

SA GRAIN AND OILSEED INDUSTRY



**FEEDING
YOU
3X A DAY**





THE SOUTH AFRICAN GRAIN AND OILSEED INDUSTRY

Despite its relatively small share of the total GDP, primary agriculture is an important sector of our economy. The local grain and oilseeds industry is one of the largest agricultural sectors, making a major contribution to the country's total gross agricultural production.

Agriculture as a percentage of GDP has decreased over past four decades. Although this implies that the economy is maturing and moving towards the secondary and tertiary sectors, farming remains vitally important to the economy. Agriculture's prominent, indirect role in the economy is a function of backward and forward linkages to other sectors. Purchases of goods such as fertilisers, chemicals and implements form backward linkages with the manufacturing sector, while forward linkages are established through the supply of raw materials to the manufacturing industry. About 70% of agricultural output is used as intermediate products in the sector.

Agriculture is a crucial sector and an important engine of growth for the rest of the economy

South Africa has a dual agricultural economy, with both well-developed commercial farming and more subsistence-based production in the deep rural areas. The stability and future growth of the sector is imperative to provide food security to the South African population and it is a key focus of the New Growth Path. The NGP is also a plan by the government to create 5 million new jobs by 2020.

Agriculture is a significant provider of employment, especially in the rural areas, and a major earner of foreign exchange

Maize is the largest and most important locally produced field crop, a dietary staple, a source of livestock feed, and an export crop. Maize is produced mainly in North West province, the Free State, the Mpumalanga Highveld and the KZN Midlands. Wheat is produced in the winter rainfall areas of the Western Cape, parts of the Free State and various irrigation areas. Barley is produced mainly in the southern Western Cape. Soybean is mainly grown as a rotation crop with maize. Sunflower seed is produced in the Free State, North West, Mpumalanga Highveld and Limpopo. Sorghum is cultivated in Mpumalanga, Free State, Limpopo, North West and Gauteng.

South Africa's agricultural industry operates in a free market and the primary producers are thus price takers.

Livestock is the largest agricultural sector in South Africa comprising beef and dairy cattle as well as poultry and pigs. It is highly dependent on animal feed produced from grains and oilseeds.

Agro-processing comprises value-adding to all grains and oilseeds: Wheat and white maize milling; Brewing of barley and sorghum; Crushing of oilseeds such as soybeans and sunflower for vegetable oils; and Manufacturing of animal feed from yellow maize.

The functioning of the grain and oilseeds industries are highly dependent on domestic grain information as well as local and international macro-economic information to enable role players in the grain industry commercial and emerging sectors, to continue making meaningful decisions.



**GROWING
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Grain Value Chain



Input service providers

- Finance & insurance
- Seed, fertilizer, agro-chemicals
- Livestock inputs



Primary agriculture

- Smallholder farmers
- Commercial farmers



Post-harvest service providers

- Storage
- Trade
- Processing
- Manufacturing
- Packaging
- Agro-logistics



Output markets

- Wholesalers
- Retailers



Consumers

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**WHAT HAPPENS
TO THE RAW
PRODUCT?**

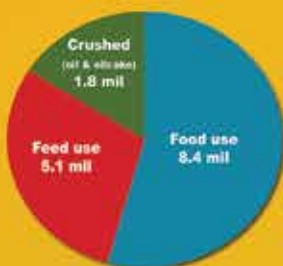
Processing

Human

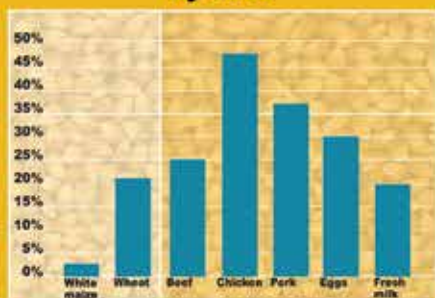
Industrial

Animal

**Use of grains and
oilseeds in 2014
(tonnes)**



**Increase in food consumption
by 2020**



DID YOU KNOW?

South African soybean
crushing increased from
600 000 tonnes in 2012 to more
than 1 mil tonnes in 2015!

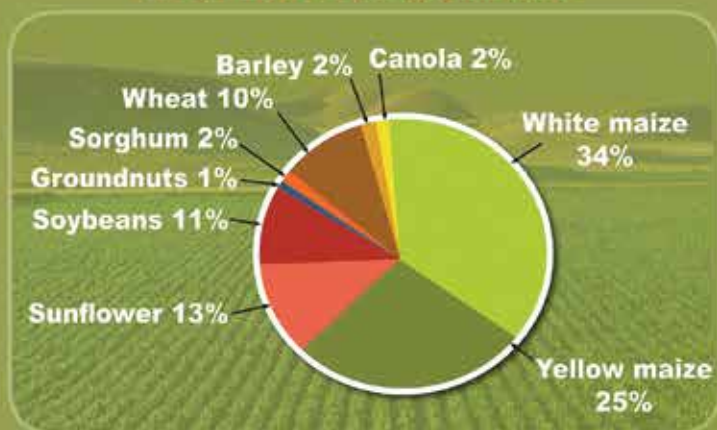
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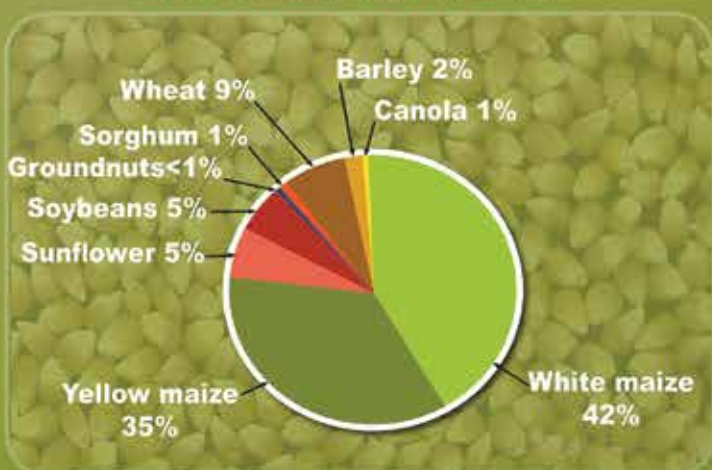
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PRODUCTION IN SA

2014 TOTAL of 4.6 mil hectares



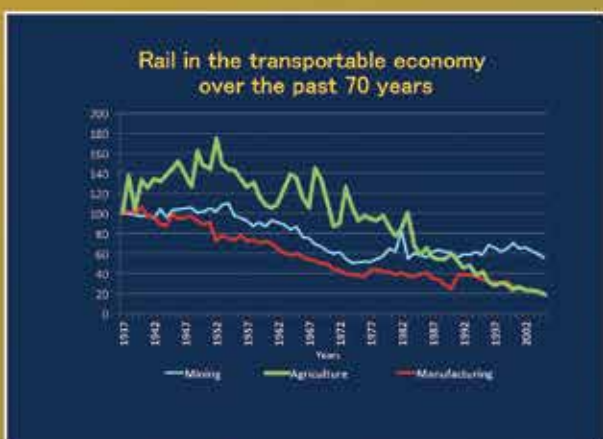
2014 TOTAL of 18.5 mil tonnes



SA GRAIN & OILSEED INDUSTRY



AGRO-LOGISTICS



2.5 mil tonnes grain transported by rail in 2014



10.8 mil tonnes grain transported by road in 2014



DID YOU KNOW?

South Africa has **243** commercial grain silos with a total storage capacity of 15 million tonnes!



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INDUSTRY BODIES

MAIZE FORUM

TRUST • STEERING COMMITTEES • WORKING GROUPS

WHEAT FORUM

TRUST • STEERING COMMITTEES • WORKING GROUPS

SORGHUM FORUM

TRUST • STEERING COMMITTEES • WORKING GROUPS

SUNFLOWER & SOYBEAN FORUM

TRUST, OILSEEDS ADVISORY COMMITTEE

GROUNDNUT FORUM

TRUST, OILSEEDS ADVISORY COMMITTEE

SANCU

NCM

AFMA

SACOTA

SAOPA

AGBIZ

GRAIN
SA

SACB

JSE

SAPA

ARC

SANSOR

GFADA

OTHER



DID YOU KNOW?

Government liaison with the Forums & Trusts is through the National Agricultural Marketing Council (NAMC), various Government departments and industry bodies.



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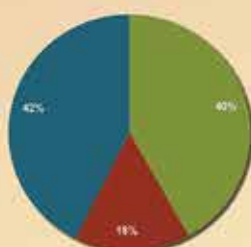
DISTRIBUTION OF FUNDS BY TRUSTS TO VARIOUS FOCUS AREAS

Winter Cereal Trust



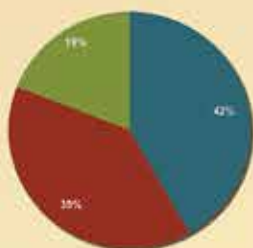
Research Transformation Capacity building

Maize Trust



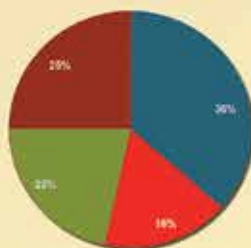
Research Transformation Market info

Sorghum Trust



Research Transformation Market info

**Oil & Protein Seeds
Development Trust**



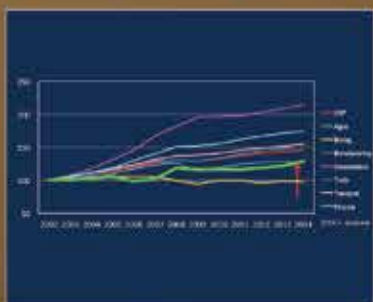
Research Transformation Capacity building
Market info

**Focus areas are in line with the objectives
of the Trust Deeds**

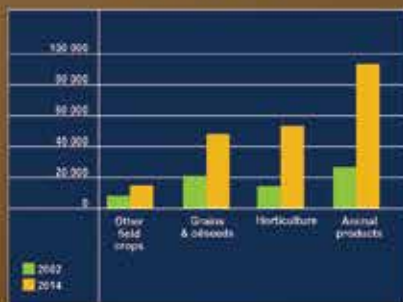
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CONTRIBUTION TO THE ECONOMY

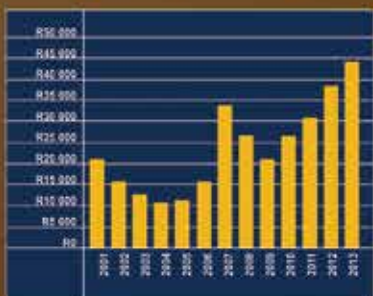
**Contribution of primary
agriculture to GDP
(Gross Domestic Product)**



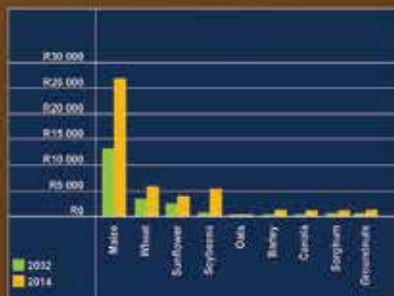
**Growth in gross value (R mil) of
grains & oilseeds compared to
other agricultural sectors
2002 to 2014**



**Gross value (R mil) of
grains & oilseeds**



**Growth in gross value (R mil)
of grains & oilseeds from
2002 to 2014**



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TRUSTS SUPPORT RESEARCH

**AGRICULTURAL RESEARCH
COUNCIL**

UNIVERSITIES

OTHER



**Disease
Management**



Production



Breeding



Soil Science



Food Safety



Genetics



Weed Control



Pest Control



**Conservation
Agriculture**



Crop Quality



DID YOU KNOW?

Over the last 7 years,
the four Trusts have spent
R465 million on research.

SA GRAIN & OILSEED INDUSTRY



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**TRUSTS SUPPORT
CAPACITY BUILDING**

UNIVERSITIES

TECHNIKONS

OTHER

**University of Cape Town
University of Pretoria
University of the Free State
North-West University
University of KwaZulu-Natal
University of Fort Hare
University of Limpopo
Rhodes University
University of Venda
University of the Western Cape
University of the Witwatersrand**



DID YOU KNOW?

Over the last 7 years, the Trusts have spent over R11.8 million on bursaries and have supported 92 MSc students and 41 PhD students.



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CROP QUALITY IN THE GRAIN & OILSEED INDUSTRY



THE SOUTHERN AFRICAN GRAIN LABORATORY (SAGL)

The SAGL is an independent, accredited service provider to the Trusts and other customers in the value chain



MAIZE (surveys since 1997)



WHEAT (surveys since 1997)



SOYBEANS (surveys since 2011)



SUNFLOWER (surveys since 2012)



DID YOU KNOW?

The SAGL publishes annual crop quality surveys to assist industry with marketing locally and internationally.

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INFORMATION IN THE GRAIN AND OILSEED INDUSTRY

Who generates the information?



**SA SUPPLY & DEMAND
ESTIMATES COMMITTEE (SASDEC)**
Funded by the Trusts & NAMC



**SA GRAIN INFORMATION
SERVICE (SAGIS)**
Funded by the Trusts



**CROP ESTIMATES
COMMITTEE (CEC)**
Under the auspices of DAFF



**THE SOUTHERN AFRICAN
GRAIN LABORATORY (SAGL)**
Funded by the Trusts & other customers

Other publications funded by the Trusts

**SA
GRAIN**

**WHEAT
FOCUS**

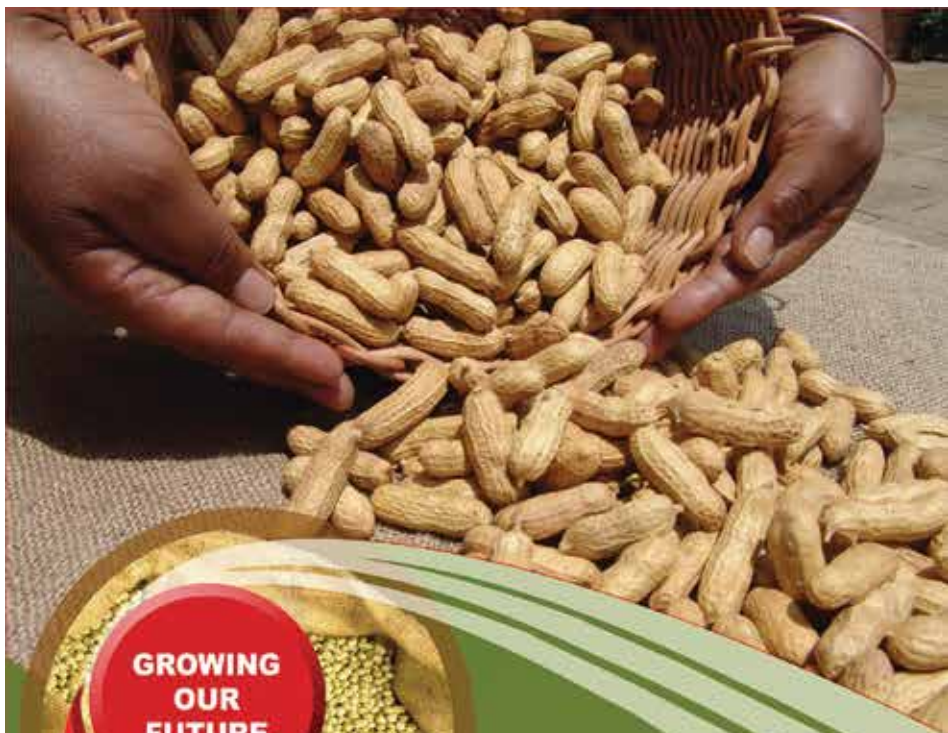
**OILSEEDS
FOCUS**

**MAIZE
INFORMATION
GUIDE**

**GUIDELINES:
PRODUCTION
OF
SMALL
GRAINS**

**PULA
MVULA**

SA GRAIN & OILSEED INDUSTRY



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FOOD SECURITY



Food Security Index

- Good performance
- Moderate performance
- Needs improvement

FOOD SECURITY

Food Utilisation

Nutritional value
Social value
Food safety

Food Access

Affordability
Allocation
Preference

Food Availability

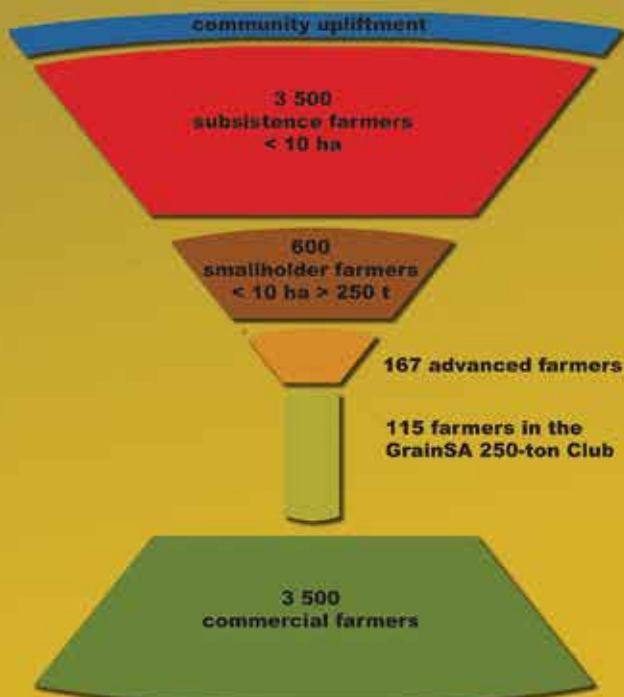
Production
Distribution
Exchange/
trade

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TRANSFORMATION

Transformation goals of the Trusts are achieved by guiding new era farmers in commercialisation and facilitating whole farm development



**Training / Communication / Mentorship
Trial plots / Study groups / Farmers' days /
Publications in 7 indigenous languages**



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USES OF GRAIN & OILSEEDS

Did you know?

Grain and oilseeds are everywhere!

- Gas and oil • Biodiesel •
- Drywall boards • Adhesives •
- Cosmetics • Wax paper •
- Biomedical products •
- Medicine • Soap •
- Varnish • Toothpaste •
- Matches • Tyres •
- Diapers • Paper •
- Charcoal • Candles •
- Lubricants • Ink •
- Foams •



Abbreviations

| | |
|----------|--|
| AFMA | Animal Feed Manufacturers Association |
| AGBIZ | Agricultural Business Chamber |
| ARC | The Agricultural Research Council |
| CEC | Crop Estimates Committee |
| GFADA | Grain Farmer Development Association |
| JSE | Johannesburg Stock Exchange |
| NAMC | National Agricultural Marketing Council |
| NCM | National Chamber of Milling |
| SACB | South African Chamber of Baking |
| SACOTA | South African Cereals and Oilseeds Trade Association |
| SAGIS | SA Grain Information Service |
| SAGL | Southern African Grain Laboratory |
| SANCU | South African National Consumer Union |
| SANSOR | South African National Seed Organisation |
| SAOPA | SA Oil Processors Association |
| SAPA | South African Poultry Association |
| SASDEC | SA Supply & Demand Estimates Committee |
| GRAIN SA | Grain SA |

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For more information, contact Mariana Purnell at
mariana.purnell@agbizgrain.co.za
www.agbizgrain.co.za

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