A PROFILE OF THE SOUTH AFRICAN OATS MARKET VALUE CHAIN

2020

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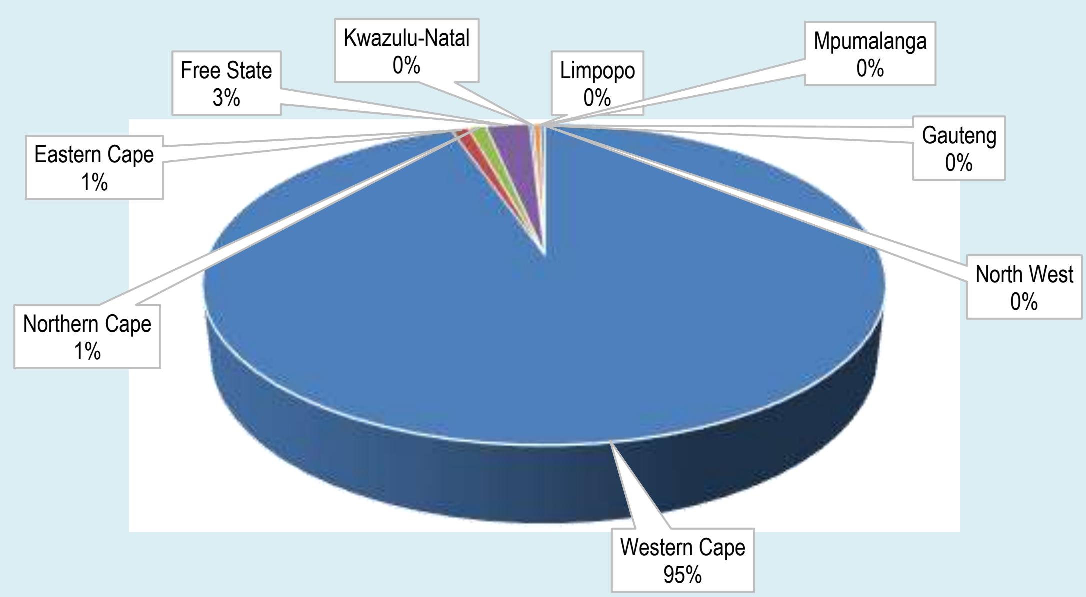
1. DESCRIPTION OF THE INDUSTRY

Oats are primarily used for manufacturing of animal feeds and human consumables such as breakfast cereals and energy bars. Most of oats produced in South Africa are processed locally while smaller volumes are also exported to other SADC countries such as DRC, Namibia, Botswana and Lesotho, with very minimal volumes exported to Asia. The local production for oats stood at an average of 39 682 tons per annum over the past ten years while the local consumption remained considerably higher at 52 771 tons per annum. On average, about 21 891 tons of oats were imported over the past ten years as the local production is not sufficient to meet the local demand.

1.1 Production Areas

Oats is a winter crop suited for planting in the winter rainfall area such as the Western Cape Province. It can also be produced under irrigation in other provinces. Oats is produced mainly in the Western Cape, Eastern Cape, Free State, Northern Cape and slightly in Limpopo provinces. The contribution of various provinces to the total national supply is illustrated on Figure 1 below.

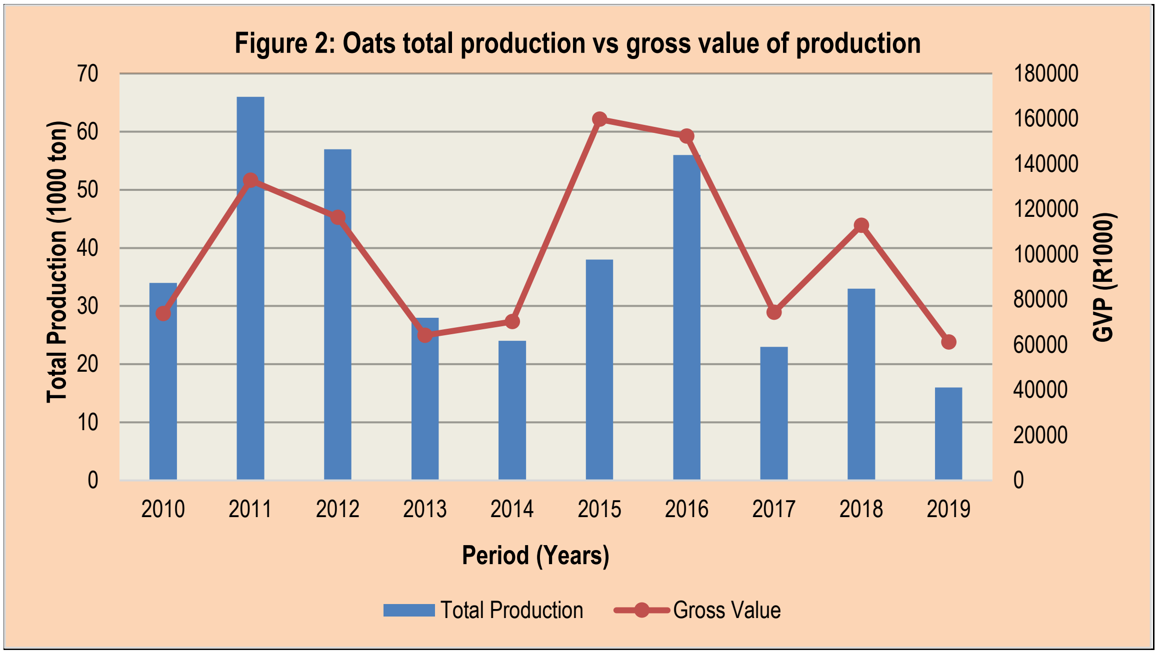
Figure 1: Oats deliveries per province in 2018/19



Source: SAGIS

Figure 1 above indicates that farmers in the Western Cape are the major contributors to the South African total oats supply. The Western Cape Province accounted for about 94% of South Africa's total oats supply in 2018/19 marketing season followed by the Free State Province with 3%. The fact that Western Cape is a winter rainfall area makes the province a suitable location for production of oats and other winter cereals such as wheat and barley. The supply of Oats from other provinces such as Limpopo, Northern Cape and Eastern Cape has been very low during 2018/19 marketing season.

1.2 Production Trends

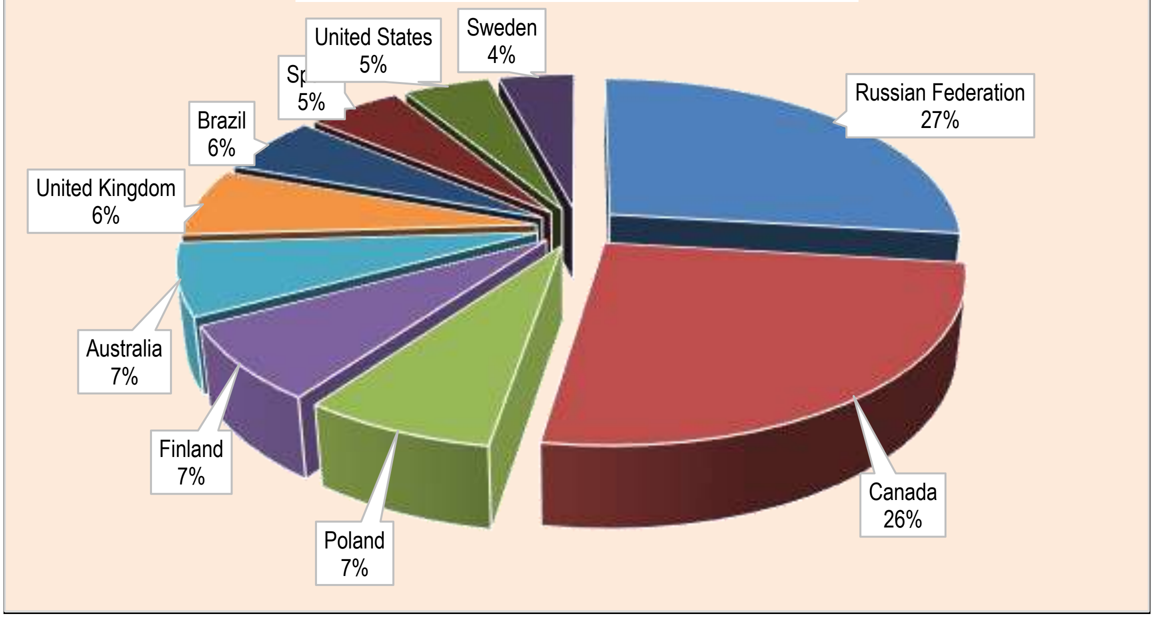


Source: Statistics and Economic Analysis

In South Africa, an average of about 39 thousand tons of oats is produced annually and the volume fluctuates every year depending on plantings, weather conditions as well as prices of other competing crops. Figure 2 above shows that the local production volumes were slightly higher and above gross value of production at the opening of the season during the year 2009. This was followed by a decrease in the level of oats production during the year 2010. The gross value of oats production followed an opposite direction and recorded an increase in 2010 as compared to the lower values attained during 2009. Only 34 thousand tons of oats were produced during the year 2010 and this was followed by dramatic increase in production volumes to record highs attained during the year 2011. It is notable from Figure 2 that the gross value of oats production has been following similar trend as production. The graph further indicates that there was a drastic increase in gross value of production above total production volume from the year 2013 up until 2018.This might be as a result of drought conditions that affected the final output and increased demand for cereals. The gross value of oats production decreased drastically in 2017 marketing season while production volumes were at their lowest during the same year. The period under review closed with increasing trends for both production volumes and gross value of Oats production during the year 2018.

Figure 3 below shows contribution of major Oats producing countries to the global oats production in 2018. During the year 2018, a total of about 23.41 million tons of oats were produced globally. The European Union accounted for about 37% of global Oats production followed by Russian Federation with 25%, and Canada with 17%. Countries such as Australia, United States, Ukraine, Brazil, Chile, Belarus and Argentina contributed a total of 21% towards the world's total oats production. Russian Federation, Canada, United States, Argentina, Ukraine, Australia, Chile, Belarus and EU combined accounted for almost 100% of the world's total oats production in 2018.

Figure 3: World major producers of oats in 2019



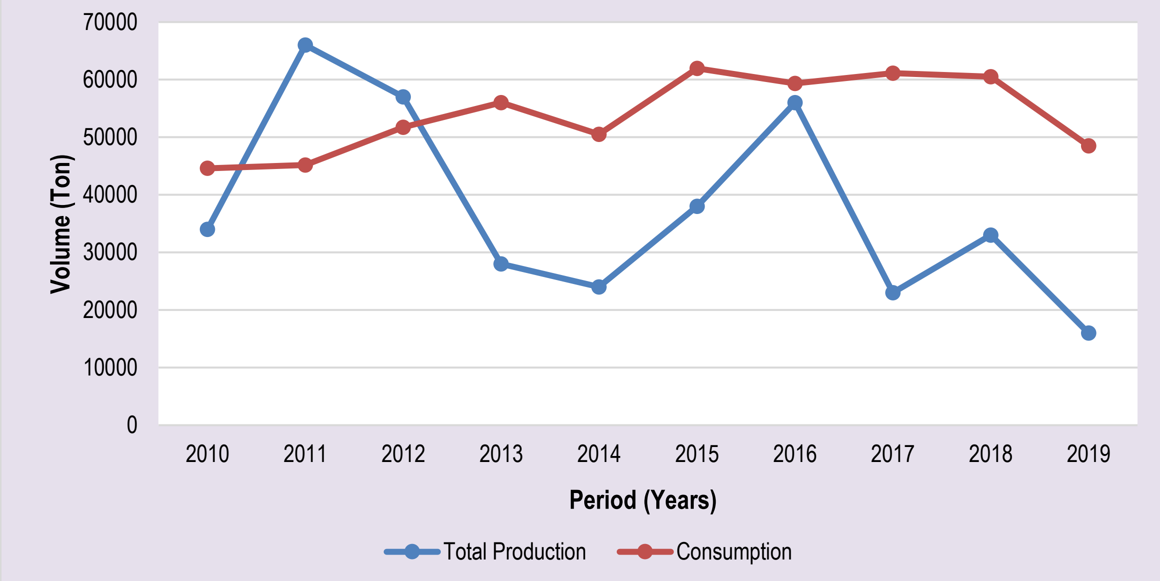
Source: FAOSTAT

2. MARKET STRUCTURE

2.1 Domestic Market

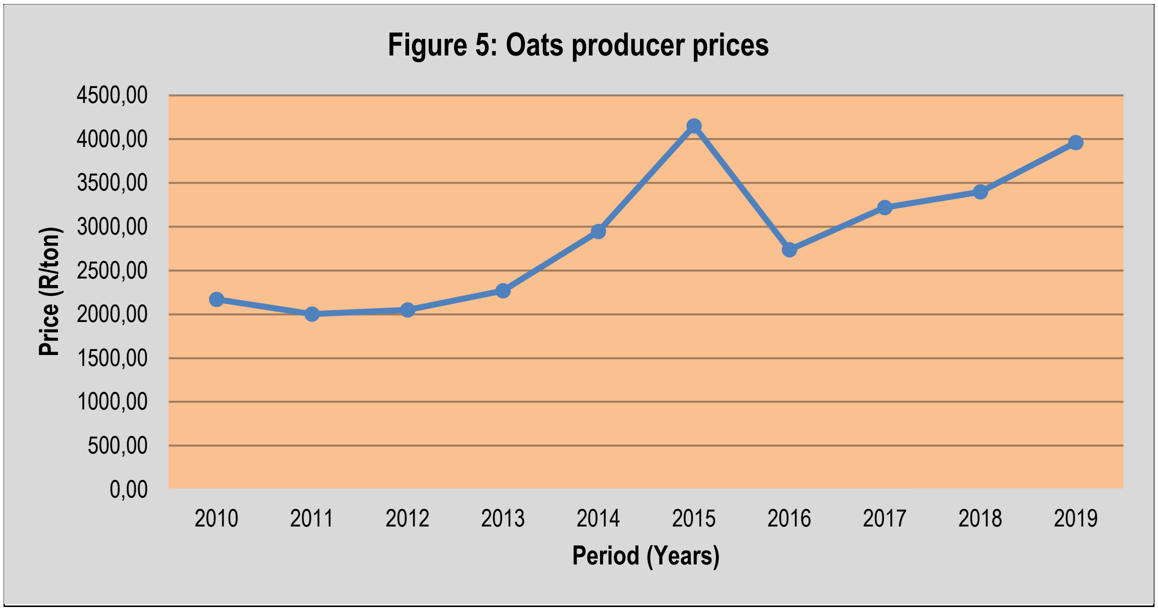
The local oats production amounts to approximately 39 thousand tons per annum, contributing an average of 99.93 million Rand towards the gross value of agricultural production per annum. The local oats consumption is about 50 thousand tons per annum resulting in a deficit of approximately 11 thousand tons of oats every year. About 82% of the total domestic oats supply is used for human consumption while animal feed industry constitutes only 10% of the domestic oats market. The remaining 8% is sold as seed for planting.

Figure 4: Oats production vs consumption



Source: Statistics and Economic Analysis and SAGIS

Figure 4 above indicates that in 2019, the period under analysis opened with moderate volumes of local oats production to some extend below consumption. The volumes of oats consumption increased continually throughout the period under analysis with the exception of the respective years 2014, 2016 and 2018 where slight declines in consumption were recorded. Moreover, the production volumes experienced major declines between the years 2013, 2014 and 2017 and this further widened the gap between the local production and consumption. The volume of oats production increased to the levels above consumption quantities during the year 2011 and 2012, respectively. The period under analysis closed with an increasing trends in local production, whereas the consumption volume similarly showed some slight declines during the 2018 marketing season.

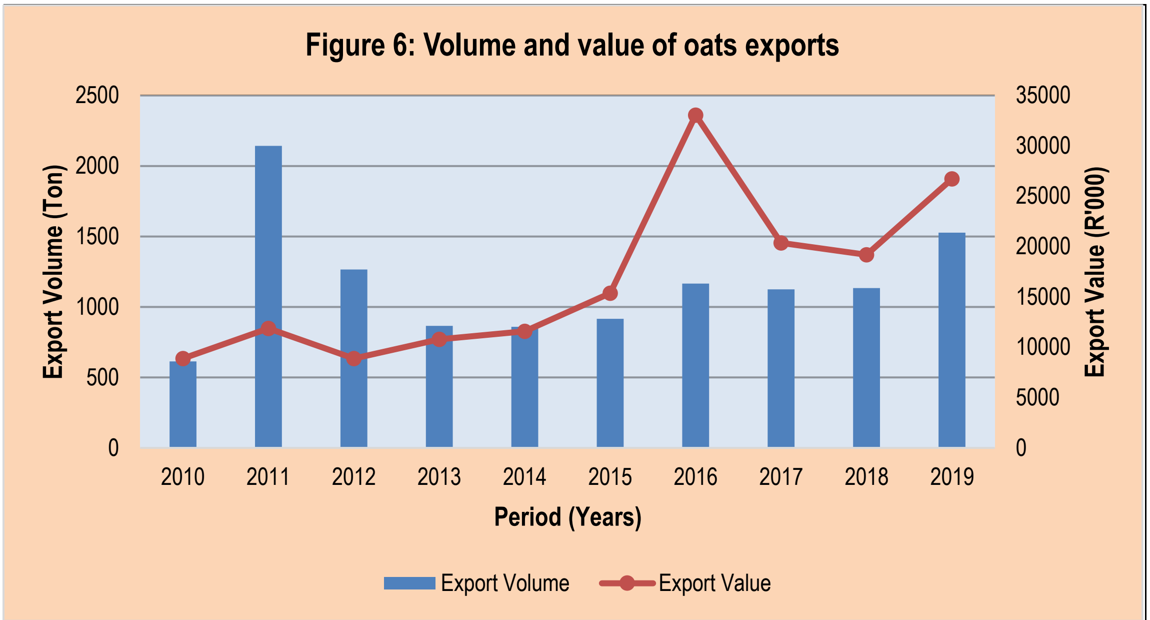


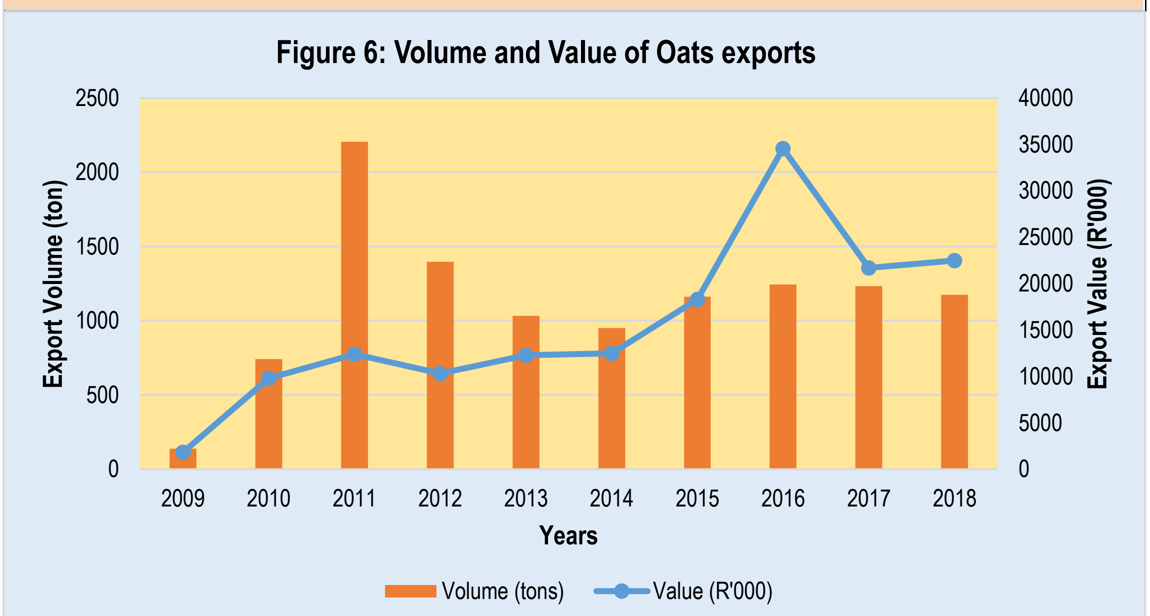
Source: Statistics and Economic Analysis

Oats is an internationally traded commodity and the oats industry in South Africa, just like other agricultural commodities operate in a deregulated market environment. The local oats prices are determined by forces of demand and supply, and are influenced heavily by global prices as well as production in major producing countries such as the European Union, Russian Federation, Canada, Australia and Finland. Figure 5 shows that the local oats prices opened at record low levels during the year 2009. As indicated in the figure, the highest price was attained during the year 2015 above R4 000/t. This can be as results of high demand triggered by the severe weather conditions that affected the final crop in the domestic market. The lowest price of oats was attained below R1 500/t for the opening period of 2009. The producer price of oats closed at R3 356.80 during the 2018 marketing season, which is 4% higher as compared to the previous season.

2.2 Exports

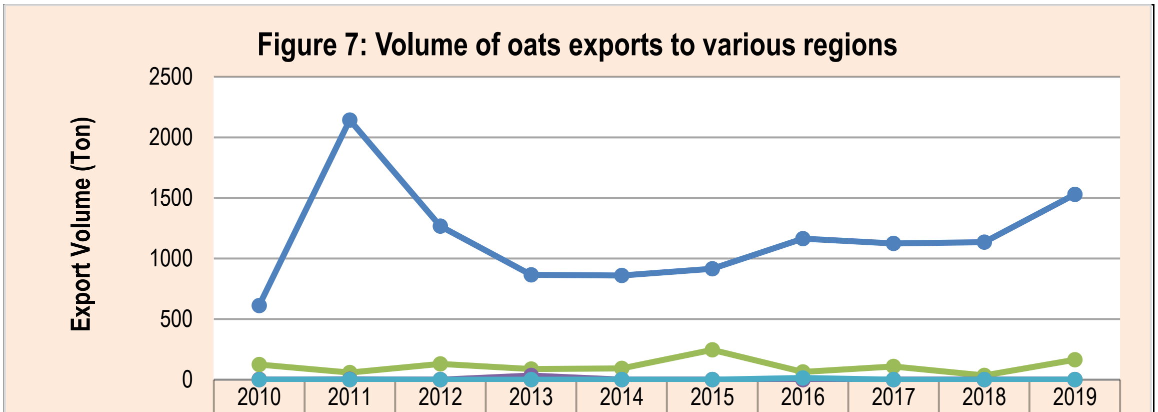
The volumes and value of oats exported by South Africa between the years 2009 and 2018 are depicted in Figure 5 below. On average, South Africa exports about 1 128 tons of oats per annum to the value of about 15.6 million Rand annually.





Source: Quantec Easydata

Figure 6 specifies that the volume and value of oats exports fluctuated considerably over the period under analysis with the export volumes reaching a peak during the year 2011. The period under analysis opened with the record low volumes and values of oats exports attained during the year 2009. This was followed by a notable increase in both volumes and values of oats exports during the respective years 2010 and 2011. The volume of oats exports have been above export value throughout the period under review, except for the year 2015, 2016, 2017 and 2018. In 2016, the value of oats exports reached a peak above R30 million, and that was followed by a drastic decline in 2017. However, the period under review closed with an increasing trends in the value of Oats exports supported by a slight decrease in volumes in 2018. South Africa exports its oats mainly to the African Continent, Asia and Europe. The following figure (Figure 7) gives a picture regarding destinations of oats exported from South Africa for the past ten years.

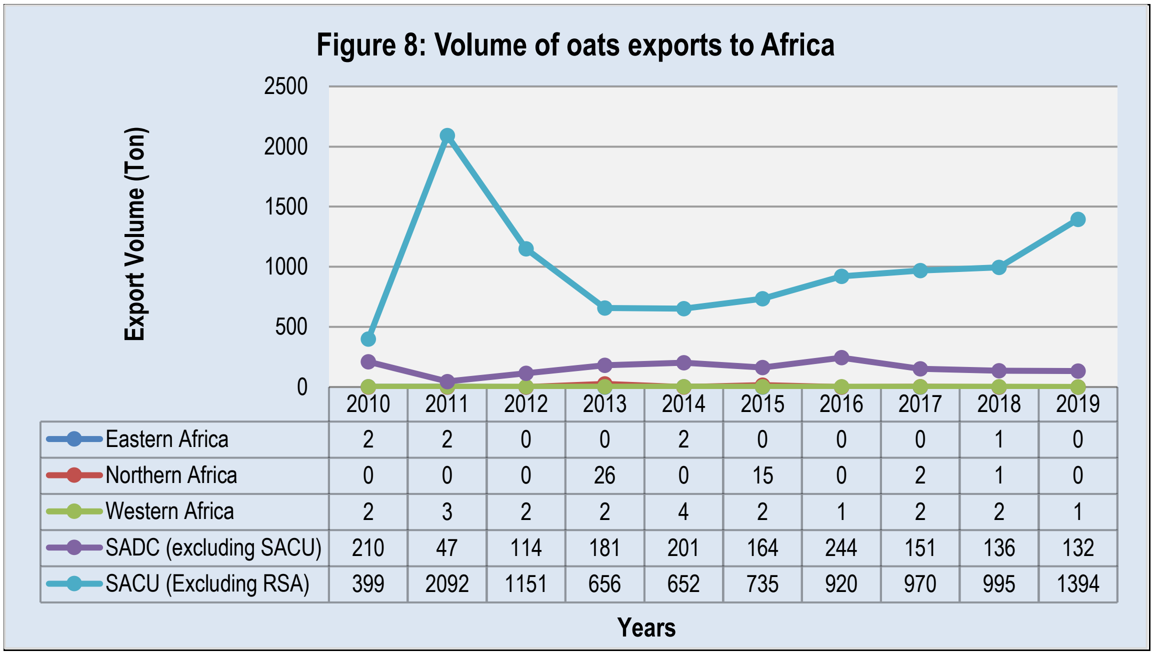


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	613	2143	1266	865	859	915	1165	1124	1134	1528
Americas	2	0	0	0	0	0	0	0	0	0
Asia	126	58	130	88	92	246	64	109	35	164
Europe	0	4	0	34	0	0	0	0	0	0
Oceania	0	0	0	0	0	0	14	0	0	0

Source: Quantec Easydata

Figure 7 indicate that South Africa exported oats mainly to Africa, Asia and marginally to Europe between 2009 and 2018. The figure also shows that the African continent absorbed the larger portion of oats originating from South Africa over the period under analysis. Volumes of oats exports to Asia were inconsistent and lower during the period under review and increased slightly above 200 tons during the 2015 marketing year. On average, about 90.7% of oats exported by South Africa over the past decade went to the African countries while about 8.8% went to Asia and the remaining 0.5% was shared amongst the Americas, Europe and Oceania. The period under review closed with stable and moderate volumes of oats exports to African continent as compared to the rest of the world.

On the Africa continent South Africa export oats mainly to the SACU region, SADC, Western Africa and partially to Northern Africa. As it can be observed from Figure 8 below, the SACU region is the major export market on the African continent for Oats originating from South Africa. Exports to the SADC region were relatively lower and stable for the entire period under analysis while those to SACU fluctuated considerably until a peak was reached above 2000 tons during 2011. Looking at Figure 8 it appears as if there were no exports of oats to SACU region in 2009 which might not be entirely true. The lower levels during that period only reflect the unavailability of data on Intra SACU Trade for the period before 2010. The South African oats exports to African continent closed with an increasing trends during the year 2018, with major exports destined to the SACU, followed by the SADC region.



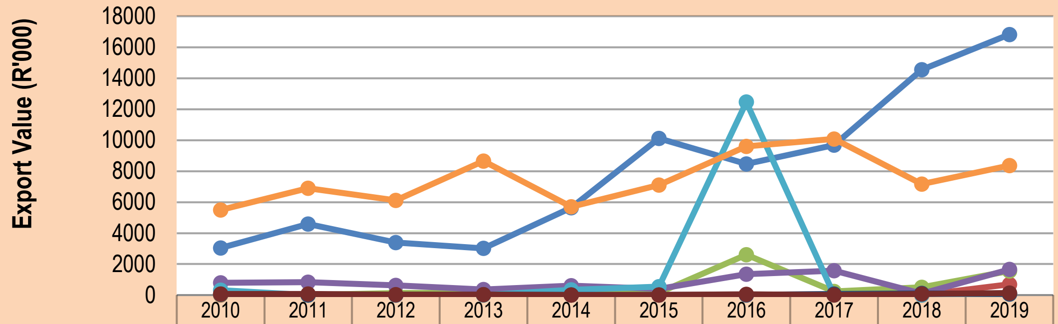
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Eastern Africa	2	2	0	0	2	0	0	0	1	0
Northern Africa	0	0	0	26	0	15	0	2	1	0
Western Africa	2	3	2	2	4	2	1	2	2	1
SADC (excluding SACU)	210	47	114	181	201	164	244	151	136	132
SACU (Excluding RSA)	399	2092	1151	656	652	735	920	970	995	1394

Source: Quantec Easydata

2.2.1 Provincial Oats Exports

Figure 9 shows that in South Africa, oats exports originate mainly from Gauteng, Western Cape and KwaZulu-Natal Provinces. Despite the fact that Western Cape produces more than 80% of the total oats production in South Africa, the largest volumes of oats exports are recorded as originating from Gauteng Province. Although Gauteng is not the largest producer of grains, the province plays a huge role in grain trading mainly due to the availability of grain trading facilities as well as traders situated in the province. The Randfontein grain market plays a huge role in grain trading, both locally and internationally. The availability of Cape Town harbour in the Western Cape and Durban harbour in Kwazulu-Natal province also places these provinces at an advantage in terms of grain exports. During the 2016 marketing year, substantial amount of oats exports were recorded from the North West Province, above oats exports from all other provinces. Although very minimal exports have been recorded for the other provinces over the ten year period, the marketing year 2018 closed with higher values of oats exports for Western Cape Province and declining values of oats exports originating from Gauteng Province.

Figure 9: Value of oats exports by provinces



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Western Cape	3043	4584	3386	3016	5639	10114	8462	9678	14544	16825
Northern Cape	1	0	0	32	0	2	28	61	0	696
Free State	23	5	136	159	189	157	2604	244	506	1558
KwaZulu-Natal	802	841	638	366	613	395	1352	1581	95	1655
North West	324	0	1	0	339	549	12457	0	0	68
Gauteng	5496	6890	6123	8657	5694	7102	9592	10082	7170	8372
Mpumalanga	53	17	4	23	18	4	13	69	110	69
Limpopo	67	65	23	24	1	1	57	0	63	132

Years

Source: Quantec Easydata

Figure 10 below shows the value of oats exports from Gauteng province for the period 2009 to 2018. In Gauteng Province, oats exports originate mostly from the City of Johannesburg, Ekurhuleni Metropolitan Municipality and marginally from the City of Tshwane. Exports from the West Rand and Sedibeng were very low and erratic throughout the period under review while those from other districts were at greater levels. The record high values of oats exports from Gauteng Province were attained during the year 2017, originating mainly from the City of Johannesburg. Oats exports from Gauteng province closed with declining trends from all regions in 2018, although exports from the City of Johannesburg surpassed those from other regions.

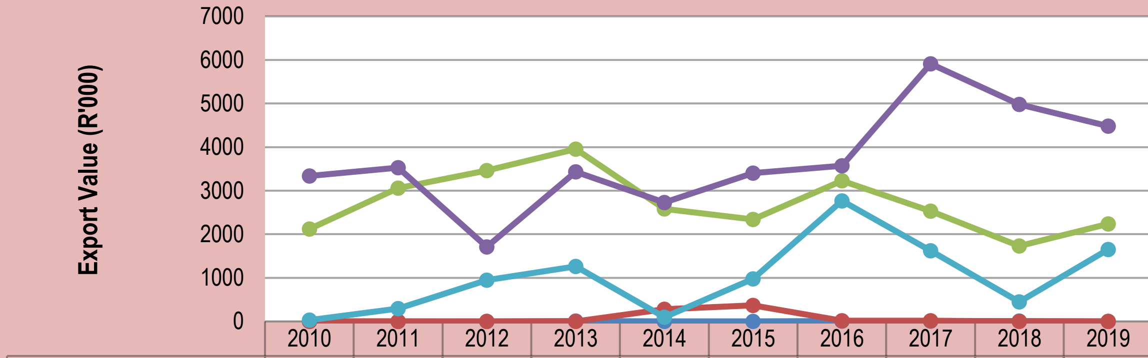


Figure 10: Value of oats exports by Gauteng province

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sedibeng	1	4	2	10	2	5	7	9	8	2
West Rand	4	5	0	0	283	369	17	15	0	3
Ekurhuleni	2123	3062	3459	3956	2580	2343	3230	2528	1731	2236
City of Johannesburg	3337	3527	1711	3431	2730	3405	3570	5910	4983	4478
City of Tshwane	30	292	951	1261	99	980	2769	1619	448	1654

Source: Quantec Easydata

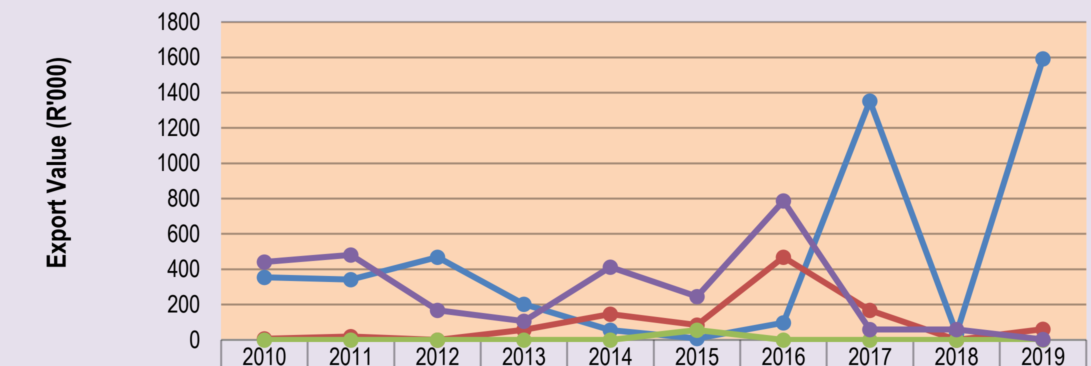


Figure 11: Value of oats exports from KZN province

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
UMgungundlovu	354	341	469	202	55	8	97	1354	37	1592
Umzinyathi	6	19	0	58	145	85	468	168	0	60
Umkhanyakude	0	0	0	0	0	56	0	0	0	0
eThekwini	441	481	168	106	413	246	787	59	58	2

Source: Quantec Easydata

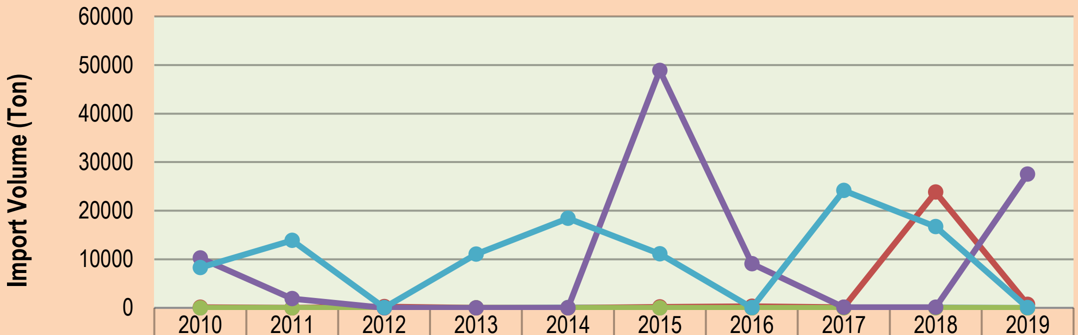
Figure 11 indicate the value of oats exports from KwaZulu-Natal Province from 2009 until 2018. The period under analysis opened with low values of oats exports from the province in 2009, with recorded exports from UMgungundlovu district exceeding those originating from other regions. This was followed by a slight increase in the value of oats exports originating mainly from eThekwini and

UMgungundlovu districts respectively in 2010, with some marginal exports recorded for Umzinyathi Districts in that period. The values of oats exports from KwaZulu Natal Province fluctuated considerably throughout the period under analysis, until the greatest export values were attained from UMgungundlovu district in 2017. Figure 11 indicates that over the period under review, oats exports in Kwazulu-Natal province originated mainly from uMgungundlovu District followed by eThekwini Metropolitan Municipality. The period under review closed with the lowest values of oats exports from KwaZulu Natal Province, with exports from eThekwini exceeding those from UMgungundlovu District in 2018.

2.2 Imports

South Africa imports an average of about 21 thousand tons of oats per annum in order to supplement the local production which is too low to meet the local demand. Figure 12 below gives an indication of oats imports from various regions for the period 2009 to 2018.

Figure 12: Volume of oats imports from various regions

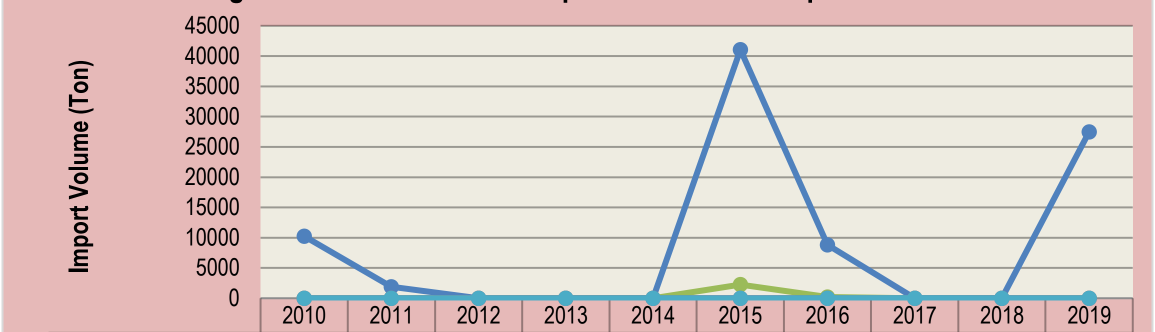


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	0	3	1	1	24	1	4	60	16	0
Americas	90	0	244	0	1	154	295	133	23804	730
Asia	1	1	0	1	0	1	1	0	0	1
Europe	10240	1917	0	2	1	48889	9083	82	93	27505
Oceania	8250	13874	43	11025	18442	11089	21	24154	16713	27

Years

Source: Quantec Easydata

Figure 12 above shows that the South African oats imports originate mainly from Oceania and Europe, with marginal imports originating from the Americas. Imports from the African region were very low and erratic over the period under analysis. The highest volume of oats imports were recorded during the year 2015, originating mainly from Europe. This can be attributed to lower production levels experienced as a results of drought which affected the country during that period. From Oceania, the highest imports were achieved during the year 2017 while the lowest volumes from this region were imported in both 2012 and 2016 respectively. On average, South Africa imports about 21 891 thousand tons of oats per annum and about 56% of the above mentioned imports originate from Oceania. The 2018 marketing season closed with relatively higher volumes of oats imports originating from the Americas, surpassing imports from Oceania and all other regions.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finland	10237	1917	0	0	0	41058	8800	0	0	27500
France	0	0	0	0	0	2	0	0	0	1
United Kingdom	0	0	0	0	0	2254	185	21	0	0
Netherlands	3	0	0	2	0	0	0	0	6	4
Germany	0	0	0	0	0	0	0	17	0	0

Source: Quantec Easydata

In general, the volumes of oats imported from European Union were low for the most part of the period under review. Figure 13 shows that within Europe, South Africa imports oats mainly from Finland which is also one of the largest producers of oats globally. The figure further shows that oats imports from Finland fluctuated considerably over the period under review, reaching a peak during the year 2015. From Figure 13 it is clear that oats imports from Germany, France and United Kingdom were very low throughout the period under analysis. The 2017 marketing period closed with relatively lower margins of oats imports originating from the European Union. Although the majority of imports from the EU originate mainly from Finland, in 2018, there was a total decline (0%) in oats imports from the EU, especially from the United Kingdom and Germany as compared to the previous season.

2.3 Uses of Oats and Market Value Chain

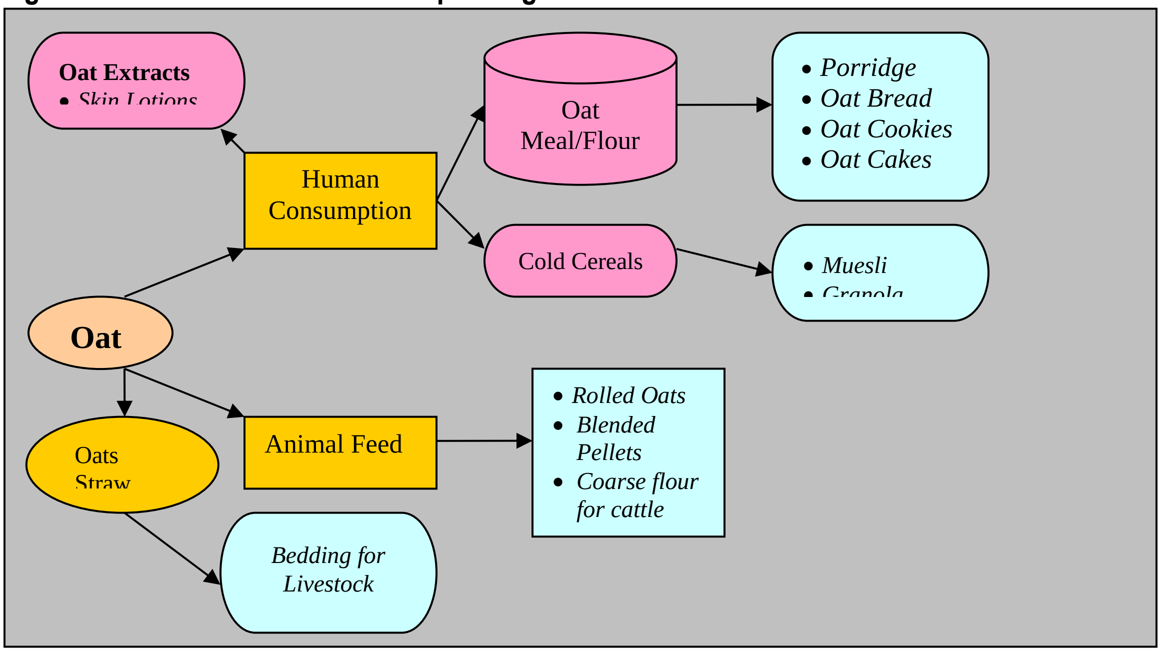
2.3.1 Uses

Human Consumption:
Oats have numerous uses in food; most commonly, they are rolled or crushed into oatmeal, or ground into fine oat flour. Oatmeal is chiefly eaten as porridge, but may also be used in a variety of baked goods, such as oatcakes, oatmeal cookies, and oat bread. Oats are also an ingredient in many cold cereals, in particular muesli and granola. Oats may also be consumed raw, and cookies with raw oats are becoming popular. Oats are also occasionally used in several different drinks. They can also be used for brewing beer. A cold, sweet drink made of ground oats and milk is popularly used as refreshment throughout Latin America.

Animal Feed:

Oats are also commonly used as feed for horses - as crimped or rolled oats or as part of a blended food pellet. The oat hull must be crushed (rolled or crimped) for the horse to digest the grain. Cattle are also fed oats, either whole, or ground into coarse flour using a roller mill, burr mill, or hammer mill. Oat straw is prized by cattle and horse producers as bedding, due to its soft, relatively dust-free, and absorbent nature.

Figure 14: The Value Chain Tree explaining various uses of oats

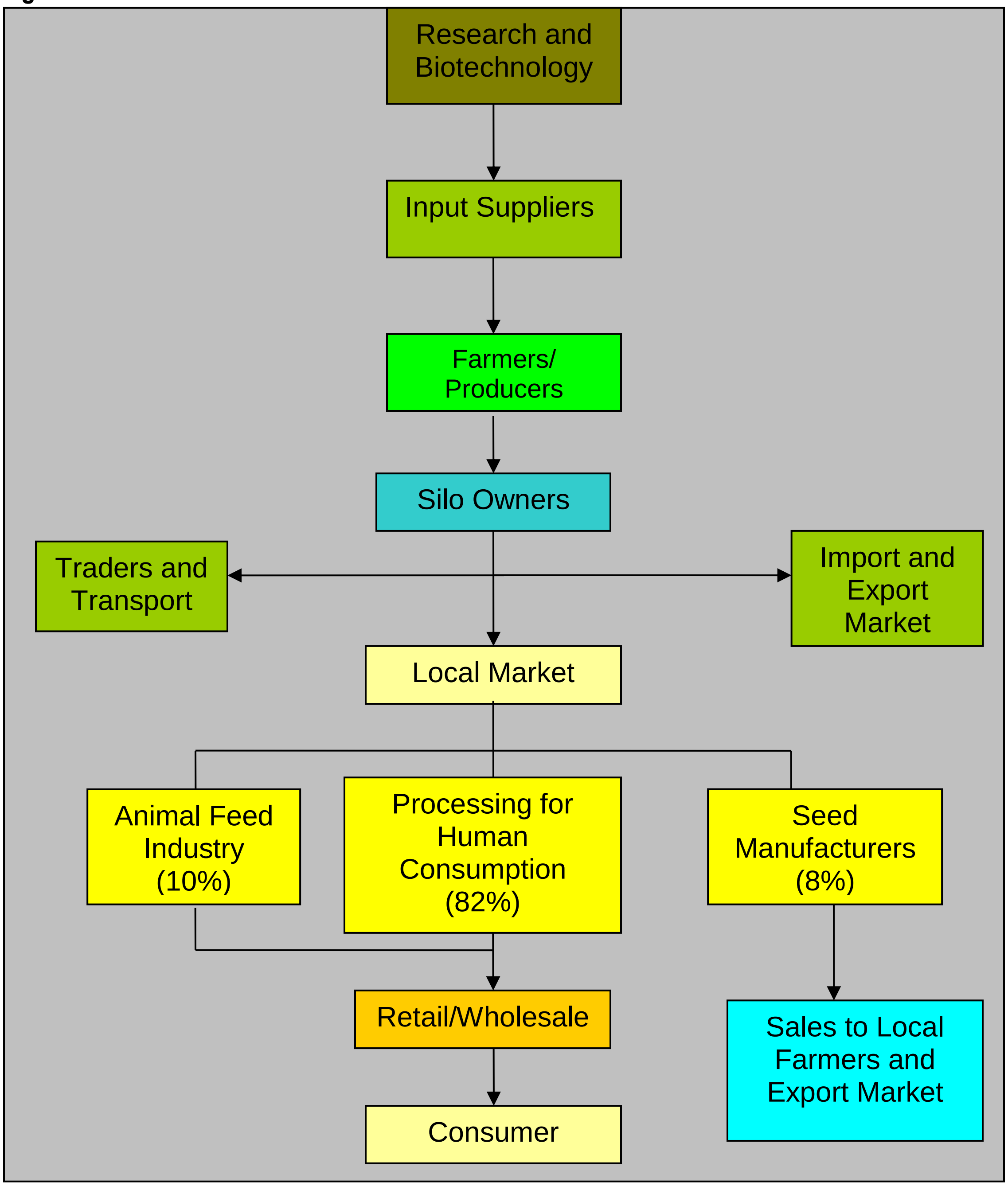


2.3.2 The Market Value Chain

The oats market value chain can be broken down into the following levels: producers of oats (farmers); silo owners (who store oats for their own account and on behalf of others); oats traders (who market and sell oats); processors of oats (who convert it into usable form); and end users.

The primary sector consists of input suppliers, producers and silo owners. Silo owners provide storage facilities to handle the crops, to store oats safely and to supply it to buyers on a continuous basis throughout the year. The secondary sector consists of millers and animal feed manufacturers. Millers and crushers convert oats to oats meal for further processing into human consumables such as breakfast cereals while animal feed manufacturers use oats for the manufacture of feeds. It is very important to note that processing for human consumption is the most important component of the oats value chain absorbing about 82% of the local oats supply while 10% is used to manufacture animal feeds. Seed manufacturers use about 8% of the local oats supply to make seeds for planting.

Figure 15: Oats Market Value Chain



Source: Percentages calculated from SAGIS data

3. MARKET INTELLIGENCE

3.1 Tariffs

South Africa applies no tariffs on imports of oats originating from other countries. However, South Africa faces various tariff levels when exporting oats to different countries in the world. The following table (Table 5) shows tariffs that are applied by various export markets on oats originating from South Africa.

Table 5 indicates that South Africa is facing import duties when exporting oats to Korea Republic, China and the Democratic Republic of Congo. Although countries such as Mozambique, Zambia and Zimbabwe apply import duties on imports of oats from elsewhere, South Africa can export oats to these countries free of duty due to the preferential tariff structure that is maintained between these countries and South Africa. On the other hand, South Africa exports its Oats free of duty to Botswana, Namibia, Eswatini and Lesotho who are all SACU members. .

Table 5: Tariffs applied by various export markets on oats originating from South Africa.

Importer	PRODUCT	Trade Regime Description	APPLIED TARIFFS 2019	*TOTAL ADVALOREM EQUIVALENT TARIFF 2019*
Namibia	Oats: 100410 (Seed for sowing)	MFN duties (Applied)	0.00%	0.00%
	100490 (excl. seed for sowing)	MFN duties (Applied)	0.00%	0.00%
Eswatini	Oats:100410 (seed for sowing)	Intra SACU rate	0.00%	0.00%
	Oats:100490 (excl. seed for sowing)	Intra SACU rate	0.00%	0.00%
Botswana	Oats:100410 (seed for sowing)	Intra SACU rate	0.00%	0.00%

Importer	PRODUCT	Trade Regime Description	APPLIED TARIFFS 2019	*TOTAL ADVALOREM EQUIVALENT TARIFF 2019*
	Oats:100490 (excl. seed for sowing)	Intra SACU rate	0.00%	0.00%
Lesotho	Oats: 100410 (seed for sowing) Oats: 100490 (excl. seed for sowing)	Intra SACU rate Intra SACU rate	0.00% 0.00%	0.00% 0.00%
Korea	Oats: 100410 (seed for sowing) Oats: 100490 (excl. seed for sowing)	MFN duties (Applied) MFN duties (Applied)	554.80% 3.0%	554.80% 3.0%
China	Oats:(100490) (excl. seed for sowing) Oats: (100410) for Seed	MFN duties (Applied)	2.00% 0.00%	2.00% 0.00%
DRC	Oats: (100410) for Seed Oats: (100490) Other	MFN duties (Applied)	0.00% 10.00%	0.00% 10.00%

Importer	PRODUCT	Trade Regime Description	APPLIED TARIFFS 2019	*TOTAL ADVALOREM EQUIVALENT TARIFF 2019*
Zimbabwe	Oats: (100410) for Seed Oats: (100490) Other	Preferential tariff for South Africa	0.00%	0.00%
Mozambique	Oats: (100410) for Seed	Preferential tariff (SADC) for South Africa	0.00%	0.00%
	Oats: (100490) Other		0.00%	0.00%

Source: ITC Market Access Map

3.2 Performance of the South African Oats Industry

Table 6 below shows the list of importing countries for oats exported by South Africa during the year 2019 as well as volume and value of oats exported by South Africa to such countries.

Table 6: List of importing markets for the oats exported by South Africa in 2019

Importers	Exported value 2019 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2019 (Tons)	Unit value (USD/unit)	Exported growth in value between 2015-2019 (%, p.a.)	Exported growth in quantity between 2015-2019 (%, p.a.)	Exported growth in value between 2018-2019 (%, p.a.)
World	2035	100	1692	1203	4	6	19
Namibia	1105	54.3	855	1292	11	8	70
Botswana	260	12.8	121	2149	7	2	-15
Eswatini	202	9.9	126	1603	30	24	-19
Lesotho	149	7.3	292	510	8	55	92

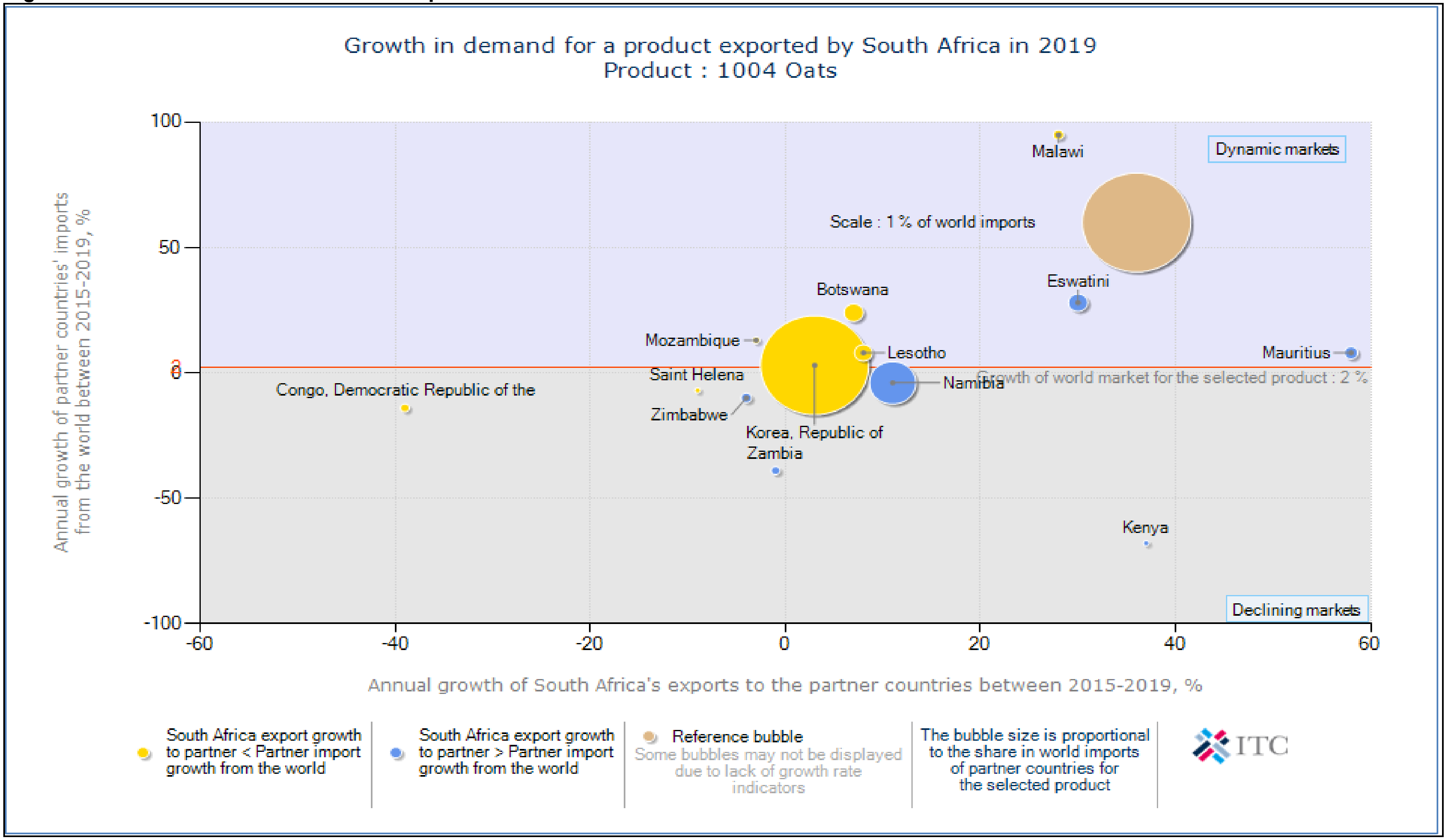
Importers	Exported value 2019 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2019 (Tons)	Unit value (USD/unit)	Exported growth in value between 2015-2019 (%, p.a.)	Exported growth in quantity between 2015-2019 (%, p.a.)	Exported growth in value between 2018-2019 (%, p.a.)
Korea	86	4.2	7	12286	3	-55	-65
Mozambique	49	2.4	27	1815	0	0	0
Zimbabwe	40	2	73	548	-3	-15	132
China	23	1.1	25	920	-4	-11	91
Malawi	21	1	9	2333	0	0	0
Zambia	13	0.6	15	867	28	24	14
DRC	5	0.2	3	1667	-1	19	-86
Saint Helena	3	0.1	1	3000	-39	-36	-1

Source: ITC Trade Map

South Africa export oats mainly to countries such as Namibia, Eswatini, Botswana, Lesotho, Zambia, Korea, Democratic Republic of Congo, Zimbabwe, Mozambique, Malawi, Saint Helena and China. Table 6 indicates that, during the year 2019, South Africa exported a total of 1692 tons of oats out of which about 855 tons went to Namibia. During the same year, Namibia alone absorbed about54.3% of South Africa's total oats exports in value terms while Botswana was a destination for about 12.8% of South Africa's total oats exports. Eswatini imported about 126 tons of oats from South Africa during the year 2019, which represents about 9.9% of South Africa's total value of oats exports. South Africa also exports lower volumes of oats to countries such as Lesotho, Korea Republic, Zambia, China, DRC, Zimbabwe, Mozambique, Malawi and Saint Helena.

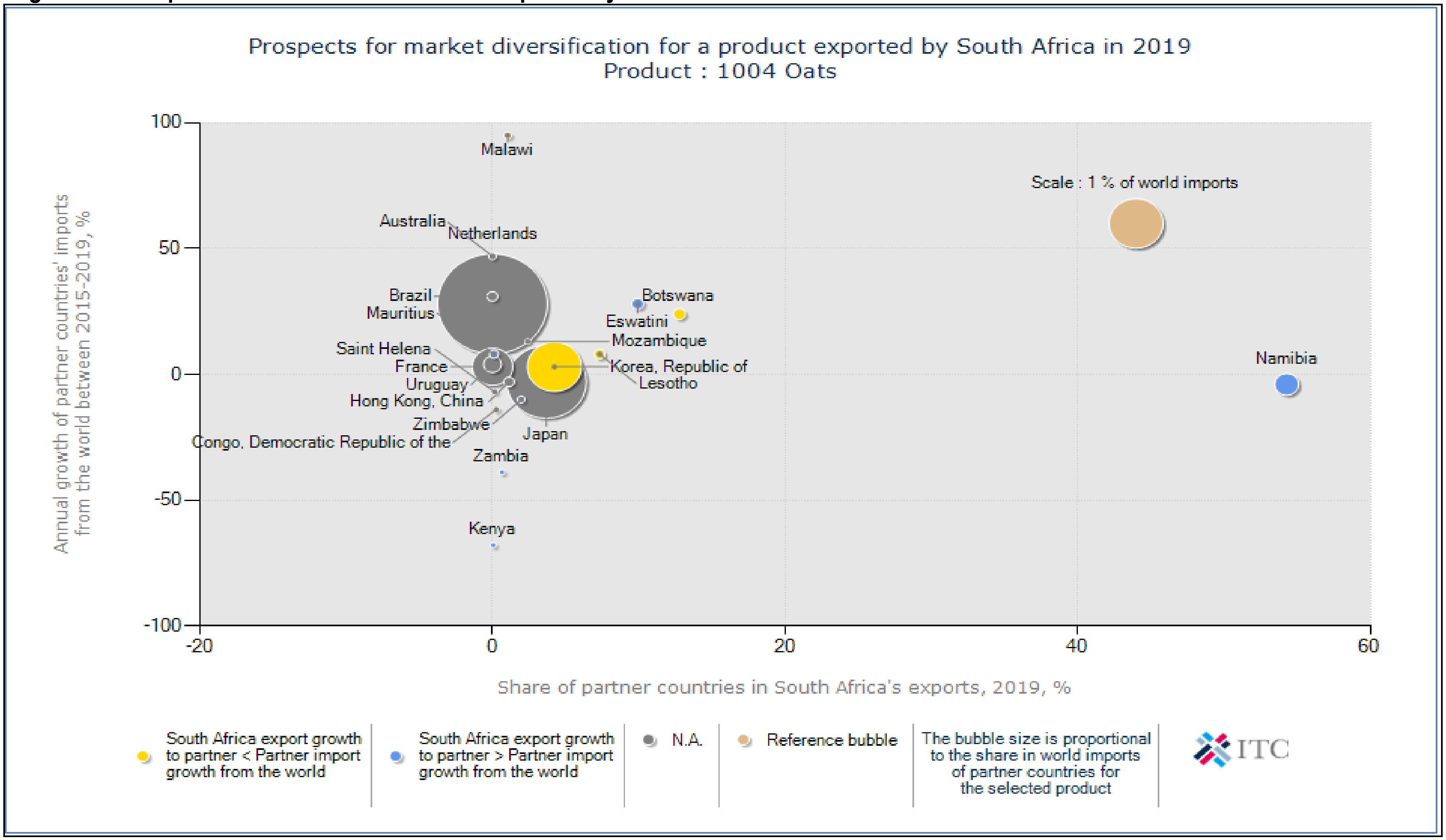
Figure 16 below and Table 6 indicate that South African oats exports to Eswatini increased by 30% and 24% in value and volume respectively between the years 2015 and 2019. On the other hand, oats exports to Zimbabwe declined by 3% in value and 15% in volume over the same period.

Figure 16: Growth in Demand for Oats Exports from South Africa in 2019



Source: ITC Trade Map

Figure 17: Prospects for diversification of oats exported by South Africa in 2019



Source: ITC Trade Map

Figure 17 above indicates that Namibia, Botswana and Eswatini command the greatest share of South Africa's total oats exports to the rest of the world followed by Lesotho, Korea Republic and Zambia. In 2019, Namibia alone absorbed about 54.3% of South Africa's total oats exports (in value terms) while Eswatini and Botswana were destinations for 12.8% and 9.9% shares of South Africa's total oats exports, respectively. If South Africa wishes to diversify its oats exports, the lucrative prospective markets exist in Japan, Mauritius, China and Saint Helena. These countries have remained stable in terms of oats imports from the world over the past few years, but South Africa has not fully exploited the opportunities that exist in these Markets.

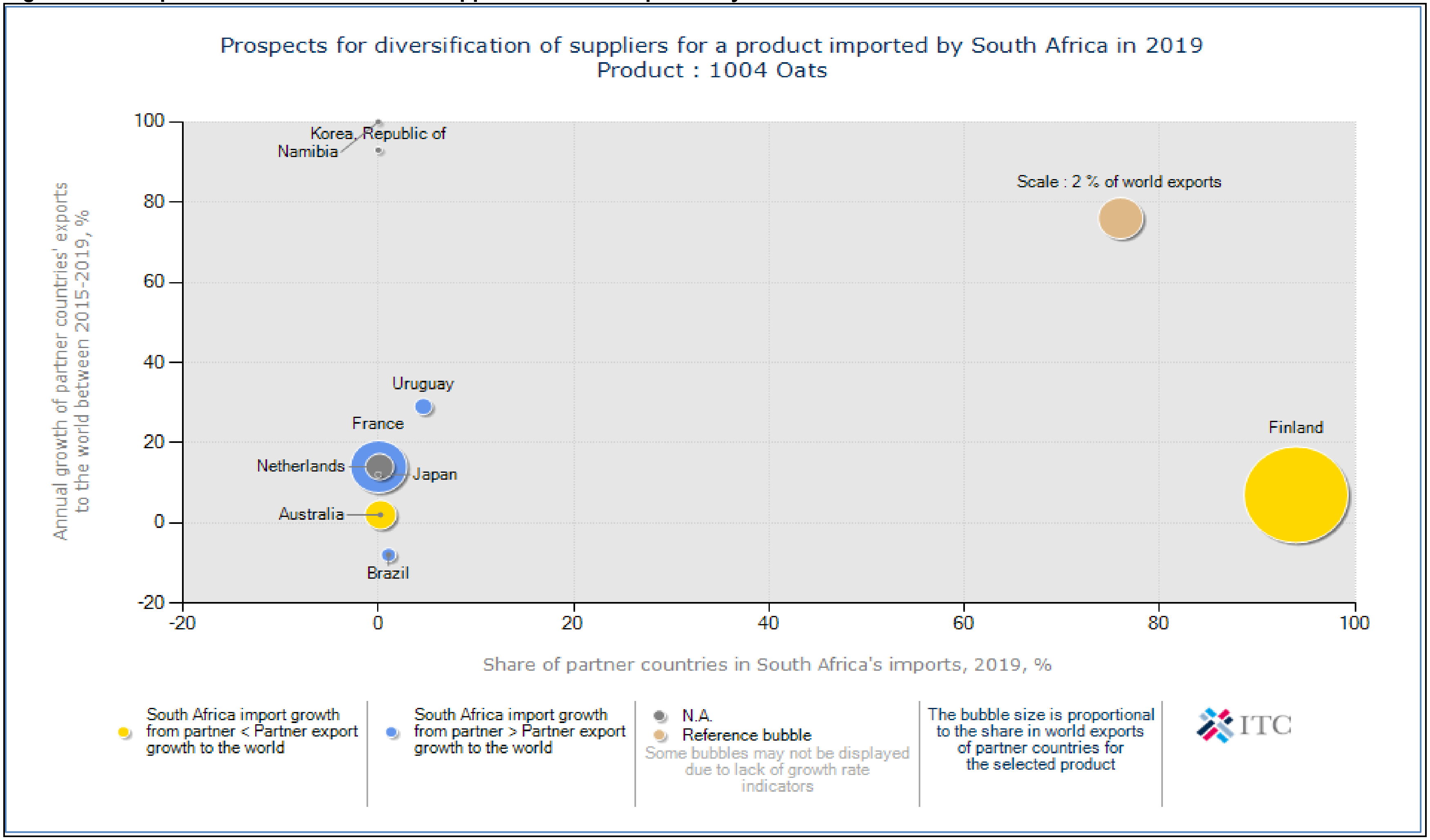
Table 7: List of supplying markets for the oats imported by South Africa in 2019

Exporters	Imported value 2019 (USD thousand)	Share in South Africa's imports (%)	Imported quantity 2019 (Tons)	Unit value (USD/unit)	Imported growth in value between 2015-2019 (%, p.a.)	Imported growth in quantity between 2015-2019(%, p.a.)	Imported growth in value between 2018-2019 (%, p.a.)
World	5719	100	28264	202	-4	0	-43
Finland	5374	94	27500	195	-57	-10	0
Uruguay	264	4.6	605	436	41	50	78
Brazil	60	1	125	480	15	23	61
Australia	13	0.2	27	481	-43	-41	-100
France	2	0	1	2000	806	-16	0

Source: ITC Trade Map

Table 7 and Figure 18 indicate that Finland, Uruguay, Brazil and Australia were the major exporters of oats to South Africa during the year 2019. Consequently, both the table and the figure indicate that South Africa imported about 28 264 volumes of oats in 2019. About 94% of this originates from Finland while approximately 0.2% was procured from Australia, the leading supplier to South Africa in 2017. South Africa's oats imports from the world decreased by 4% in value and remained stable in quantity between the years 2015 and 2019 while those from Uruguay increased by 41% and 50% during the same period.

Figure 18: Prospects for diversification of suppliers for oats imported by South Africa in 2019



Source: ITC Trade Map

4. SUMMARY OF OATS STOCKS

Table 8: Oats supply and demand situation ('000 t)

Marketing Season (01 Oct – 30 Sep)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Mean
Opening stock **(1 Oct)**	23.3	22.9	13	29.2	27.9	10.7	18.3	15.3	27. 6	27.6	20.7
Prod deliveries	37.4	34.0	66.0	56.7	24.6	23.9	38.5	55.6	22. 9	22.9	38.6
Imports	21.0	15.1	10.6	11.0	19.5	45.3	30.2	24.2	38. 6	38.6	24.8
Surplus	0.7	0.3	0.6	7.4	0.0	0.0	0.6	0.2	26.8	26.8	3.7
Available	**82.4**	**72.3**	**90.2**	**104.3**	**52.5**	**79.9**	**87.6**	**95.4**	**89.5**	**89.5**	**83.2**
Processed	44.4	44.6	45.0	51.0	12.1	50.5	61.9	59.4	61. 1	61.1	47.3
-human	39.6	41.5	41.2	43.8	10.4	45.8	49.3	45.6	47. 7	47.7	40.3
-animal	4.8	3.1	4.5	7.9	1.7	4.7	12.7	13.7	13. 5	13.5	7.2
-bio-fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0.0
Withdrawn by producers	5.4	3.8	5.7	7.3	4.5	3.2	0.4	0.4	0	0	3.3
Released to end-consumers	5.2	6.3	8.2	6.2	0.5	3.1	2.1	1.3	6.3	6.3	4.2
Seed for planting purposes	4.7	4.0	3.3	3.5	0.5	3.4	6.4	6.5	4.6	4.6	4.2
Net receipts(-)/disp (+)	0.3	0.3	0.1	0.8	0.0	0.7	0.7	0.1	2.2	2.2	0.5
Deficit	0.0	0.0	0.6	0.7	0.2	0.4	0.0	0.0	0.0	0.0	0.2
Exports	0.1	0.2	0.1	0.0	0.0	0.1	0.1	0.0	1.9	1.9	0.3
Utilized	**59.5**	**58.6**	**62.4**	**68.9**	**13.6**	**61.4**	**72.1**	**67.6**	**66.7**	**66.7**	**58.6**
Closing Stock (30 Sep)	**22.9**	**13.7**	**29.2**	**27.8**	**39.0**	**18.3**	**15.3**	**27.6**	**22.7**	**22.7**	**23.9**

Source: SAGIS

According to Table 8 above, the local oats producers are currently capable of supplying an average of about 38 thousand tons of oats to the market per annum. This is not sufficient to meet the local demand as the domestic processing is estimated at an average of 47.3 thousand tons per annum. The existing deficit is matched through imports originating mainly from Finland, Uruguay, Brazil and Australia. On average, South Africa imports about 24.8 thousand tons of oats annually making the total average volumes available for the year 2017/18 be about 89.5 thousand tons. The closing stock for 2017/18 marketing season was 22.7 thousand tons and this is slightly lower compared to a ten year average of 23.9 thousand tons. It is also clear from Table 8 that about 85.2% of the total oats processed locally is used for human consumption while only 15.2% goes to animal feed.

5. ACKNOWLEDGEMENTS

The following organizations are acknowledged:

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ITC Market Access Map
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ITC Trade Map
Website: http://www.trademap.org

USDA Foreign Agricultural Service
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FAO Statistics
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