Oilseeds production in South Africa: Celebrating successes

By Dr Erhard Briedenhann, chairperson, Oilseeds Advisory Committee and vice-chairperson, Protein Research Foundation

Total oilseeds crop production in South Africa increased over the last ten years from 1,32 million tons to 3,3 million tons, while imported oilcake for animal feed production decreased from 900 302 tons ten years ago to an estimated (extrapolated) 220 000 tons in 2022.

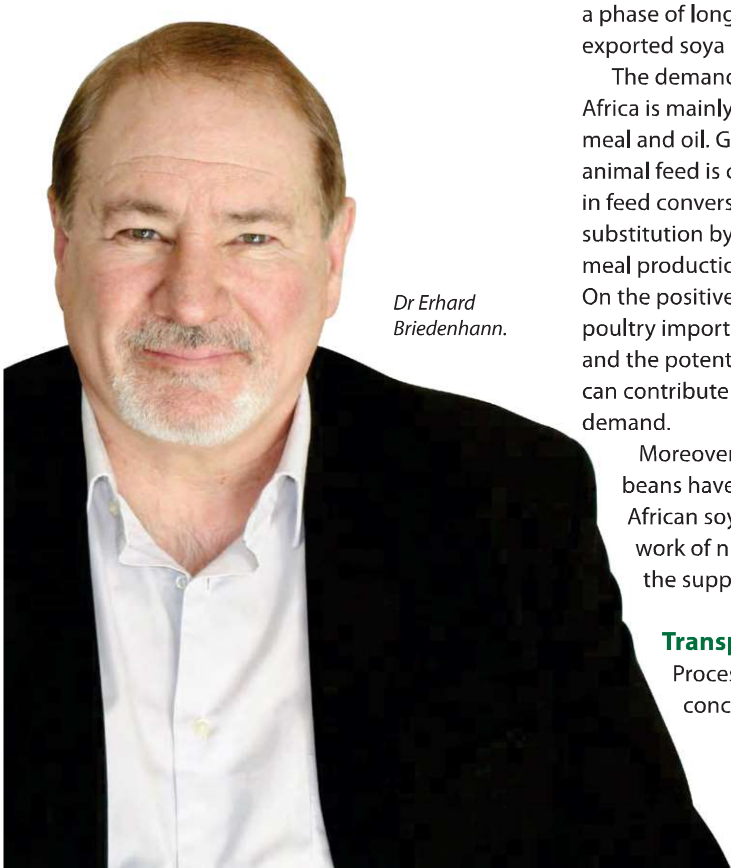
Rising input costs continue to support the shift from maize to soya beans (in most parts of the country the profitability calculations are in favour of soya beans). The current increase of 16% in hectares for the next season is a good signal and possibly a sign of good things to come.

In the Western Cape, the 135% growth in canola production the last ten years, given the recent rise in crush capacity and successful exports, is a sign of a healthy, growing industry.

Growth challenges

The sunflower industry still faces challenges, despite high sunflower seed prices. The concept of sunflower seed as a main crop rather than a crop planted late in the season remains a challenge, but is progressing. The slow rate at which yields are improving relavite to soya and canola, as well as the *Sclerotinia* challenge need to be addressed. In addition, the initiative to increase oil content by way of a price incentive has the potential to rejuvenate the industry.

The groundnut industry's growth has been less successful. A reduction of 20% in hectares planted was seen this season due to price ratios, more lucrative alternative crops under irrigation, as well as groundnuts not doing well under wet conditions. Add to that government's unwillingness to support the industry's fight for duty alignment, especially on downstream imported finished products such as peanut butter.



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Soya bean demand and exports

If the current growth in soya bean production continues, production will exceed demand and we will need to enter a phase of long-term sustainability via exported soya beans.

The demand for soya beans in South Africa is mainly to produce soya bean meal and oil. Growth in soya bean meal in animal feed is curtailed by improvements in feed conversion efficiencies and substitution by other growing oilseed meal production such as canola meal. On the positive side, the reduction in poultry imports by preventing dumping and the potential of poultry meat exports can contribute significantly to increased demand.

Moreover, export markets for soya beans have been opened for South African soya beans thanks to the work of numerous organisations in the supply chain.

Transport of soya bean meal

Processing capacity is mainly concentrated around the central soya bean production area, while approximately 30% of demand for soya bean meal is in the Eastern and Western Cape. Transporting soya bean meal to these regions is costly due to the distances involved, lack of return loads and the ever-increasing fuel price.

These markets are essential for the continued expansion of the soya bean industry until we reach 100% self-sufficiency. This logistical disadvantage is currently to a lesser extent supported by the duty on imported soya bean meal.

Initiatives to possibly move soya bean meal via rail over these distances are hampered by the double handling required due to a lack of rail sidings at primary production and end users. The reliability of railway systems, which are essential in the transportation of a more perishable product such as soya bean meal, is also a significant barrier.

Technological improvements

Continued efforts in improving the availability of new seed cultivars and technology suited to our requirements in South Africa has brought major benefits, supported by the South African Cultivar and Technology Agency levy on soya beans. From 2023, we can look forward to continued expansion and commercialisation of new soya bean technology.

It is critical for value chains to work in partnership to support one another and launch initiatives to the advantage of the supply chain. In the oilseeds industry, we can confirm this has certainly been the norm and contributed to its success.

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