South Africa's soya bean boom to continue

The future for soya beans in SA seems bright on all fronts, with increases expected for soya bean production, consumption, processing and prices.

According to the BFAP baseline outlook for 2013 to 2022, drastic structural changes were taking place in the local oilseed market, with soya bean production and processing expanding fast.

SOYA BEAN

"The favourable return per hectare projected for soya beans due to improved yields and strong prices will result in further increases in plantings in the long term," said the report.

The soya bean production area was projected to increase from about 500 000ha in 2013 to 900 000ha in 2022. If improved yields are added to the equation, production was likely to increase from 800 000t to 2,1 million tons over this period.

The report said soya bean crushing capacity was also increasing rapidly and by 2015 the entire crop was anticipated to be processed locally.

"Due to increased domestic utilisation of soya beans, the local soya bean price is projected to move away from export parity to trade at a significant premium."

In 2014, soya beans were expected to trade on Safex for close to the export parity price of about R4 000/t. But by 2022 the export parity price for soya beans was predicted to reach R5 000/t, with the Safex price close to R6 000/t.

SUNFLOWER

According to the report, whereas soya bean oil cake consumption had tripled over the past decade, the demand for sunflower cake stayed flat and was likely to remain so over the baseline period.

"The projected demand of between 700 000t to 800 000t will most likely be met by increasing yield trends," said the BFAP report.

There was little potential for price increases for sunflower, as even if the area under production decreased slightly, local demand would still be met.

ABOVE: According to the Bureau for Food and Agricultural Policy drastic structural changes are taking place in the SA oilseed market.
FW ARCHIVE

CANOLA

Canola, a key oilseed crop in winter rainfall areas, was less significant for SA compared with soya beans and sunflower. However, it has made progress in the past few years.

The BFAP report showed that the total area under canola production in the Western Cape nearly doubled in the past five years from 33 000ha in 2007 to 60 000ha in 2013.

Canola area under production is set to increase further over the baseline period to 100 000ha by 2022, yielding a total crop of 160 000t. This will put pressure on canola processors to increase crushing capacity which is currently at around 80 000t.