SOYBEAN MARKET VALUE CHAIN PROFILE

2014

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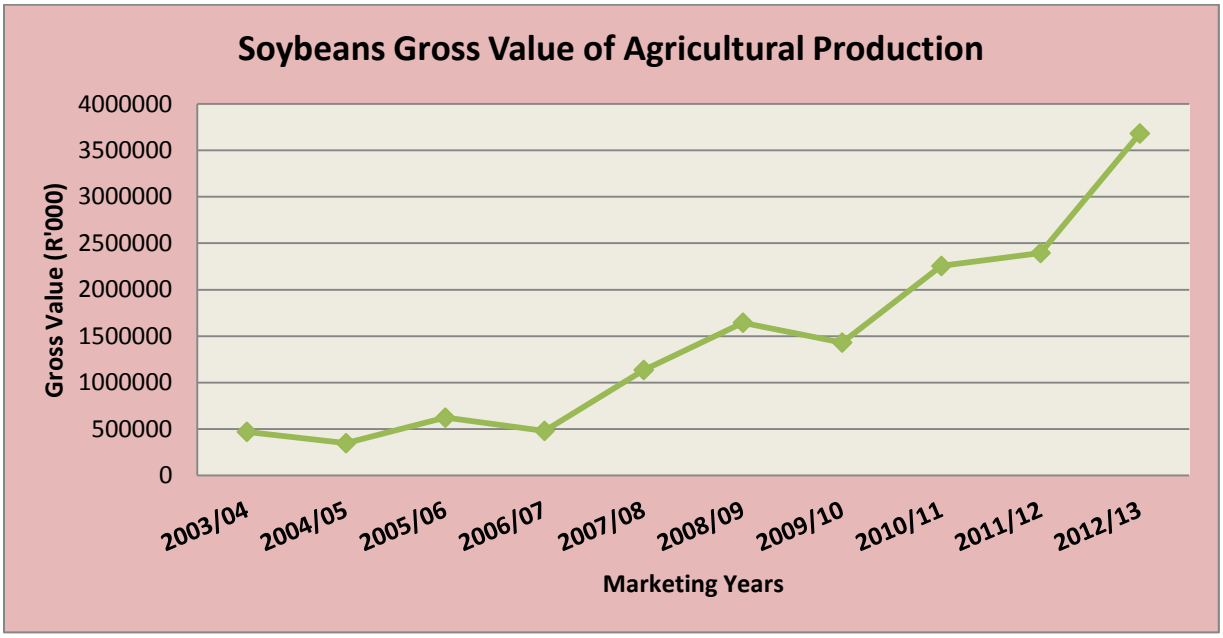
1 DESCRIPTION OF THE INDUSTRY

Recently, there is a growing interest in soybean products in South Africa because of the health benefits associated with these products. Soybean consumption in the country is estimated at 32% for oil and oilcake, 60% for animal feed (especially in the broiler and egg industries) and 8% 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.



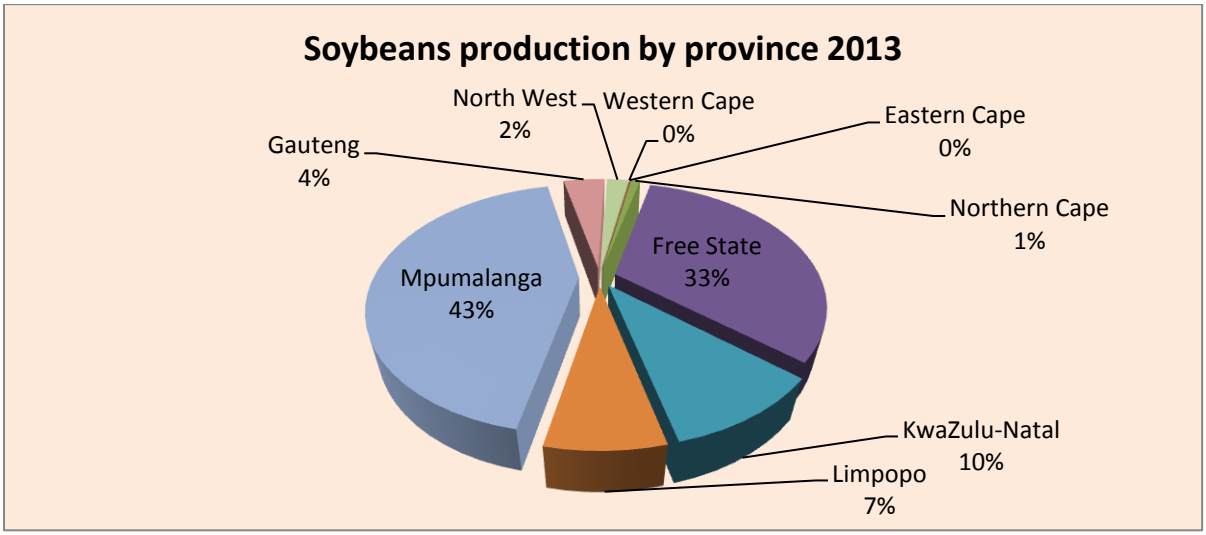
Source: Statistics and Economic Analysis

Figure 1 above shows the gross value of soybean production between 2004 and 2013. Generally the gross value of soybean showed an increasing trend throughout the period under analysis. 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 very lower levels during 2005 season and this increased slightly during the year 2006. This was followed by considerable fluctuations from 2006 until the gross value of agricultural production reached highest level during 2013 season. The observed fluctuation in Soybeans GVP is 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 shows that Soybean is mainly produced in Mpumalanga, Free State and KwaZulu-Natal. These three provinces approximately accounted for 86% of the total Soybeans production in the country in 2013. Mpumalanga province produces the greatest quantities of soybeans in three districts namely, Gert Sibande, Nkangala and Mankaligwa in the towns of Middleburg, Delmas, Ermelo and Secunda. It is

followed by the Free State province, Thabo Mofutsanyane district, around the towns of Bethlehem, Witsieshoek and Harrismith, serves as the main producing region in Free State Province.



Source: Statistics and Economic Analysis

In KwaZulu-Natal Province most soybeans productions occur the UMgungundlovu and Izingolweni districts around the towns of Pietermaritzburg, Ezingolweni and Mooi River, while three districts in the North West province namely, Central district, Southern District and the Bojanala district are the major producers of this crop around the towns of Mafikeng, Delareyville, Lichtenburg, Zeerust, Potchefstroom (Tlokwe), Ventersdorp, Klerksdorp (Matlosana), Rustenburg, Moretele, Koster and Brits. In Gauteng province, Germiston in Ekurhuleni district, Randfontein in West Rand district and Vereeniging are the main producing areas. Small quantities of soybeans are also produced in the Western Cape, Eastern Cape and Northern Cape provinces.

Table 1: Soybean production by provinces

PROVINCE	Production (tons) 2009	Production (tons) 2010	Production (tons) 2011	Production (tons) 2012	Production (tons) 2013	Mean
Western Cape	0	0	0	0	0	0
Eastern Cape	1600	1200	1500	800	800	1180
Northern Cape	2300	2000	1500	1500	7000	2860
Free State	99000	152000	190000	192500	254200	177540
KwaZulu-Natal	75600	73500	92000	81600	78000	80140
Limpopo	44000	50400	58800	50600	56000	51960
Mpumalanga	262500	239600	294500	263100	339500	279840
Gauteng	12500	20400	21700	28500	32000	23020
North West	18500	27000	50000	31500	17000	28800

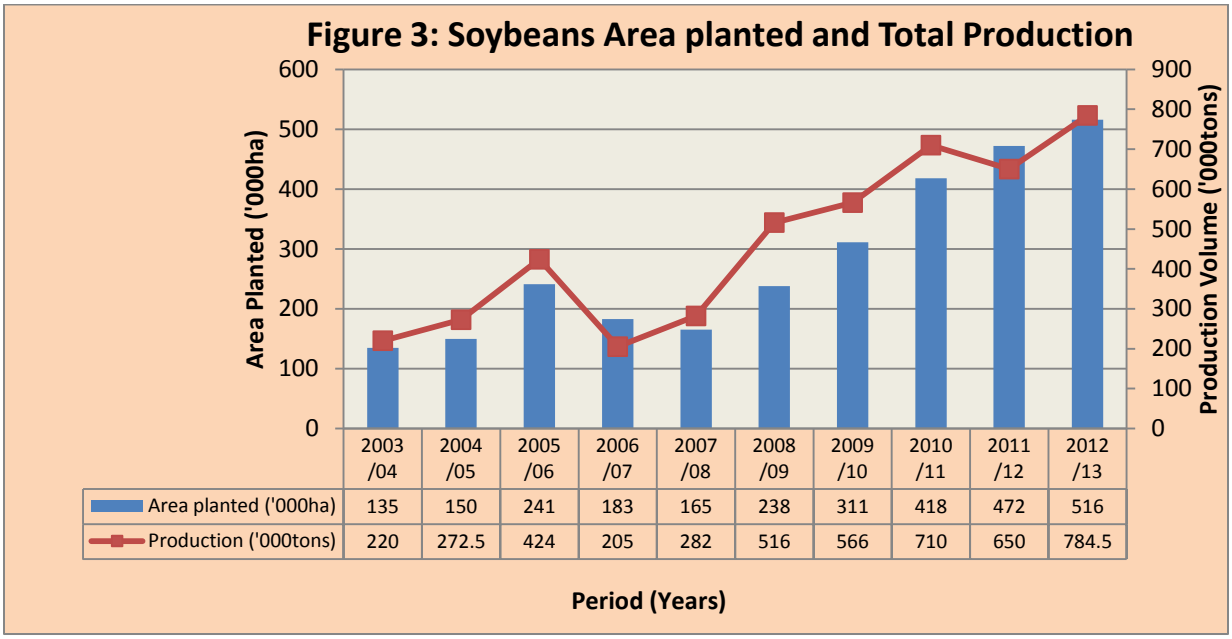
Source: Statistics and Economic Analysis

Over the past five years, Mpumalanga Province has been the major producer of soybeans followed by the Free State, KwaZulu-Natal, Limpopo and North-West provinces. The Western 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 between 2009 and 2013 production seasons. On average, Table 1 shows an increasing trend in the production of soybeans in the major producing regions of the country.

1.2 Production Trends

On average, soybean production in South Africa is between 100 000 and 800 000 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 2004/04 to 2012/13 season with a sharp decrease during 2006/2007 season due to unfavorable weather conditions. Soybeans production volumes have also been fluctuating in response to the variability occurring in area allocated to soybeans. A sharp increase in soybean production between 2009/10 and 2012/13 production seasons was experienced, and this was mainly as a result of a massive increments in area planted.



Source: Statistics and Economic Analysis

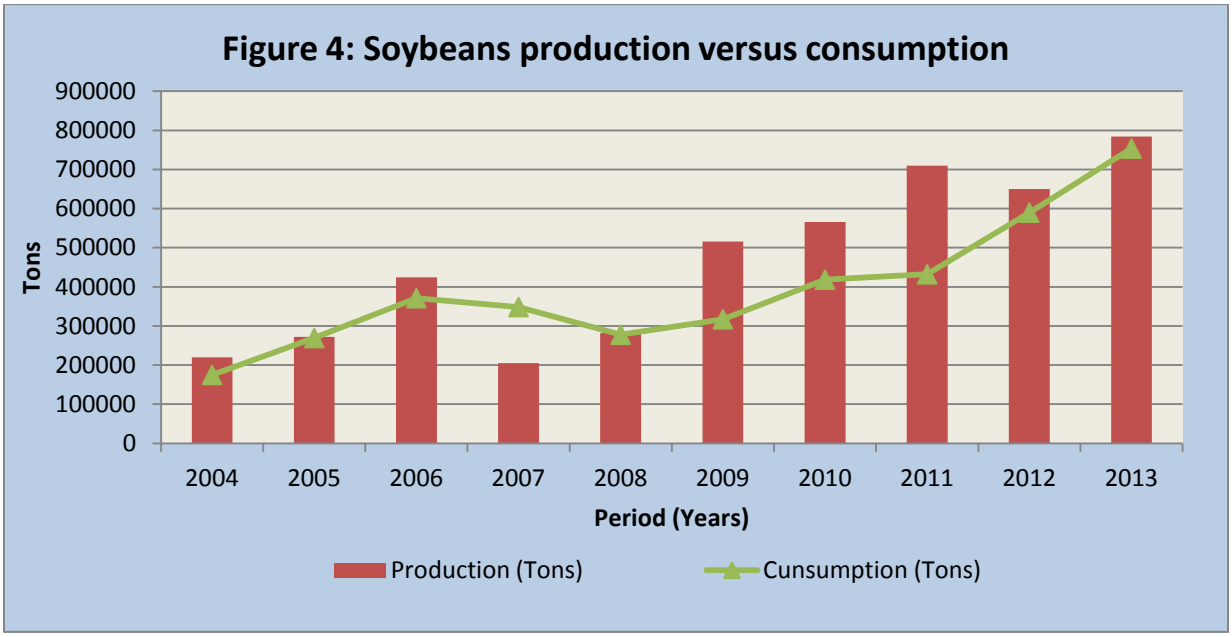
The period under analysis was characterized by fluctuations in production volumes as indicated in Figure 3 above. The highest production volumes were recorded during 2012/13 season and this may be explained by increased area allocated to soybean in major producing provinces as well as improved yields.

2 MARKET STRUCTURE

2.1 Domestic Market and Prices

Figure 4 generally illustrate that local soybean production was well above the domestic consumption needs for the most part of the period under review. The year 2007 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. It is also important to note that from 2009 to 2013, 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.



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.

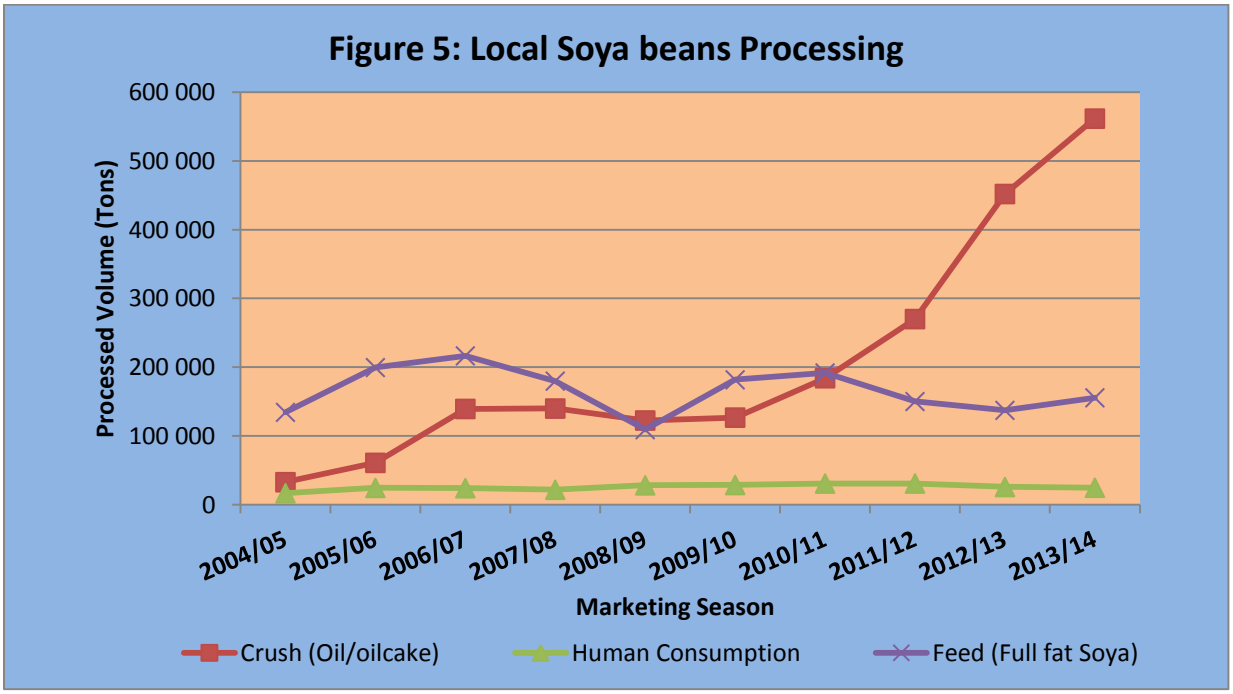
Domestically, soybeans are sold to expressers who produce oil, oilcake and animal feed as well as to seed manufacturers. They are also sold directly to consumers for the edible market and for feeding of livestock as full fat soya. Table 2 below shows the annual soy bean harvest in South Africa, the value of the crop and the producer prices since the year 2004. Generally the table indicates that the South African soybean producer prices had shown decline in 2005, 2009 and 2010. The table further illustrate that there was a significant decline in soybean producer price in 2005 reaching the lowest price value of R1 157.42/ton, however this decline was followed by significant increases in producer prices between 2006 and 2008. The marketing years 2009 and 2010 were also characterized by decline in producer prices, followed by consistent increase in subsequent years (2011, 2012 and 2013).

Table 2

Annual Soybean harvest in South Africa				
Year	Tons	Value R'000	Rand per Ton	% Change in Rand per Ton p.a.
2004	220 010	469 664	2 134.74	-14.20
2005	272 500	315 397	1 157.42	-45.80
2006	424 000	611 857	1443.06	24.70
2007	205 000	529 910	2 584.93	79.10
2008	282 000	1 134 293	4 026.26	55.76
2009	516 000	1 644 700	3 187.40	-20.83
2010	566 000	1 430 826	2 528.00	-20.60
2011	710 000	2 255 238	3 176.39	25.65
2012	650 000	2 394 700	3 684.15	15.99
2013	784 500	3 681 016	4 657.50	26.40

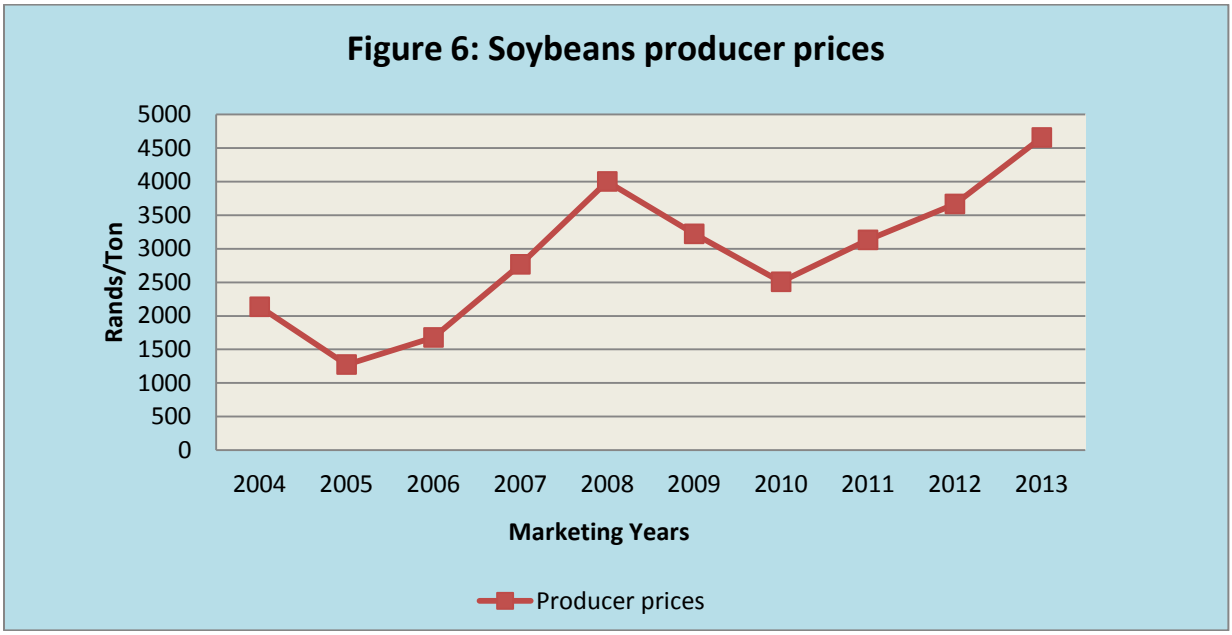
Source: Statistics and Economic Analysis

Figure 5 below show the local soybean processing into various soy products (oil/oilcake, human consumption and feed). For the first six seasons of the period under analysis (i.e. from 2004/05 until 2009/10) we have observed a scenario where most of the soybeans consumed locally were being fed directly to animals as full fat soya. During that period, only minimal volumes of soybeans being crushed into oilcake and the volumes processed for the human consumption market was very low. The expansions that were made in the domestic soy crushing capacity have seen the domestic crushing for soybean ballooning to the highest levels over the past three years. The soybean crushing volume increased by over 200% in 2013/14 season compared to the volumes that were crushed in 2010/11. the human consumption component remained very stable at lower levels throughout the period under review.



Source: Statistics and Economic Analysis

Figure 6 indicates that the period under analysis opened with relatively lower producer price for soybean (R2 134.74/t) during the year 2004. The prices decreased dramatically in 2005 and 2006. The lowest producer price for soybeans was experienced during the year 2005 (R1 274.47/t) while the highest was experienced during the year 2013 (R4 657.5/t).

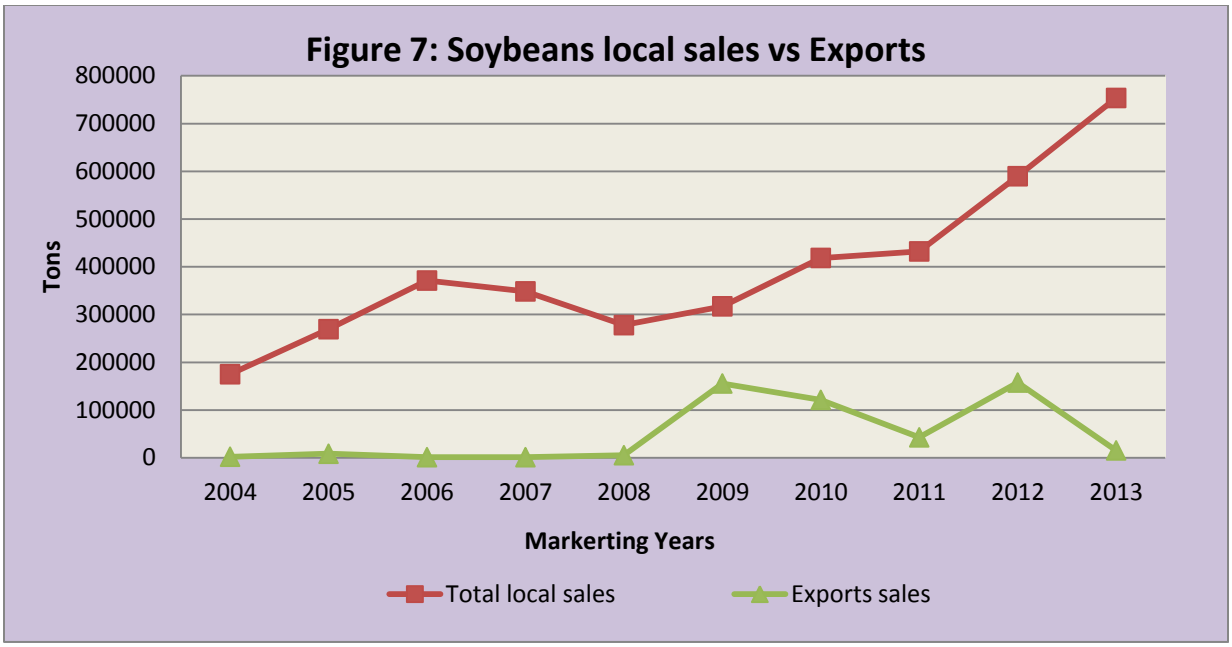


Source: Statistics and Economic Analysis

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 2004 to 2013. 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 to that of the total production, having reached the lowest level during 2004 and thereafter increased substantially until 2006. Local sales of soybeans declined slightly into the year 2008, following a consistent increase in the subsequent years. The period under analysis closed with highest recorded local sales for soybean and lower exports volumes during the year 2013.



Source: Statistics and Economic Analysis

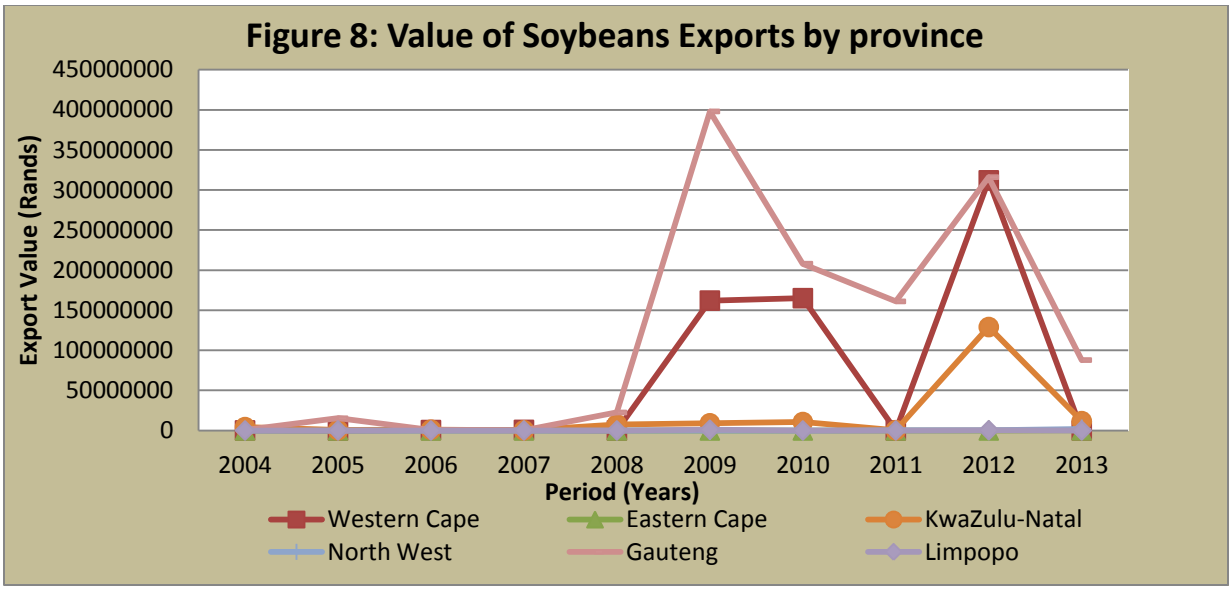
Table 3 provides estimates of the most recent soybean import and export volumes and values in South Africa up to 2012.

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)	
2004	688 341	1 282 445	2 200	70 712	-1 211 733
2005	621 406	992 174	8 400	76 747	-915 427
2006	10 433	16 608	1 200	2029	-14 579
2007	143 873	228 701	1 200	2031	-226 670
2008	17 986	38 103	5 813	29 997	-8 106
2009	1 495	4 328	161 620	570 246	565 918
2010	2 355	7 266	122 794	384 564	377 298
2011	1 539	7 178	42 800	323 711	316 533
2012	976	7 463	183 958	756 704	749 241
2013	4 488	33 317	16 507	101 506	68 189

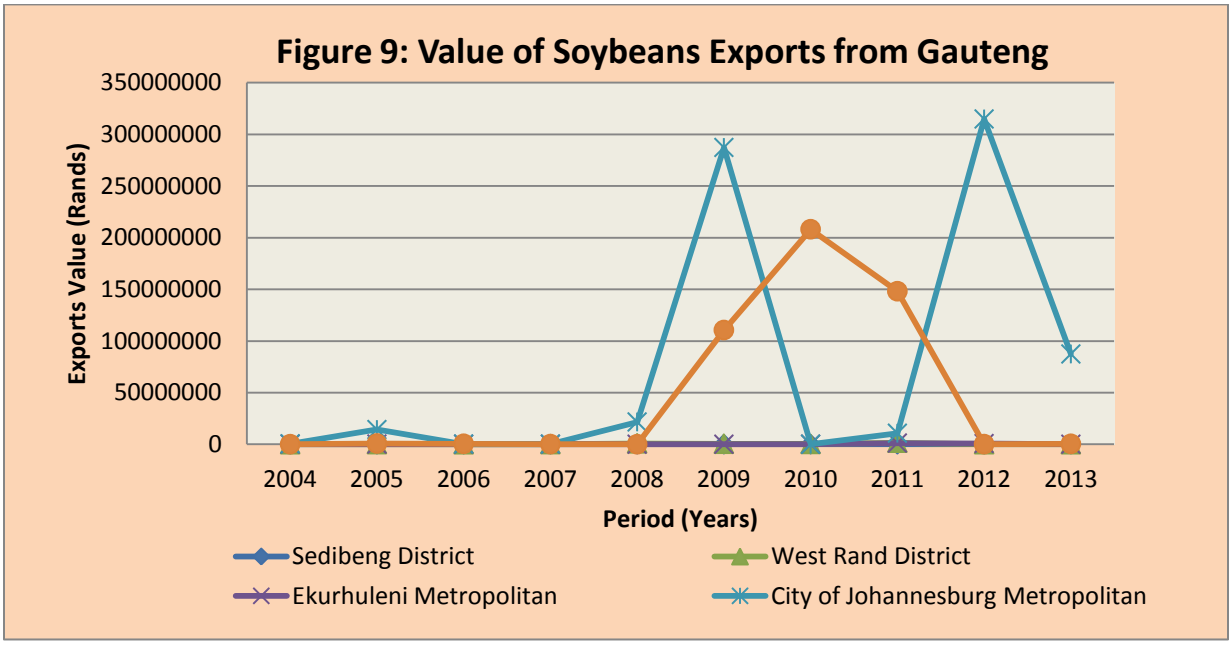
Source: Quantec Easy Data & Statistics and Economic Analysis

Table 3 above show that soybean exports were less than the imports between 2004 and 2008 as indicated by the trade deficit, this was mainly because, between these years both the area under cultivation and production of soybean were lower in the country. South African soybean exports were not competitive in world terms. However, the opposite was experienced from the year 2009 until 2013 when soybean exports rose above imports due to improved local soybean production. However, exports of soybeans declined significantly during the year 2013 on the back of improved domestic crushing capacity. Figure 8 below indicates value of soybean exports from 2004 to 2013 by different province of South Africa.



Source: Quantec Easy Data

Figure 8 indicates that Gauteng province was dominant throughout the period under review mainly due to the availability of a necessary marketing infrastructure in this province. Western Cape and KwaZulu-Natal have shown significant exports of soybean over the analysis period. In the figure it appears that most of the soybean is exported from the Gauteng in spite of the fact that Mpumalanga and Free State are top producers of soybeans in the country. This is attributable to the presence of exporters, processors and favorable agro-logistics in the province of Gauteng compared to other provinces.

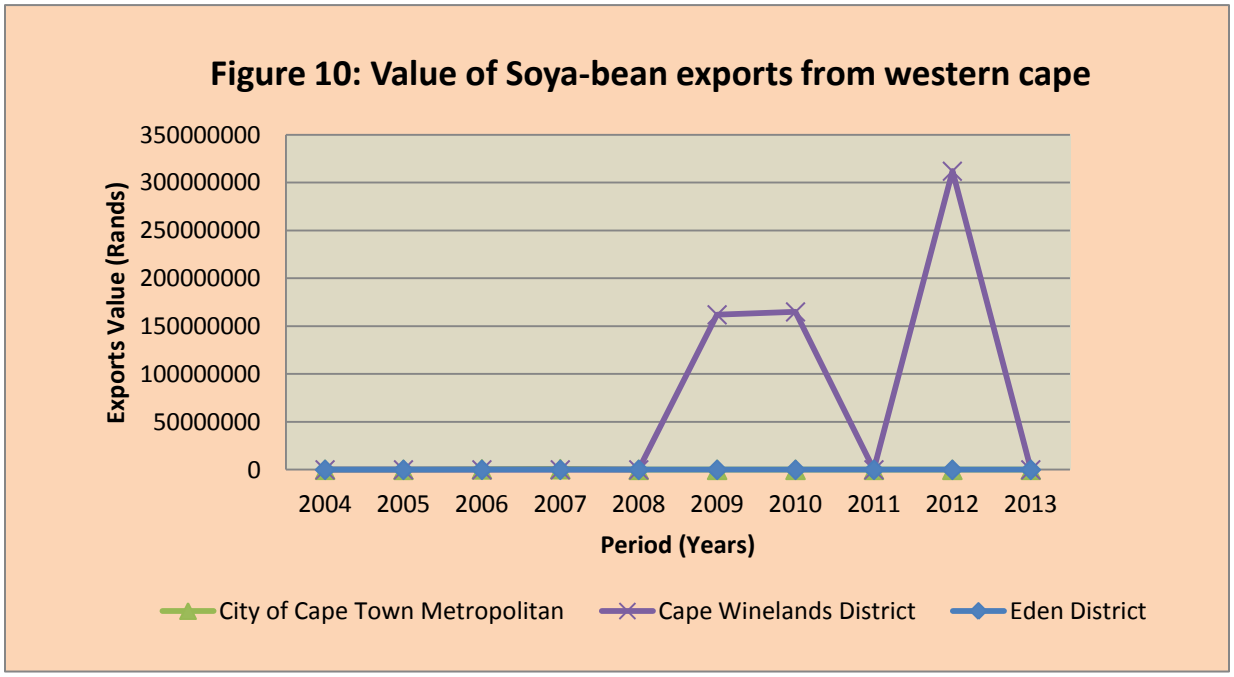


Source: Quantec Easy Data

Figure 9 above indicates value of soybean exports from 2004 to 2013 by different district in Gauteng province. 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

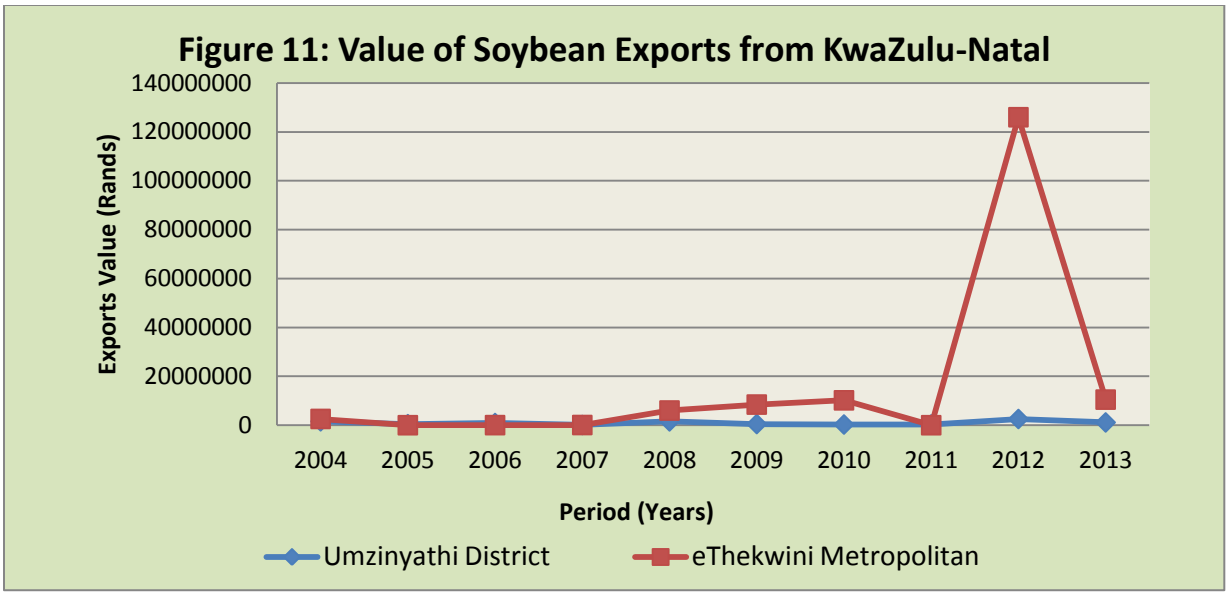
this province. Soybeans exports from Cities of Johannesburg and Tshwane increased dramatically during the years 2009 and 2010 as a result of improved local production volumes. However from other districts, soybeans exports remained minimal throughout the period under review. Irregular export values for soybeans have also been recorded for the West Rand District Municipality and the Ekurhuleni Metropolitan District in recent years.

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 harbor in the trading of grain. Cape Winelands and Eden district's exports of soybean were lower throughout the period under review. However, exports of soybeans from Cape Winelands District increased significantly between 2009 and 2010 and surpassed those originating from City of Cape Town. During the year 2010, Cape Winelands District exported soybeans to the tune of about R16 million. All districts closed with lower values of soybean exports in 2013.



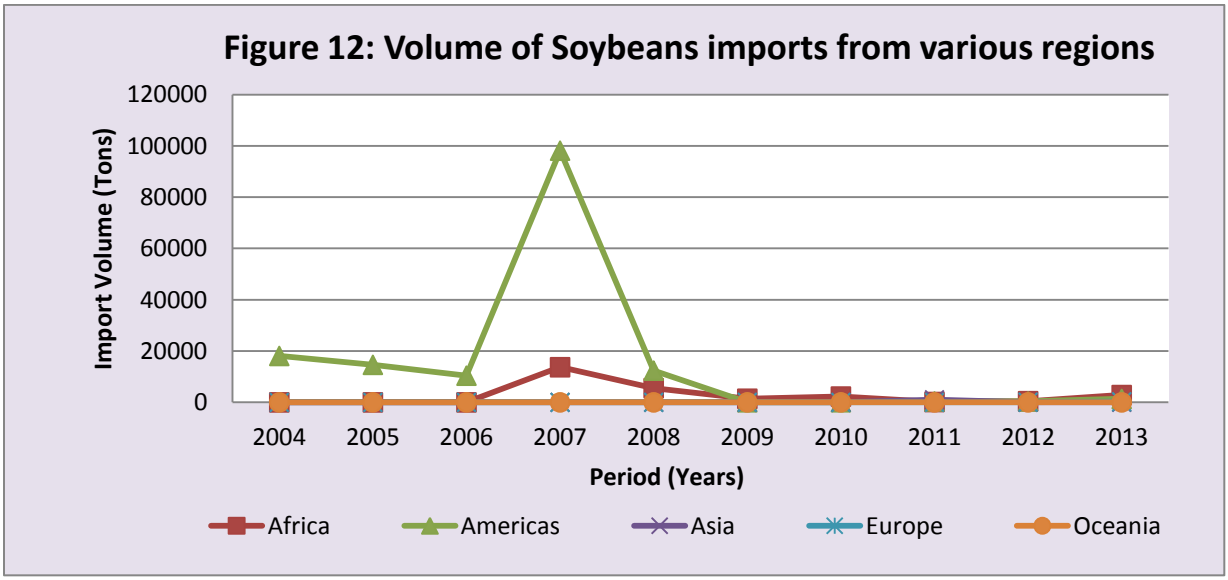
Source: Quantec Easy Data

Figure 11 below, indicates the value of soybean exports from KwaZulu-Natal province form 2004 to 2013. The figure indicates that from KwaZulu-Natal Province, soybeans are exported mainly through UMzinyathi District and EThekwini Metropolitan Municipality. This province's export capacity is enhanced by the presence of the Durban harbor through which soybean can be traded. EThekwini Metropolitan Municipality remained a dominant exporter of soybean throughout the period under review, with most being exported during 2009, 2010 and 2012. Menial exports of soybeans also occurred intermittedly through the UMzinyathi district during the period under review. Both district closed with low exports value of soybean in 2013.



Source: Quantec Easy Data

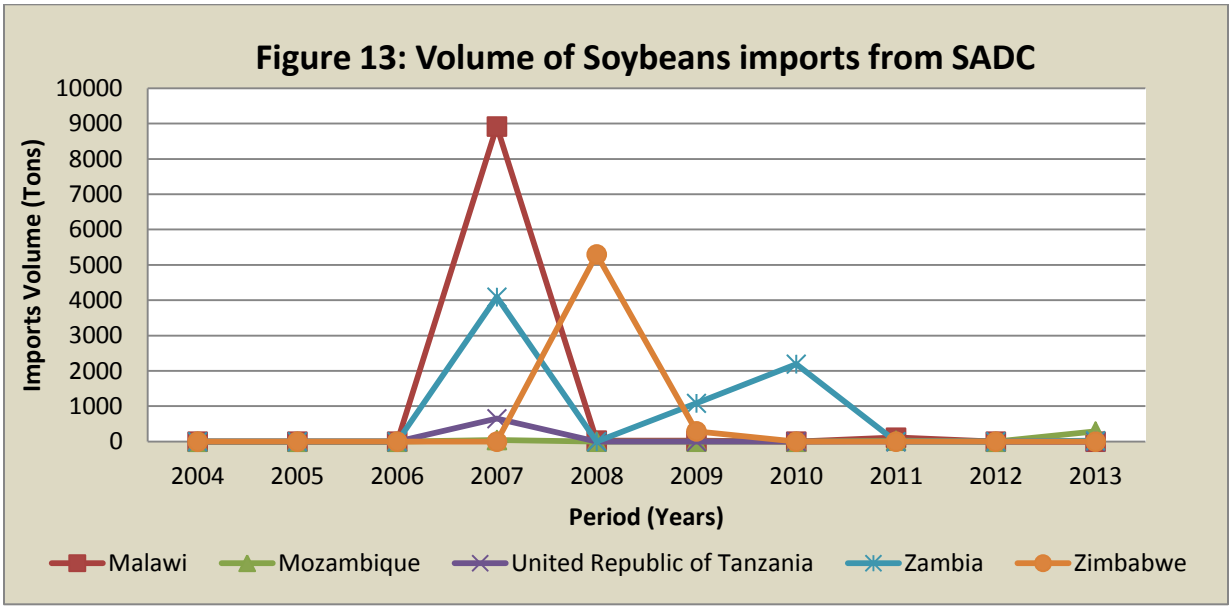
Figure 12 shows that South Africa imports soybeans mainly from the Americas, Africa, Asia, Europe and some countries in Oceania as depicted in Figure 12. The trend in Figure 12 indicates that the volume of soybean imports from the Americas has been greater than those from the rest of the other continents and this became even more profound during the year 2007. 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, a drastic decline in imports from Americas was experienced from 2008 until 2013. The figure further illustrates very menial volumes of soybean imports have recorded from Asian and European countries during the period under review.



Source: Quantec Easy Data

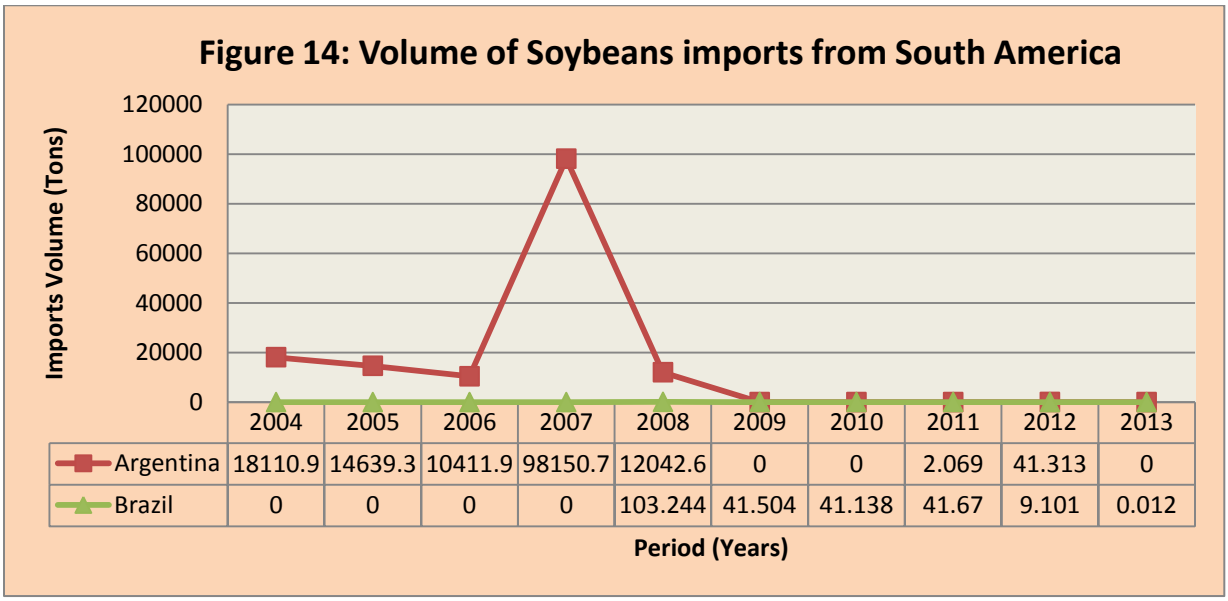
Figure 13 below summarizes the trend of soybean imports from SADC countries. The figure illustrate that the volume of soybean imports from the SADC region into South Africa fluctuated at lower levels between

the years 2005 and 2006. 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 Zimbabwe while imports from Mozambique and United Republic of Tanzania remained minimal throughout the period under review. The period under review closed with lower import volumes form all countries in the SADC region during the year 2013.



Source: Quantec Easy Data

Figure 14 below depicts imports of soybean from South America from 2004 to 2013. The figure illustrates that South Africa imports soybean mainly from Argentina and Brazil. Imports from Brazil were generally lower while those in Argentina were higher, particularly in 2007. Soybean imports from Argentina decreased dramatically between 2009 and 2013.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Argentina	18110.9	14639.3	10411.9	98150.7	12042.6	0	0	2.069	41.313	0
Brazil	0	0	0	0	103.244	41.504	41.138	41.67	9.101	0.012

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 Western Cape, KwaZulu-Natal and North West provinces. Minor exports were recorded from the North West province during the 2011 and 2012, while during year 2013 minor exports were recorded from both the Western Cape and Eastern Cape provinces.

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

Year / Province	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Western Cape	1.27	0.01	23.24	56.13	0.02	28.48	42.96	0.01	41.22	0.05
KwaZulu-Natal	87.57	2.75	45.69	12.54	25.23	1.56	2.72	0.02	17.04	11.37
North West	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.02	1.89
Gauteng	11.16	97.24	31.07	31.33	74.75	69.95	54.31	99.71	41.72	86.11
Eastern Cape	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09

Source: Calculated from Quantec data

During 2013, Gauteng Province and KwaZulu-Natal province accounted for about 86.11% and 11.37% of South Africa's total soybean exports respectively, followed by North West province with a contribution of about 1.89%. Eastern Cape only contributed 0.09% towards South Africa's total soybean exports during the year 2013.

Table 5: Share of district soybean exports to the total Western Cape soybean exports (%)

Year / District	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of Cape Town	100	100	100	100	100	0.03	0.001	10.46	0.01	91.24
Cape Winelands	0.00	0.00	0.00	0.00	0.00	99.97	99.99	0.00	99.99	0.00
Eden District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.54	0.00	8.76

Source: Calculated from Quantec data

Table 3 indicates contribution of different districts of soybean exports in Western Cape Province. The table show soybean exports from the Western Cape Province were mainly through the City of Cape Town district due to the use of the Cape Town harbor as a bypass. The City of Cape Town has been doing well in terms of soybean exports, having been the only exporter of soybeans in the province between 2004 2008. During the years 2009 and 2010, exports of soybeans started to emerge from the Cape Winelands district. The table further shows that during the year 2009, the latter contributed 99.97% to the provincial soybean exports and this increased to 99.99% the following year 2010 as well as in 2012. It is important to note that Eden District emerged and became the major contributor to the province's total soybean exports during the year 2011, after contributing 89.54% to the Western Cape's total soybean exports during the same year. The table concludes with City of Cape Town occupying the greatest share in 2013.

Table 6: Share of district soybean exports to the total KwaZulu-Natal soybean exports (%)

Year / District	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UMzinyathi	38.28	99.99	96.51	55.91	20.57	5.27	2.68	99.96	1.97	9.76
EThekwini	61.72	0.00	3.48	44.08	79.43	94.73	97.32	0.04	98.03	90.26

Source: Calculated from Quantec data

Table 7 indicates share of different district on the soybean exports to the total KwaZulu-Natal soybean exports. The table shows that out of 11 districts in KwaZulu-Natal only two districts are contributing to the total exports of the province. UMzinyathi and EThekwini districts are major exporting districts in KwaZulu-Natal primarily due to the use of the Durban harbor as a viaduct of produce that are transported from the Randfontein grain market for export purposes. The level of exports from KwaZulu-Natal province in 2004, 2008, 2009, 2010, 2012 and 2013 has been higher in EThekwini District, which commanded the greatest share of soybean exports than UMzinyathi District.

Table 7: Share of district soybean exports to the total Gauteng soybean exports (%)

Year / District	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
West Rand	3.12	0.59	0.00	34.87	3.86	0.11	0.14	0.92	0.02	0.03
City of Tshwane	20.69	1.22	0.00	0.02	0	0.00	99.84	99.77	0.01	0.41
Ekurhuleni	76.13	93.62	34.99	41.76	0	72.13	0.02	0.71	3.61	0.00
City of Johannesburg	0.05	4.56	65.00	23.34	96.13	27.75	0.004	6.60	96.36	99.45
Sedibeng	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.11

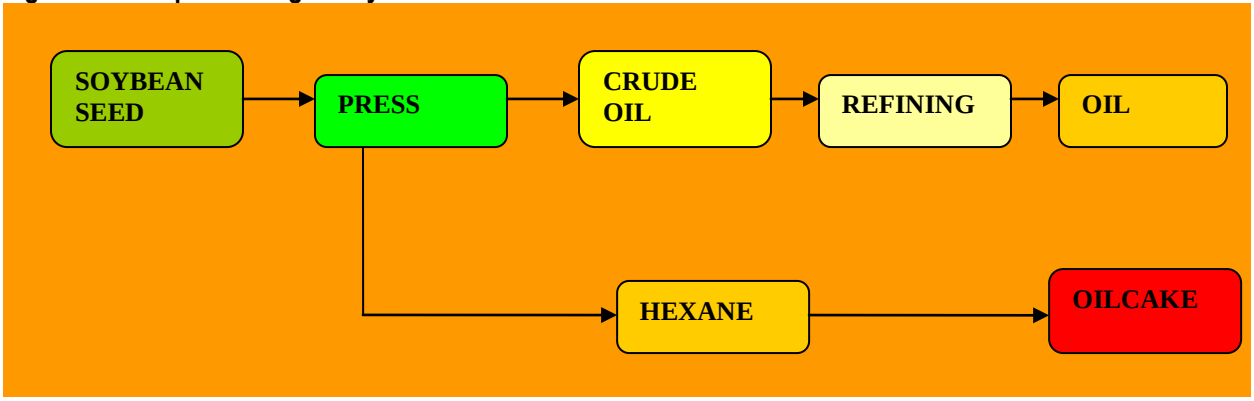
Source: Calculated from Quantec data

Table 7 indicates share of different district on the soybean exports to the total Gauteng soybean exports.. Ekurhuleni Metropolitan Municipality has been commanding the greatest share of the province's soybean exports over the period under analysis, followed by the City of Tshwane and City of Johannesburg. City of Johannesburg played a huge role in exportation of soybeans in 2008 and 2012, having accounted for 96.14% and 96.36 of Gauteng's total soybean exports respectively. The table further shows that the City of Johannesburg commanded the greatest share of soybean exports in 2013.

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 Figure15 below.

Figure 15: The processing of soybeans

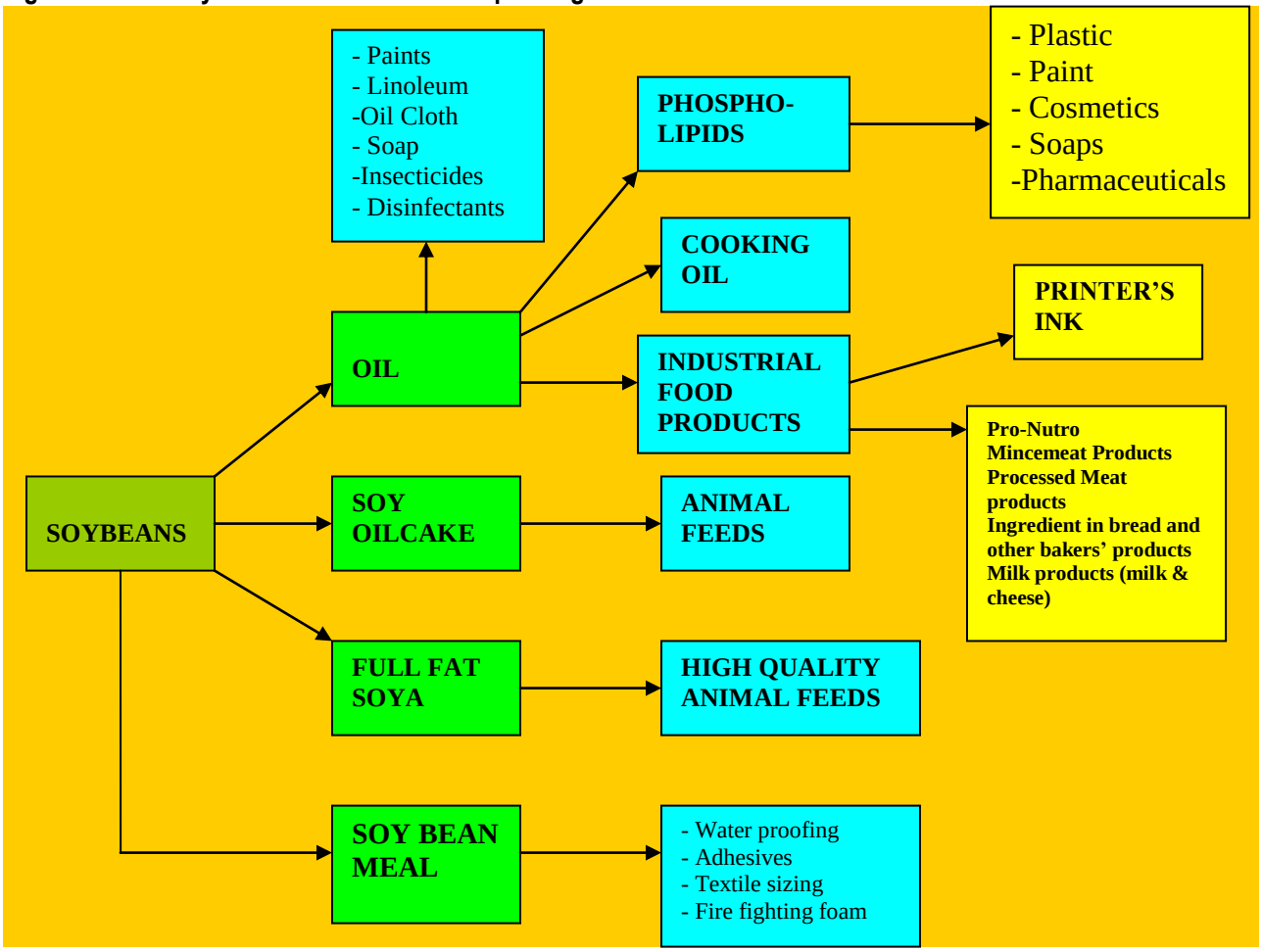


Source: Grain SA

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 (2013)
General	8%
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 labeling 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.

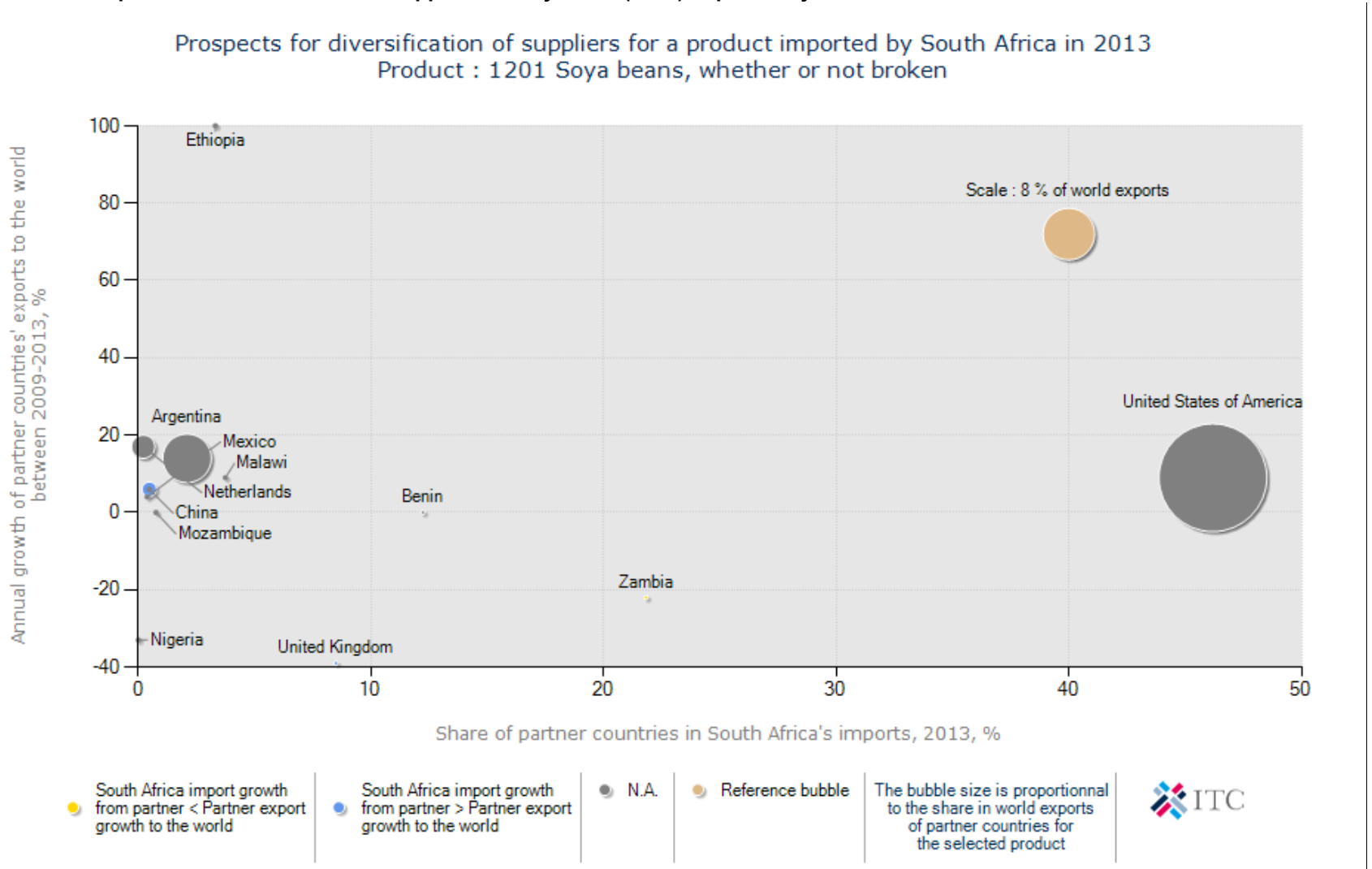
Table 9: List of suppliers for Soybean imported by South Africa in 2013

Exporters	Imported value in 2013 (thousand US$)	Share in South Africa's imports (%)	Imported quantity in 2013 (tons)	Unit value (US$/unit)	Imported growth in value between 2009 and 2013 (% p.a.)	Imported growth in quantity between 2009 and 2013 (% p.a.)	Imported growth in value between 2012 and 2013 (% p.a.)
World	3453	100	4490	769	45	14	279
USA	1595	46.2	1193	1337		303	258
Zambia	754	21.8	1353	557	-43	6	
Benin	423	12.3	699	605			
United Kingdom	294	8.5	258	1140	140	69	213
Malawi	130	3.8	254	512	71	74	
Ethiopia	115	3.3	240	479			
Argentine	73	2.1	157	465			-31
Mozambique	27	0.8	289	93			
Chine	17	0.5	31	548	108	134	-19

Source: ITC Trade Map

Table 9 and Figure 17 portray that most of the South Africa's Soybean imports in 2013 originated mainly from USA, Zambia, Benin and United Kingdom. It is clear from Table 9 and Figure 17 that about 46.2% of South Africa's total soybeans imports originated from USA during the year 2013, followed by Zambia and Benin with 21.8% and 12.3% respectively. The combination of other countries such as Malawi, Ethiopia, Argentine, Mozambique and Chile accounted for less than 15%. Table 9 also indicates that the value soybeans imports from the rest of the world into South Africa increased by 45% between the years 2009 and 2013. Figure 17 below confirms the earlier observation that USA 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 Netherland, China and Mexico. The abovementioned countries are among the world's growing exporters of soybeans although South Africa did not import any significant amount of soybeans from them in 2013.

Figure 17: Prospects for diversification of suppliers of Soybeans (1201) imported by South Africa in 2013.



Source: ITC Trade Map

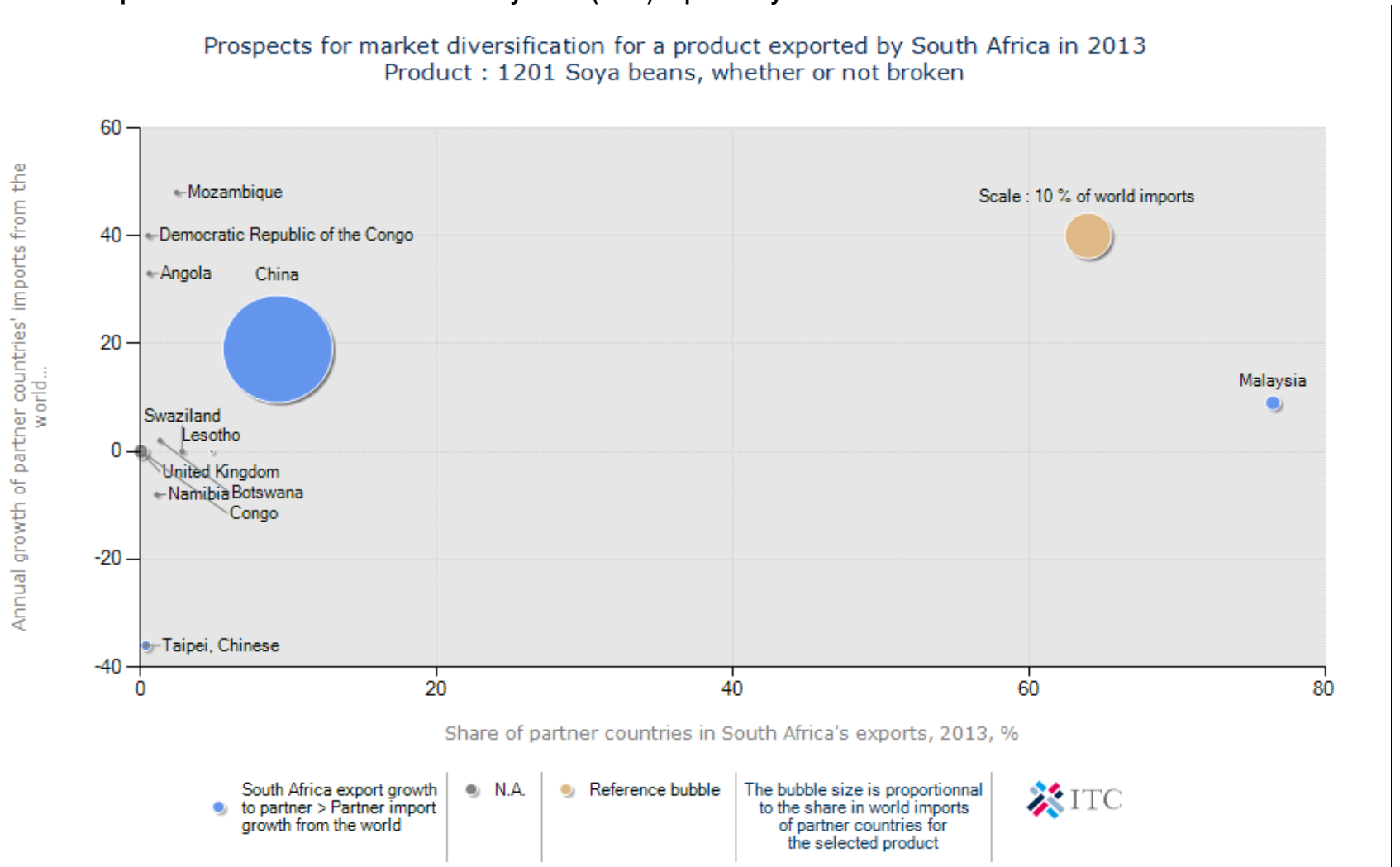
Table 10: List of Importers of Soybeans Exported by South Africa in 2012

Importers	Exported value in 2012 (thousand US$)	Share in South Africa's exports (%)	Exported quantity in 2013 (tons)	Unit value (US$/unit)	Exported growth in value between 2009 and 2013 (% p.a.)	Exported growth in quantity between 2009 and 2013 (% p.a.)	Exported growth in value between 2012 and 2013 (% p.a.)
World	11683	100	17652	662	-21	-34	-86
Malaysia	8936	76.5	14323	624	287	287	-85
China	1083	9.3	1628	665	25	12	-38
Lesotho	560	4.8	324	1728	-	215	-35
Swaziland	330	2.8	374	882	-	-33	-73
Mozambique	287	2.5	406	707	172	187	-92
Botswana	155	1.3	236	657	-	36	-48
Namibia	129	1.1	212	608	-	88	269
Angola	70	0.6	40	1750	165	-	400
DRC	63	0.5	31	2032	84	15	271

Source: ITC Trade Map

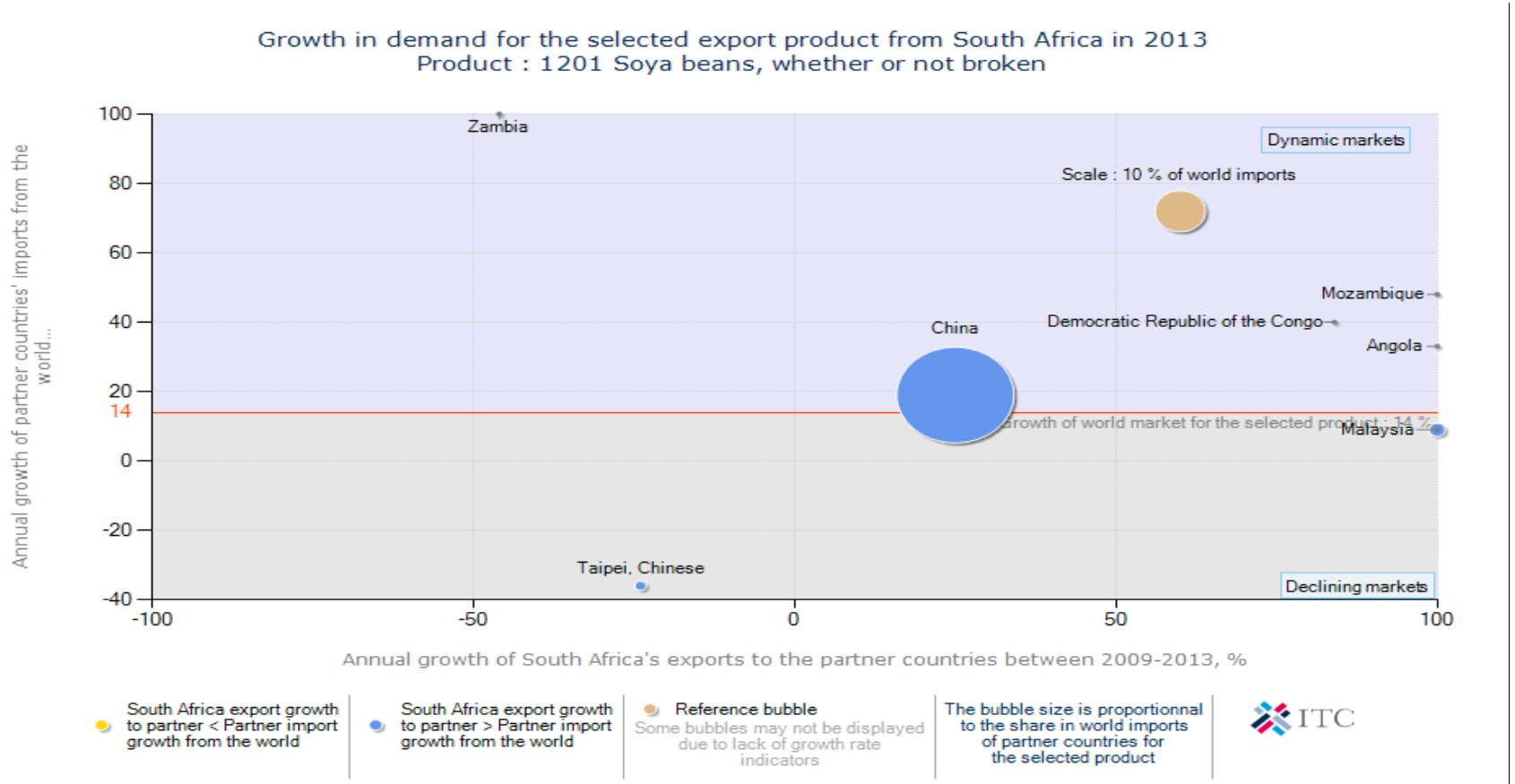
Table 10 and figure 18 shows that, the greatest quantities of soybeans exported by South Africa in various forms are destined to the export markets given as follows: Malaysia, China, Lesotho, Swaziland, Mozambique, Botswana and Namibia. Table 10 shows that between 2009 and 2013, exports of soya beans from South Africa to the rest of the world have decreased by 21% in value terms and 34% in volume terms. The country that has imported most soybeans from South Africa in 2013 is Malaysia having absorbed 76.5% of South Africa's total soybeans exports. South Africa exported 14323 tons of soybeans to Malaysia in 2013 and 1628 tons to China during the same year. The volume of soybeans exports from South Africa to Malaysia increase by 287% between 2009 and 2013.

Figure 18: Prospects for market diversification for Soybeans (1201) exported by South Africa in 2013



Source: ITC Trade Map.

Figure 19: Growth in demand for Soybeans (1201) exported by South Africa in 2013



Source: ITC Trade Map.

Figure 19 shows growth in demand for soybean exported by South Africa to the world in 2013. The graph shows that China and Malaysia were the biggest markets for soybean exported by South Africa in 2013. Annual growth of South Africa's soybean exports to Malaysia between 2009 and 2013 is more than 100%. The figure further shows that South Africa's maize exports to China, Malaysia and Taipei Chinese were growing at a rate that is greater than the growth rate of these countries' imports from the rest of the world between 2009 and 2013.

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:

Grain South Africa
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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