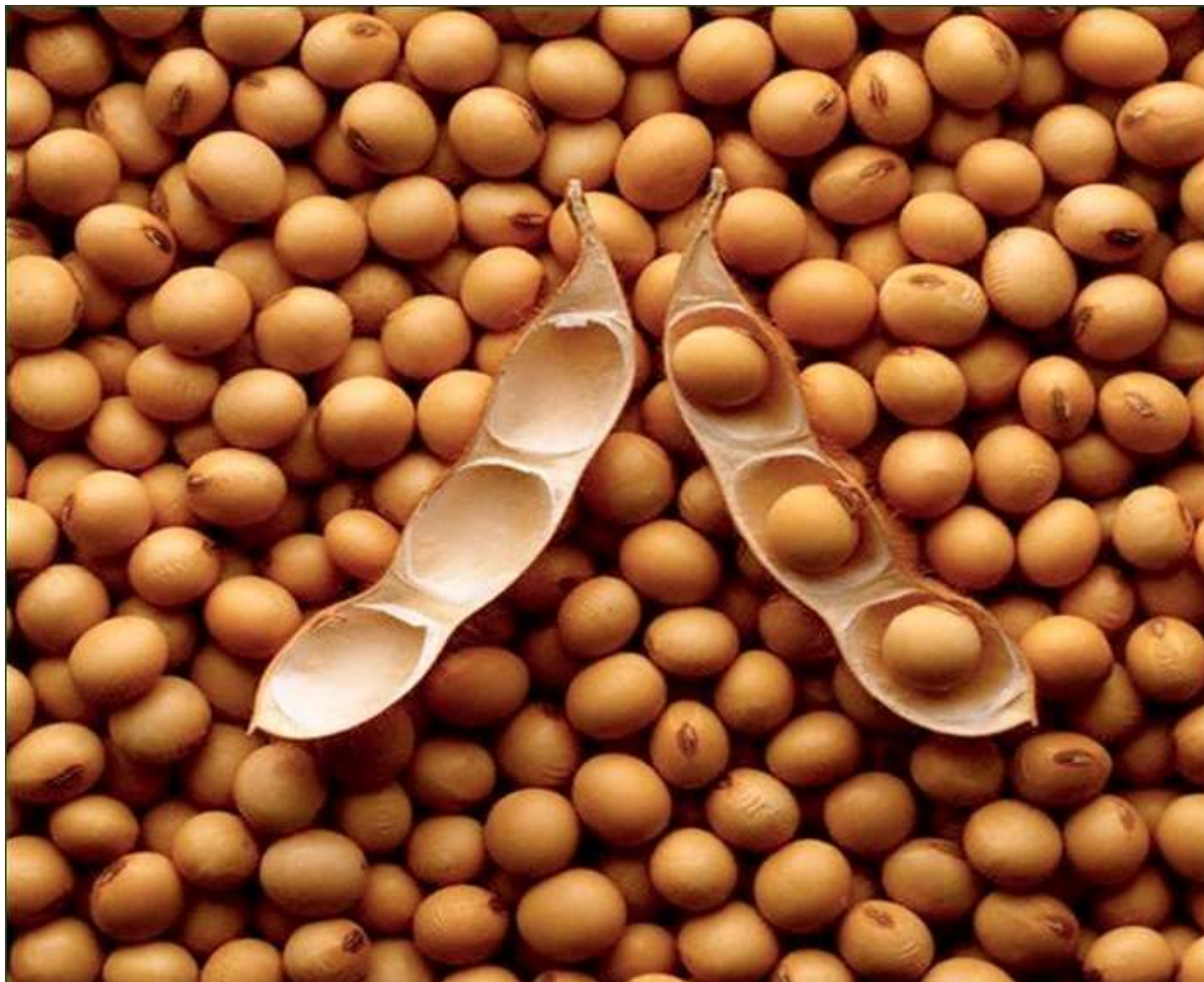


A PROFILE OF THE SOUTH AFRICAN SOYABEAN MARKET VALUE CHAIN

2020



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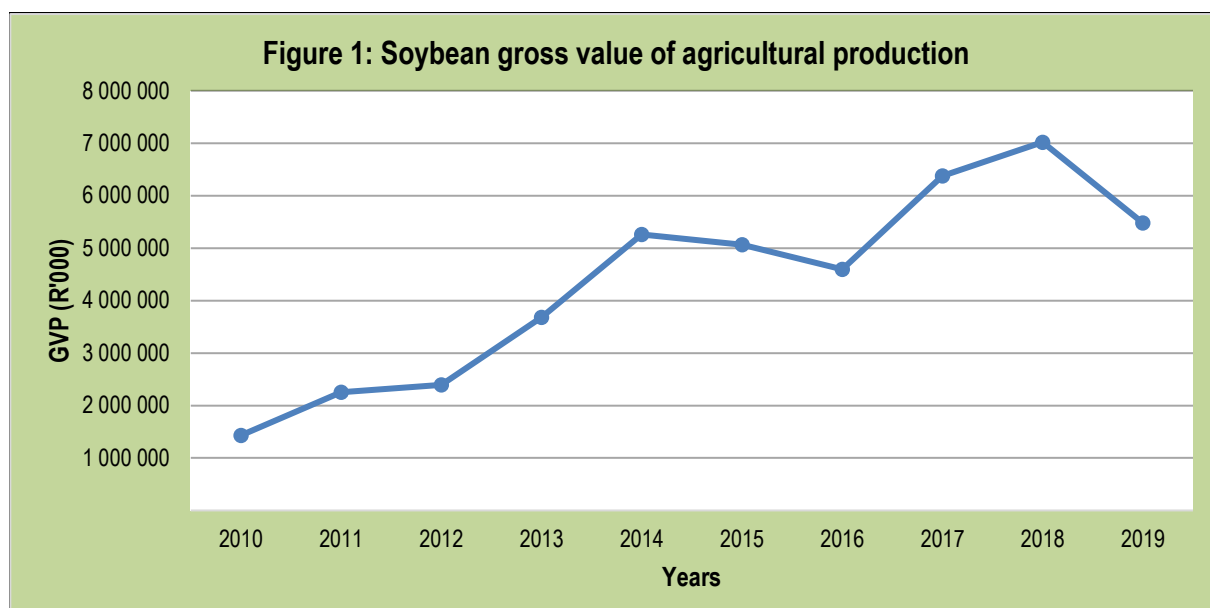
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1 DESCRIPTION OF THE INDUSTRY

The interest in soybean products has been recently growing in South Africa because of the health benefits associated with these products. Soybean consumption in the country is estimated at 77% for oil and oilcake, 20% for animal feed (especially in the broiler and egg industries) and 3% for human consumption. Soy oil (18% of the seed) is processed to specific oil products for use in the food industry. Soybean products also have very specific advantages such as the lowering of cholesterol and combating of heart diseases. Soybeans also serve as valuable source of proteins for vegetarians.



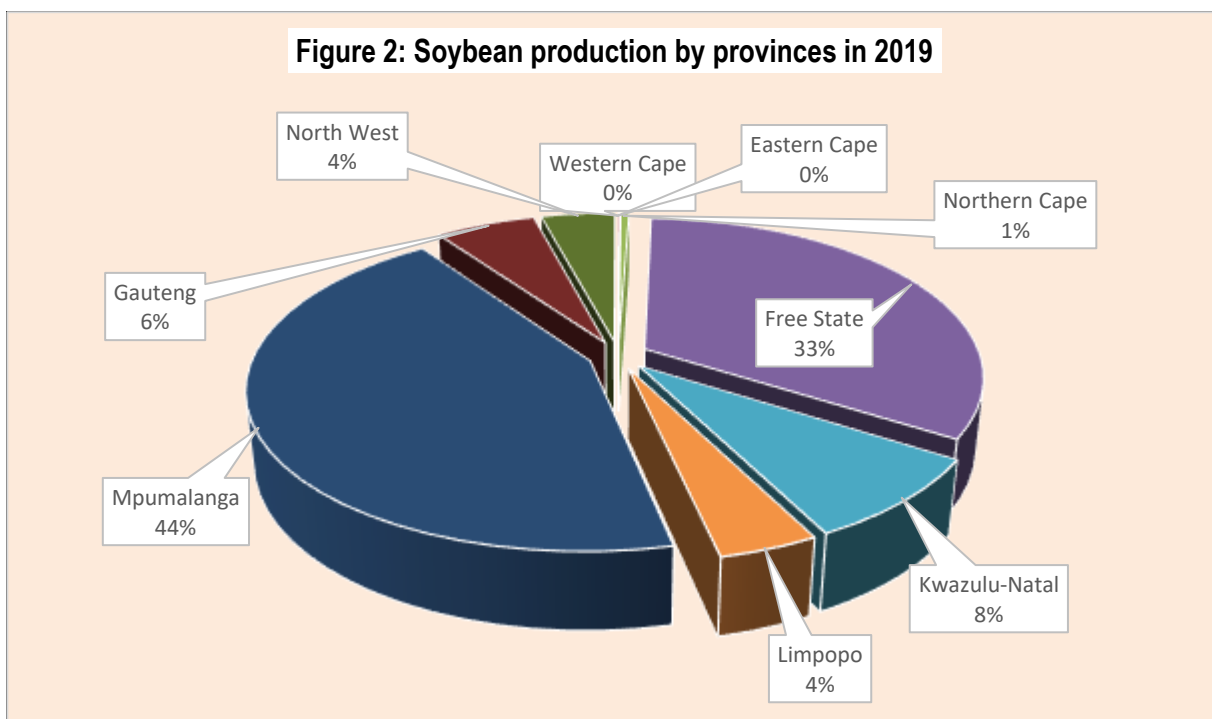
Source: Statistics and Economic Analysis

Figure 1 above shows the gross value of soybean production between 2009 and 2018. Generally, the gross value of soybean showed an increasing trend throughout until a slight decrease was experienced in 2015/2016. The contribution of the soybean industry to the Gross value of agricultural production corresponds with the trend in the area planted and total production for soybeans. The industry's contribution to the gross value of agricultural production was at moderate levels during 2009 season and sharply declined during the year 2010. This was followed by considerable fluctuations from 2011 until the highest gross value of agricultural production was attained in 2013/2014 season. However, the gross value of production slightly declined again in 2015/2016. The period under review closed with an increasing gross value of soybean production from the year 2016/17 until it reached a 10 years record during 2017/18. The observed fluctuations in Soybeans GVP are as a result of inconsistencies in both production volumes and prices of soybeans over the period under analysis.

1.1 Production Areas

The contribution of various provinces to the national Soybeans production is depicted in Figure 2 below. The figure indicates that Soybean is mainly produced in Mpumalanga, Free State, KwaZulu-Natal, Gauteng, North West and Limpopo Provinces. These six provinces accounted for approximately +80% of the total Soybeans production in the country in 2017 and 2018, respectively. Mpumalanga Province

produces the greatest quantities of soybeans in Nkangala and these quantities were produced in the Steve Tshwete area. It is followed by the Free State Province where Thabo Mofutsanyane and Lejweleputswa districts were found to be the main producers of soybeans in 2018.



Source: Statistics and Economic Analysis

In KwaZulu-Natal Province most soybeans productions occur in the eThekweni and Umzinyathi districts. While production took place in two districts in the North West Province namely, Bojanala and Dr. Kenneth Kaunda. Some volumes of soybean were also attained from Limpopo province. In Gauteng Province, Germiston in Ekurhuleni district, Mogale City in West Rand district, Johannesburg and Midrand in City of Johannesburg district and Centurion and Tshwane in City of Tshwane district are the main producing areas. Small quantities of soybeans were also produced in the Eastern Cape, Western Cape and Northern Cape provinces.

Table 1: Soybean production by provinces

PROVINCE	Productio n (tons) 2015	Productio n (tons) 2016	Productio n (tons) 2017	Productio n (tons) 2018	Productio n (tons) 2019	Mean
Western Cape	1600	1200	1100	400	400	860
Eastern Cape	2100	2100	2800	3000	3000	2720
Northern Cape	14000	12400	10500	9000	9000	11980
Free State	366000	156600	402500	517500	517500	358920
KwaZulu-Natal	102900	60 000	85400	124000	124000	94060
Limpopo	72000	58800	31200	55000	55000	56600
Mpumalanga	389900	363000	433800	555000	555000	415340
Gauteng	69000	52500	58400	60000	60000	57460

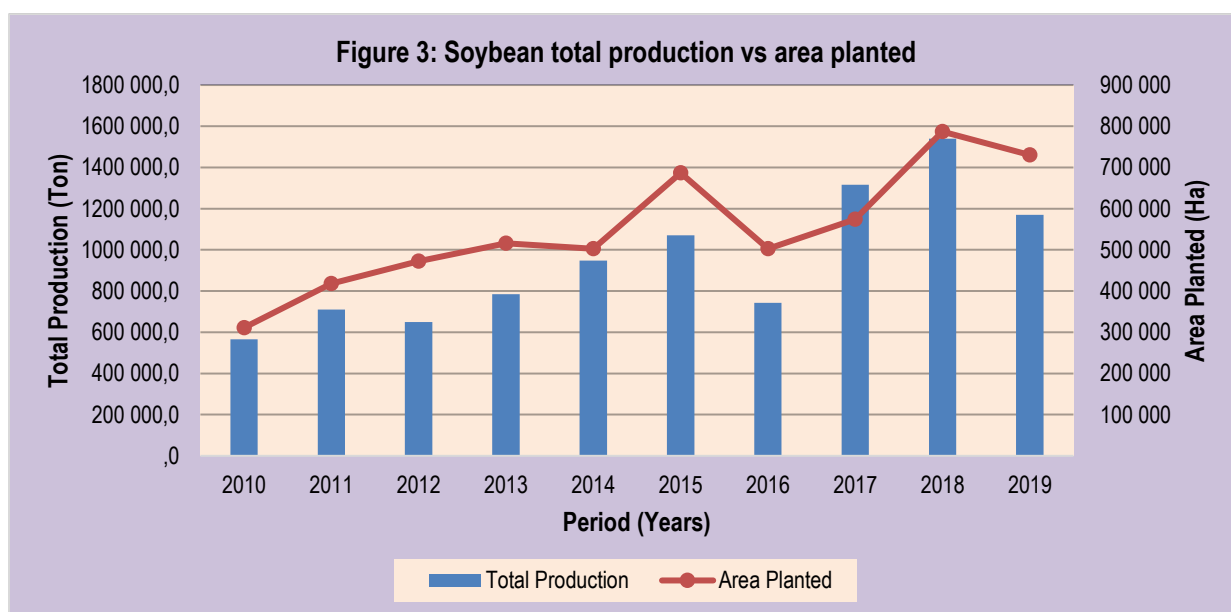
PROVINCE	Production (tons) 2015	Production (tons) 2016	Production (tons) 2017	Production (tons) 2018	Production (tons) 2019	Mean
North West	52500	18000	44800	50800	50800	39620

Source: Statistics and Economic Analysis

In general over the past five years, Mpumalanga Province has been the major producer of soybeans followed by the Free State, KwaZulu-Natal, Limpopo, Gauteng and North-West provinces. The Western Cape, Northern and Eastern Cape provinces of South Africa have been the least producers of soybeans, with Western Cape Province going out of production of this crop in 2014 production season. On average, Table 1 shows an increasing trend in the production of soybeans in the major producing regions of the country. This is evident from the increases in production volumes in 2015 compared to the 2014 production season in all the provinces. The production of soybean across major production regions closed lower in 2016 as compared to 2015. Similarly in 2018, production of soybean from all major production regions closed higher.

1.2 Production Trends

On average, soybean production in South Africa is between 800 000 and 100 000 tons per annum at an average yield of 1.7 to 2 tons per hectare under dry land conditions. As illustrated in Figure 3 below, the area planted to soybeans has shown some fluctuations since 2009/10 to 2018/19 season with a sharp decrease during 2013/2014 season due to unfavourable weather conditions. Soybeans production volumes have also been fluctuating in response to the variability occurring in area planted to soybeans. A sharp increase in soybean production was experienced between 2012/2013 and 2014/15 production seasons. This was mainly as a result of a continuous increase in area planted stimulated by an increase in local demand.



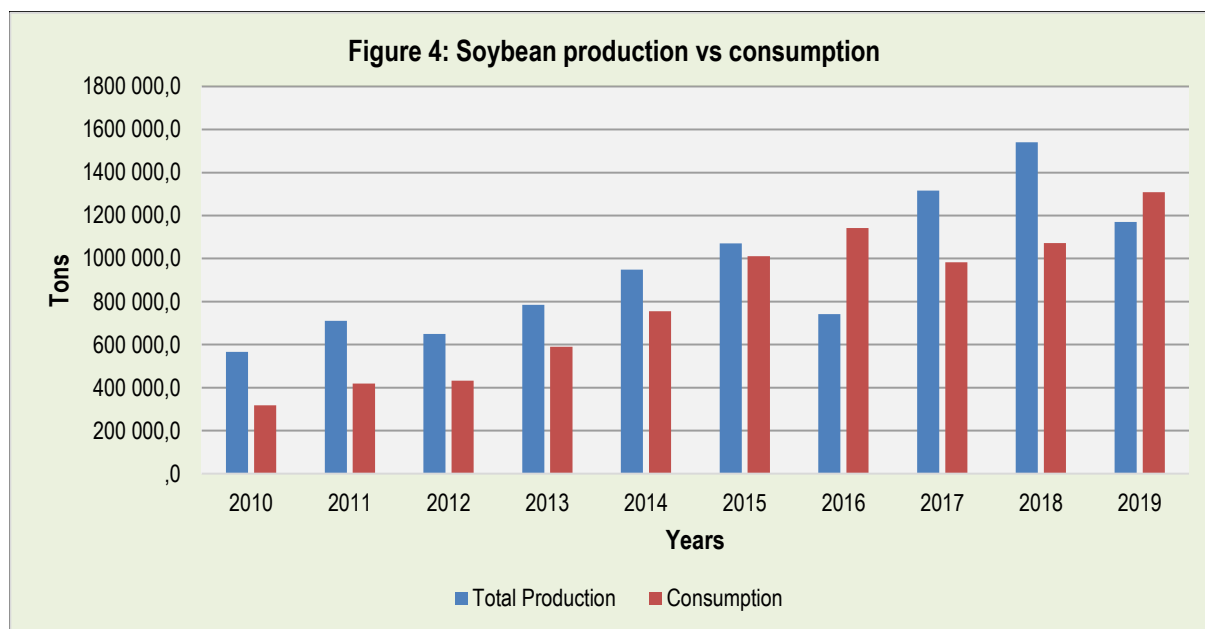
Source: Statistics and Economic Analysis

The period under analysis was characterised by fluctuations in production volumes as indicated in Figure 3 above. The production volumes of soybean were recorded slightly higher during 2014/15 season and this may be explained by increased area allocated to soybean in major producing provinces as well as improved yields. The production of soybean further declined towards 2015/16 production season and this might be as results of drought conditions experienced in the country at that period. However, the production of soybean closed with the highest record crop in 2017/18 as compared to the previous season due to favourable weather conditions and increased area planted in the major production zones. This was later followed by a decline in both area allocated and production volumes of soybean during the 2018/19 production season. This can be attributed to the decline in producer prices during the same period.

2 MARKET STRUCTURE

2.1 Domestic Market and Prices

Figure 4 generally illustrate that local soybean production was well above the domestic consumption for the most part of the period under review. The year 2015 is the only exception where local consumption was greater than soybean production, implying that there was a shortage of soybean in South Africa during that year due to the occurrence of severe drought. It is also important to note that from the beginning of the marketing season in 2009 to 2014, the production of soybean increased significantly and it eventually outstripped the consumption of soybean which implied that South Africa was producing more as a result of increased area under soybean during these years, even though a slight decrease in both the local production and consumption of soybeans was recorded in 2012. However, both local production and consumption of soybeans begin to increase again until a peak was attained in both consumption and production during the 2015 marketing season. During the respective years 2016/17 and 2017/18, soybean production posted a drastic increases above consumption. The period under review closed with a slightly higher soybean consumption above soybean production mainly as a result of a decline in producer prices during that particular season.



Source: Statistics and Economic Analysis

The demand for soybeans largely comes from the crushing or processing industries. The increase in demand for meal and soybean oil is mainly as result of rising income levels as well as the improved crushing capacity. Higher demand for livestock products as a result of rising incomes (per capita GDP) and population also leads to increased demand for soybean; this is because the demand for animal feed increases as the production of livestock rises to meet the ever increasing food demand. As such the demand for oilseed meal also rises as more protein feed is being demanded. Likewise, rising incomes and populations will also lead to a greater consumption of vegetable oils as the demand for cooking oils and dairy products increases. However, the use of soybean oil in cooking and other food preparation activities is relatively lower compared to other vegetable oils.

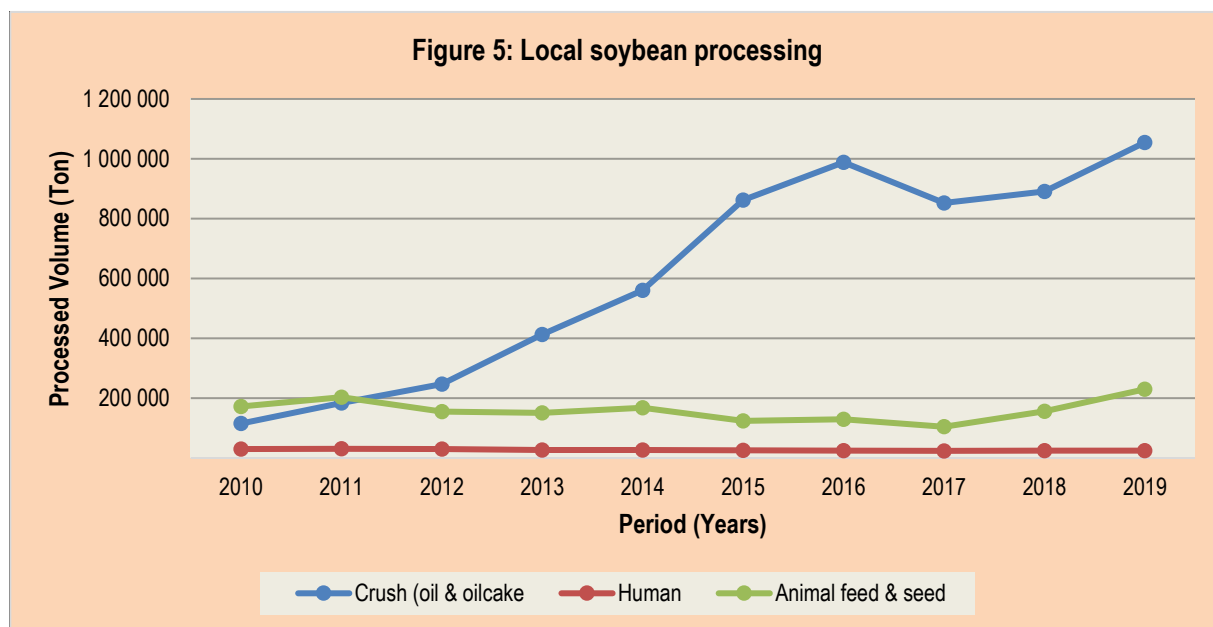
Domestically, soybeans are sold to expressers who produce oil, oilcake and animal feed as well as to seed manufacturers. They are also sold directly to consumers for the edible market and for feeding of livestock as full fat soya. Table 2 below shows the annual soybean harvest in South Africa, the value of the crop and the producer prices since the year 2009. Generally the table indicates that the South African soybean producer prices had shown relatively stable shifts above R2500/ton over the season. The table further illustrates that soybean producer prices opened higher in 2009 attaining about R3 187/ton, however this was followed by a decline in producer prices between 2010 and 2011. Table 2 below also indicates that soybean harvests started at lower levels from the beginning in 2009. However from 2010 to 2011 the soybean harvest recorded a sharp increase. This was followed by an 8.45% decrease in harvests in 2012, which improved in 2013 and 2014 when the volumes of soybean harvested increased by 20.69% and 20.84% respectively. The table shows a further decline in both production and producer prices during 2015, which can be explained by the bad weather conditions (drought) during that season. However, in 2016 both soybean production and prices increased, with production reaching a peak at 742 000 tons, 100% more than the previous season. The period under review closed with a decreasing trends for both soybean production and producer prices in 2018 as compared to the previous year 2017.

Table 2: Annual soybean harvest in South Africa

Annual Soybean harvest in South Africa				
Year	Tons	Value R'000	Rand per Ton	% Change in Rand per Ton p.a.
2010	710 000	2 255 238	3 176.39	25.65
2011	650 000	2 394 700	3 684.15	15.99
2012	784 500	3 681 016	4 657.50	26.40
2013	948 000	5 240 906	5 549.81	19.16
2014	107 000	5 063 100	4 731.87	-14.74
2015	742 000	4 602 354	6 202.68	31.08
2016	1316000	6 429 810	4 884,50	-21.25
2017	1550800	7 138 806	4 593,32	-21.25
2018	1276000	6 022 299	4 719,67	2.75
2019	1276000	6 022 299	4 719,67	2.75

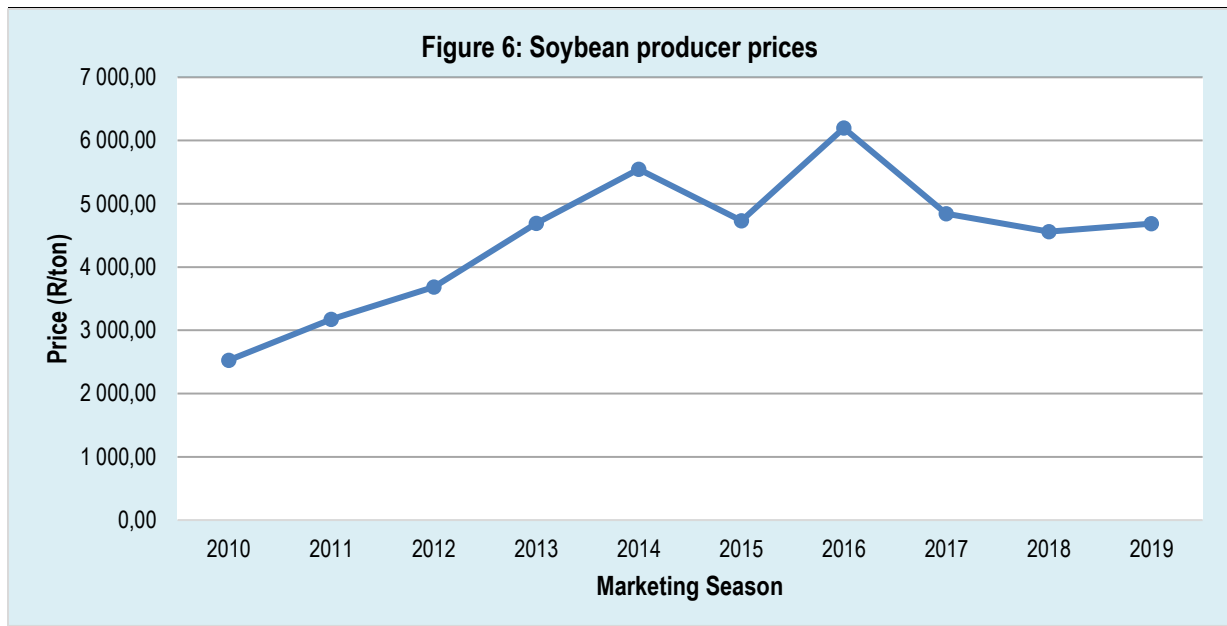
Source: Statistics and Economic Analysis

Figure 5 below show the local soybean processing into various soybeans products (oil/oilcake, human consumption and feed). For the first two seasons of the period under analysis (i.e. from 2009 until 2010) most of the soybeans consumed locally were being fed directly to animals as full fat soya. During that period, very minimal volumes of soybeans were used for the crushing of oilcake and or processed for the human consumption. The expansions that were made in the domestic soy crushing capacity have seen the domestic crushing for soybean expanding to the highest levels over the past four years. The soybean crushing volume increased by over 200% in 2013/14 season compared to the volumes that were crushed in 2010/11. The graph shows even more increases in soya for 2015, with about 1 million tons processed for oil and oilcake. The human consumption component remained very stable at lower levels throughout the period under review. The local soybean processing for oil and oilcake closed higher during the 2018 marketing season.



Source: Statistics and Economic Analysis

Figure 6 shows the producer prices of soybean from 2009 to 2018 marketing season. The period under analysis opened with relatively higher producer price for soybean (R3 187.39/t) attained in 2009, which is 21% lower than the previous year 2008. The lowest producer price for soybeans was experienced during the year 2010, while the highest was experienced during the year 2016 (R6 202.68/t). The period under review closed with declining Soybeans prices during 2018 as a results of stable supply from both local and international markets during the same period.

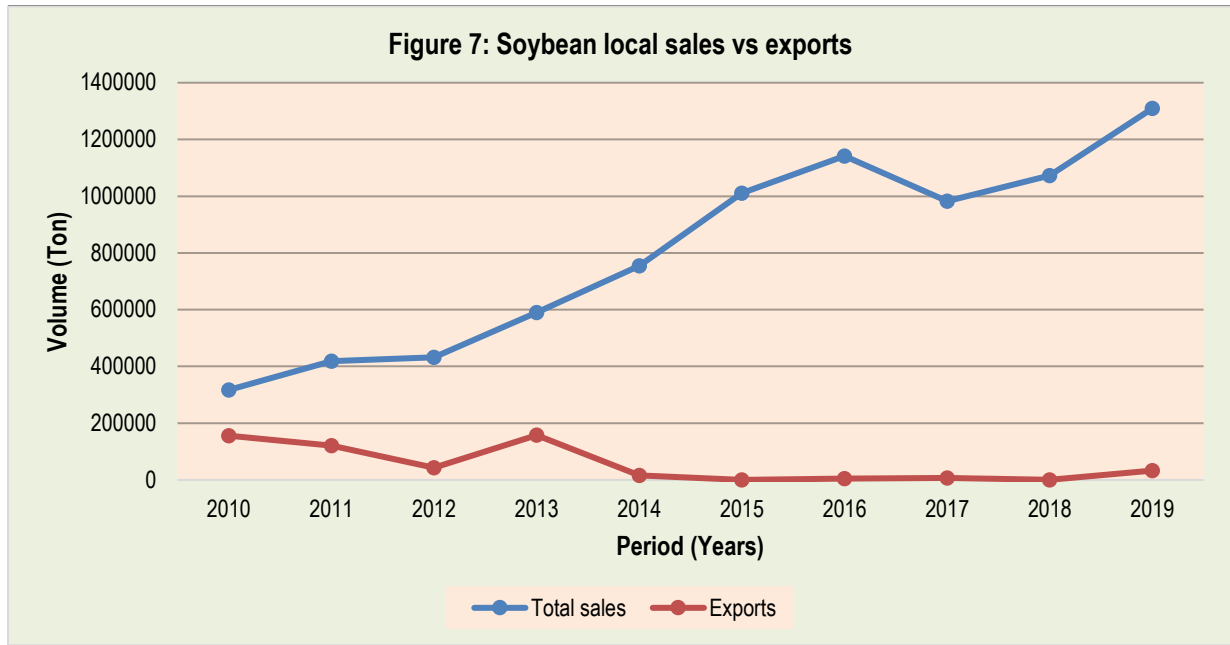


Source: Statistics and Economic Analysis

The main factors influencing local soybean prices include the rate of increase in South American soybean production, the Chinese demand for imported soybeans, marine freight rates, the value of the rand/dollar exchange, the local production, rate and the spread of genetically modified cultivars in the main production areas which could increase yields and help stabilize prices.

2.2 Exports and Imports Analysis

Figure 7 below show local sales of soybean and exports from 2009 to 2018. Despite the increase in the production of soybean for last 10 years, the exports of soybean remained minimal. Soybean exports to various regions in the world have been far below 100 thousand tons for most part of the period under review, as compared to the volume of soybeans sold on the domestic market as shown in Figure 7. Sales of soybeans in the domestic market follow a similar trend as compared to that of the total production, having begun with the lowest levels during 2009 and thereafter increased substantially in 2010 until the end of the period under review in 2018. Local sales of soybeans further increased in 2011, following a consistent increase in the subsequent year. The highest local sales for soybean were attained during the year 2015, with very minimal exports of soybean recorded during the similar period. The period under analysis closed with an increasing local sales of soybean, whereas the exports of soybean remained insufficient.



Source: Statistics and Economic Analysis

Table 3 provides estimates of the most recent soybean import and export volumes and values in South Africa up to 2018.

Table 3: Soybean Imports and Exports

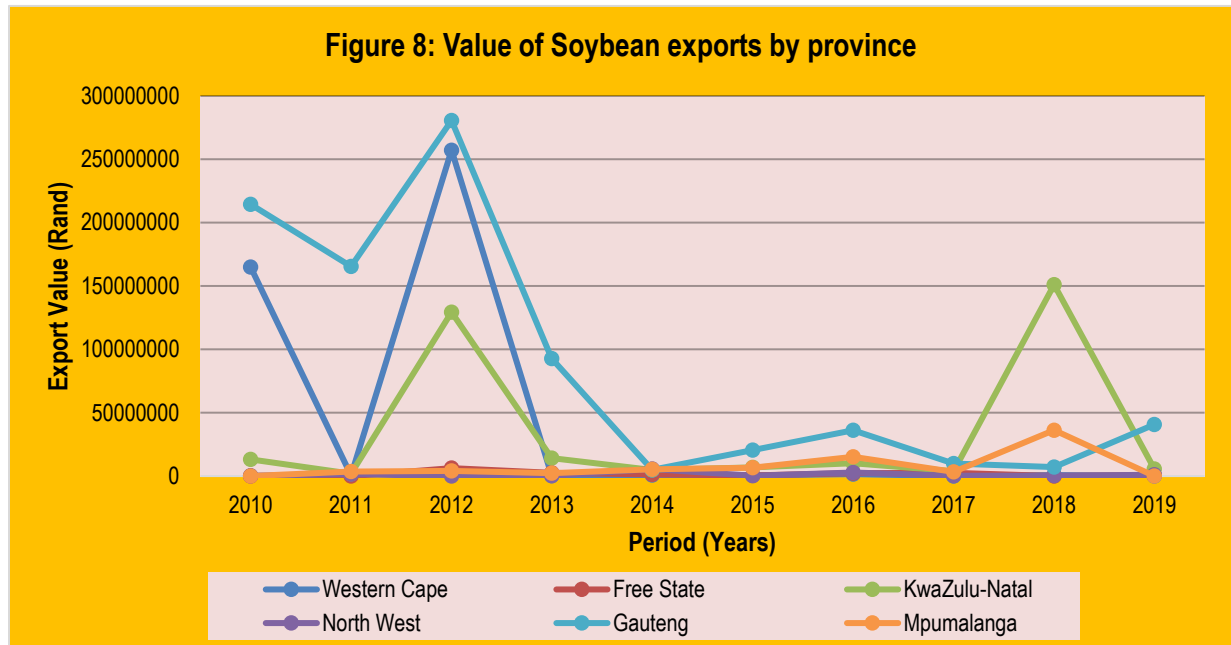
Year	Total Soybean Import Market		Total Soybean Export Market		Trade Balance
	Tons	Value (R'000)	Tons	Value (R'000)	
2011	1 539	7 178	42 800	323 711	316 533
2012	976	7 463	183 958	756 704	68 207
2013	4 488	33 317	16 507	101 506	68 189
2014	3 099	30 982	328	9 118	-21 864
2015	128 380	653 309	4 500	35 471 865	34 818 556
2016	270840	1 518 759	4677	68 613	-1 450 146
2017	31309	143 326	210473	53 157	-90 169
2018	7646	40 971	33511	195 798	154 827
2019	7646	40 971	33511	195 798	154 827

Source: Quantec Easy Data & Statistics and Economic Analysis

Table 3 above shows that soybean exports were higher than the imports during the year 2009 until 2013 as indicated by the trade surplus, this was mainly because of improved area under cultivation and production of soybean during that time. In general, South African soybean exports are not competitive in world terms, but that provided more positive growth during that time. However, exports of soybeans declined significantly during the year 2014 on the back of improved domestic crushing capacity and later increased in 2015. During the respective years 2016 and 2017, South Africa recorded less exports of

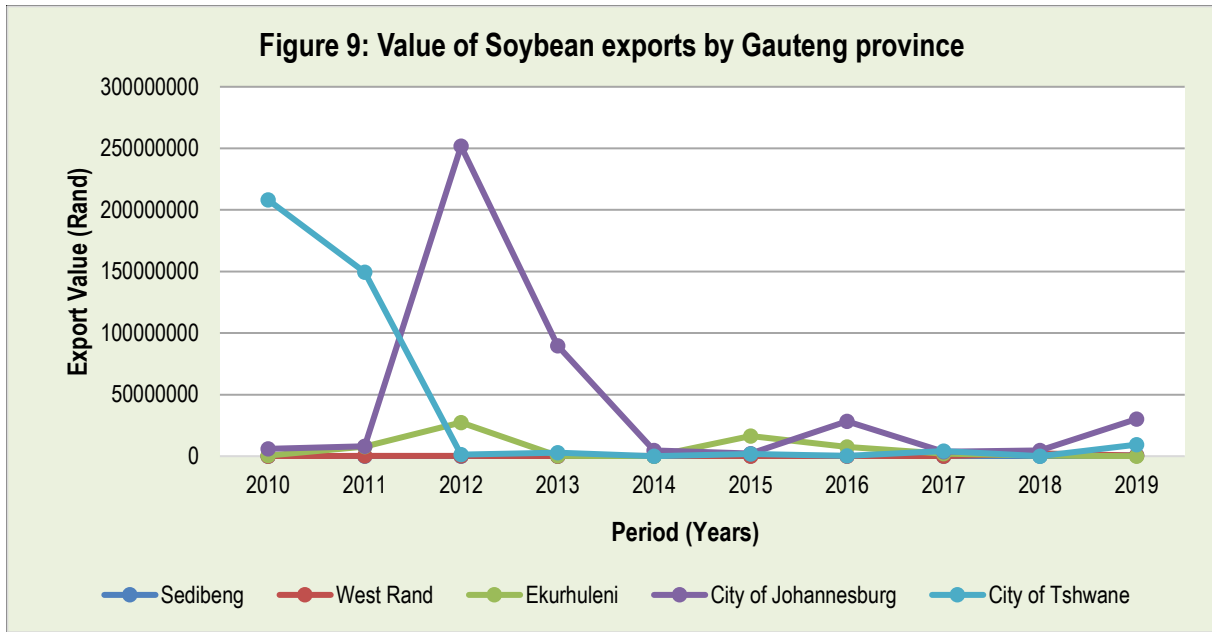
soybean to the world as compared to the imports as indicated by the trade deficit. The period under review closed with higher exports of soybean to the world as compared to imports during the year 2018.

Figure 8 below indicates value of soybean exports from 2009 to 2018 by different provinces of South Africa.



Source: Quantec Easy Data

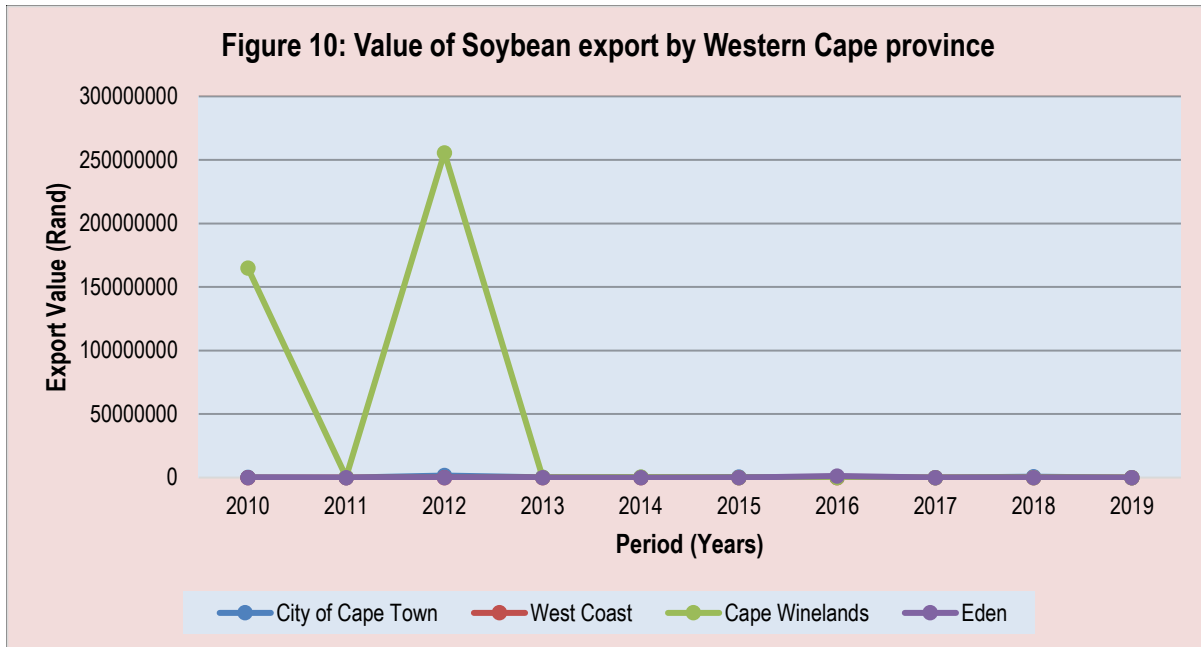
Figure 8 indicates that Gauteng Province was dominant in terms of Soybean exports throughout the period under review mainly due to the availability of a necessary marketing infrastructure in this province. The Western Cape and KwaZulu-Natal provinces have also shown significant exports of soybean over the analysis period. The figure above shows that most of the soybean is exported through the Gauteng Province in spite the fact that Mpumalanga and Free State are the top producers of soybeans in the country. This is attributable to the presence of exporters, processors and favourable agro-logistics in Gauteng as compared to other provinces. Very minimal values of soybean exports were recorded from Limpopo, Free State, Mpumalanga and North West Provinces during the entire period under review.



Source: Quantec Easy Data

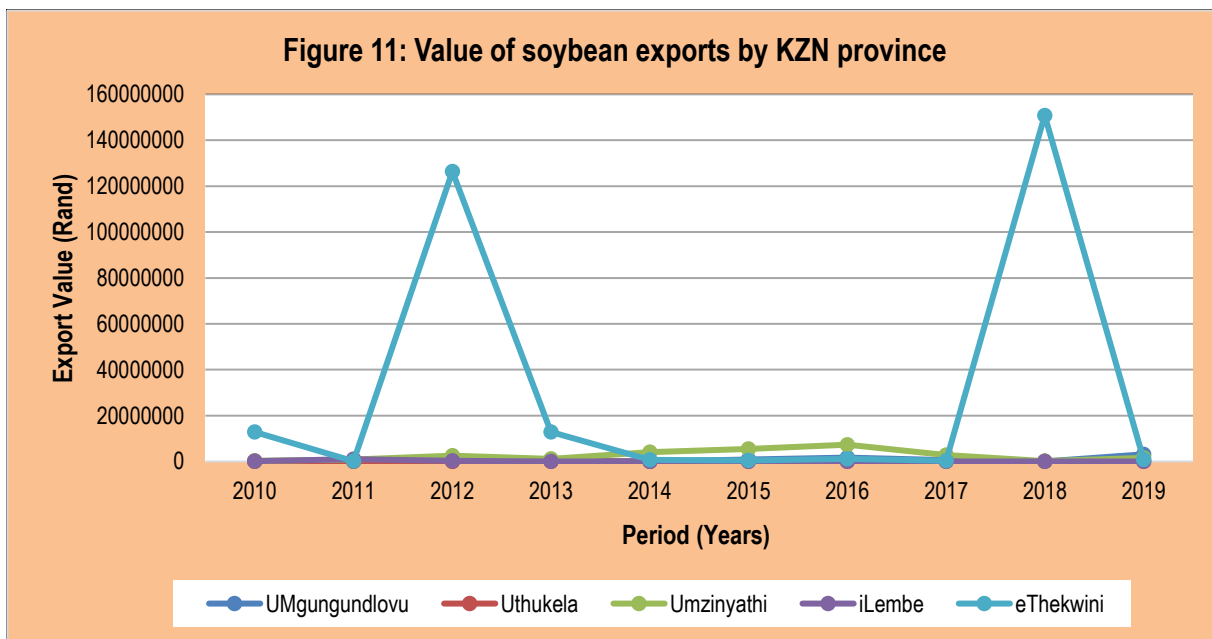
Figure 9 above shows the value of soybean exports from various district in Gauteng province between the years 2009 and 2018. City of Johannesburg and City of Tshwane were dominant throughout the period under review mainly due to the availability of infrastructure and logistics suitable for exportation of various products in the two regions. Soybeans exports from the City of Johannesburg were higher and above that from the City of Tshwane during the year 2009. This was followed by a dramatic decline in the value of soybean exports from the City of Johannesburg, with more originating from Tshwane during 2010. The highest soybeans exports from Gauteng province were recorded from the City of Johannesburg during 2012. However from other districts, soybeans exports remained minimal throughout the period under review. Irregular export values for soybeans have also been recorded for the West Rand District Municipality and the Ekurhuleni Metropolitan District in recent years. Soybeans season closed with very minimal exports value between 2014 and 2018 and this may be as a result of declining producer prices and reduced production volumes in major producing areas.

Figure 10 below outlines the value of soybean exports from Western Cape Province. City of Cape Town Metropolitan Municipality has, for several years, been the major exporter of soybeans owing to the role played by the Cape Town harbour in the trading of grain. However, soybean exports from the Western Cape Province remained lower throughout the period under review. Ample exports of soybeans were recorded from Cape Winelands District between 2009 and 2010 and surpassed those originating from both Eden and the City of Cape Town. During the years 2010 and 2012, Cape Winelands District exported soybeans to the tune of more than R16 million respectively, with 2012 attaining the highest pick at more than R25 million. All districts closed with lower values of soybean exports in 20187.



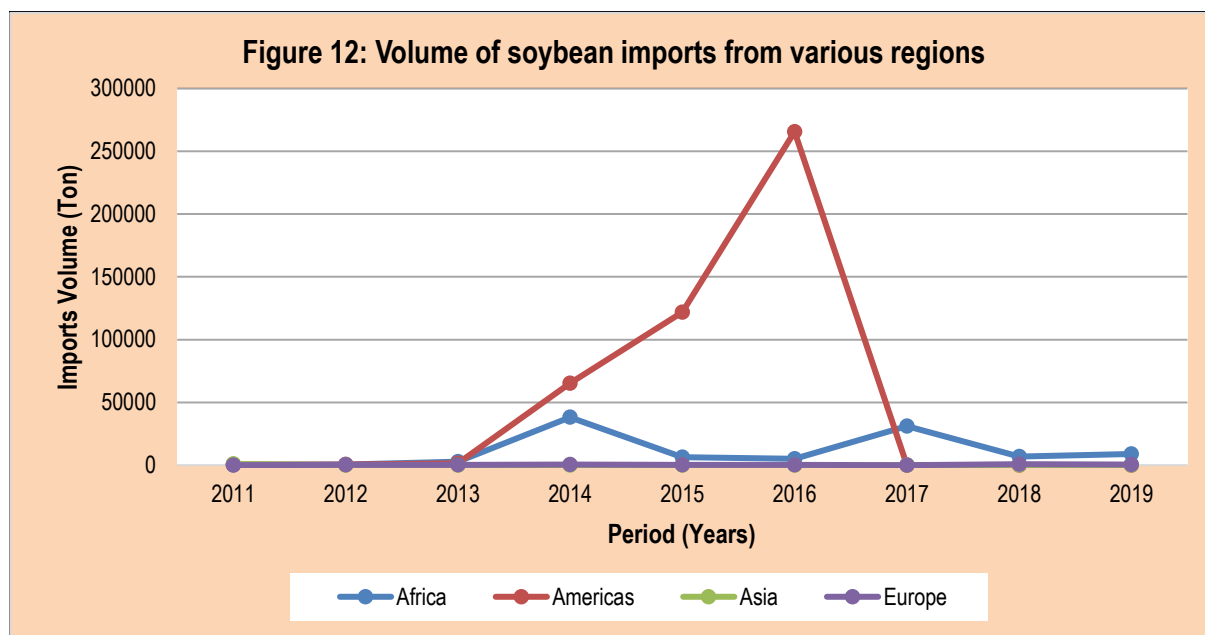
Source: Quantec Easy Data

Figure 11 below, indicates the value of soybean exports from KwaZulu-Natal province from 2009 to 2018. The figure indicates that from KwaZulu-Natal Province, soybeans are exported mainly through UMzinyathi District and EThekweni Metropolitan Municipality. This province's export capacity is enhanced by the presence of the Durban harbour through which soybean can be traded. EThekweni Metropolitan Municipality remained a dominant exporter of soybean throughout the period under review, with most being exported between the years 2009 and 2013. Minimal exports of soybeans also occurred intermittently through the UMzinyathi district during the period under review. The period under review closed with the record high soybean exports attained from Ethekweni Metropolitan Municipality, way above that from Umzinyathi District during 2018.



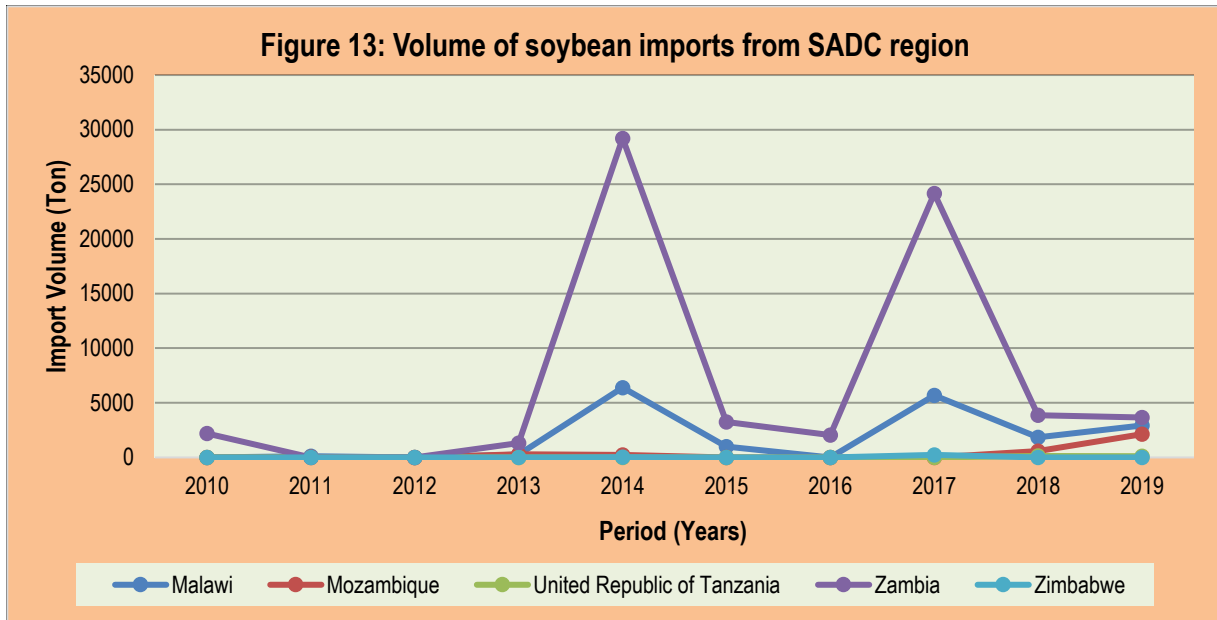
Source: Quantec Easy Data

Figure 12 below shows that South Africa imports soybeans mainly from the Americas, Africa, Asia and Europe. The trend in Figure 12 indicates that the volume of soybean imports from the Americas has been greater than those from the rest of the other continents. This is mainly due to the fact that the biggest producers of soybeans such as USA, Argentina and Brazil are located in the Americas. However, very minimal soybean imports from Americas were recorded from 2009 until 2013. The figure further illustrates very minimal volumes of soybean imports have recorded from African, Asian and European countries during the period under review. Volumes of soybean imports from the Americas increased drastically and reached a peak above all other regions in 2016. The period under analysis closed with declining import volumes from Africa and fewer originating from the rest of the regions during 2018.



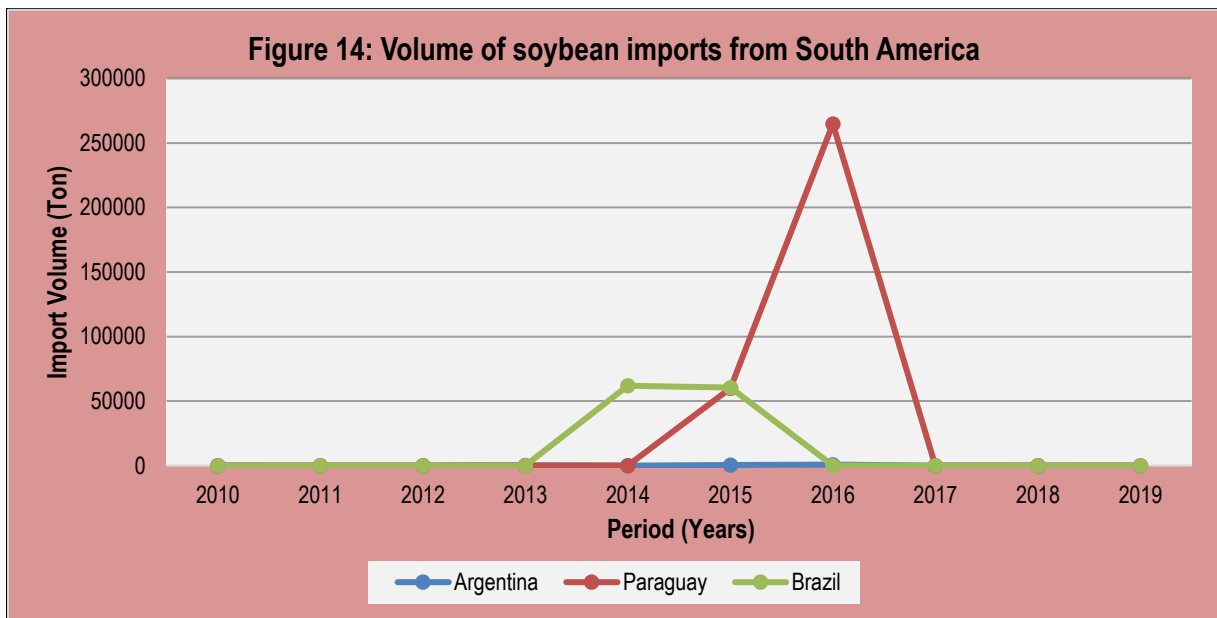
Source: Quantec Easy Data

Figure 13 below summarizes the trend of soybean imports from the SADC region. The figure illustrate that the volume of soybean imports from the SADC region into South Africa were at lower levels from the year 2009. The figure further shows that Zambia is the major exporter of soybean to South Africa in the SADC region. There were significant soybean imports originating from Malawi and Tanzania while imports from Zimbabwe and Mozambique remained minimal throughout the period under review. The period under review recorded the highest import volumes from Zambia followed by Malawi during the year 2014. This was followed by a drastic decline in the volumes of soybean imported into 2015 and 2016 marketing seasons. Volume of soybean imports from SADC region increased sharply in 2017, with most imports originating from Zambia. The period under analysis closed with declining soybean imports from SADC region in 2018.



Source: Quantec Easy Data

Figure 14 below depicts imports of soybean originating from South America from 2009 to 2018. The figure illustrates that South Africa imports soybean mainly from Argentina and Brazil, with very minimal from Paraguay. Imports from Argentina were generally lower while those from Brazil were higher, particularly in 2009. Soybean imports from Argentina were generally lower throughout the period under analysis. The reviewed period closed with lower imports volumes from the South American region in 2018. Some significant amount of soybean imports were recorded between 2013 and 2014 mainly originating from Brazil and Paraguay respectively, with minimal amount coming from Argentina.



Source: Quantec Easy Data

2.3 Share Analysis

Table 4 below indicates that, over the ten year period under review the Gauteng province commanded the greatest share of South Africa's total soybean exports to the world with irregular soybean exports recorded from the KwaZulu-Natal and North West provinces. Minor exports were recorded from both the Free State and Mpumalanga provinces between the years 2009 and 2014, while during year 2013 minor exports were also recorded from the Western Cape Province.

Table 4: Share of provincial soybean exports to the total RSA soybean exports (%)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Province										
Western Cape	42.96	0.01	41.22	0.05	15.42	1.28	1.94	0.03	0.42	0.42
KwaZulu-Natal	2.72	0.02	17.04	11.37	22.50	19.11	14.91	18.69	77.14	77.14
North West	0.00	0.09	0.02	1.89	24.07	1.02	4.03	1.72	0.13	0.13
Gauteng	54.31	99.71	41.72	86.11	21.75	57.94	53.30	48.90	3.70	3.70
Mpumalanga	0,00	0,00	0,00	0,00	11,07	18,82	21,96	16,39	18,52	18,52
Free State	0,00	0,00	0,00	0,01	1,23	1,85	3,53	12,93	0,07	0,07

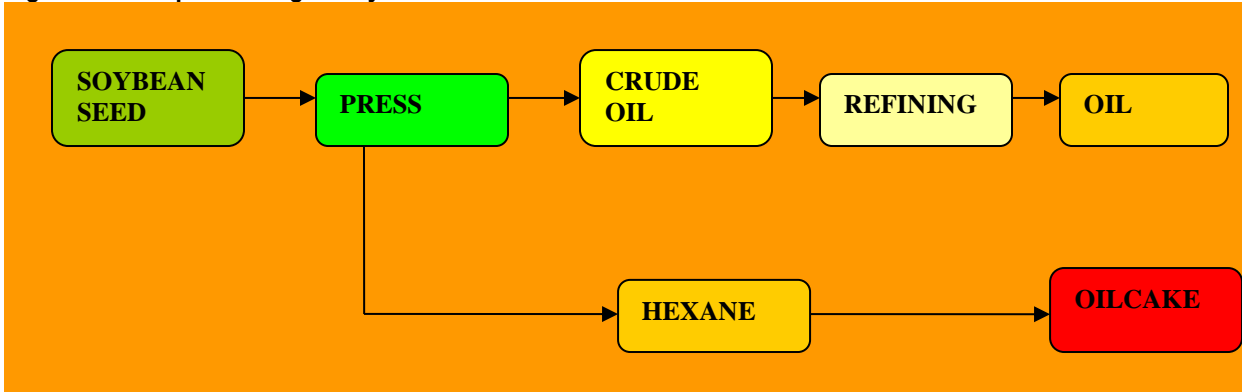
Source: Calculated from Quantec data

During 2014, North West Province and KwaZulu-Natal province accounted for about 24.07% and 22.50% of South Africa's total soybean exports respectively, followed by Gauteng province with a contribution of about 21.75%. In 2016, Gauteng province and Kwazulu Natal continued to dominate with a contribution of 53.30% and 14.91% respectively. The period under review closed with the greatest share of provincial soybean exports recorded from Kwazulu Natal and Mpumalanga provinces in 2018, with both provinces contributing 77.14% and 18.52% respectively.

2.4 Processing, value addition and utilization

During the processing of soybeans, when the seed is pressed, crude oil is released from the seed while the other product that is derived from the process is soybean oilcake. The crude oil is then refined to produce soybean oil as shown in Figure 15 below.

Figure 15: The processing of soybeans

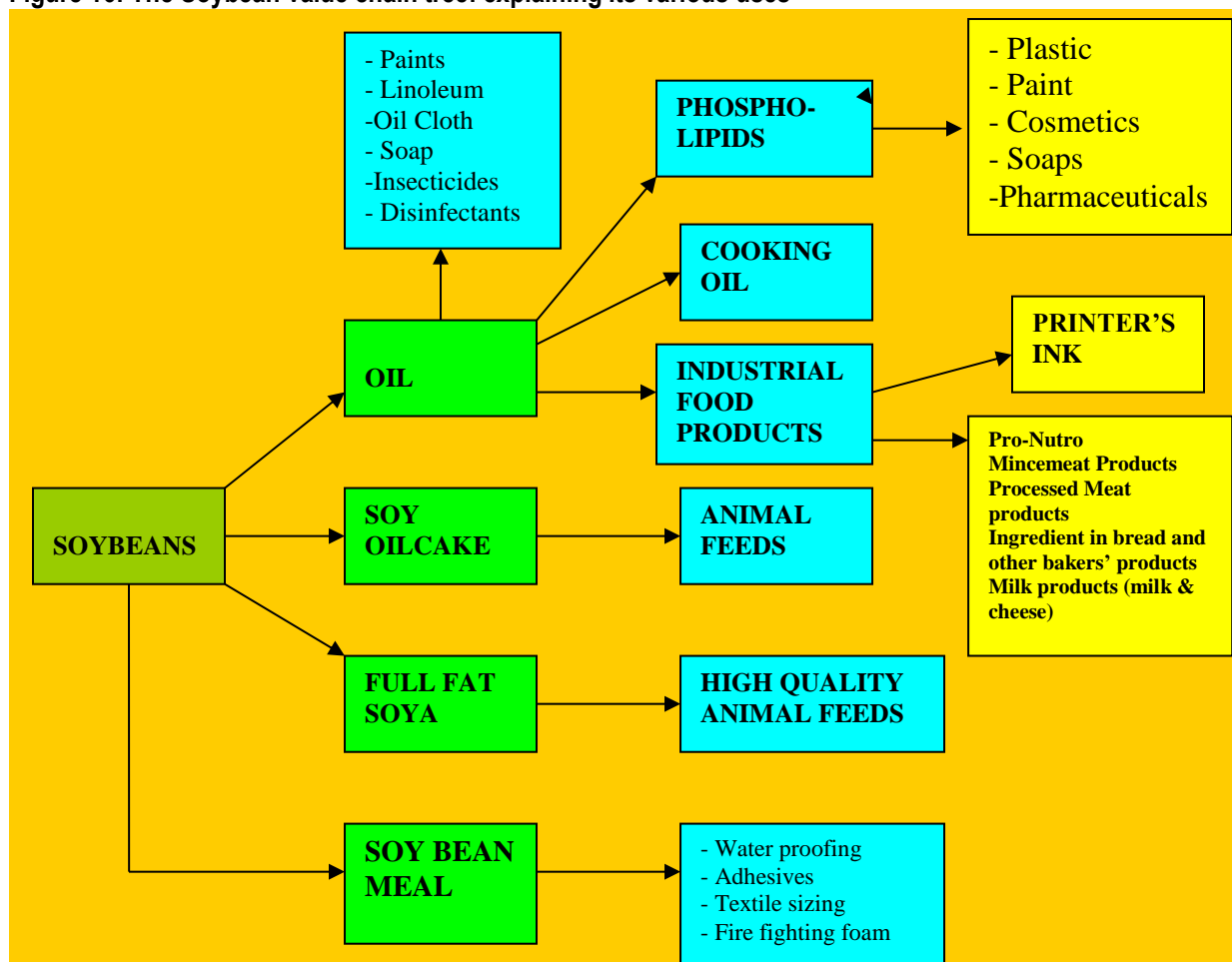


Source: Grain SA

Soybean seeds can be eaten as a vegetable and the dried seeds can be eaten whole, split or spouted. When processed they give soy milk which is a valuable protein supplement in infant feeding which also provides curds and cheese. Soy sauce can be made from mature fermented beans while roasted seeds can be used as a coffee substitute. Soy flour can be prepared from beans while producing full fat flour with about 20% oil. The flour is used in bakeries and other food products and as additives and extenders to cereal flour and meat products and in health foods. Other industrial uses of the oil are that it is used in manufacturing of paints, linoleum, oilcloth, printing inks, soap, insecticides and disinfectants. The lecithin phospholipids that are obtained as a by-product of the oil industry are used as wetting and stabilizing agents in food, cosmetics, pharmaceuticals, leather, paint, plastic, soaps and detergent industries. Soybean meal and soybean protein are used in the manufacture of synthetic fibre, adhesives, textile sizing, waterproofing and firefighting foam. The straw can be used to make paper that is stiffer than that made from wheat straw.

Soybean meal is a very rich protein feedstuff for livestock for which there is an increasing demand while the vegetative portions of the plant can be used as silage, hay, pasture or may be ploughed in as green manure. The various uses of soybeans are illustrated in Figure 16.

Figure 16: The Soybean value chain tree: explaining its various uses



Source: Adapted from Grain SA

3 MARKET INTELLIGENCE

3.1 Tariffs

South Africa applies the following import duties on imports of Soybeans from various regions:

Table 8

Trade Regime	Aggregated Ad Valorem Applied Tariffs (2019)
MFN duties (Applied)	8%
Intra SACU rate	Free
European Union (EU)	Free
European Free Trade Association (EFTA)	8%
SADC	Free

Source: ITC Market Access Map

From Table 8 it is clear that the normal tariff rate applied by South Africa to soybeans imports from other countries is 8.00% unless in scenarios where there is a special trade deal between South Africa and those countries. South Africa has a preferential tariff 0.00% for soybeans imports originating from EU and SADC. Imports of soybeans from outside the two regions (EU and SADC) into South Africa are exposed to an import duty of 8%.

3.2 Known Non-Tariff Barriers

The increase in trade in oilseeds over the last decade has also seen a rapid increase in issues surrounding sanitary and phyto-sanitary requirements pertaining to oilseeds and related products. It has been argued that SPS requirements have been wrongfully used to restrict the importation of oilseeds and products in some countries in an attempt to protect domestic producers, especially against the backdrop of World Trade Organization commitments and obligations to reduce tariff barriers and increasing trade liberalization. SPS regulations and requirements are implemented primarily on the basis of human, animal and crop health, protection and safety. Since oilseeds are primarily destined for animal feed and/or human consumption, SPS measures have a direct bearing on oilseeds and their products. SPS measures go as far as including issues pertaining to labelling requirements of products, the use of genetically modified organisms, and the physical handling and/or transportation of goods. Such requirements are enforced or determined by governments through statutory legislation or voluntary codes of practice implemented by the private sector, or by international bodies such as the FAO/WHO *Codex Alimentarius* Commission which has international standards and guidelines that apply to a wide range of products. Below are some of the general applications of SPS regulations applied to oilseeds which have a bearing on soybeans in international markets.

3.2.1 Oilseed Material

Oilseeds are subject to official phyto-sanitary certification to guarantee the absence of harmful organisms. There may also be regulations on the maximum permissible pesticide residue levels of plant origin destined for the manufacture of food and feedstuffs. China permits up to one fungicide tainted seed per kilogram of soybeans. The quality control has to take place at the port of entry.

3.2.2 Shipping contracts and Transport issues

A very large portion of international trade in oilseeds, oils and oil meals is based on widely recognized shipping contracts issued by two international associations. Used on a voluntary basis, these contracts have evolved over many years to suit the needs of the oilseed trade. Included in these contracts are requirements to ensure that goods traded are in good condition and of fair quality. They help trading partners comply with national or international SPS legislation and standards.

3.3 Performance of the South African Soybean industry.

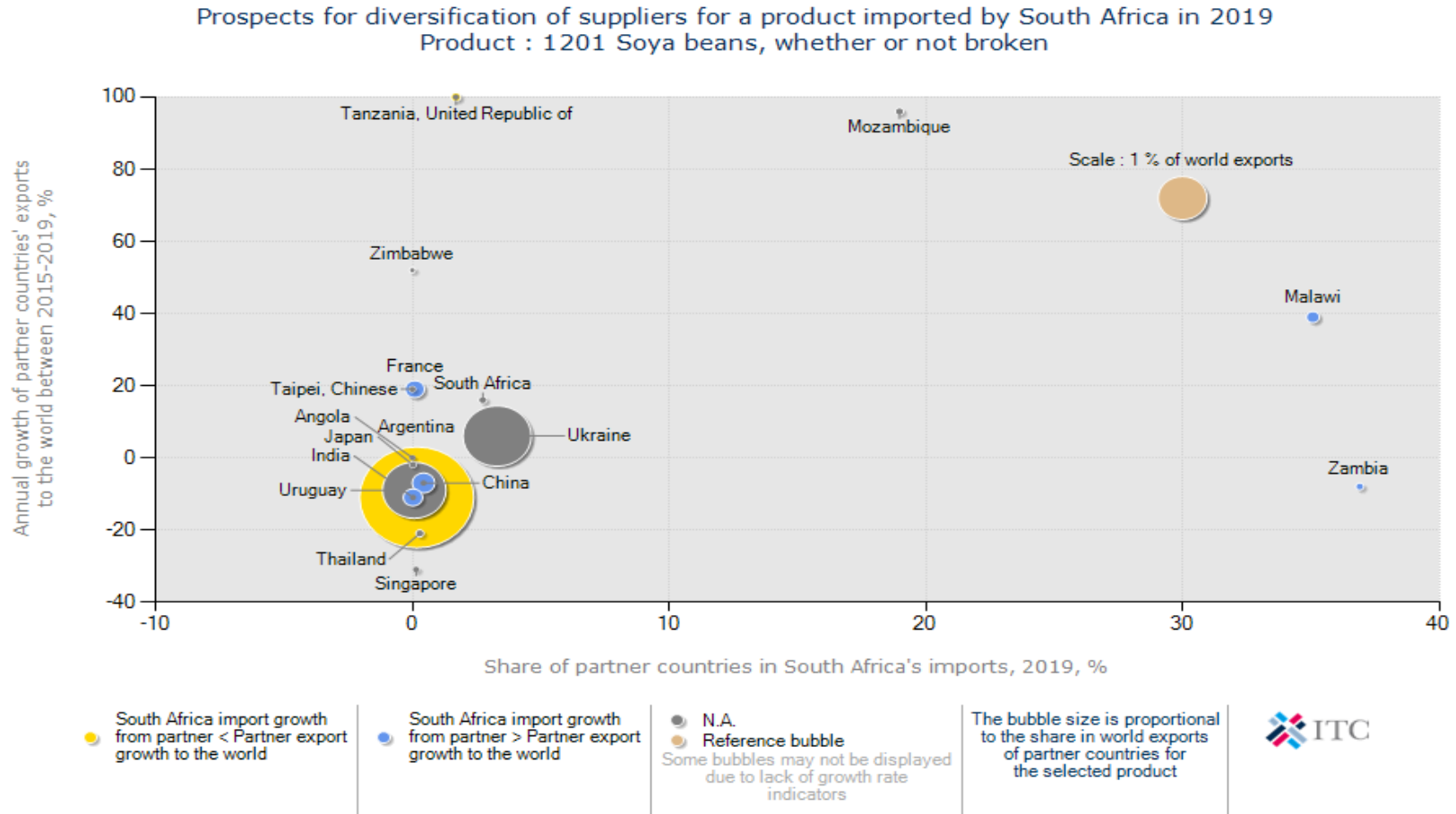
Table 9: List of suppliers for Soybean imported by South Africa in 2019

Exporters	Imported value in 2019 (thousand US\$)	Share in South Africa's imports (%)	Imported quantity in 2019 (tons)	Unit value (US\$/unit)	Imported growth in value between 2015 and 2019 (% p.a.)	Imported growth in quantity between 2015 and 2019 (% p.a.)	Imported growth in value between 2018 and 2019 (% p.a.)
World	4116	100	9459	435	-58	32	0
Zambia	1519	36.9	3646	417	-2	9	23
Malawi	1444	35.1	2938	491	136	31	54
Mozambique	781	19	2130	367	0	0	130
Ukraine	136	3.3	343	397	0	0	-61
Tanzania	70	1.7	110	636	0	0	149
China	18	0.4	12	1500	581	0	-24
Thailand	12	0.3	6	2000	21	-1	108
Argentina	7	0.2	2	3500	0	0	0
Singapore	6	0.1	2	3000	-67	-77	-56

Source: ITC Trade Map

Table 9 and Figure 17 gives an indication that most of South Africa's Soybean imports in 2018 originated mainly from Zambia, Malawi, Ukraine, Mozambique, Tanzania, Argentina, China and Netherlands. It is clear from Table 9 and Figure 17 that about 41.8% of South Africa's total soybeans imports originated from Zambia during the year 2018, followed by Malawi, Ukraine and Mozambique with 28%, 10.7% and 10.2% respectively. The combination of other countries such as Ethiopia, Tanzania, Argentina, China and Netherlands only accounted for less than 4%. Table 9 also indicates that the value of soybeans imports from the rest of the world into South Africa decreased by 52% between the years 2014 and 2018. Figure 17 below confirms the earlier observation that Zambia was the largest exporter of soybeans to South Africa. Furthermore, the figure shows that if South Africa is to diversify its soybean imports, prospective import markets exist in China and Argentina. The abovementioned countries are among the world's leading exporters of soybeans although South Africa did not import any significant amount of soybeans from them in 2018.

Figure 17: Prospects for diversification of suppliers of Soybeans (1201) imported by South Africa in 2019.



Source: ITC Trade Map

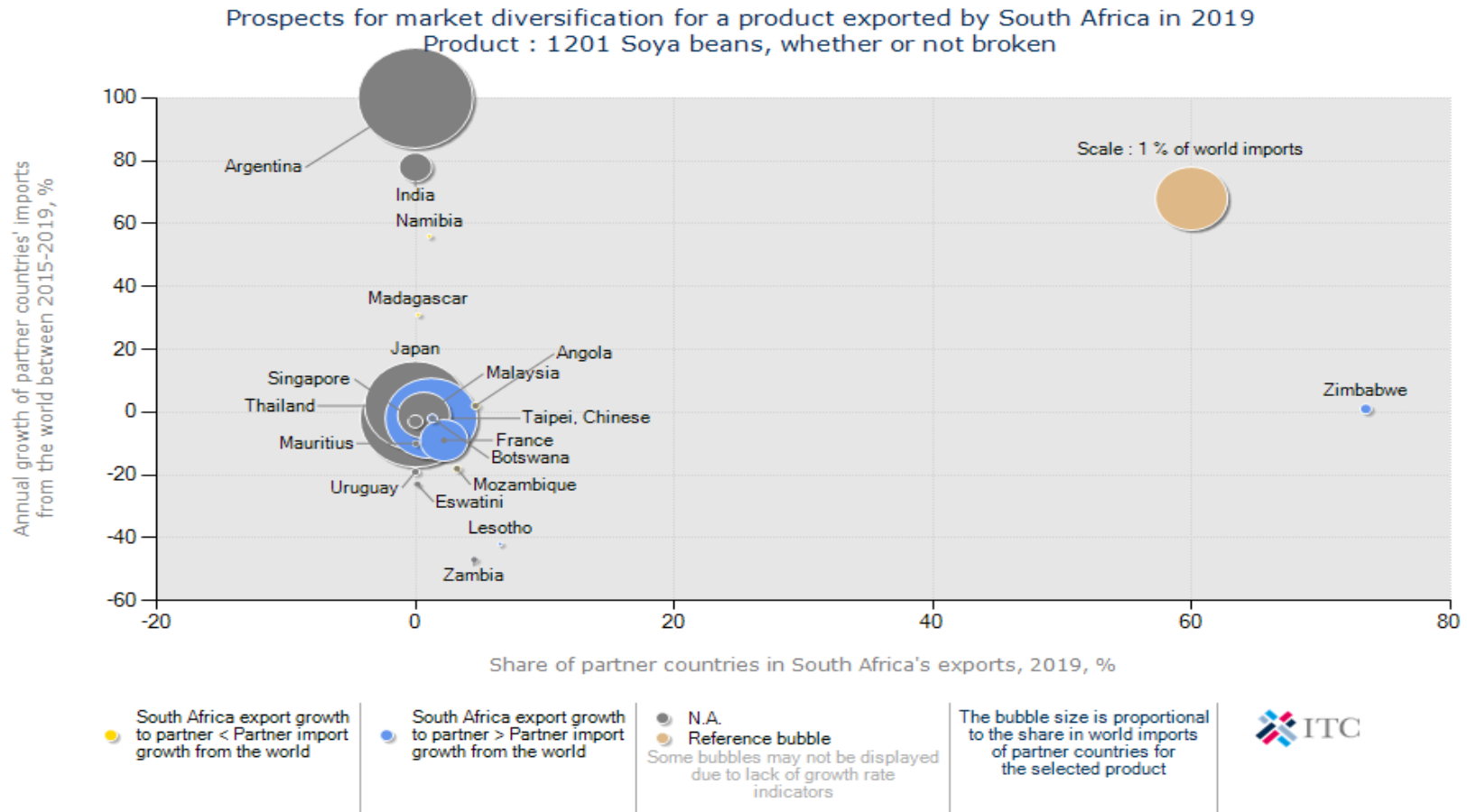
Table 10: List of Importers of Soybeans Exported by South Africa in 2019

Importers	Exported value in 2019 (thousand US\$)	Share in South Africa's exports (%)	Exported quantity in 2019 (tons)	Unit value (US\$/unit)	Exported growth in value between 2015 and 2019 (% p.a.)	Exported growth in quantity between 2015 and 2019 (% p.a.)	Exported growth in value between 2018 and 2019 (% p.a.)
World	3361	100	5571	603	16	17	-77
Zimbabwe	2470	73.5	4711	524	84	109	-10
Lesotho	220	6.5	118	1864	4	10	911
Angola	156	4.6	83	1880	-10	-1	551
Zambia	153	4.6	132	1159	-25	-36	6881
Mozambique	108	3.2	217	498	-57	-58	40
France	74	2.2	0	0	51	0	0
Botswana	44	1.3	119	370	2	26	-76
Chinese Taipei	41	1.2	61	672	3	3	237
Namibia	36	1.1	45	800	42	85	163

Source: ITC Trade Map

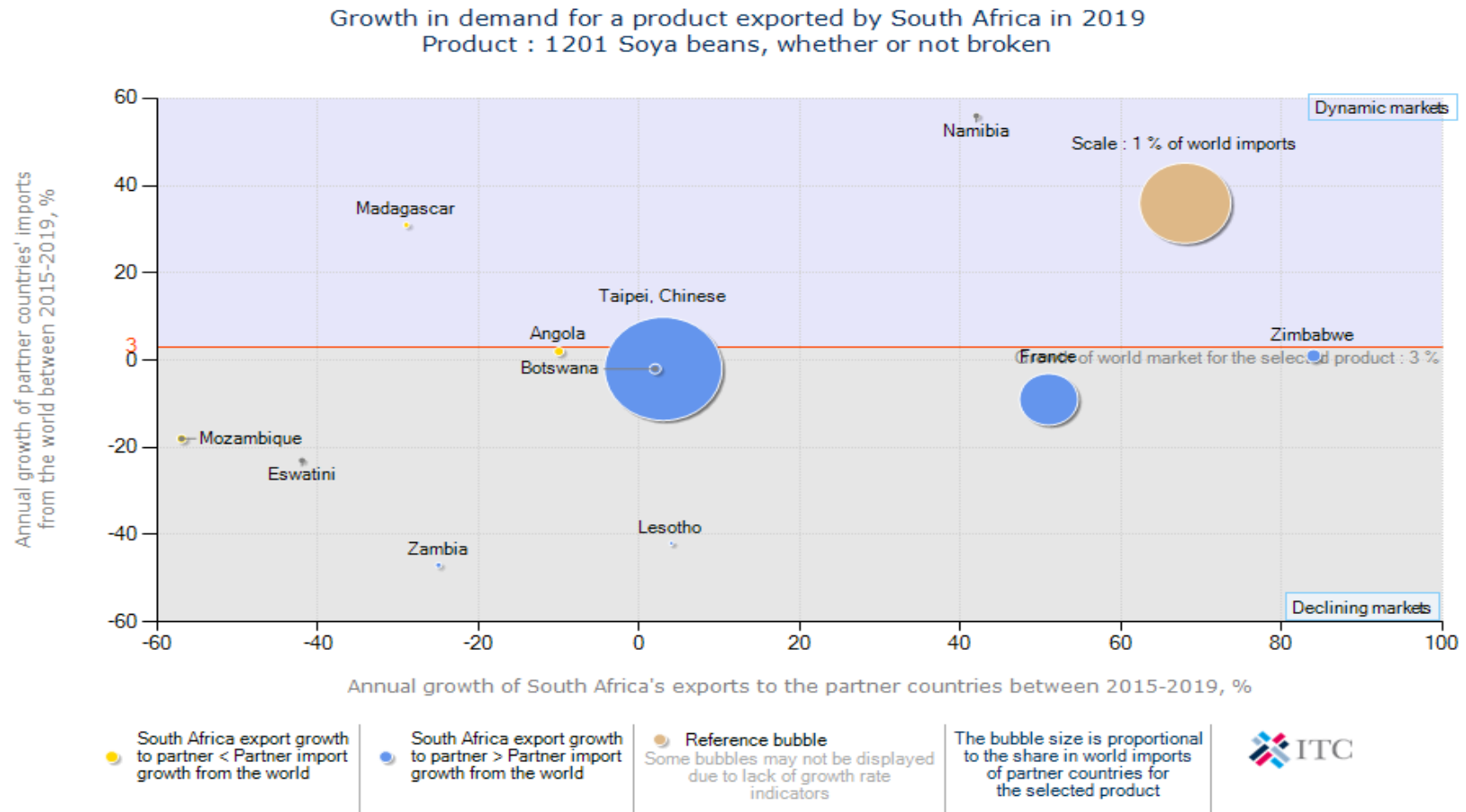
Table 10 and figure 18 shows that, the greatest quantities of soybeans exported by South Africa in 2018 are destined to the export markets in Turkey, Zimbabwe, Japan, Botswana, Mozambique, Mauritius, Kenya, Angola and Lesotho. Table 10 shows that between 2014 and 2018, exports of soybeans from South Africa to the rest of the world have increased by 37% and 64% in both value and volume terms. The country that has imported most soybeans from South Africa in 2018 is Turkey having absorbed 77% of South Africa's total soybeans exports. South Africa exported 27500 tons of soybeans to Turkey in 2018 and 5176 tons to Zimbabwe during the same year. The volume of soybeans exports from South Africa to Zimbabwe increased by 311% in value and decreased by 392% in volumes between 2014 and 2018.

Figure 18: Prospects for market diversification for Soybeans (1201) exported by South Africa in 2019



Source: ITC Trade Map

Figure 19: Growth in demand for Soybeans (1201) exported by South Africa in 2019



Source: ITC Trade Map.

Figure 19 shows growth in demand for soybean exported by South Africa to the world in 2018. The graph shows that Zimbabwe, Botswana, Angola, Namibia and Zambia were the biggest markets for soybean exported by South Africa in terms of growth in 2018. Annual growth of South Africa's soybean exports to Turkey between 2014 and 2018 remained at 0% in both value and volumes. The figure further shows that South Africa's soybean exports to Angola and Lesotho were growing at a rate that is greater than the growth rate of these countries' imports from the rest of the world between 2014 and 2018.

4 ORGANIZATIONAL ANALYSIS

4.1 Strengths, Opportunities and Threats

Strengths

- Due to the health benefits associated with soybeans, there is a growing interest in soybeans and soybean products in South Africa and worldwide.
- Soybeans are known to be a cheap source of good quality protein which is free from cholesterol.

Opportunities

- The crop can be used in the fight against malnutrition in North Africa and sub-Saharan Africa in the future.
- Can be used to meet the increased demand for protein which is predicted to can be 75% by 2025.
- Due to the fact that soybeans are legumes, they can be used in crop rotational systems for their ability to fix nitrogen and; because they are more tolerant to acid and drought conditions than maize they can be grown for home consumption or as a cash crop.

Threats

- Farmers can lose out on the non-GM niche market if they become too lax in separating GM soybeans from non-GM soybeans.
- The USA has established an initiative that aims to lobby for the use of more soybeans in food aid.
- The US is also seeking new markets for its surplus soybeans.

4.2 Empowerment and Transformation

The Tshwane Metropolitan Council in collaboration with the Rotary Club of Pretoria, the Rotary Club of Cham in Germany, Tshwane University of Technology, Nutri-soya and the Department of Provincial and Local Government has launched a project that transforms locally grown soybeans into nutritional foodstuffs in Mamelodi.

5 ACKNOWLEDGEMENTS

The following organizations are acknowledged:

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Statistics and Economic Analysis: DAFF.

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Quantec Easydata

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Tel: 012 361 5154

Fax: 012 348 5874

Website: www.quantec.co.za

ITC Market Access Map

Website: <http://www.macmap.org/South Africa>

ITC Trade Map

Website: www.trademap.org

South African Soy Food Association (SASFA)

Tel: (015) 491 7939

Website: <http://www.soyfood.co.za>

South African Revenue Service (SARS)

Website: <http://www.sars.gov.za>

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