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Zimbabwe

Oilseeds and Products

Annual

2004

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Report Highlights:

Zimbabwean oilseed production seems to have survived the land reform process. The 'new farmers' are set to expand production with cotton leading the way. Total oilseed production is set to increase to 339,000 tons this year after 316,000 tons were produced in 2002. With the predominance of cottonseed in the mix, a surplus of cottonseed meal is looming while plant oils will still be short.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Pretoria [SF1]
[RH]

Summary

Cottonseed is the major oilseed produced in Zimbabwe, recently accounting for 70% of all oilseed production. The rest is made up of soybeans, sunflowers and peanuts. Cottonseed production, after reaching a record of 353,000 metric tons in 1999 (indicating year of planting), declined to 195,000 tons in 2001 but is expected to show a strong recovery to 240,000 tons in 2003. The land reform program initially caused the significant decline in production, but the recovery is due to the 'new farmers' being assisted by the ginner. Agricultural counselor recently visited Zimbabwe and various sources suggested that the cotton success was due to a total lack of government interference. Soybean production seems to have stabilized at around 50,000 tons per annum. Peanut and sunflower production is small, with very little reaching the market.

Total 2003 oil production is estimated at 43,000 tons, well short of estimated demand of 60,000 to 70,000 tons. Foreign currency constraints will limit commercial imports, with the shortfall probably supplied in the form of food aid.

Oil production is the main concern of the crushing industry with the result that plant meal production traditionally exceeded demand. Cottonseed meal is used in cattle feed with the surplus exported. Soybean meal is used in the poultry and swine industries but production is not meeting demand, in spite of the scaling back in the industries.

Exchange rate:

08.06.2004, USD1=Z\$ 5,831.45 – Auction rate
USD1=Z\$ 55.00 – Official rate.

Total Oilseeds

Area Planted '000 ha.	2002 (MY 03/04)	2003 (MY 04/05)	2004 (MY 05/06)
Cottonseed	380	390	390
Soybeans	40	40	44
Peanuts	240	200	200
Sunflower seed	30	25	25
Total	690	655	659
Production '000 mt.			
Cottonseed	205	240	250
Soybeans	55	55	50
Peanuts	50	40	45
Sunflower seed	6	4	3
Total	316	339	348

Total oilseed production for 2003 is estimated at 339,000 tons, up from 316,000 tons in 2002. The main reason for the increase has been the resurgence of cottonseed production as well as the stability in soybean production. Both these crops are now grown almost entirely by the 'new farmers' that have settled on the land formerly used by the big commercial farmers. Soil fertility, built up over years, allowed the better yields but nutrients will have to be replenished at some stage. Cottonseed production also benefited from the increased availability of inputs, financed by the ginners, and the 2003 crop could even reach 290,000 tons. Peanuts are predominantly grown in the subsistence sector as a food crop with very little reaching formal markets. Sunflower production is very small.

Commodity	Oilseed, cotton						
	1000 hectare	2002	Revised	2003	Estimate	2004	Forecast
1000 metric tons	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]	
Market Year Begin	04/2003		04/2004		04/2005		
Area Planted (COTTON)	425	380	425	370	0	380	
Area Harvested(COTTON)	330	380	330	370	0	380	
Seed to Lint Ratio	0	0	0	0	0	0	
Beginning Stocks	0	0	0	0	0	0	
Production	160	205	175	240	0	250	
MY Imports	0	0	0	0	0	0	
MY Imp. from U.S.	0	0	0	0	0	0	
MY Imp. from the EC	0	0	0	0	0	0	
TOTAL SUPPLY	160	205	175	240	0	250	
MY Exports	17	0	20	0	0	0	
MY Exp. to the EC	0	0	0	0	0	0	
Crush Dom. Consumption	128	180	140	215	0	225	
Food Use Dom. Consump.	0	0	0	0	0	0	
Feed,Seed,Waste Dm.Cm.	15	25	15	25	0	25	
TOTAL Dom. Consumption	143	205	155	240	0	250	
Ending Stocks	0	0	0	0	0	0	
TOTAL DISTRIBUTION	160	205	175	240	0	250	
Calendar Year Imports	0	0	0	0	0	0	
Calendar Yr Imp. U.S.	0	0	0	0	0	0	
Calendar Year Exports	22	0	22	0	0	0	
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	

Commodity**Oilseed,peanut**

1000 hectare	2002	Revised	2003	Estimate	2004	Forecast
1000 metric ton	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	04/2003		04/2004		04/2005	
Area Planted	280	240	280	200	0	200
Area Harvested	240	240	220	200	0	200
Beginning Stocks	6	0	10	0	10	0
Production	50	50	45	40	0	45
MY Imports	4	0	4	0	0	0
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	60	50	59	40	10	45
MY Exports	2	1	3	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	0	0	0	0	0	0
Food Use Dom. Consump.	43	44	41	36	0	40
Feed,Seed,Waste Dm.Cn.	5	5	5	4	0	5
TOTAL Dom. Consumption	48	49	46	40	0	45
Ending Stocks	10	0	10	0	0	0
TOTAL DISTRIBUTION	60	50	59	40	0	45
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	1	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Total oilmeal:

The annual oilseed crush currently mainly consists of cottonseed and soybeans:

Crushing '000 mt.	2002 (MY 03/04)	2003 (MY 04/05)	2004 (MY 05/06)
Cottonseed	180	215	225
Soybeans	49	49	44
Total	229	264	269
Meal production mt.			
Cottonseed	86	105	110
Soybean	40	40	35
Total	126	145	145

The biggest portion of the cottonseed and soybean crops are crushed with only small quantities retained for seed and occasional exports. No sunflower or peanuts are crushed for oil. Protein meal demand has declined as a result of the demise of the large commercial farmers. Total crushing capacity in Zimbabwe is estimated at 350,000 tons per annum. Millers would prefer to crush 170,000 tons of cottonseed, 110,000 tons of soybeans and 50,000 tons of sunflowers per year to supply the local demand for oil of about 60,000 to 70,000 tons. With the demand for cottonseed meal for animal feed limited by the demise of the feedlots, a considerable surplus is developing which will be available for export. Soybean meal for the poultry and pig industries, will, however, be in short supply.

Commodity**Meal, Cotton**

1000 metric tons

Market Year Begin	2002		2003	Estimate	2004	Forecast
	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
	04/2003		04/2004		04/2005	
Crush	128	180	140	215	0	225
Extr. Rate, 999.9999	0.453125	0.477778	0.457143	0.484848	0	0.485714
Beginning Stocks	0	10	0	10	0	10
Production	58	86	64	105	0	110
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	58	96	64	115	0	120
MY Exports	5	36	9	50	0	50
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	53	50	55	55	0	60
TOTAL Dom. Consumption	53	50	55	55	0	60
Ending Stocks	0	10	0	10	0	10
TOTAL DISTRIBUTION	58	96	64	115	0	120

Total plant oils

Crushing '000 mt.	2002 (MY 03/04)	2003 (MY 04/05)	2004 (MY 05/06)
Cottonseed	180	215	225
Soybeans	49	49	44
Total	229	264	269
Oil production mt.			
Cottonseed	29	34	36
Soybean	9	9	8
Total	38	43	44

It is currently estimated that the domestic demand for oil, which was about 90,000 tons in 2000 has declined to about 60,000 to 70,000 tons due to declining disposable income brought about by the high inflation rate. It is obvious that the estimated 2003 production will be far short of needs. Even if the cottonseed crop were to reach 290,000 tons allowing 265,000 tons for crushing, oil production would reach 42,000 tons for a total of 51,000 tons including soybean oil. Commercial imports will be limited due to foreign exchange and costs constraints necessitating some food aid. Most table oils sold in Zimbabwe are blends of the different oils available.

Commodity	Oil,		Cotton		Forecast	
	2002	2003	Estimate	2004	2004	Forecast
1000 Metric tons	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	04/2003		04/2004		04/2005	
Crush	128	180	140	215	0	225
Extr. Rate, 999.9999	0.15625	0.161111	0.157143	0.15814	0	0.16
Beginning Stocks	0	0	0	0	0	0
Production	20	29	22	34	0	36
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	20	29	22	34	0	36
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	20	29	22	34	0	36
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	20	29	22	34	0	36
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	20	29	22	34	0	36