

Food Security Policy: Toward Inclusive and Sustainable Food System Transformation

Theme 2: Rural and Agrifood Systems in Transforming Economies

Midstream: Impact of transformation in oilseed sector on policies and investments in Southern Africa

Ferdi Meyer

University of Pretoria

Presentation overview

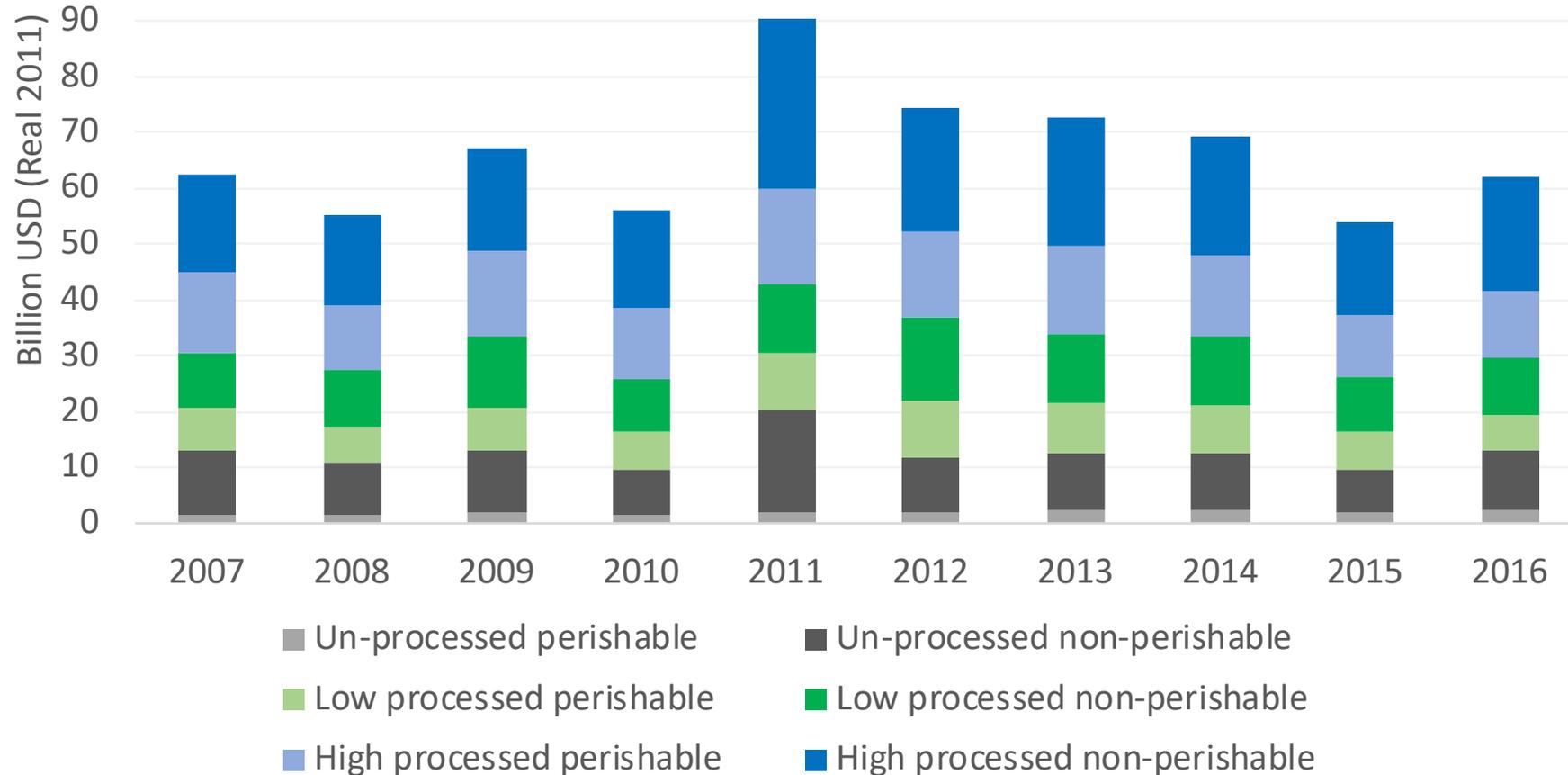
- FSP-IL training in PE modelling at ReNAPRI institutes
- Impact of transformation in oilseed sector on policies and investments in Southern Africa
 - Overview of imports of agricultural products into SSA.
 - Vegetable oil imports into Malawi and Zambia
 - Alternative future scenarios – implication for area, yields etc.
- Implications for policy interventions and public investments

PE model training at ReNAPRI institutes

- 2015- Sokoine
- 2016- CEPPAG
- 2017- CARD
- 2018 – collaboration on task 5

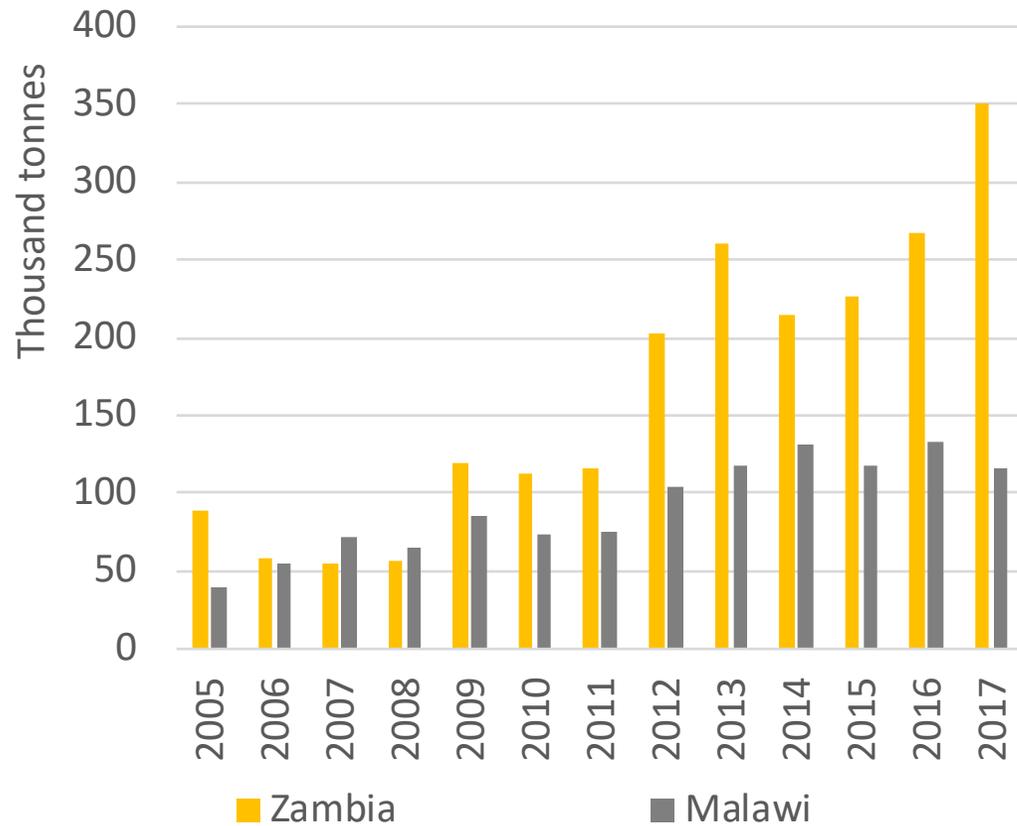


Imports of agricultural products into SSA

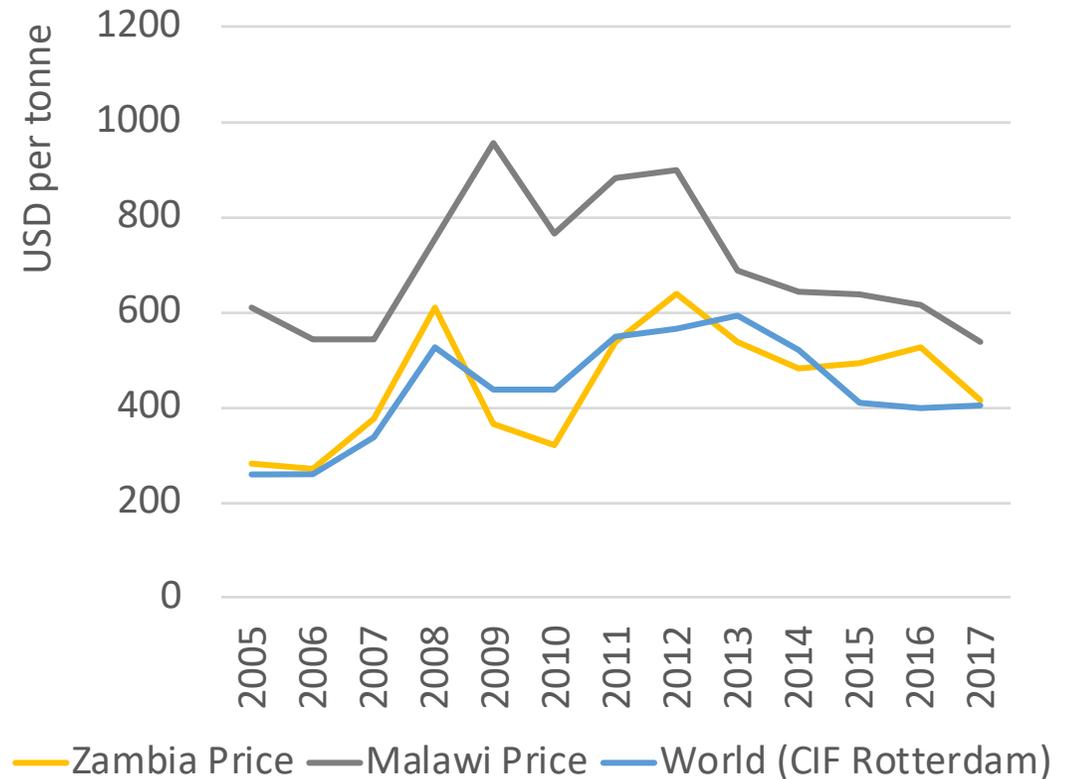


Soybean production & prices

Production

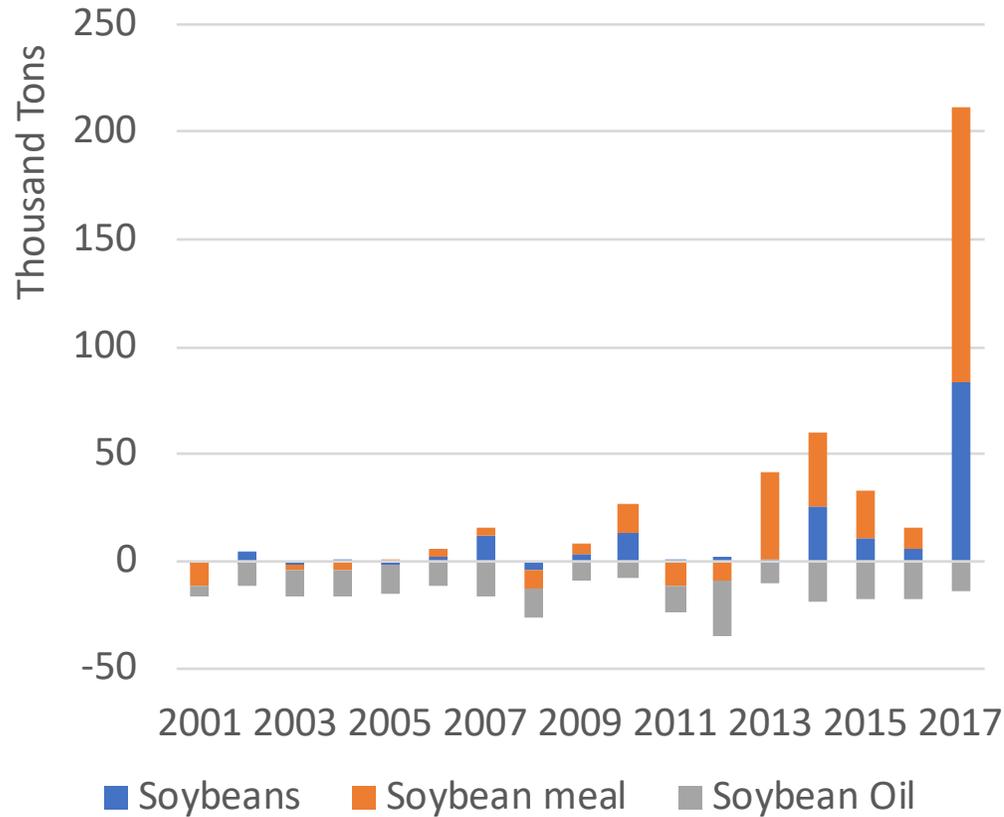


Prices

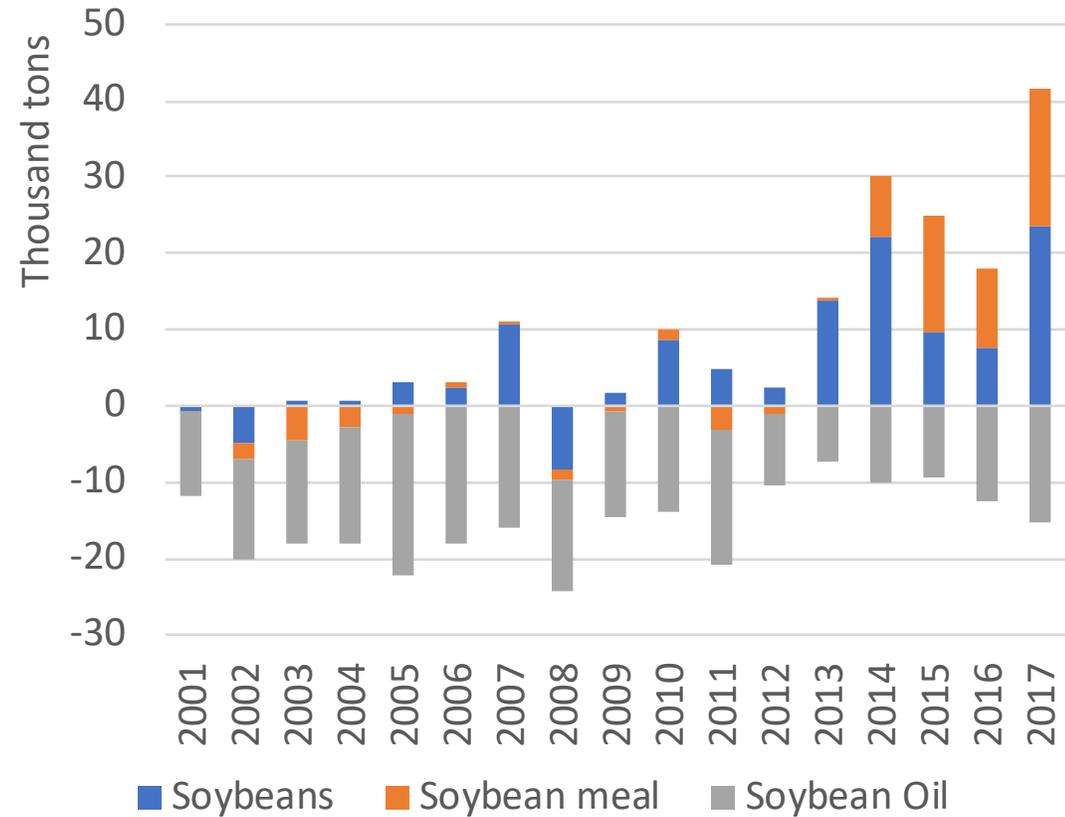


Surplus of beans and meal...but oil imports

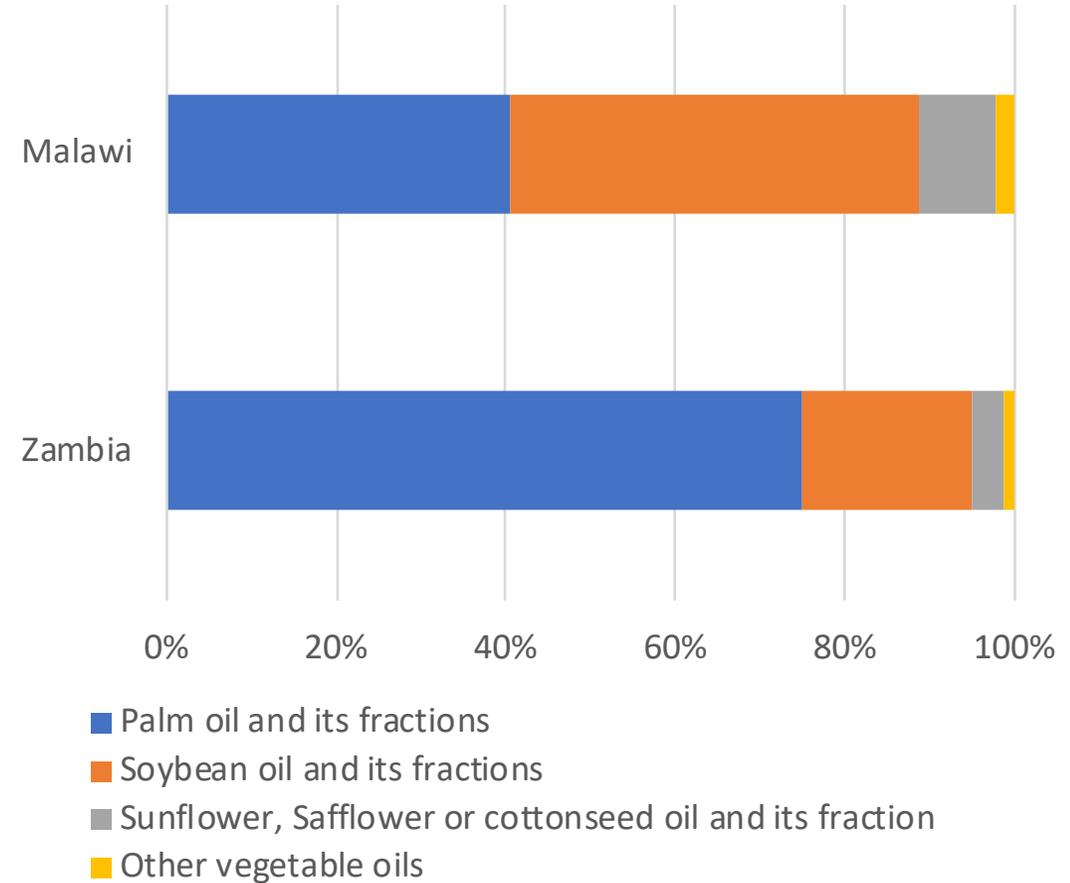
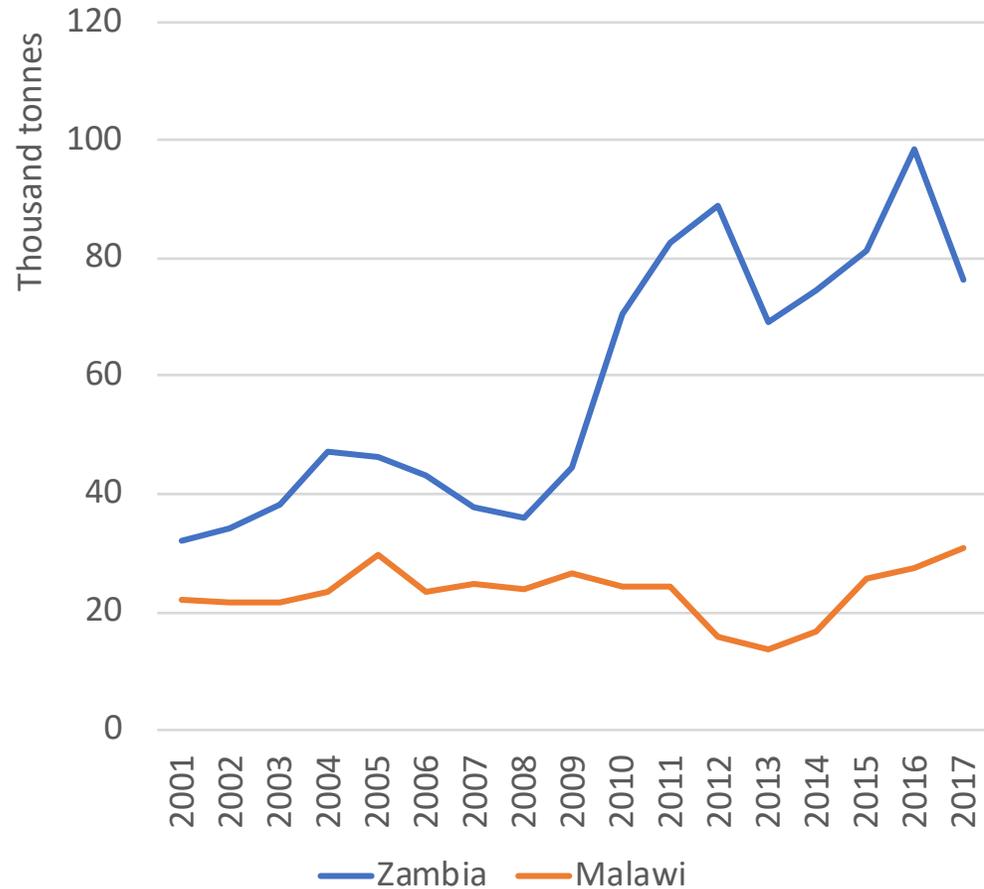
Zambia



Malawi



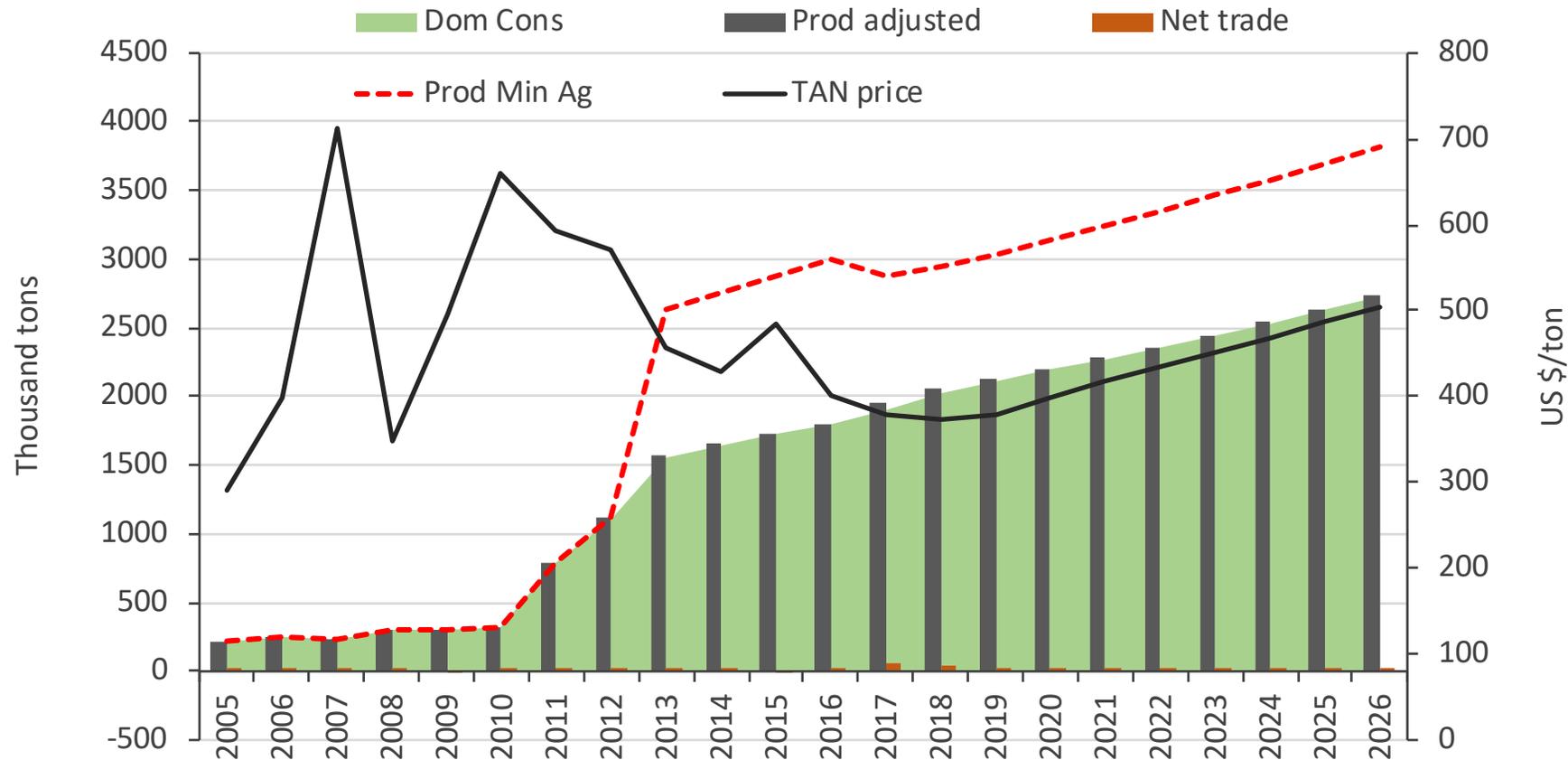
Vegetable oil imports



Alternative future scenario: import substitution

	2017	2025		Scenario vs. Baseline	
	Actual	Baseline	Scenario	Absolute change	% change
	Thousand hectares				Percentage
Soybean Area	232	257	461	204	79%
	Tonnes per hectare				Percentage
Soybean Yield	1.52	1.89	2.24	0.34	18%
	Thousand tonnes				Percentage
Soybean Production	351	488	1033	545	112%
Soybeans Processed	268	363	1031	668	184%
Soybean Oil Production	38	51	144	94	184%
Soybean Oilcake Production	199	269	763	494	184%
Soybean Oilcake exports	129	22	516	494	2258%

Other markets: Sunflower market in Tanzania



- Rapid growth in Tanzanian sunflower market
- Official statistics overestimate crop by approx. 30%
- SME processors approx. 65% of market....but low tech crushing
- Palm oil imports highly competitive
- Value chain upgrade: Policy intervention on imports plus investment in solvent extraction

Implications: Policy & Public Investment

- Number of African countries have entered **“consolidation phase” for selected commodities – value chain upgrades required**
- Sustainable additional development of these value chains depends on:
 - a) Advanced efficiency of regional trade in surplus products
 - b) Simultaneous development of secondary industries
- Traditional producer-led approach not sufficient to capture implications of transforming food systems.
- Market-led approach: Broader context of market dynamics to shape policies and direct targeted public investments
- Local independent think-tanks critical for market-led approach – continuous engagement with local stakeholders
- Foresighting – anticipating trends and potential future scenarios & combination of tools required