

Supply and Demand

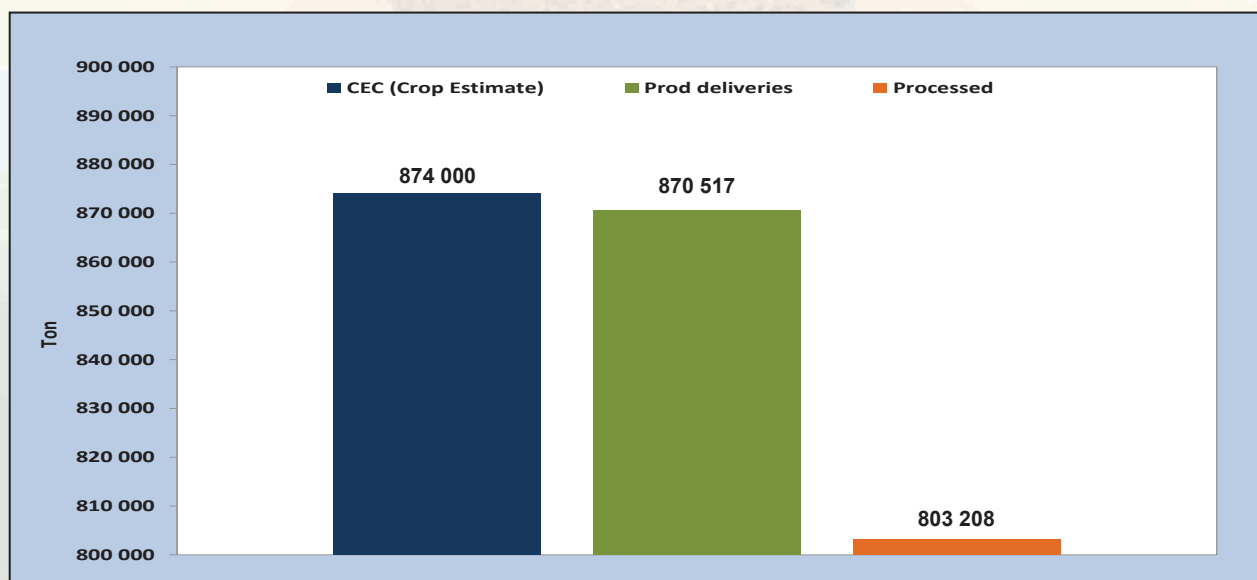
The sunflower seed marketing season dates from March to February. According to SAGIS supply and demand figures for the 2017/2018 marketing season to date (March 2017 to January 2018), opening stock more than tripled compared to the previous marketing season and is also almost double the ten year average.

To date, only 554 tons of sunflower and sunflower seed products have been imported compared to the 70 643 and 36 064 tons of the previous two seasons respectively. According to *BFAP Baseline*, South Africa remains a net importer of vegetable oils. Domestic production of vegetable oils is projected to increase over the outlook period by an annual average of 1.7%. Domestic consumption of palm, sunflower, soybean and canola oil during 2016 was estimated at more than one million tons, with palm oil comprising approximately 41%. The significant increase in sunflower seed production, resulted in a significant sunflower oil production increase in 2017. The share of soybean oil in domestically produced vegetable oils however, is expected to increase at the expense of sunflower oil, as soybean production and crushing expands over the outlook period.

Of the 803 208 tons of sunflower seeds processed so far, only 1 390 tons (0.2%) was used for human consumption and 5 350 tons (0.7%) for animal feed. The vast majority of sunflower seed is crushed to produce oil and oilcake. The amount of sunflower seeds crushed to date is 14.5% more than during the whole of the 2016/2017 marketing season. According to *BFAP*, the domestic production of sunflower oilcake is projected to increase to 350 000 tons in 2017, increasing year on year by 25%. Oilcake production is projected to be just under 350 000 by 2026. Additional growth in demand will have to be supplied by imports. Oilcake imports are projected to reach 70 000 tons by 2026.

Exports to date amount to 230 tons (205 tons during 2016/2017). Globally, Russia and the Ukraine were the largest exporters of sunflower seeds during 2016/2017. The Ukraine, followed by Russia accounted for 76% of total sunflower oil exports worldwide in the corresponding period (*National Sunflower Association website www.sunflowernsa.com, Table updated January 16, 2018; Source: Oil World & USDA*).

Graph 11: Sunflower supply and demand overview for the current marketing season (Mar 2017 - Feb 2018)



Information provided by SAGIS.