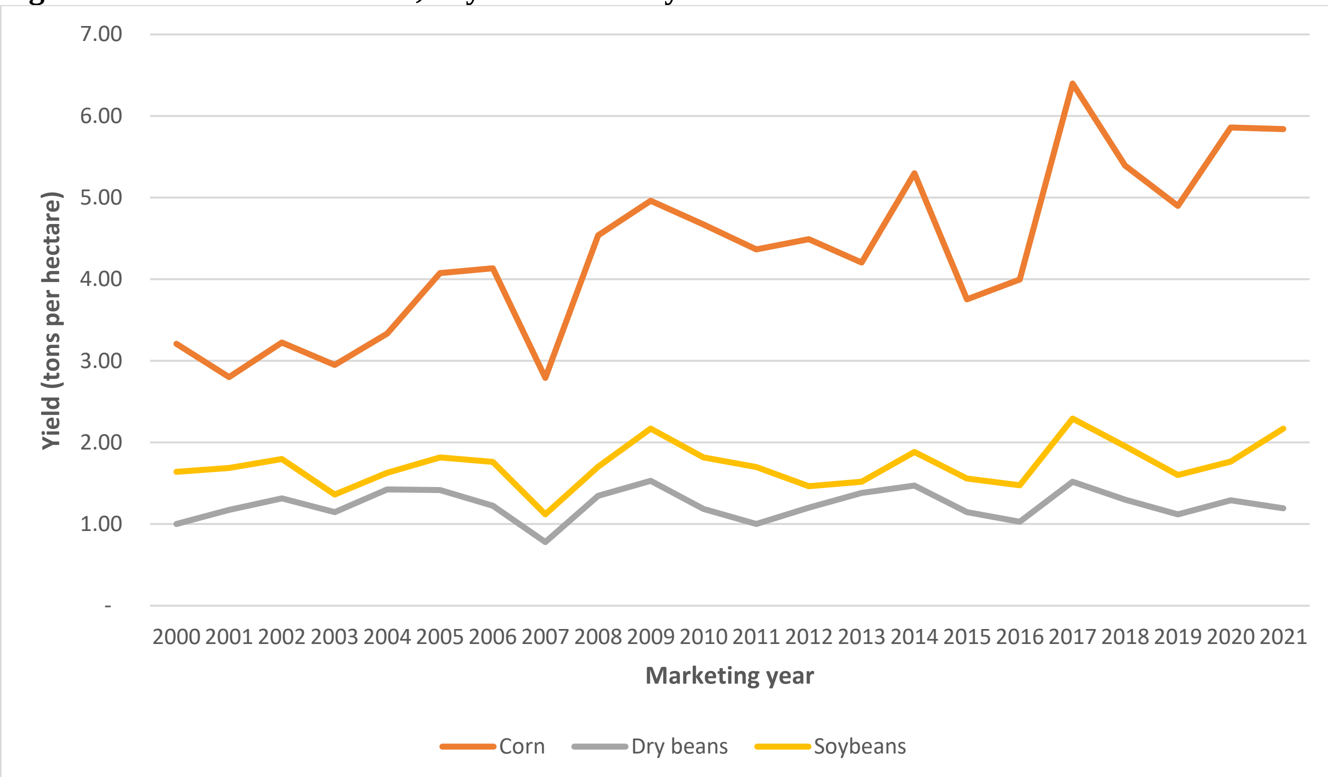
South Africa's dry bean production is relatively small, and averaged around 65,000 tons over the past five years, representing less than one percent of the country's total summer field crop production. In the 2021 marketing year (MY), South Africa planted 47,390 hectares of dry beans, down six percent from the previous season. The Crop Estimates Committee (CEC) estimates that South Africa will realize a dry bean crop of 56,577 tons in the 2021 MY, down 13 percent from the previous marketing year. This downward trend in South Africa's dry beans production is evident over the past two decades (see also Figure 1). A major reason for the decline of dry bean production in South Africa is that yield levels have failed to increase at the same positive rate as yield levels of corn and oilseeds, resulting in less competitive gross margins (see also Figure 2 which compares the average yield levels of corn, soybeans and dry beans). Unless technology changes occur that could improve dry bean productivity, producers will continue to switch to more profitable crops, and the decreasing trend in hectares planted with dry beans in South Africa will continue.

Figure 1: The Area and Production of Dry Beans in South Africa the Past Two Decades



Source: CEC

Figure 2: Yield Levels of Corn, Soybeans and Dry Beans in South Africa



Source: South African Grain Information Services

South Africa produces mainly three types of dry beans, namely, the Red Speckled Kidney beans, Small White beans and Large White Kidney beans. Small White beans represent the largest market share and are mainly used for canning purposes. Small White beans are mainly produced under contract and its share in total dry bean production has increased over the past five. Red Speckled Kidney beans represents the second largest market share and are mainly package for retail sales. Large White Kidney beans represent the smallest market share and are used for both retail and canning purposes. Other locally produced bean types such as the Haricot beans have a very limited domestic market. Table 1 indicates the area planted, production and yield levels of dry beans in South Africa for the past 10 years.

Table 1: The Area Planted, Production and Yield Levels of Dry Beans in South Africa

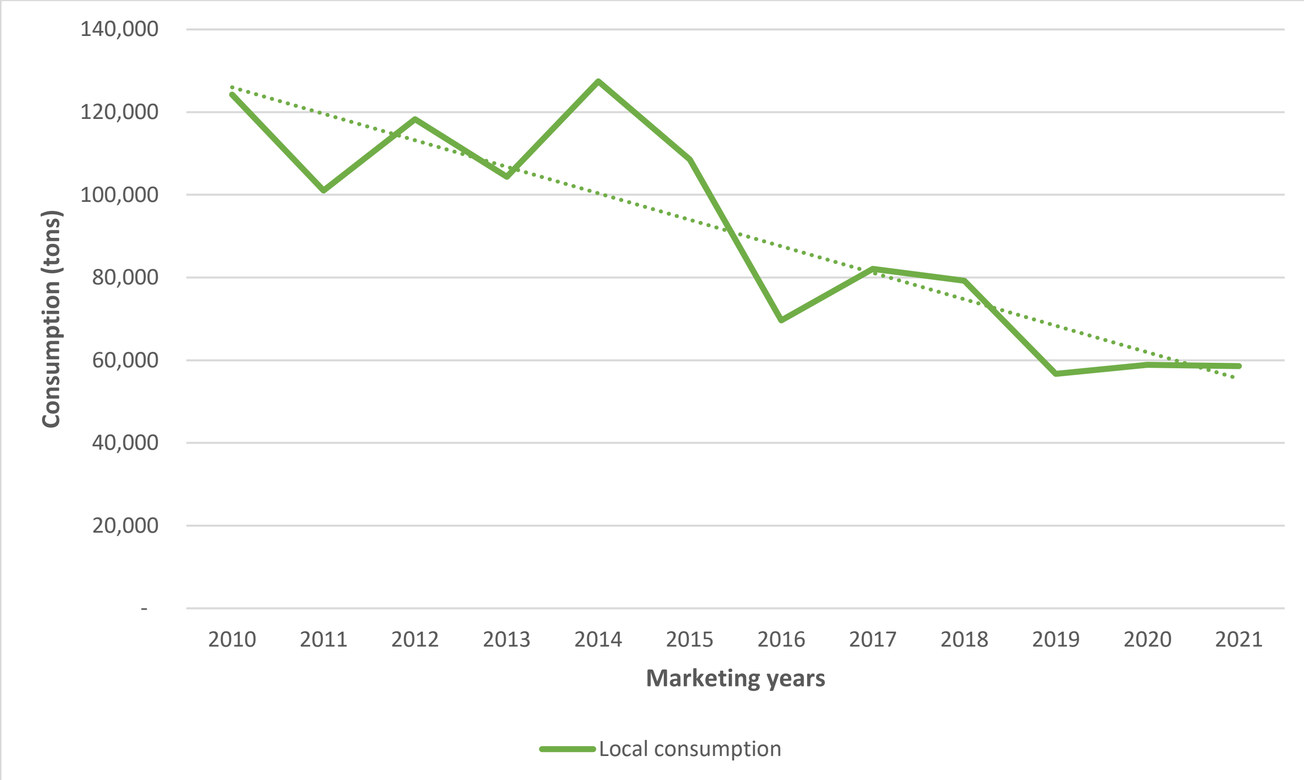
Marketing year	Area (hectares)	Production (tons)	Yield (ton/hectare)
2011	41,900	41,980	1.00
2012	39,750	47,695	1.20
2013	43,550	60,200	1.38
2014	55,820	82,130	1.47
2015	64,000	73,390	1.15
2016	34,400	35,445	1.03
2017	45,050	68,525	1.52
2018	53,360	69,360	1.30
2019	59,300	66,355	1.12
2020	50,150	64,800	1.29
2021 (estimate)	47,390	56,577	1.19

Source: CEC

Consumption

South Africa's dry bean consumption has stabilized at around 60,000 tons per year, declining by more than 50 percent since 2010 (see also Figure 2). This means that South Africa's per capita dry bean consumption is about one kilogram per year. Traditionally, South Africa was never a substantial dry bean consumer as in other parts of the world, with local consumers preferring chicken (40kg/person/year) and corn meal (96kg/person/year) as staple food. The decline in dry bean consumption is mainly due to consumer preferences and the price competitiveness of dry bean products. However, dry beans will always be an important niche market in South Africa with many nutritional benefits. Dry beans are available to the local consumer either as packed or already cooked, and preserved in a can in either a saline solution or tomato sauce (baked beans).

Figure 2: The Consumption of Dry Beans in South Africa



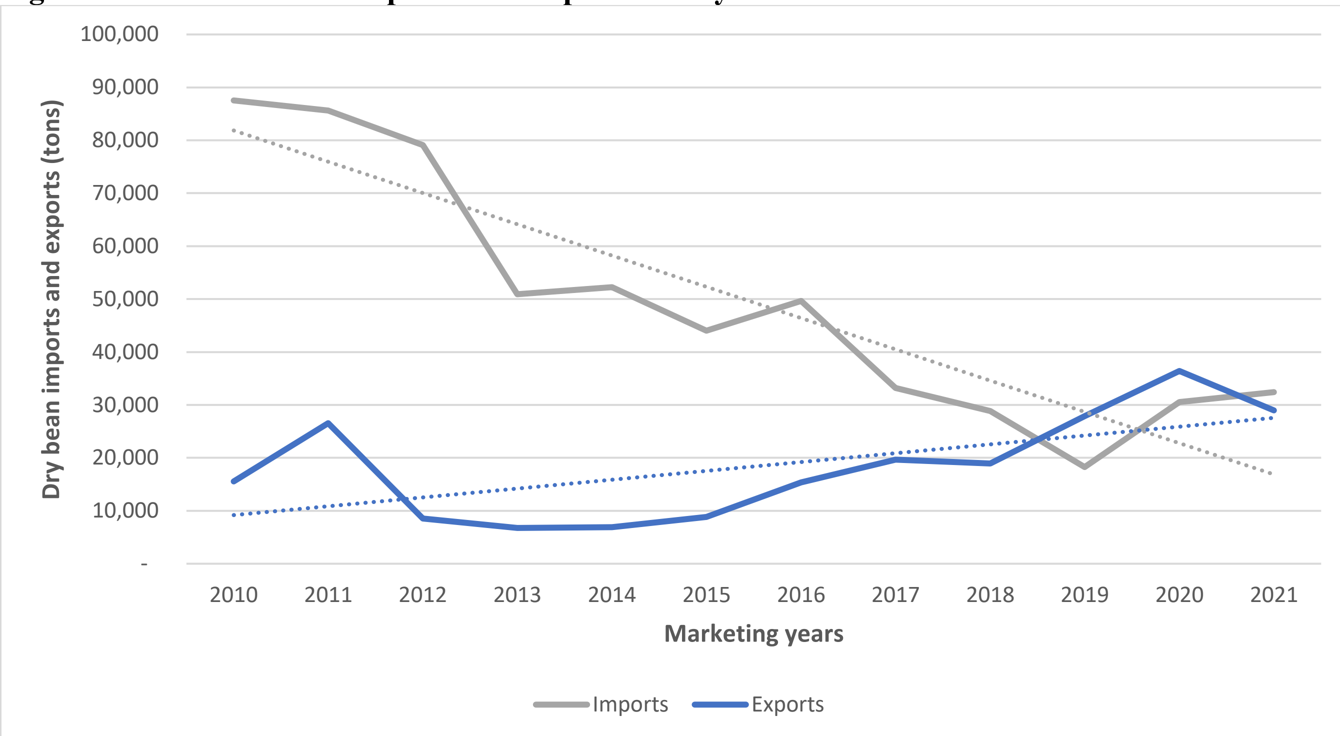
Trade

South Africa's imports of dry beans have been declining over the past decade in correlation with a decrease in consumption (see also Figure 3). Dry bean imports have declined by more than 50 percent since 2010. On the other hand, South Africa's dry bean exports have more than doubled since 2010. However, dry bean exports are expected to decrease by 20 percent to 29,000 tons in the 2021 MY, due to a 13 percent drop in production. Dry bean imports for the 2021 MY are expected to increase by six percent to about 32,000 tons. In the 2020 MY, South Africa imported 30,544 tons of dry beans (see also Table 2).

The majority of South Africa's dry bean imports consist of Kidney Beans (*Phaseolus Vulgaris*) followed by beans of the species Hepper (*Vigna Mungo*) and Wilczek (*Vigna Radiata*). In the 2020 MY, South Africa imported most of its dry beans from Brazil, followed by China, Ethiopia, Malawi and Canada. The United States supplied constantly more than a 1,000 tons of dry beans to South Africa since the 2013 MY, but it dropped to less than 250 tons from the 2019 MY, mainly due to price competitiveness.

The landed costs of imported beans are determined largely by the exchange rate of the South African Rand in relation to the United States Dollar and have a definite influence on the local price structure. South Africa's dry bean market operates in a relatively free market environment and is influenced by the international price of dry beans and global events that will have an impact on South Africa's volatile exchange rate. The quality of the beans on offer (locally produced and imported product) also has an impact on the prices obtained.

Figure 3: South Africa's Imports and Exports of Dry Beans



Source: Trade Data Monitor

Table 2: South Africa's Imports of Dry Beans

	Marketing years					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Botswana	398	4,152	2,951	5,568	7,665	12,397
Brazil	-	82	603	1,699	7	7,721
China	28,312	23,102	10,831	5,226	200	1,988
Ethiopia	3,667	8,966	5,387	4,285	4,366	1,873
Malawi	259	95	1,132	1,426	190	1,573
Canada	306	4,306	2,985	1,961	969	967
Madagascar	631	902	767	268	310	559
Poland	1,607	1,013	922	1,334	1,238	550
United States	1,035	1,252	1,903	1,623	221	183
Nigeria	198	201	163	197	366	399
Others	7,607	5,550	5,585	5,256	2,725	2,335
Total	**44,021**	**49,622**	**33,229**	**28,844**	**18,258**	**30,544**

Source: Trade Data Monitor

Table 3 indicates South Africa's import tariff structure for dry beans. For most HS codes the general import tariff is 10 percent, but zero for the European Union and the Southern Africa Development Community due to free trade agreements with South Africa.

Table 3: South Africa's Import Tariff Structure for Dry Beans

HS Heading	**Description**	**Unit**	**General**	**European Union (EU)**	**European Free Trade Association (EFTA)**	**Southern Africa Development Community (SADC)**
7.13	**Dried leguminous vegetables, shelled, whether or not skinned or split:**					
713.3	**- Beans (Vigna spp., Phaseolus spp.):**					
0713.31	-- Beans of the species *Vigna mungo* Hepper or *Vigna radiata* Wilczek:					
0713.31.10	--- Seeds for sowing	kg	15%	free	15%	free
0713.31.90	--- Other	kg	15%	free	15%	free
713.32	-- Small red (Adzuki) beans (*Phaselous or Vigna angularis*):					
0713.32.10	--- Seeds for sowing	kg	10%	free	10%	free
0713.32.90	--- Other	kg	10%	free	10%	free
713.33	-- Kidney beans, including white pea beans (*Phaseolus vulgaris*):					
0713.33.10	--- Seeds for sowing	kg	10%	free	10%	free
0713.33.90	--- Other	kg	10%	free	10%	free
713.34	-- Bambara beans (*Vigna subterranea or Voandzeia subterranea*):					
0713.34.10	--- Seeds for sowing	kg	10%	free	10%	free
0713.34.90	--- Other	kg	10%	free	10%	free
713.35	-- Cow peas (*Vigna unguiculata*):					
0713.35.10	--- Seeds for sowing	kg	10%	free	10%	free
0713.35.90	--- Other	kg	10%	free	10%	free
713.39	-- Other:					
0713.39.10	--- Seeds for sowing	kg	10%	free	10%	free
0713.39.90	--- Other	kg	10%	free	10%	free

Source: South African Revenue Services

As already mentioned, South Africa's exports of dry beans have been growing over the past several years to reach 36,418 tons in the 2020 MY (see also Table 4). South Africa's exports of dry beans are mainly destined to its neighboring countries including, Eswatini, Zimbabwe, Lesotho, Botswana and Mozambique. South Africa, however, also exports dry beans to countries in Asia like India, Vietnam, Taiwan and China.

Table 4: South Africa's Exports of Dry Beans

	Marketing years					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Eswatini	4,024	3,864	3,152	5,546	6,648	7,491
Zimbabwe	1,182	1,407	1,440	129	2,062	5,701
India	5	25	1,362	839	4,282	4,611
Vietnam	-	1,600	2,092	4,729	5,920	4,230
China	-	-	-	-	-	2,900
Lesotho	401	2,783	2,558	2,323	2,759	2,772
Taiwan	-	200	502	429	461	1,729
Botswana	1,340	1,456	1,583	999	1,807	1,675
Mozambique	565	1,026	394	440	1,046	1,146
Namibia	492	404	391	313	541	634
Others	848	2,629	6,166	3,190	2,383	3,527
Total	**8,856**	**15,395**	**19,639**	**18,938**	**27,909**	**36,418**

Source: Trade Data Monitor

Niche market

As already mentioned, dry beans will continue to be a small but important niche market in South Africa aimed at satisfying specific market needs. During the challenging economic conditions resulting from measures aimed at limiting the spread of COVID-19 in South Africa, dry beans benefited from being perceived as an affordable alternative source of protein to meat. In addition, canned beans offered the advantage of being already cooked and preserved for longer storage and easy preparation. With its many nutritional benefits, dry beans will continue to benefit from the increasing trends of more plant-based diets, and health and wellness living in South Africa.

Attachments:

No Attachments.