



Office: Africa

For the Month of July 2023

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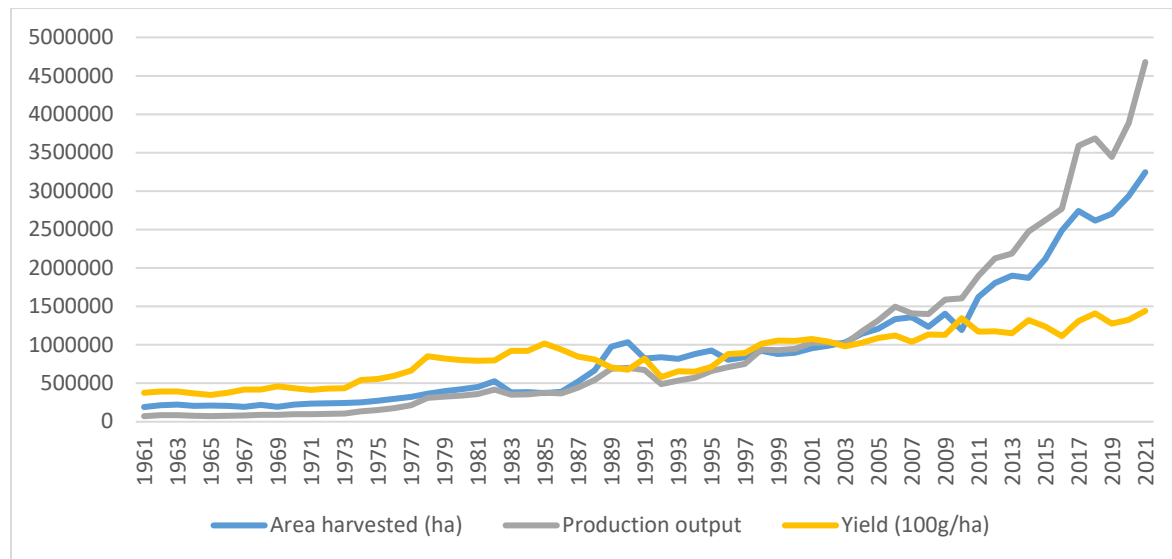


## EXECUTIVE SUMMARY

Africa imports a number of oilseeds from the rest of the world which include soybeans, rapeseed, sunflower, copra, linseed and other oil seeds. Soybean among other oil seeds accounts for at least 90% of Africa's total value of the oilseed imports. Moreover, the US market share in the is about 63% (Trademaps, 2022). Therefore, this brief will focus on the soybean market in Africa.

## SUPPLY FOR SOYBEANS

Africa is estimated to produce at least 4.68 million tons in 2021 with the production level reported to be increasing over the years as shown in figure 1 below.



Source: FAOSTAT, 2022

**Figure 1: Soybean production in Africa**

As shown in the figure above, over the past 60 years, the area under production and the output level for soybeans has been increasing over the years. According to Moosa et al., 2022, the soybean production level in Africa has been growing at an average rate of 6.84% per annum. Though the production levels in terms of output have been increasing, the productivity per acreage has not been as shown in the figure above (FAOSTAT, 2022; Moosa, 2022).

Africa's local production is not enough to meet its demand. In 2021, Africa imported soybean valued at about \$3.5 billion from the rest of the world (Trade Maps, 2022). US is the major exporter of soybean to Africa. Aggregately, the US supplied over 63% of the total imports to Africa.



According to Trade Maps, the Maghreb region and the Common Market for Eastern and Southern Africa, (COMESA) region import substantial volumes of soybeans from the US. Though the East Africa Community (EAC) and the Economic Community of Central Africa States (ECCAS) did not import any soybean from the US, they imported soybean worth \$16 million and \$13 million from other parts of the world respectively. Also, some of the COMESA member states are also part of the EAC and ECCAS. This suggests that both regions are potential export markets for the US soybeans.

From any part of the world, the top soybean-importing countries in Africa include Egypt, Algeria, Morocco, Tunisia, Morocco, South Africa, Nigeria, Mozambique, Kenya, Libya, and Ghana. The value of soybean imported by each country between 2018 and 2022 are shown in the table below.

**Table 1: Top-soybean importing countries in Africa**

Importers	Imported value in 2018	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022
	<b>Value in \$ 1 000</b>				
Egypt	\$1,780,419.00	\$2,065,135.00	\$1,949,140.00	\$2,447,127.00	\$2,456,133.00
Algeria	\$153,183.00	\$174,989.00	\$425,364.00	\$681,325.00	\$1,091,467.00
Tunisia	\$326,186.00	\$300,263.00	\$297,229.00	\$337,846.00	\$279,131.00
Morocco	\$160,183.00	\$155,426.00	\$228,845.00	\$228,405.00	\$272,538.00
South Africa	\$119,392.00	\$124,837.00	\$150,101.00	\$159,250.00	\$122,816.00
Nigeria	\$26,526.00	\$30,996.00	\$9,298.00	\$10,154.00	\$54,123.00
Mozambique	\$6,712.00	\$11,535.00	\$10,765.00	\$44,428.00	\$51,182.00
Kenya	\$30,656.00	\$39,230.00	\$53,757.00	\$39,422.00	\$44,508.00
Libya, State of	\$22,763.00	\$28,150.00	\$31,790.00	\$34,793.00	\$43,732.00
Ghana	\$13,544.00	\$3,741.00	\$37,576.00	\$31,641.00	\$37,525.00

Source: Trade Maps, 2022

The Maghreb region, member states; Algeria, Tunisia, Morocco, and Libya represent a huge market for soybeans, not just for the US, but also for the rest of the world as shown in Table 1 above. Egypt, South Africa, a SADC member state, Nigeria an ECOWAS member State and Kenya an EAC member state, represent notable export markets for soybeans. Therefore, this brief will focus on the soybean markets for Egypt, Morocco, South Africa, Nigeria, and, Kenya.

## DEMAND FOR SOYBEANS

The demand for soybeans in Africa is influenced by a number of factors. The demand driver gives more insight to potential exporters and speaks directly to the need for imported soybeans.

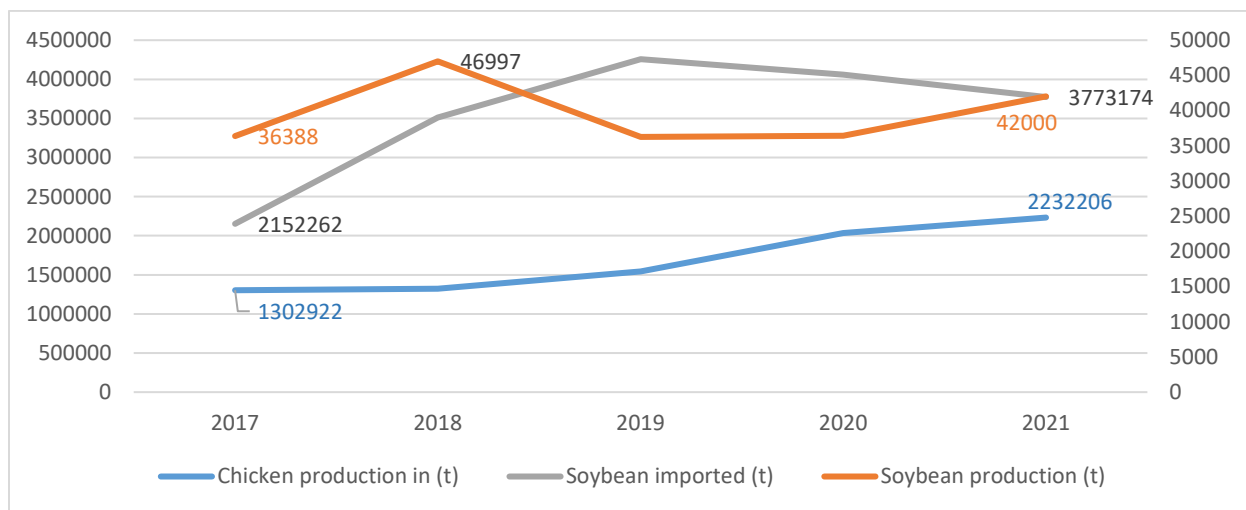
**Yield gap.** As shown in Figure 1, the yield for soybean in Africa has not been increasing. Moosa et al., 2022 report that the average soybean yield has stagnated at 1.1 tons per hectare in Sub-Saharan Africa in contrast to the world average of 2.4 tons per hectare. Moreover, because soybean is usually not for direct household consumption, it is grown as a secondary crop and this makes it not thrive in subsistence settings which is what characterizes the African market (Mbanya, 2011).



**Growing feed industry:** The rising market for poultry and aquatic animal feed has raised the demand for soybeans. The feed market offers a variety of cheaper feed rations that do not contain soymeal but they have a lower performance in productions than rations which contain soy meal (Moosa et al., 2022).

#### EGYPT

In 2021, Egypt produced more than 2.2 million tons of chicken meat and its poultry industry has been increasing over the years. The growth in the poultry industry reflects a demand for soybeans for feed (FAOSTAT, 2022). However, Egypt is a net importer of soybeans. As shown in Table 1 above, the value of soybeans that was imported by Egypt was valued at about \$2.4 billion in 2022 (Trade maps, 2022). A depiction of the 5-year production of chicken and the quantity of soybeans produced and imported is shown in the figure below.

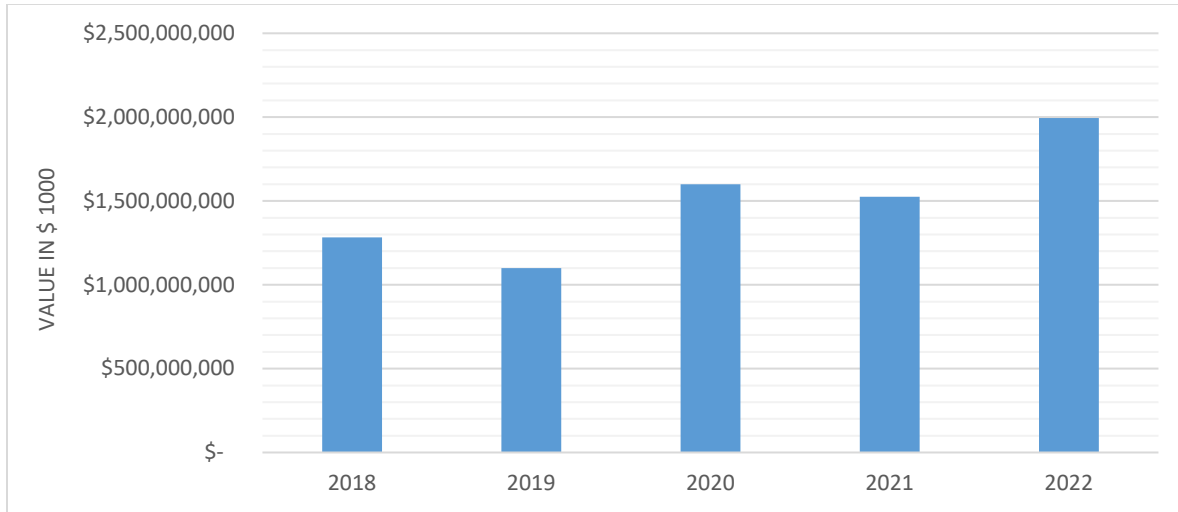


Source: FAOSTAT, 2022

**Figure 3: Egypt's chicken production and soybean supply**

The production of chicken meat, domestic soybean production, and the quantity of imported soybeans are all expanding generally, as indicated in Figure 3 above. Approximately 3.7 million tons of soybeans were imported in 2021 compared to 42,000 tons produced domestically, showing that domestic production still has a long way to go.

From the US alone, Egypt imported soybeans valued at \$1.9 billion in 2022, making the US accounts for 80% of total soybean import value for Egypt. Egypt's expenditure on US soybeans has been growing over the years. The figure below shows the value of US soybeans imports by Egypt between 2018 and 2022.

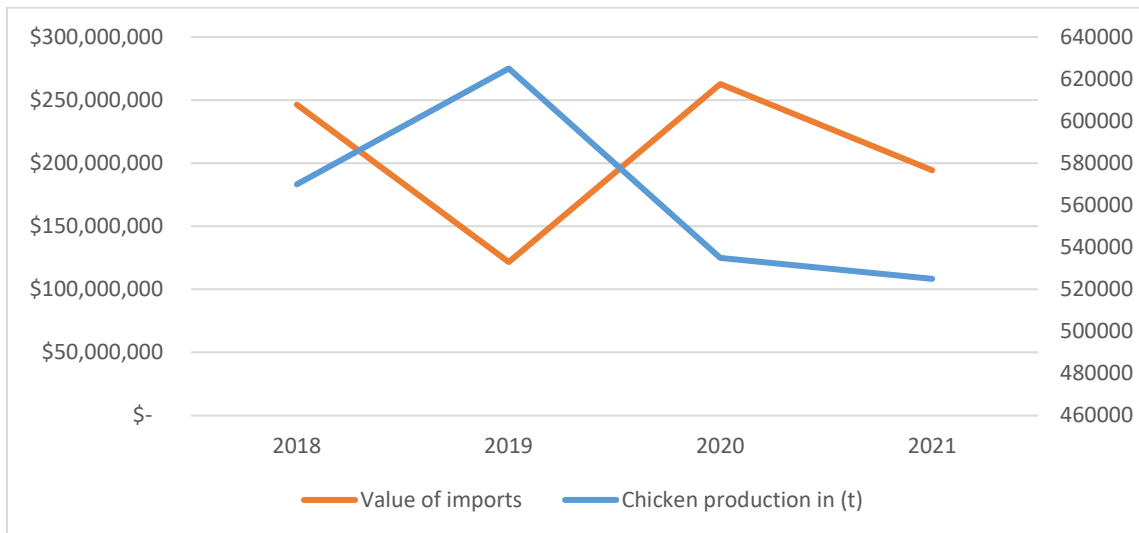


Source: US Census Bureau Trade, 2023 **Figure 4: Value of US soybean imports by Egypt**

Egypt is an important market for US soybean. The value of imports from the US by Egypt has been growing as shown in figure 4 above. This is explained by the longstanding relationship between the US and Egypt. The US has been exporting soybeans to Egypt for many years, and there is a strong understanding between the two countries on quality, price, and reliable supply. Relative to other exporters, US soybean is considered highly efficient and more reliable in the Egyptian market. The (USSEC, 2023; World Grain, 2019).

MOROCCO

Together with Egypt, Morocco has trade relations with the US. Morocco’s chicken production has been declining. In 2021, Morocco produced 525,000 tons of chicken meat from 535,000 in the previous year due to high production costs and lower selling prices (Morocco world news, 2022). Consequently, the quantity of soybean imported by Morocco is declining but still significant as shown in Figure 5 below.



Source: US Bureau, 2023; FAOSTAT, 2022

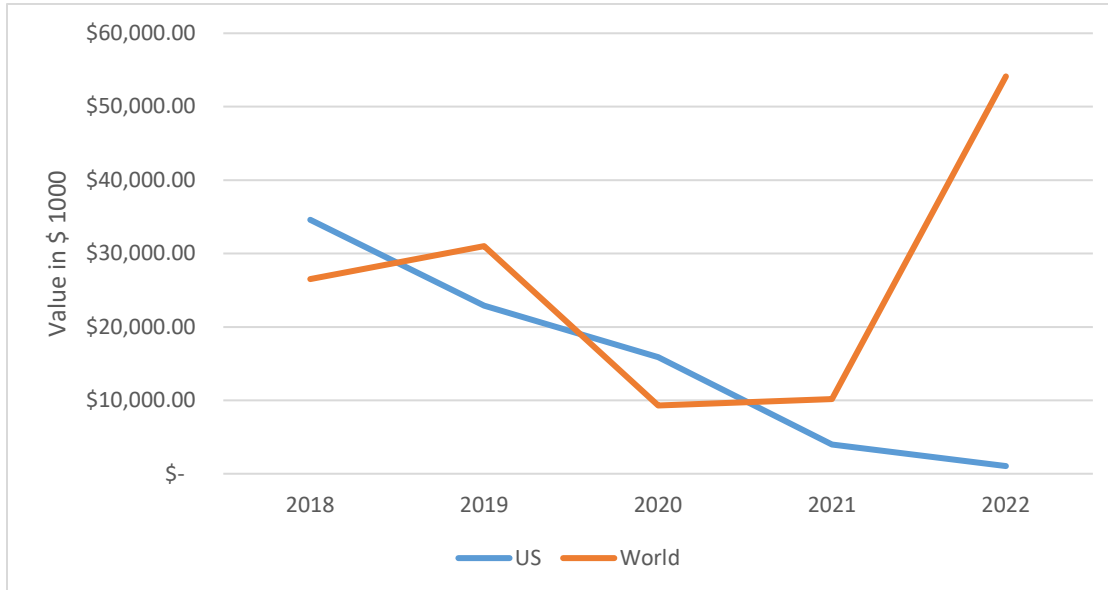
**Figure 5: Morocco’s chicken production and value of imports**



Morocco's climate is not conducive to soybean production hence the significant import volumes. In 2021, Morocco imported soybean worth about \$272 million from the rest of the world (Trade maps, 2022) and about \$257 million from the US (US Bureau, 2023), giving the US 94% market dominance in Morocco. In addition to chicken production, Morocco also utilizes its soybeans for fish feed, dairy feed, and biodiesel production.

## NIGERIA

Nigeria is the most populous country in Africa which represent high demand for protein among other nutrients. By considering chicken as one of the popular protein sources, Nigeria's domestic production of chicken was about 241 188 tons in 2021. In the same year, the country domestic production for soybeans was 980,000 tons, and only imported 2,009 tons of soybeans (FAOSTAT, 2022). Nigeria has a low deficit for soybeans however, the cost of soybeans is very high, practically defeating its availability (Business Day Ng, 2022) hence importing. Nigeria imported soybeans worth \$54 million from around the world in 2022 and there has been growth (Trademaps, 2022). However, imports from the US have been steadily dropping over the previous five years, as seen in the figure below.



Sources: Trademaps, 2023; US Census Bureau, 2023

### Figure 6: Value of Nigeria's imports from the US and the rest of the world

As shown in the figure above Nigeria's soybean imports are increasing but its imports from the world have been decreasing. According to OEC World, (2021), Nigeria imports significant volumes of soybeans from China and Morocco. Yet both exporting countries, Morocco and China import soybeans from the US. Re-exports of commodities can be explained by trade agreements, price differences, and supply chain logistics between the countries involved.

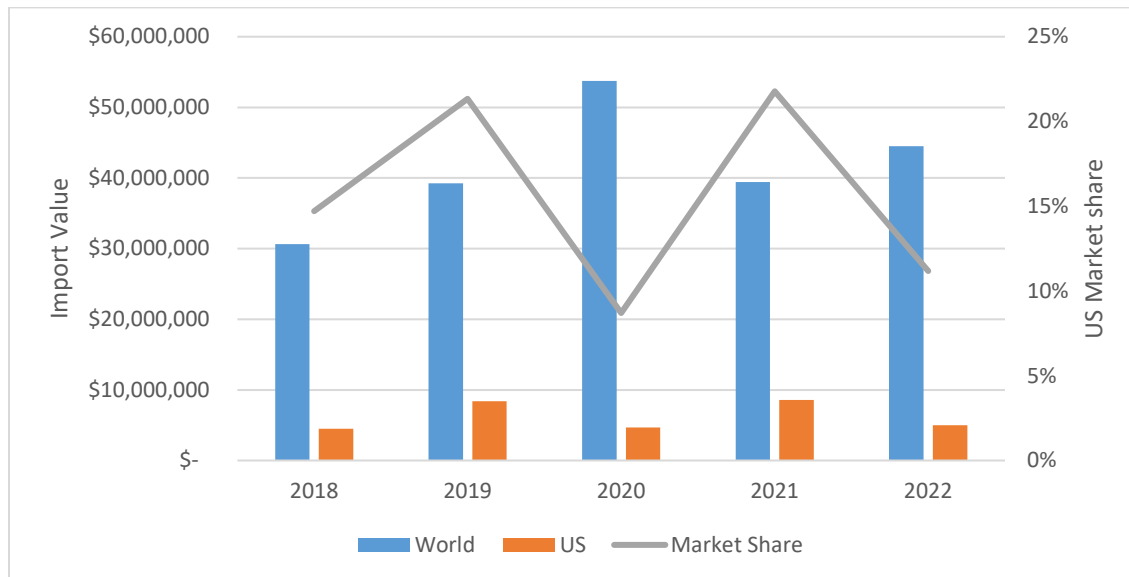
However, the US soybean can potentially grow in the Nigerian market. A 2019 article by US Soy explained how other soybean exporting countries like India and Europe experienced unfavorable climatic conditions to the detriment of their production. This was considered as an opportunity for US soybean exports to Nigeria (US Soy, 2019). This implies that the US is capable of filling in the supply gaps left in the market in the event of unforeseen circumstances



that affect production in other exporting countries. Also, Nigeria is appreciating more and more the role of soybean in addressing food security because of their nutritive value (Business Day Nigeria, 2022). The new president of Nigeria has recently declared a state of emergency to tackle rising food prices and shortages in Nigeria (BBC, 2023). The current state will exacerbate the existential food insecurity issues in Nigeria. As the country getting to recognize soybean consumption as one of the solutions to address food security, it might grant the US an opportunity to export more soybeans to Nigeria.

## KENYA

According to Brighton Ochieng, operations director at Promasidor, a manufacturer and supplier of food products, the demand for soybean in Kenya has been between 3,000-3,500 metric tons per year with Kenya supplying only about 200 metric tons. Kenya's domestic consumption of soybean is 150,000 tons a year, whereas local production ranges from 1,500 to 3,000 tons annually. According to FAOSTAT, Kenya produced about 2,369 tons of soybeans in 2021. This means that Kenya has to import sizeable volumes of soybeans to meet its local demand (Business Daily Kenya, 2021; FAOSTAT, 2023). The figure below shows the value imports by Kenya from the US and the rest of the world. It also shows the market share for US imports by Kenya between 2018 and 2021.



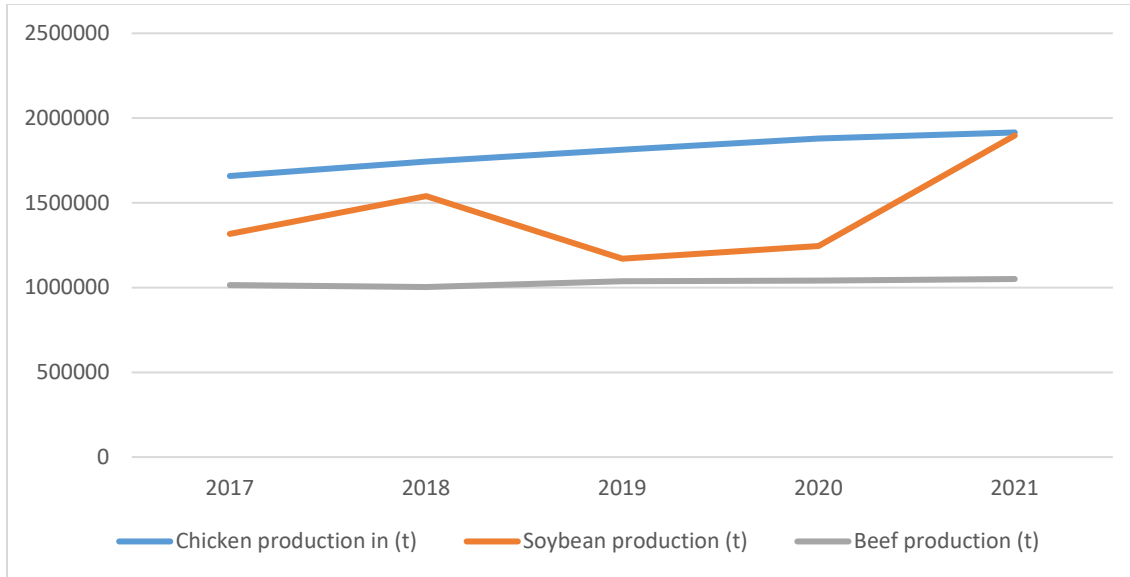
Sources: Trademaps, 2023; US Census Bureau, 2023

**Figure 7: Kenya's soybean import value and market share**

In 2022, Kenya imported soybeans worth about \$44 million from the rest of the world and about \$ 4 million from the US. The US had a market share of 11% which was a decline from the previous year. According to OEC World, Kenya primarily imports soybeans from Tanzania, Malawi, Rwanda, Israel, and China.

## SOUTH AFRICA

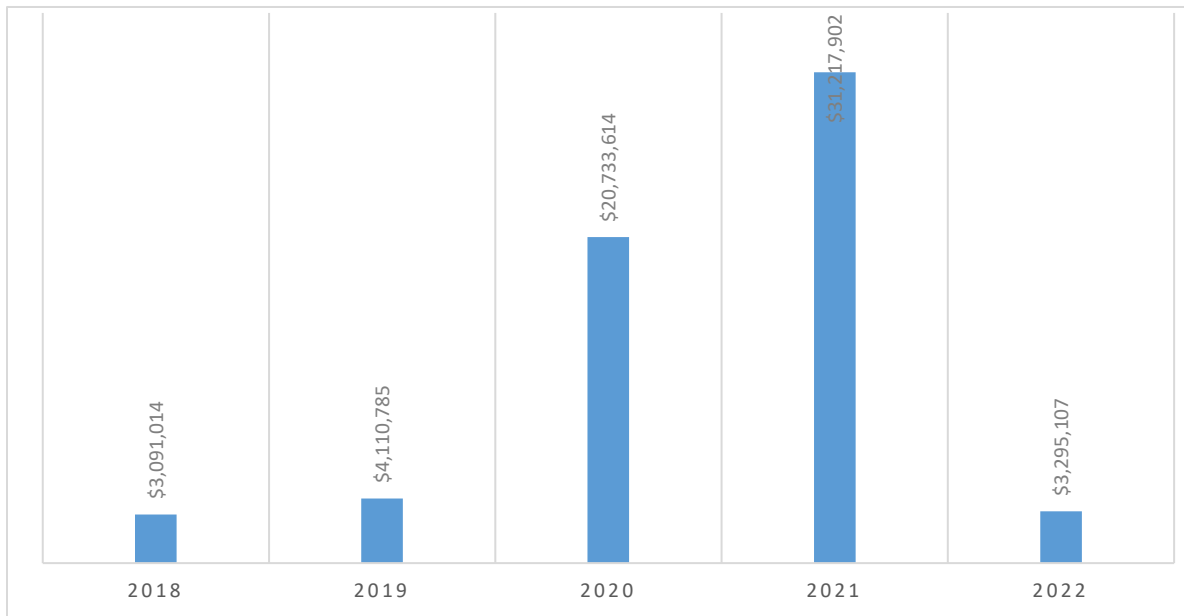
South Africa is one of the African countries which produces a substantial volume of soybeans. In 2021, approximately 1.8 million tons of soybeans were produced in South Africa. About 98% of soybeans are used in the animal feed industry. The livestock for South Africa has been growing and so has the domestic soybean production. The figure below shows the growth in soybean production and the production of beef and chicken in 5 years.



Source: FAOSTAT, 2023

**Figure 8: Livestock production and soybean production for South Africa**

Soybeans are imported and exported by South Africa. In 2022, South Africa bought soybeans worth roughly \$3.2 million and exported soybeans worth \$166 million, according to Trend Economy. Malaysia, Mozambique, Vietnam, Thailand, and Zimbabwe were South Africa's top export destinations in 2022. South Africa also imports soybeans from both in Africa and other parts of the world. The value of the soybean imports by South Africa between 2018 and 2022 is shown below.



Source: Trend Economy, 2022

**Figure 9: Value of South Africa's soybean imports**



Soybeans were also imported by South Africa from Zambia, Argentina, Brazil, China, and Australia. Although a spike in the soybeans value was experienced in 2020 and 2021, the value of soybeans was reduced by \$27 million in 2022. South Africa imported \$816,000 worth of soybeans from the US, making the US market share relatively small.

## MARKET INTELLIGENCE

**South Africa.** An Argentinian plant genetics company GDM has applied for registration in South Africa of 13 soy plant varieties after South Africa approved the use of a new Genetically Modified (GM) seed technology. This will in turn push soybean production for South Africa leaving little room for imports (Reuters, 2023).

## UPDATE ON RELEVANT MARKET CHANNEL

### Morocco

The Moroccan market has direct imports and indirect imports

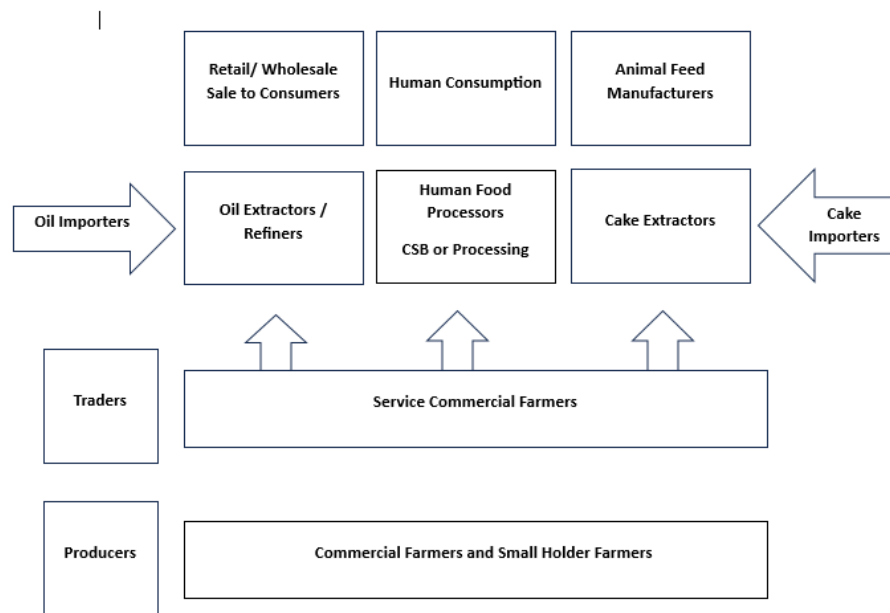
**Direct imports:** These are purchases made by Moroccan importers, such as feed manufacturers, wholesalers, merchants, or brokers, from exporters of soybeans in other nations. The soybeans are then transported by air or sea to Morocco.

**Indirect imports:** This is when Moroccan importers purchase soybeans from traders or brokers in other countries. The traders or brokers then import the soybeans to Morocco and sell them to Moroccan buyers (Agweb, 2023)

### South Africa

The South African soybean value chain is made up of input suppliers, producers, aggregators and or traders (who can also act as importers), processors, and manufacturers. The chain also consists of wholesalers and retailers. The figure below depicts the value chain of South African soybeans which also shows the main market channels for South Africa is shown below. 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 livestock as full-fat soya.





Source: Dlamini et.al , 2014

## Kenya

The key players in the Kenyan soy beans market are:

- **Producers:** The main soybean producers in Kenya are small-scale farmers. There are a few large-scale soybean producers in Kenya, but they account for a small share of the market.
- **Importers:** The main soybean importers in Kenya are large trading companies. These companies import soybeans from the United States, Brazil, and Argentina. Some of the main importers on the Kenyan market are Chemoquip Limited and Organic Proteins Limited.
- **Exporters:** The main soybean exporters in Kenya are small-scale traders. These traders export soybeans to neighboring countries such as Uganda, Tanzania, and Rwanda.
- **Processors:** There are a few soybean processors in Kenya. These importers supply the imported soybeans to processing plants which then process soybeans into cooking oil, margarine, soy flour, and tofu. Whereas locally produced soybeans are supplied to processors through traders that have been established to assist farmers with access to processors.
- **Retailers:** Soybeans are sold through a variety of retailers in Kenya, including supermarkets, grocery stores, and street vendors (Yakushigawa, 2017; Business Daily, 2021).



## ACTIVITIES RELATING TO WUSATA

**The Kenyan Food Event (KFE)**

Date: 5 – 7 September 2023  
Venue: Sari Exhibition Centre Nairobi, Kenya  
Contact: Angela Kenya (Portfolio Director)  
Email: [Angela.kinyua@montgomerygroup.com](mailto:Angela.kinyua@montgomerygroup.com)  
Website: [www.kenyanfoodevent.com](http://www.kenyanfoodevent.com)

**Morocco Food Expo co-located with SIEMA**

Date: 17 – 19 October 2023  
Venue: Centre International des Conferences et d'Expositions de Casablanca, Morocco  
Tel: + 90 212 274 40 55  
Email: [project@elanexpo.net](mailto:project@elanexpo.net) / [info@moroccofoodexpo.com](mailto:info@moroccofoodexpo.com)  
Website: [www.elanexpo.net](http://www.elanexpo.net)

**Food Africa Cairo**

Date: 12 – 14 December 2023  
Venue: Egypt International Exhibition Centre, Cairo, Egypt  
Tel: +20 2 2528 3101  
Email: [is@ifpexpo.com](mailto:is@ifpexpo.com)  
Website: [www.foodafrica-expo.com](http://www.foodafrica-expo.com) \

**Agrofood Nigeria**

Date: 26 – 28 March 2024  
Venue: Landmark Convention Centre, Lagos, Nigeria  
Tel: +234 80 30 55 63 75  
Email: [nigeria@fairtrade-messe.de](mailto:nigeria@fairtrade-messe.de)  
Website: [www.agrofood-nigeria.com](http://www.agrofood-nigeria.com)

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