

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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South Africa - Republic of

Post: Pretoria

The potential import market for peanuts in South Africa

Report Categories:

Oilseeds and Products

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Report Highlights:

Post expects South Africa will import around 10,000 MT of peanuts in the 2014/15 MY (marketing year started March 2015), as an 11 decrease in peanut production is expected due to a mid-summer drought that hit the summer rainfall production areas. Relatively high stock levels and a stagnating demand dampened a more aggressive outlook on peanut imports.

Production

Production of peanuts in South Africa will be down in the 2014/15 MY, due to a mid-summer drought that hit the summer rainfall production areas. The season started normal and most areas received normal to above-normal rainfall during December 2014. However, during the first two months of 2015, most parts of South Africa's main peanut producing areas experienced extreme drought condition that impacted negatively on yields. As a result, peanut production is expected to be 11 percent lower than in the 2013/14 MY, at 66,225 MT (see also Table 1).

Table 1: Area planted and production of peanuts in South Africa

	2013/14 MY (actual)	2014/15 MY (estimate)
Area (1,000 ha)	52	58
Yield (MT/ha)	1.6	1.1
Production (1,000 MT)*	75	66

Source: SAGIS

*Data supplied on a shelled basis, converted to in-shell (X1.33).

Consumption

The domestic consumption for peanuts in South Africa is indicated in Table 2 for the 2013/14 MY (actual), and 2014/15 MY (estimate). The domestic market is relatively stagnating at around 60,000 MT, with about 25,000 MT of peanuts being consumed in the direct edible market and about 30,000 MT for the peanut butter market. A weak economic outlook for South Africa is diminishing a more aggressive demand growth for peanut products. The economic growth outlook for South Africa remain sluggish at less than two percent per annum in 2015 and 2016, due to *inter alia* electricity constraints, labor unrest and relatively lower commodity prices.

Table 2: The utilization of peanuts in South Africa

(1,000 MT)	2013/14 MY	2014/15 MY
Direct edible market	22	23
Peanut butter market	28	30
Oil and oilcake	3	3
Seed	3	3
Other	2	1
TOTAL	58	60

Source: SAGIS

*Data supplied on a shelled basis, converted to in-shell (X1.33).

Exports

Exports of peanuts (according to Global Trade Atlas) reached about 13,000 MT in the 2013/14 MY. In the 2012/13 MY, South Africa exported about 9,000 MT of peanuts. Post expects peanut exports to be around 15,000 MT in the 2014/15 MY.

Imports

South Africa imported 8,280 MT of peanuts in the 2013/14 MY, at a value of US\$6 million. In the 2012/13 MY, South Africa imported 21,000 MT of peanuts worth US\$22 million (see also Table 3). Post expect South Africa will import around 10,000 MT of peanuts in the 2014/15 MY.

Table 3: Peanut imports by South Africa

(1,000 MT)	2012/13 MY (Mar 2013 – Feb 2014)	2013/14 MY (Mar 2014 – Feb 2015)
Namibia	0	3
Mozambique	9	1
India	3	1
Zambia	0	1
Malawi	2	1
United States	4	1
Others	3	0
Total	21	8