SOYA BEANS

Good local growth predicted for soya beans

With farmers producing more soya beans, investment in local soya bean crushing plants is gathering steam. Crushing capacity is expected to increase from the current 600 000t to 1,9 million tons in 2014, according to Dr Erhard Briedenhann, chief executive of MIDS, supplier of raw materials to the animal feed and oilseed crushing industry.

New plants and extensions are set to provide an additional 1,3 million tons of crushing capacity this year, up from 2012's capacity of 600 000t. Noble in Standerton, with a capacity of 620 000t, will be the biggest plant in SA and will be completed towards the third quarter of this year. The RussellStone mill in Bronkhorstspruit (310 000t) should be completed by mid-2013; Nedan in Mokopane is undergoing expansion of its capacity to 230 000t and VKB's new plant in Villiers will crush 186 000t. "The rest of the crushing capacity will be made up of Wilmar Continental in Randfontein (192 000t); VKB (186 000t); Majesty in Krugersdorp (156 000t); Gauteng in Nasrec (108 000t) and Drak in Winterton (48 000t)," said Briedenhann.

There had been encouraging signs in terms of growth in soya bean production and potential in SA. South Africa produced 103 520t soya oilcake in 2009/2010 which more than doubled to 227 600t oilcake by 2011/2012. In the same year, oilcake imports amounted to 922 499t, he said.

"There is a need in the animal feed industry for good quality meal. We import close to 1 million tons of soya bean meal from Argentina. Current demand is 1,3 million tons of soya bean meal or 1,63 million tons soya beans. This is expected to lift to 1,6 million tons meal or 1,99 million tons of beans by 2015 and 1,82 million tons or 2,3 million tons of beans by 2020. SA imports 450 000t soya oil as well, so there is a market for oil import displacement."

Most of SA's plants will make a high quality product, but import displacement would not happen overnight. "There will be a transition while livestock and feed industries test and accept the quality of local product. After that, production may be the limiting factor," he said.

Frans van der Bergh, head of RussellStone Protein, said its new soya bean crushing plant in Bronkhorstspruit, Mpumalanga, was due to be in full production by July.

"We will be crushing between 700t and 800t soya beans a day, 350 days a year, to produce soya oilcake meal for animal feed and edible oils for human consumption. Due to the value we can unlock by import replacement and the value that soya beans create for farmers in a crop rotation scheme, we see that soya bean production in SA will grow exponentially. Soya production has grown tremendously and when production exceeded processing capacity, we all saw there was a gap in the local market. It was a no-brainer to put up processing plants." – *Robyn Joubert*

Valor's fruit processing plant near Addo has been bought by five citrus producers including Argentinian company, San Miguel. The new venture will focus on export products.
COURTESY OF VALOR

FRUIT

Fruit processing industry gears up

An established Argentinian fruit processing company and four other citrus producers in the Addo region of the Eastern Cape have bought local fruit processing company, Valor, for an undisclosed amount.

The Valor plant was acquired by the Sundays River Citrus Company (SRCC), San Miguel, Raptotrom, Sitrusrand and Coerney Packers. The SRCC and San Miguel, with 35% of the shares each, are the primary shareholders. San Miguel is a producer and exporter of fruit with 7 500ha of citrus plantations in Tucumán province in Argentina, and operations in Uruguay and South Africa. The new venture will focus on concentrated citrus juices and essential oils, and will include a retail segment to supply local supermarkets with convenience products, says SRCC managing director, Ken Nieuwenhuizen.

"It will produce high quality export products for international clients, and continue to utilise local market opportunities to support its objective to maximise growers' returns," Nieuwenhuizen said.

Job opportunities would be created through planned expansions, he said.

"The SRCC is delighted with the investment, and with the significant potential of this venture to add value to the partners and the members," he said.

Sitrusrand owner, Pieter Nortje, said San Miguel would contribute valuable expertise to the processing and marketing functions of the newly acquired business.

"The pressure on producers' returns and rising input costs compels those with longer term outlooks on sustainability to integrate vertically," said Nortje.

"This transaction is rare in that it is perfect for all parties concerned. I believe it will benefit shareholders, fruit suppliers, employees, customers and the Eastern Cape in general," said Wallace Barnes, former owner of Valor Fruit Processors. – *Lourens Schoeman*