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NAMIBIAN AGRONOMIC BOARD

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MARKET INTELLIGENCE REPORT

EDIBLE VEGETABLE OIL

Sunflower oil, Palm oil, Soybean oil, Olive oil, and Canola or Rapeseed oil

ISSUE 1 OF 2023

1. INTRODUCTION

Vegetable oils refer to oils or fats that are extracted from different plant sources such as vegetables, nuts, seeds, cereals, etc. These are mostly used for human consumption and they are commercially traded on a global scale. Others may also be used for non-human consumption such as in biofuels and cattle feed, as well as being used as an ingredient in paint manufacturing and many other uses (Colón, 2023). Namibia is not producing sufficient vegetable oils and therefore, it imports the bulk of vegetable oils to meet its domestic demand, with vegetable oil worth over R800 million having been imported in 2022 as opposed to only R1,966 million worth of vegetable oil exported during the same year (ITC, 2023). According to FAO, from all types of vegetable oils used for human consumption, Namibia mostly imports sunflower oil followed by palm oil and the least imported vegetable oil is sesame oil.

According to the Organisation for Economic Cooperation and Development and Food and Agriculture Organisation (OECD/FAO) (2022), the global markets for oilseeds and seeds products led to an increase in prices during 2021 due to strong demand from China (in soybeans) as well the limited supply of palm oil and rapeseed. These factors, coupled with, to a certain extent, the ongoing interruption caused by the COVID-19 pandemic since 2019 as well as the Russia-Ukraine crisis, mean that the consumption trends of vegetable oils in Namibia are also affected by high market prices.

This Market Intelligence analysis is aimed at looking at the various edible vegetable oils, especially those consumed in Namibia such as **Sunflower oil, Palm oil, Soybean oil, Olive oil, and Canola or Rapeseed oil** in terms of the production, consumption, trade, and prices trends, from global, regional and domestic perspectives, and it also explores some opportunities for Namibia. The sections on the "Global overview" and the "Africa and Southern Africa perspective" present an overview of vegetable oil trends, whilst the "Domestic outlook" section zooms into each specific vegetable oil type that is consumed in Namibia as mentioned above.

2. GLOBAL OVERVIEW

PRODUCTION: According to Statista (2023), the global production volume of vegetable oil in the 2021/22 crop year exceeded 200 million tons worldwide and was forecasted to increase to over 217 million tons in the 2022/23 marketing year. Palm oil had the highest production volume of about 73 million tons of production during that same period, which makes it the most commonly consumed vegetable oil. According to USDA (2023), Indonesia and Malaysia make up about 83% of the world's palm oil production, having produced a combined amount of over 64 million tons during the 2022/23 marketing year.

As illustrated in Figure 1, the global production of sunflower oil, palm oil, soybean oil, canola/rapeseed oil, and olive oil has been on an upward trend, with palm oil having recorded a highest level of over 79 million tons production for the first half of the 2023/24 marketing year. Out of the vegetable oil types under review, olive oil remains the lowest with an average production of below 3 million tons per year during the period under review.

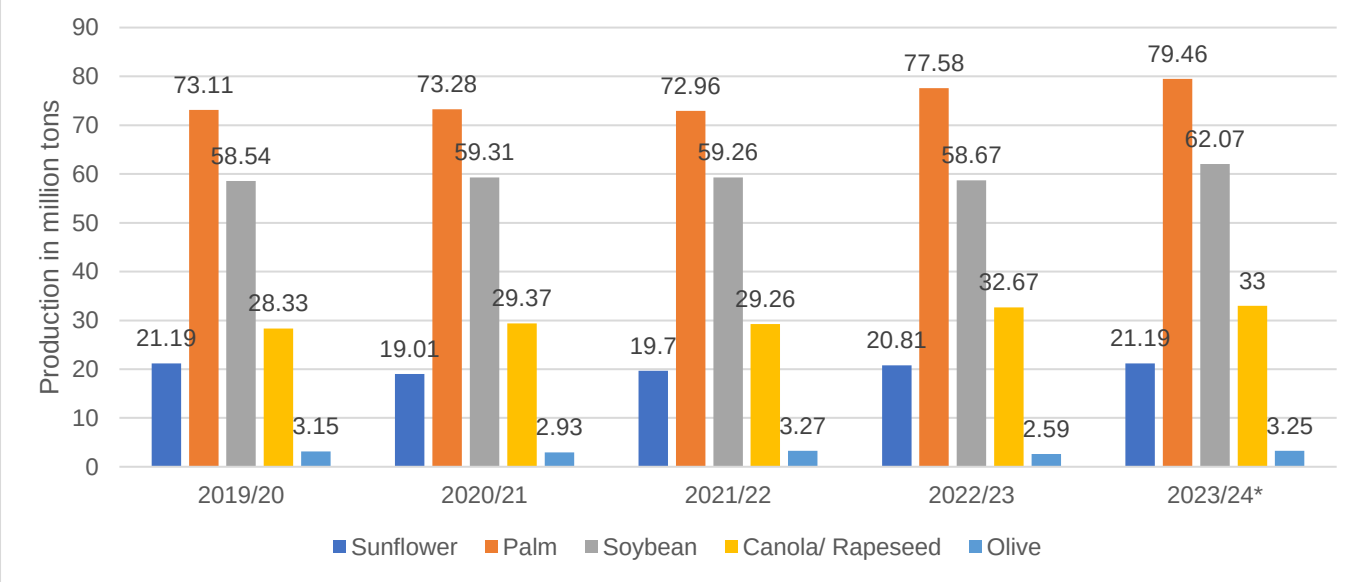


Figure 1: Global vegetable oils production (2019/20 – 2023/24*). Source: USDA (2023)

* Figures up to July 2023

Ukraine and Russia are the top sunflower oil producers in the world and the two were responsible for over 50% of the global sunflower oil production in 2020 with over 12 million tons of production. Indonesia and Malaysia produced the world's 84% (over 63,8 million tons of the total 75,8 million tons) of palm oil in 2020. At least 28% (16,3 million tons) of the world's soybean oil was produced in China, and Canada was the world's top canola/rapeseed oil producer in 2020 with a total production of 4,4 million tons. The majority of the world's olive oil was produced in Spain in 2020 with a total production of over 1,3 million tons followed by Tunisia with a production of 373 thousand tons respectively (Figure 2).

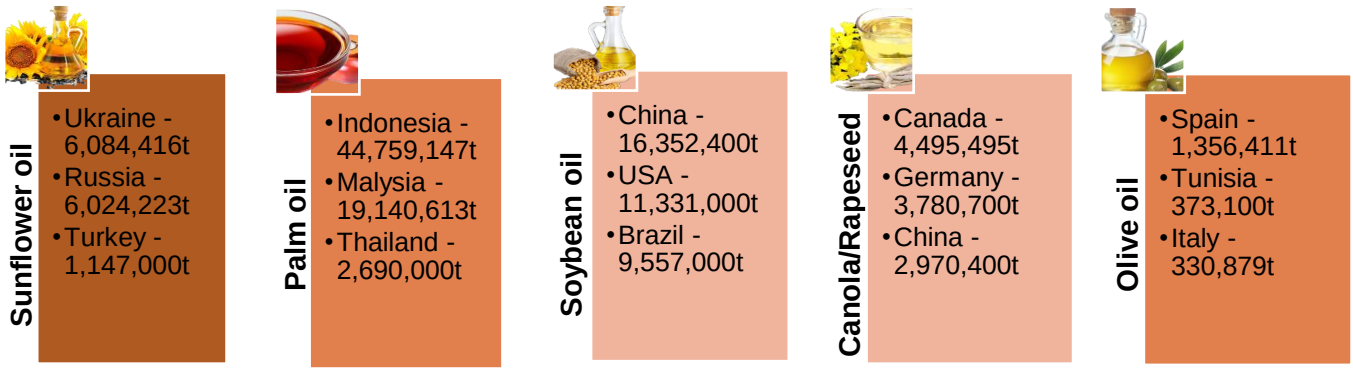


Figure 2: Top global vegetable oil-producing countries in 2020. Source: FAOSTAT (2023)

CONSUMPTION: The global consumption of the vegetable oils under review amounted to over 186 million tons in 2022/23, with palm oil making up 40% of the total consumption (Figure 3) and 37% of this palm oil was consumed in Indonesia and India alone.

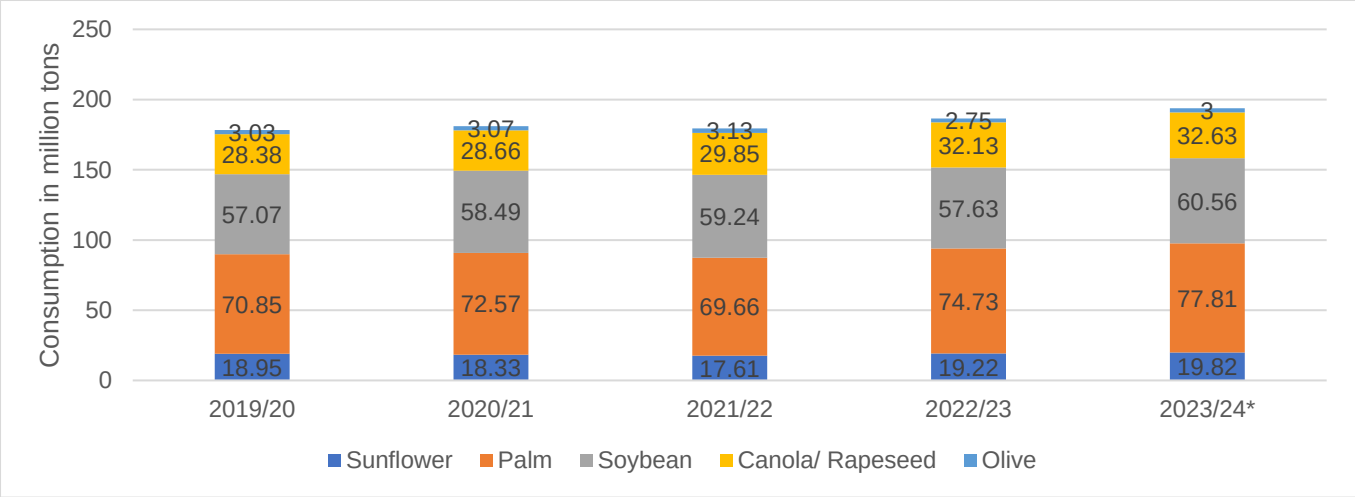


Figure 3: Global vegetable oils consumption (2019/20 – 2023/24). Source: USDA (2023)

* Figures up to July 2023

As illustrated in Figure 4, India was the top consumer of sunflower in 2020 with a total consumption of 2,5 million tons, followed by China with a total consumption of 2,1 million tons. Indonesia being the world's top palm oil producer is also the top consumer of the same oil, with a total consumption of over 15 million tons in 2020. The United States of America (USA) was the top consumer of olive oil with 356 thousand tons followed by Turkey with 190 thousand tons in 2020 respectively. China is the top consumer of both soybean oil with 18,6 million tons and rapeseed/canola oil with 7,6 million tons. China is followed by the USA with 10,5 million tons consumption in soybean oil and 2,6 million tons of canola/rapeseed oil consumption respectively.

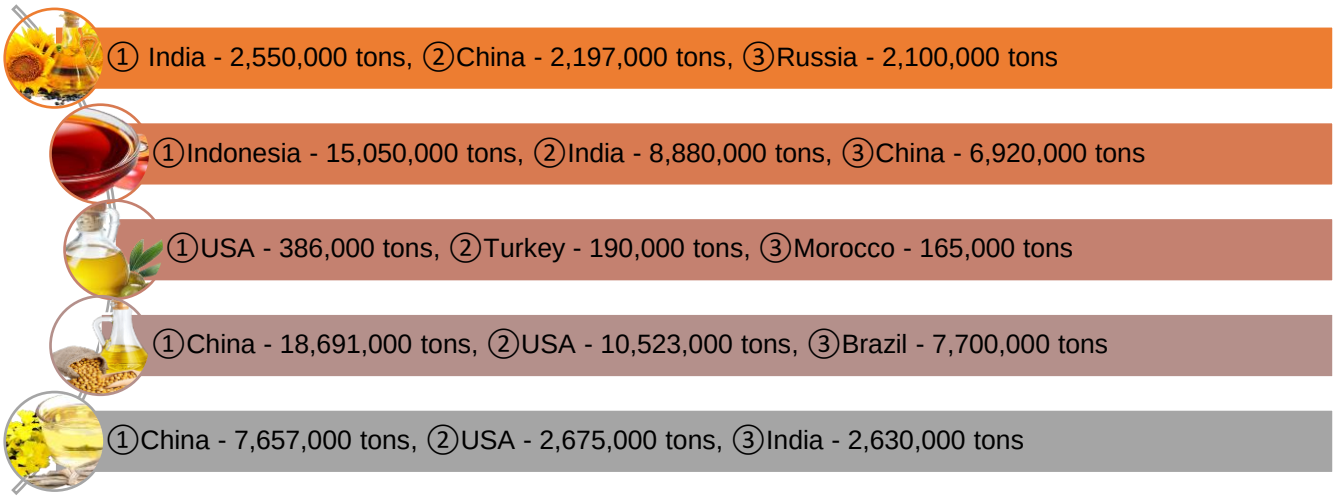
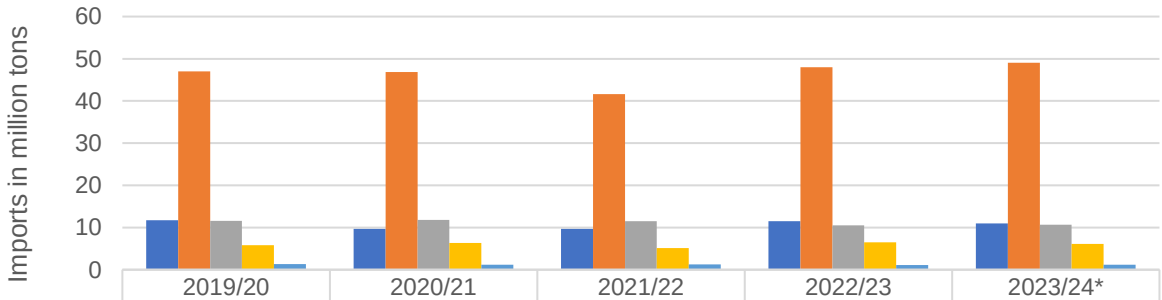


Figure 4: Top global vegetable oil-consuming countries in 2020. Source: Nation Master (2023)

IMPORTS: According to the International Trade Centre (2023), global vegetable oil (sunflower oil, palm oil, soybean oil, canola/rapeseed oil, and olive oil) has shown an unstable growth with a sharp decline recorded for all vegetable oils under review in 2021/22. As the world's highest-produced vegetable oil, palm oil remains the most imported vegetable oil throughout the period under review, recording the highest global import of 49,03 million tons in 2023/24 (Figure 5).

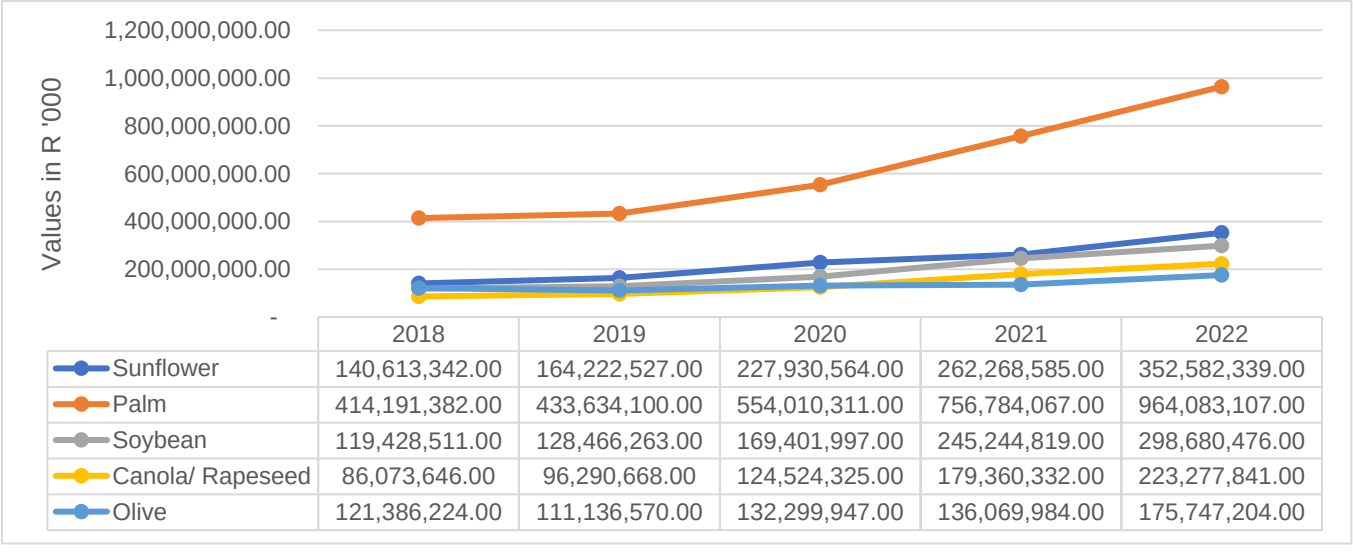


	2019/20	2020/21	2021/22	2022/23	2023/24*
Sunflower	11.73	9.65	9.68	11.53	10.99
Palm	47.03	46.84	41.64	48.01	49.03
Soybean	11.55	11.8	11.54	10.49	10.68
Canola/ Rapeseed	5.8	6.33	5.13	6.52	6.15
Olive	1.31	1.21	1.29	1.09	1.19

Figure 5: Global vegetable oil import (2019/20 – 2023/24*). Source: USDA (2023)

* Figures up to July 2023

In terms of import value, Figure 6 illustrates an upward trend in global vegetable oil imports with palm oil recording an almost double increase from R 554 billion in 2020 to R 965 billion in 2022. These high imports were driven by India and China who imported palm oil worth R 192 billion and R 97 billion respectively. Olive oil accounted for a total global import of R 176 billion in 2022, with Italy taking up R38 billion during the same year.

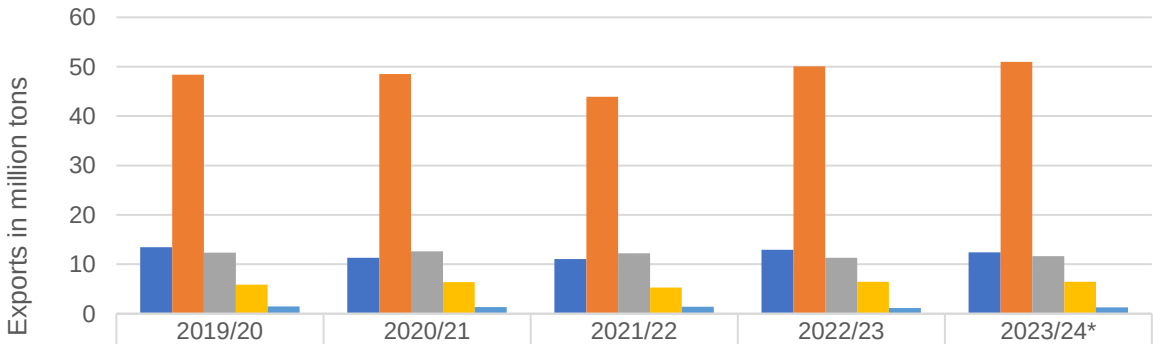


	2018	2019	2020	2021	2022
Sunflower	140,613,342.00	164,222,527.00	227,930,564.00	262,268,585.00	352,582,339.00
Palm	414,191,382.00	433,634,100.00	554,010,311.00	756,784,067.00	964,083,107.00
Soybean	119,428,511.00	128,466,263.00	169,401,997.00	245,244,819.00	298,680,476.00
Canola/ Rapeseed	86,073,646.00	96,290,668.00	124,524,325.00	179,360,332.00	223,277,841.00
Olive	121,386,224.00	111,136,570.00	132,299,947.00	136,069,984.00	175,747,204.00

Figure 6: Global vegetable oil imports in value (South African Rands): Source: ITC – Trade Map (2023)

EXPORTS: There was a significant decline in global vegetable oil exports in 2021/22 as shown in Figure 7. Sunflower oil exports dropped from 11.33 million tons to 11.08 million tons, palm oil from 48.54 million tons to 43.89 million tons, soybean oil from 12.61 million tons to 12.26 million tons, and canola/rapeseed oil from 6.41 million tons to 5.32 million tons respectively.

This correlates to the declined production in the same year as shown in Figure 1. The low export volumes could also be attributed to the impacts of the Russia-Ukraine war as most export routes from Ukraine (for sunflower oil) were disrupted by the war. The same can also be said for the palm oil export ban that was implemented by Indonesia which is the largest palm oil producer in the world (Glauber, Laborde, & Mamun, 2022).



	2019/20	2020/21	2021/22	2022/23	2023/24*
Sunflower	13.47	11.33	11.08	12.95	12.43
Palm	48.36	48.54	43.89	50.06	51.01
Soybean	12.38	12.61	12.26	11.32	11.62
Canola/ Rapeseed	5.87	6.41	5.32	6.46	6.48
Olive	1.47	1.36	1.41	1.17	1.26

Figure 7: Global vegetable oil export (2019/20 – 2023/24*). Source: USDA (2023)

* Figures up to July 2023

Starting from 2020, the global export value showed an increase from R 534 billion to R 909 billion in 2022 for palm oil and an increase from R 217 billion in 2020 to R 339 billion for sunflower oil in 2022. Similarly, soybean exports also increased from R 160 billion in 2020 to R 281 billion in 2022 respectively (Figure 8). The high export value could be attributed to the high prices that come with the reduced production and export volumes as explained above.

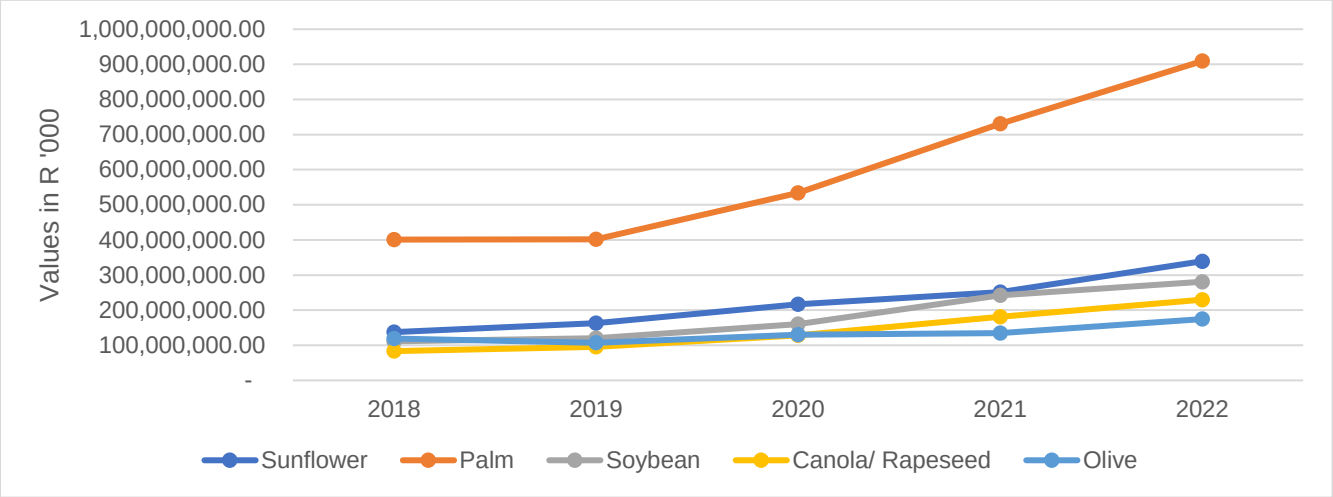


Figure 8: Global vegetable oil exports in value (South African Rands): Source: ITC – Trademap (2023)

According to ITC's Trademap statistics illustrated in Figure 9, Ukraine was the world's top exporter of sunflower oil (R89,9 billion) in 2022, Indonesia was the top exporter of palm oil (R454,7 billion), Argentina was the top exporter of soybean oil (R83 billion), Canada was the top exporter of canola/rapeseed oil (R78,7 billion) and Spain was the top exporter of olive oil (R74,8 billion) respectively.

India was the world's top importer of sunflower (R49,7 billion), palm oil (R192,1 billion), and soybean oil (R99,8 billion) in 2022. The United States of America (USA) was the world's top importer of canola/rapeseed oil whilst Italy was the top importer of olive oil (R37,9 billion).

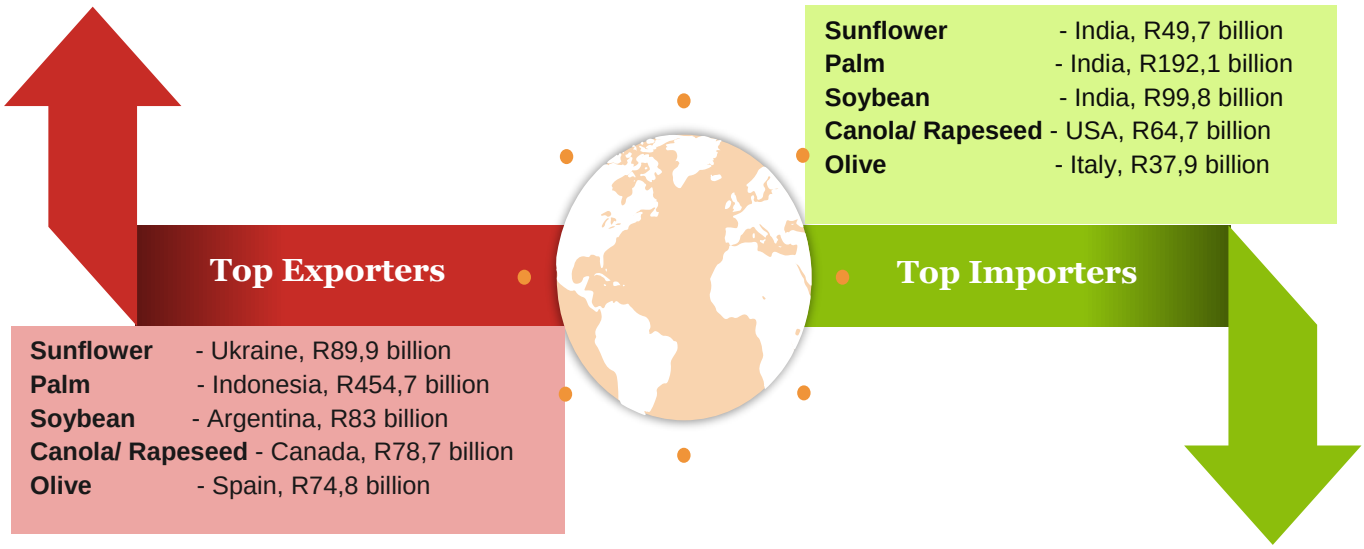


Figure 9: Overview of global vegetable oil trade by top countries in 2022 (South African Rands (R)): Source: ITC – Trademap (2023)

PRICES: According to FAO and as illustrated in Figure 10, the global vegetable oil price index has been on a stable trend from 2014 to 2019, averaging between 110.62 and 83.24 index points. The price index rose abruptly to 164.85 in 2021 after the COVID-19 pandemic. It continued to rise to 187.8 index points

in 2022 following the Russia-Ukraine conflict. The year 2023 has since shown a decline to a price index point of 128.9 by July 2023.

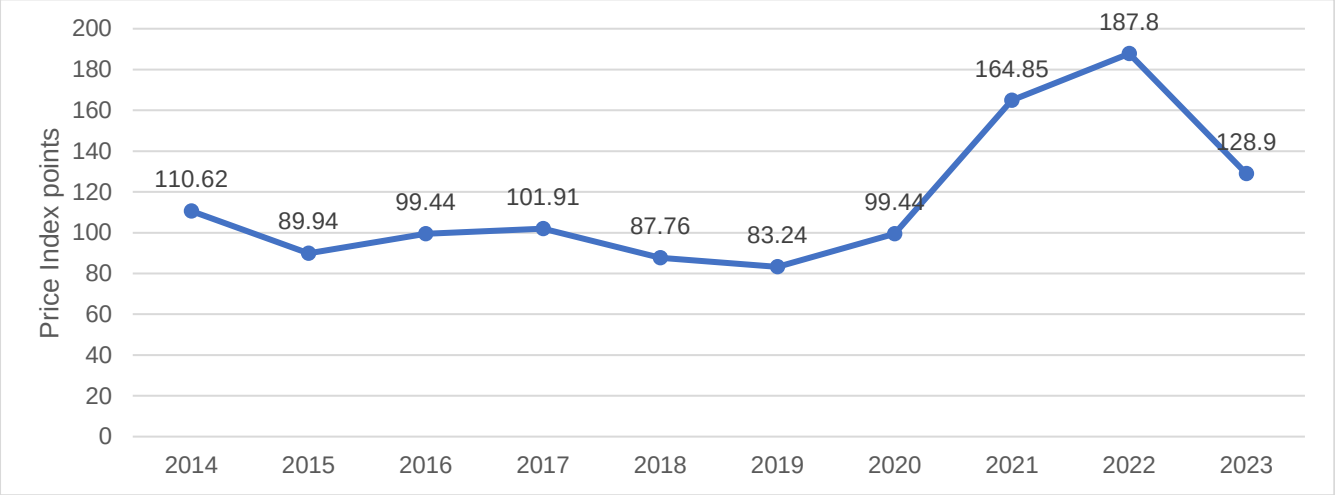


Figure 10: 10-Year global average vegetable oils price index from January 2014 to July 2023. Source: FAO (2023)

Table 1 indicates the exact global prices for each vegetable oil under review, of which olive oil is presented as the most expensive costing an average price of N$111,747.80 per ton in 2022. Sunflower oil cost N$15,787.92 per ton, soybean cost N$23,512.94 per ton whilst canola/rapeseed oil cost N$15,294.12 per ton in 2022 respectively. The average price for palm oil in 2021 was N$22,676.50.

Table 1: Global vegetable oil prices in 2022: Source: ITC – Market Price Information (2023)

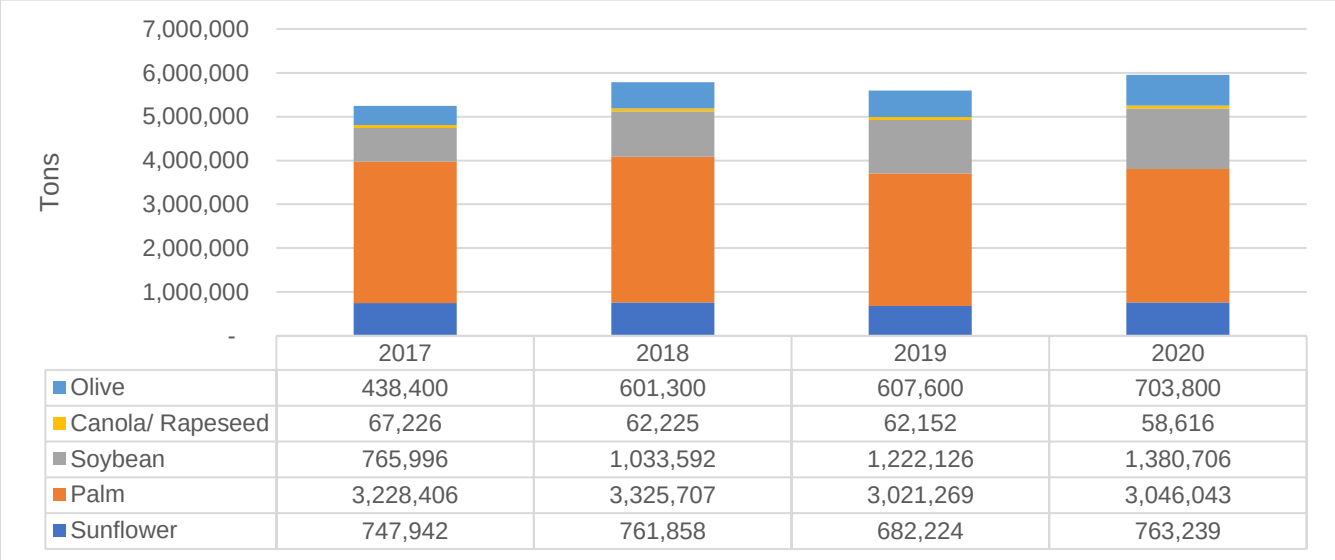
	Average price in US$/ton	Average price in N$/ton*
Sunflower oil	826.16	15,787.92
Palm oil	1,186.63**	22,676.50**
Soybean oil	1,230.40	23,512.94
Canola/ Rapeseed oil	800.32	15,294.12
Olive oil	5,847.61	111,747.80

* Conversion date: 21.08.2023 ** Price for 2021 (2022 not available)

3. AFRICA AND SOUTHERN AFRICA PERSPECTIVE

PRODUCTION: Vegetable oil production in Africa showed an unstable trend between 2017 and 2020 whereby a combined total of 5,2 million tons of olive oil, canola/rapeseed oil, soybean oil, palm oil, and sunflower oil were produced in 2017. This figure was followed by a 10% production increase (to 5,8 million tons) in 2018 before it dropped by 3% in 2019 to 5,6 million tons. This was, however, followed by a production increase of 6% to almost 6 million tons production in 2020 (FAOSTAT, 2023).

Figure 11 indicates that palm oil is the highest most produced vegetable oil in Africa whereby 3,2 million tons was produced in 2017 and a low of 3 million tons was produced in 2020. Canola/rapeseed oil is the lowest-produced vegetable oil in Africa, whereby the highest production volume was recorded in 2017 at 67 thousand tons and the lowest of 58 thousand tons was produced in 2020.



	2017	2018	2019	2020
Olive	438,400	601,300	607,600	703,800
Canola/ Rapeseed	67,226	62,225	62,152	58,616
Soybean	765,996	1,033,592	1,222,126	1,380,706
Palm	3,228,406	3,325,707	3,021,269	3,046,043
Sunflower	747,942	761,858	682,224	763,239

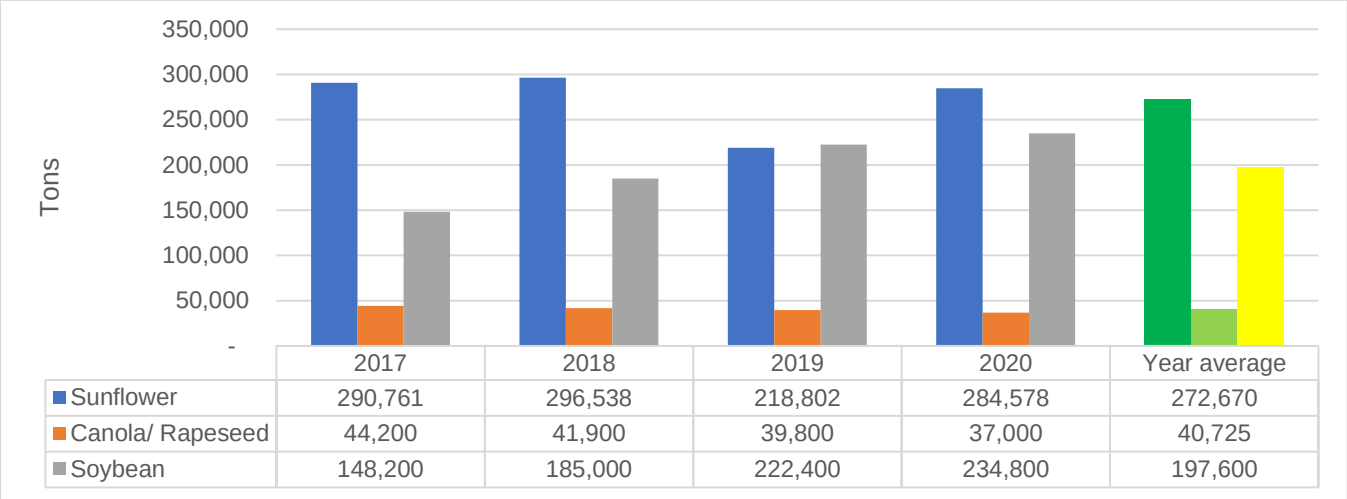
Figure 11: Africa vegetable oils production (2017 – 2020). Source: FAOSTAT (2023)

Africa is responsible for less than 5% of the world's canola/rapeseed, soybean, palm, and sunflower vegetable oil production, except for olive oil, for which Africa contributed at least 21% in 2020. This high olive oil production was produced by Tunisia which was the 2nd highest global olive oil producer in 2020 after Spain.

Table 2: Africa vegetable oil production against world production in 2020: Source: FAOSTAT (2023)

	Olive	Canola/Rapeseed	Soybean	Palm	Sunflower
Africa (tons)	703,800.00	58,615.64	1,380,705.81	3,046,042.55	763,239.25
World (tons)	3,373,881.59	25,181,650.88	58,573,014.84	75,875,549.05	20,577,022.29
Africa % share	21%	0.2%	2%	4%	4%

Southern Africa (comprising South Africa, Namibia, Botswana, Eswatini, and Lesotho) only produced sunflower oil, canola/rapeseed oil, and soybean oil. For the period from 2017 to 2020, the region produced an average of 272,670 tons of sunflower oil per year, 40,725 tons of canola/rapeseed oil per year, and 197,600 tons of soybean oil per year (Figure 12). At least 99% of all the vegetable oil production in Southern Africa is produced in South Africa.



	2017	2018	2019	2020	Year average
Sunflower	290,761	296,538	218,802	284,578	272,670
Canola/ Rapeseed	44,200	41,900	39,800	37,000	40,725
Soybean	148,200	185,000	222,400	234,800	197,600

Figure 12: Vegetable oils production in Southern Africa (2017 – 2020). Source: FAOSTAT (2023)

CONSUMPTION: For the year 20219/2020, Africa consumed a total of 12,9 million tons of vegetable oil, of which 8,4 million tons were palm oil and 3,2 million tons were soybean oil. These figures increased to a total consumption of 13,6 million tons in the 2023/24 marketing year, of which palm oil consumption was over 8 million tons. Canola/rapeseed oil was the least consumed vegetable oil in Africa with a consumption volume of less than 100 thousand tons across the 5 years (Figure 13).

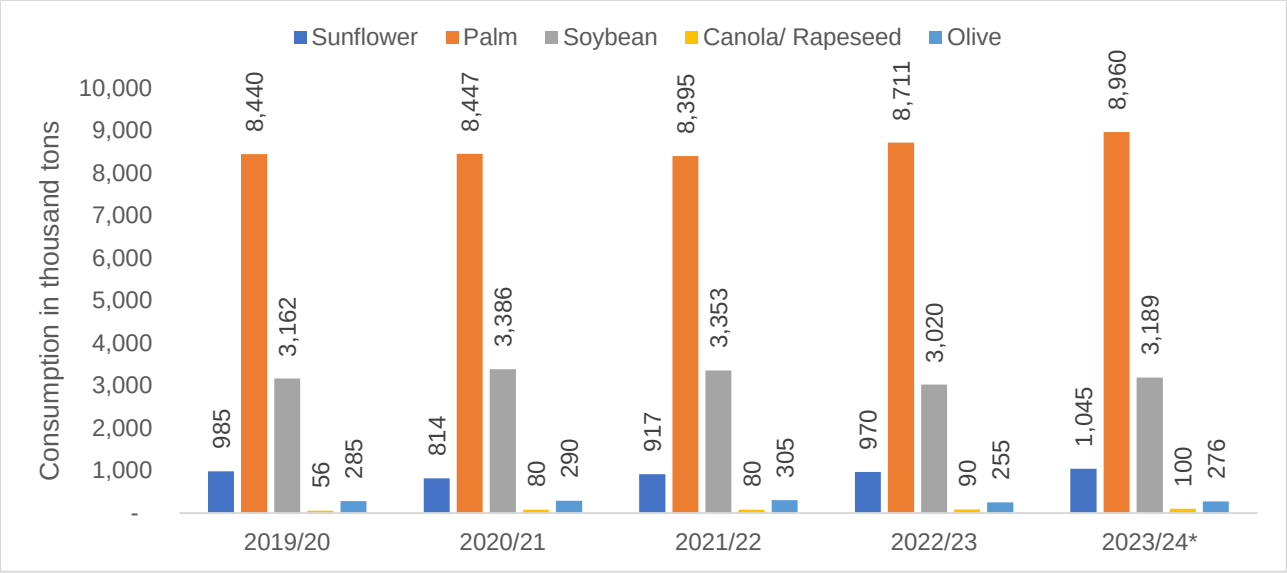


Figure 13: Vegetable oils consumption in Africa (2019/20 – 2023/24*). Source: USDA (2023)

* Figures up to July 2023

As illustrated in Figure 14, of the average 73,065 thousand tons of palm oil consumed in the world, at least 12% (8,591 thousand tons) was consumed in Africa, whilst only 1% (491 thousand tons) was consumed in Southern Africa per year. Additionally, at least 5% (3,222 thousand tons) of soybean oil and 9% of olive oil (282 thousand tons) per year was consumed in Africa over the 5 years from 2019/20 –

2023/24. Interestingly, 100% of all the consumption in Southern Africa across all vegetable oil types under review was recorded in South Africa.

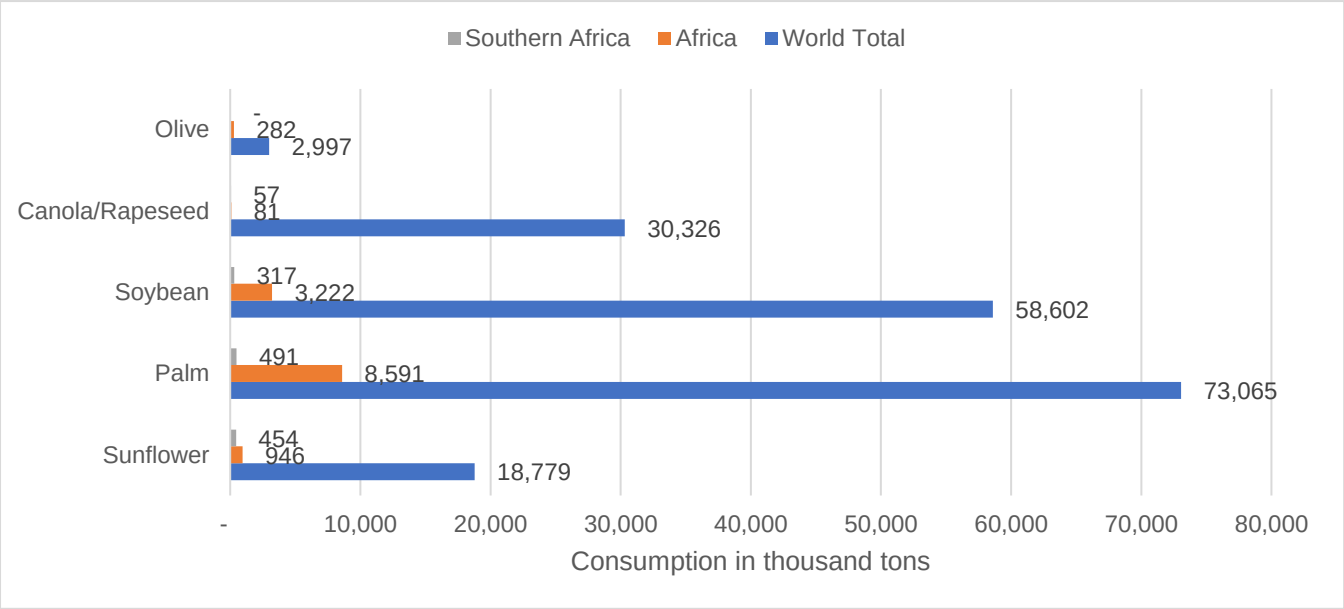
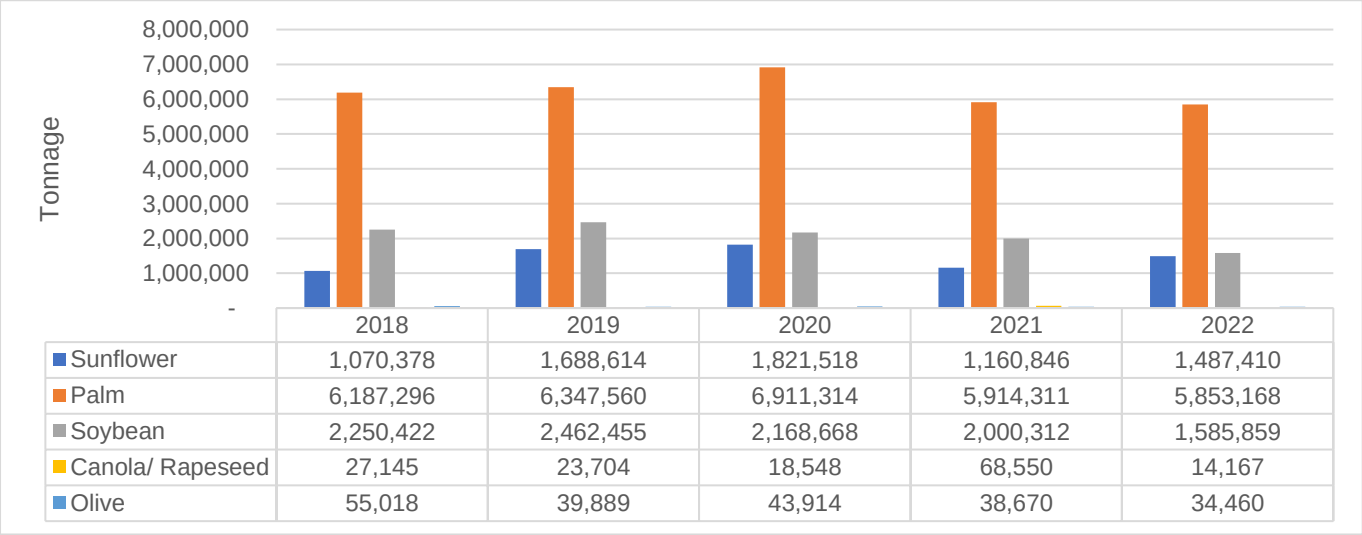


Figure 14: Overview of vegetable oils consumption (2019/20 – 2023/24*). Source: USDA (2023)

* Figures up to July 2023

IMPORTS: Vegetable oil imports into Africa were at their highest in 2020, whereby a total of 10,963,962 tons of vegetable oil was imported. This comprised sunflower oil (1,821,518 tons), palm oil (6,911,314 tons), soybean (2,168,668 tons), canola/rapeseed oil (18,548 tons) and olive oil (43,914 tons). The import trend has since been reduced to 9,182,689 tons in 2021 and further down to 8,975,064 tons in 2022 respectively (Figure 15).



	2018	2019	2020	2021	2022
Sunflower	1,070,378	1,688,614	1,821,518	1,160,846	1,487,410
Palm	6,187,296	6,347,560	6,911,314	5,914,311	5,853,168
Soybean	2,250,422	2,462,455	2,168,668	2,000,312	1,585,859
Canola/ Rapeseed	27,145	23,704	18,548	68,550	14,167
Olive	55,018	39,889	43,914	38,670	34,460

Figure 15: Africa vegetable oil imports. Source: ITC (2023)

According to ITC (2023) and as illustrated in Figure 16 below, Ethiopia was the top importer of sunflower vegetable oil in Africa in 2022 with an import value of R7,2 billion. Morocco also imported the highest volumes of soybean oil, canola/rapeseed oil, and olive oil to the value of R13,1 billion, 105,6 million, and R506,2 million respectively. Morocco (R13,1 billion) and Algeria (R9,5 billion) imported a combined 56% of soybean oil imports for Africa in 2022.

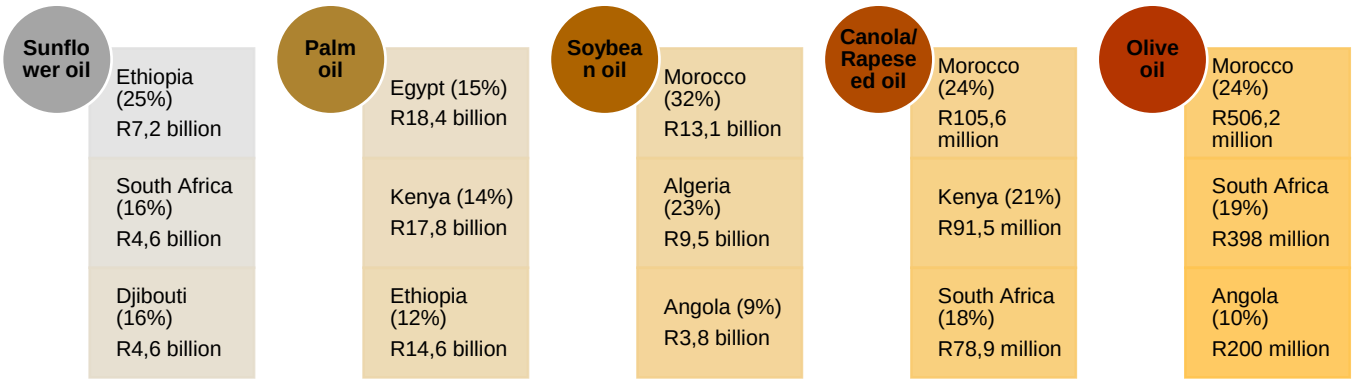


Figure 16: Top 3 Africa's vegetable oil imports value in 2022 in South African Rands (R). Source: ITC, (2023)

South Africa imported 8% of Africa's total vegetable oil in 2022 to the value of R17,2 billion, also making it the top importer in Southern Africa with 80% of the region's total import value. The rest of the Southern African countries imported less than 0.5% of Africa's vegetable oil import value each.

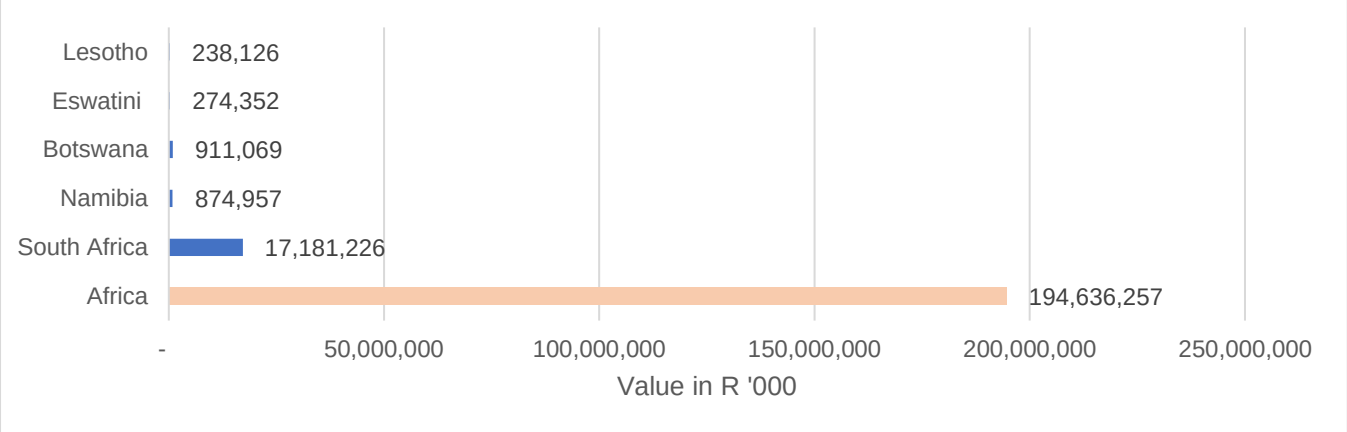
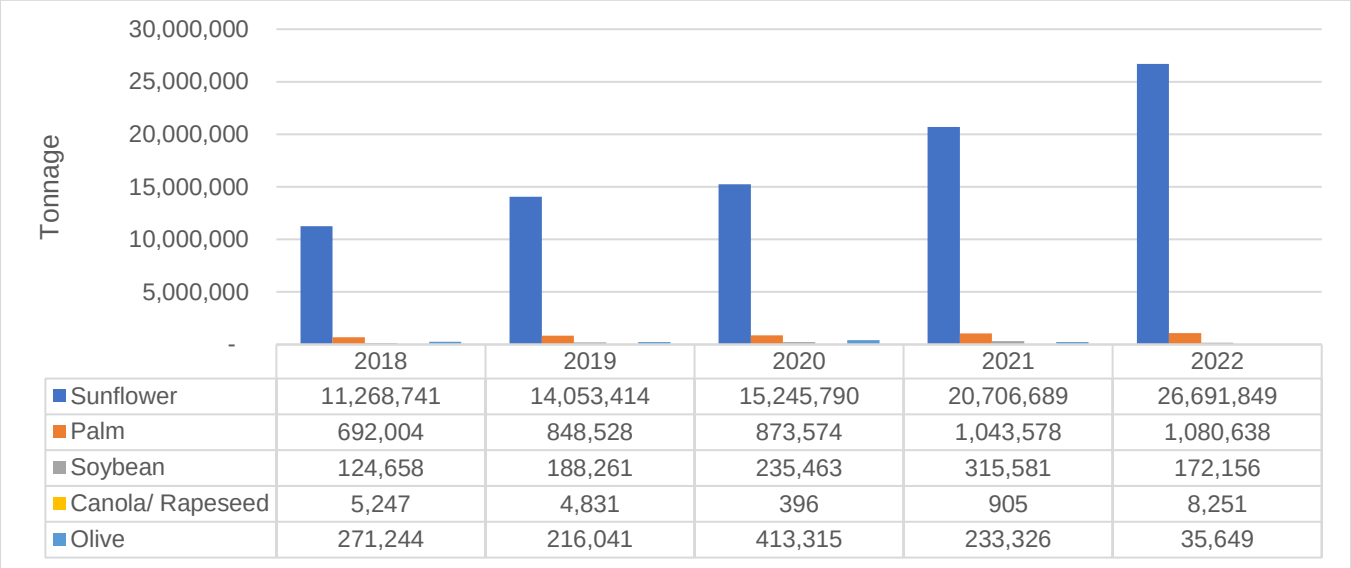


Figure 17: Value of vegetable oil imports in Southern Africa during 2022 in South African Rands (R). Source: ITC (2023)

EXPORTS: Vegetable oil exports for Africa have been on an upward trend since 2018, specifically for sunflower oil and palm oil. Sunflower exports increased from 11,3 million tons in 2018 to 26,7 million tons in 2022, whilst palm oil increased from 692 thousand tons in 2018 to 1,1 million tons in 2022. Canola/rapeseed oil also recorded a steep increase in export volumes of 8 thousand tons in 2022, an 89% increase from 905 tons in 2021 (Figure 18).



	2018	2019	2020	2021	2022
Sunflower	11,268,741	14,053,414	15,245,790	20,706,689	26,691,849
Palm	692,004	848,528	873,574	1,043,578	1,080,638
Soybean	124,658	188,261	235,463	315,581	172,156
Canola/ Rapeseed	5,247	4,831	396	905	8,251
Olive	271,244	216,041	413,315	233,326	35,649

Figure 18: Africa vegetable oil exports. Source: ITC, (2023)

As shown in Figure 19, South Africa exported 49% of Africa's sunflower oil exports to the value of R2,6 billion in 2022. South Africa is also the top exporter of soybean oil (40% valued at R2 billion) and canola/rapeseed (94% valued at R218,4 million) that were exported during the same year. About 90% (R13,7 billion) of olive oil exports was reported by Tunisia in 2022.

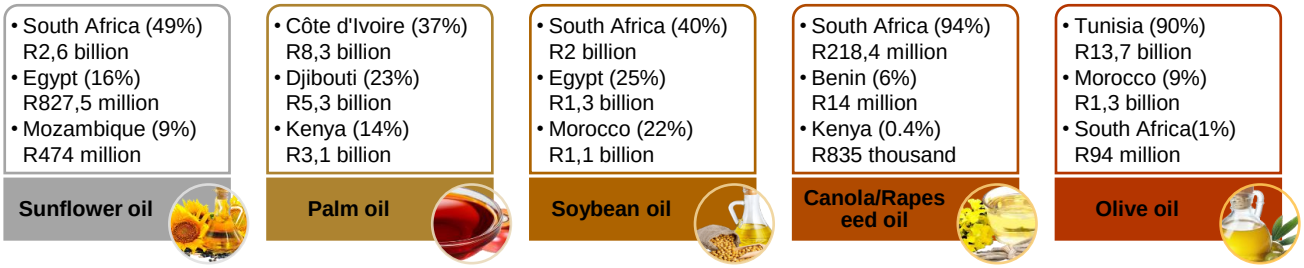
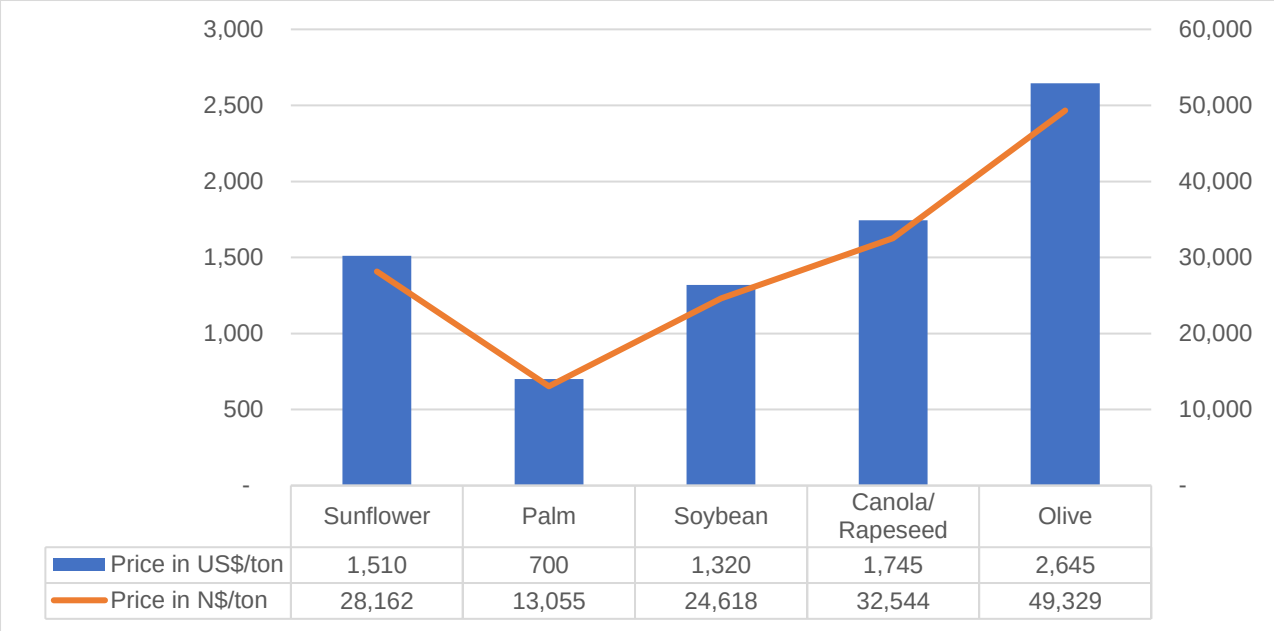


Figure 19: Top 3 Africa vegetable oil exports value in 2022 in South African Rands (R). Source: ITC (2023)

In terms of value, South Africa contributed 11% of Africa's total vegetable oil imports valued at R5,3 billion during 2022. In comparison to other countries within the Southern African region, South Africa exported 99.8% of the region's total vegetable oil exports in 2022.

PRICES: The average export prices of vegetable oil in Africa ranged between US$700 (N$28,162) per ton for palm oil and US$2,645 (N$49,329) per ton of olive oil during 2021 respectively. The export price as illustrated in Figure 20 is for the top 2 exporting countries in Africa for each vegetable oil type accordingly. As indicated in Figure 19, South Africa and Egypt were Africa's export price determinants for sunflower oil (US$1,510 or N$28,162 per ton) and soybean oil (US$1,320 or N$24,618 per ton). Côte d'Ivoire and Djibouti being Africa's top 2 palm oil exporters determined the export price of US$700

(N$13,055) per ton whilst South Africa and Benin determined the canola/rapeseed oil export price of US$1,745 (N$32,544). Olive oil had the highest export price of US$2,645 (N$49,329) per ton in 2021 which was determined by the top exporters, Tunisia and Morocco.



	Sunflower	Palm	Soybean	Canola/ Rapeseed	Olive
Price in US$/ton	1,510	700	1,320	1,745	2,645
Price in N$/ton	28,162	13,055	24,618	32,544	49,329

Figure 20: Average export price of vegetable oil in Africa in 2021. Source: Selina Wamucii (2023)

Conversion date 22.08.2023

According to Oil Drop Environmental Solutions (2023), the global shortage of oil-producing crops due to poor climate conditions has resulted in an increase in cooking oil prices by 60% in South Africa. These price increases severely affect Namibian consumers as Namibia imports over 90% of its commonly consumed vegetable oil, which is sunflower oil, from South Africa. As of 2021, olive oil was the most expensive vegetable oil in South Africa, costing N$62,194 per ton. Sunflower cooking oil costs N$42,573 per ton, whilst canola/rapeseed oil costs N$35,909 per ton respectively (Figure 21).

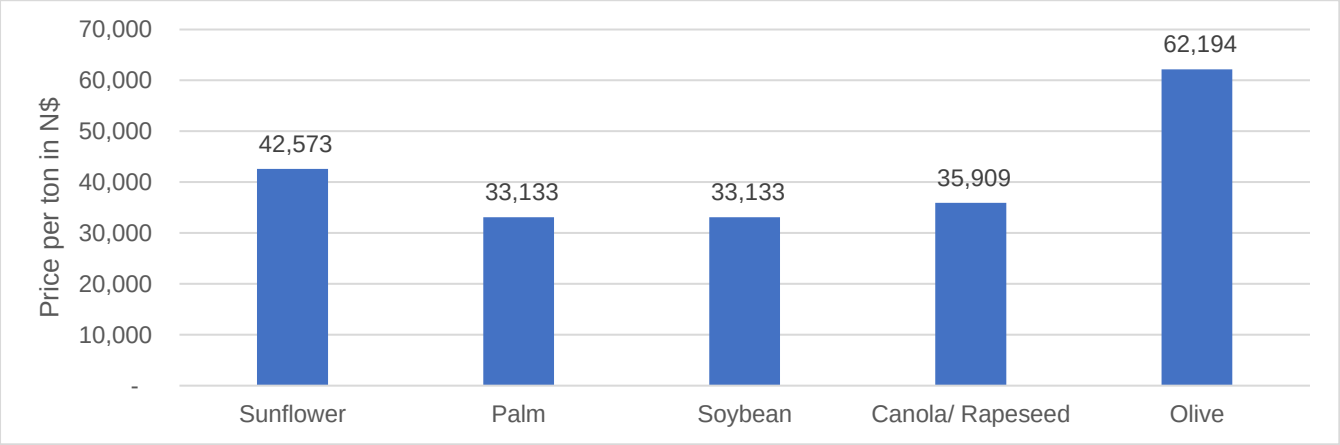


Figure 21: Vegetable oil prices in South Africa in 2021. Source: Selina Wamucii (2023)

Conversion date 22.08.2023

4. DOMESTIC (NAMIBIA) OUTLOOK

PRODUCTION & CONSUMPTION: Currently, Namibia does not produce any palm oil, soybean oil, canola, or rapeseed oil, and is, therefore, a net importer of these vegetable oils. This also means that whatever the country is exporting as these vegetable oils (palm oil, soybean oil, and rapeseed oil) is what is considered as re-exports and not necessarily produced in the country.

The country, however, does produce sunflower (Agribusdev, 2016) and olive oil (private commercial farmers) on a very minimal scale. According to the New Era newspaper (2016), the Shadikongoro Irrigation Scheme has been operational in sunflower oil production on a small scale and the Namibian government availed funds in 2015 to upgrade the plant that would process 3,000 tons of sunflower oil per year.

According to the FAOSTAT (2023) database, Namibia produced an average of 70 tons of sunflower oil per annum from 2017 to 2020. This includes the highest production of 102 tons recorded in 2019 and the lowest production record of 38 tons in 2018 (Figure 22).

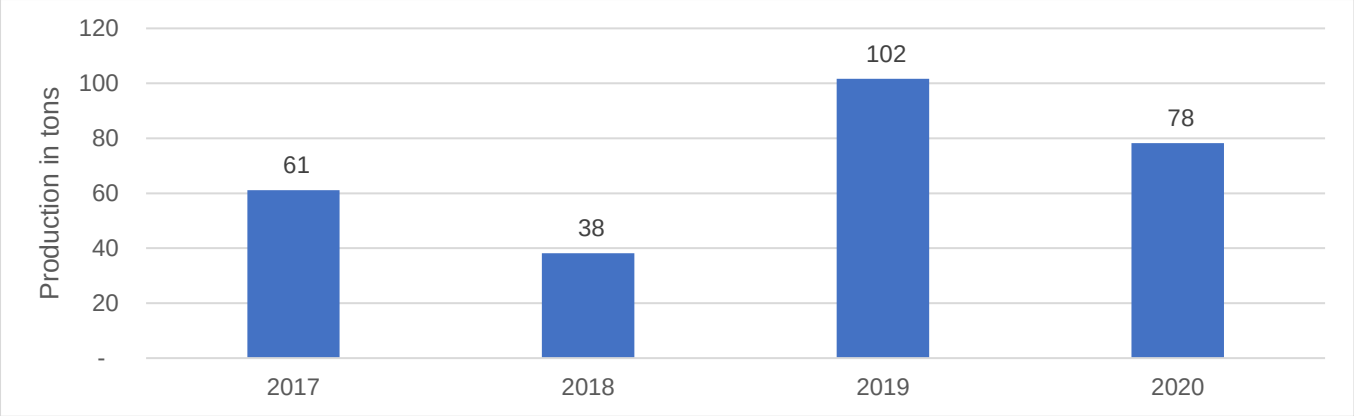
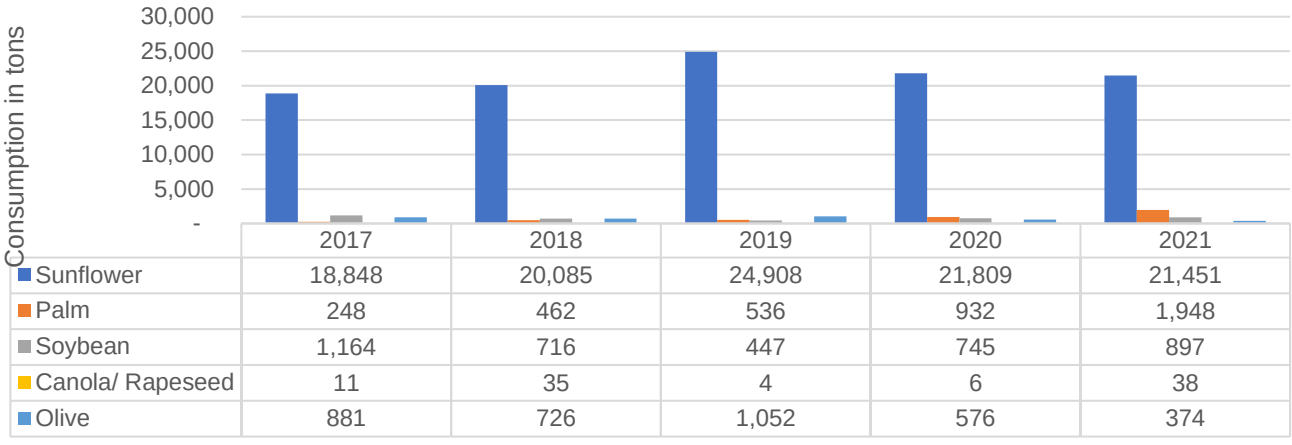


Figure 22: Sunflower production in Namibia for 2017- 2020. Source: FAOSTAT (2023)

A study by the NAB (2022) revealed that Namibia has at least 11,000 olive tree plantations sharing 24 ha of land with other 100 trees (grape vines) in the central production zone (Erongo region), of which the majority of such farmers are producing olive oil by cold pressing on a minimal scale. The study unfortunately did not further determine the level of production in terms of yield quantity and thus the country has no official records for olive oil production.

In terms of consumption, sunflower oil remains the most commonly consumed oil in Namibia and the country recorded its highest consumption record of 24,908 tons of sunflower cooking oil in 2019. This trend, however, proceeded to slightly drop by 14% in 2020 and a further 2% in 2021. Palm oil consumption on the other hand is also slowly becoming popular in Namibia, with an over 80% increase

in consumption recorded between 2017 (248 tons) and 2021 (1,948 tons). Canola/rapeseed is the least consumed vegetable oil with an average consumption of 19 tons per year (Figure 23).



	2017	2018	2019	2020	2021
Sunflower	18,848	20,085	24,908	21,809	21,451
Palm	248	462	536	932	1,948
Soybean	1,164	716	447	745	897
Canola/ Rapeseed	11	35	4	6	38
Olive	881	726	1,052	576	374

Figure 23: Namibia vegetable oil consumption trend 2017 - 2021. Source: FAOSTAT (2023)

TRADE ANALYSIS (IMPORTS & EXPORTS): Namibia imported over 99% of its sunflower (R809,9 million), palm (R29,9 million), soybean (R11,7 million), and canola/rapeseed (R4,9 million) vegetable oils from South Africa in 2022 (Figure 24). Sunflower is also the most consumed vegetable oil in Namibia. Similarly, from the limited exports recorded (of which it includes re-exports), 90% -100% of its sunflower, soybean, and olive oil exports were exported to South Africa, Angola, and the Democratic Republic of Congo (DRC).

Overall, the country imported a total of 24,145 tons of vegetable oil worth R874,9 million in 2022 and exported a total of 87 tons of the same oils to the value of R1,966 million during the same year.

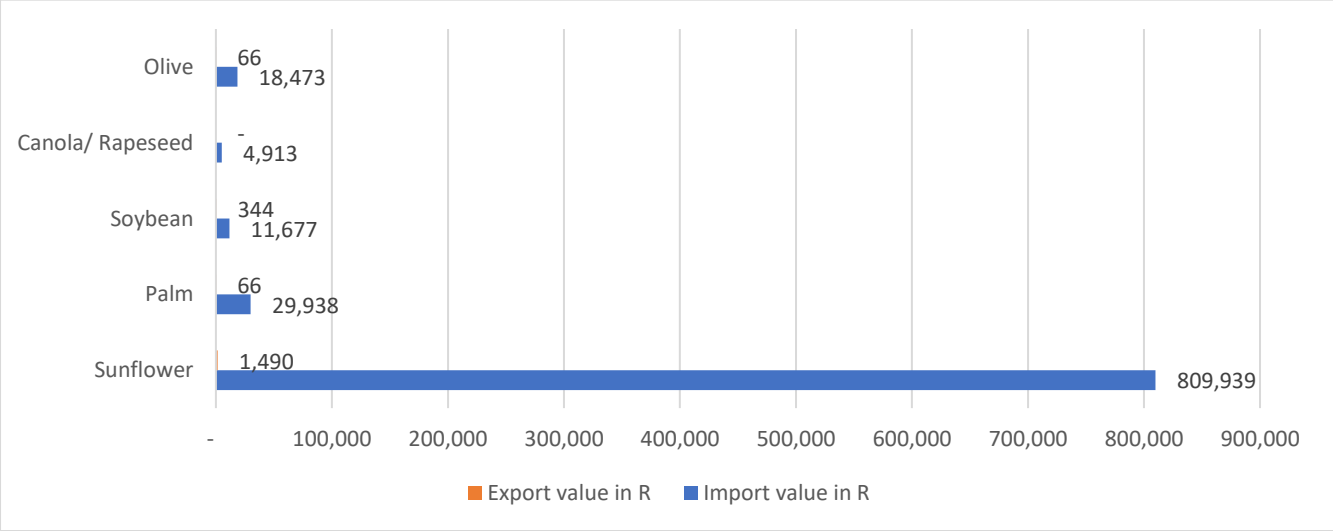


Figure 24: Overview of Namibia's vegetable oil trade in 2022. Source: ITC Trade map (2023)

In terms of Namibia's vegetable oil imports, sunflower contributes the largest import share whereby the highest import was recorded in 2019 at 24,865 tons. Canola/rapeseed oil is the lowest imported vegetable oil, accounting for less than 20 tons on average per annum (Figure 25).

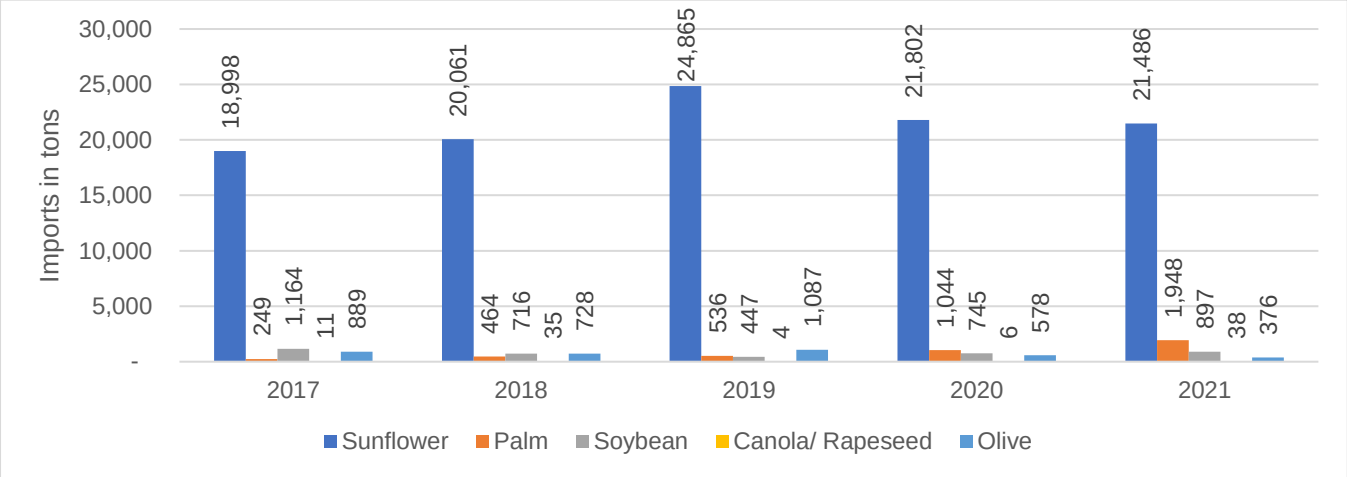


Figure 25: Namibia's vegetable oil imports from 2017 - 2021. Source: ITC Trade map (2023)

As the commonly consumed vegetable oil in Namibia, sunflower oil import has been on an upward trend since 2018 from a value of R350,5 million to R810 million in 2022, with an average increase of 19% per year (Figure 26). As stated above, 99.9% of this sunflower oil was imported from South Africa. This, however, does not mean that the imported quantity has also been increasing. As presented in Figure 25 above, the sunflower import quantity by Namibia was high in 2019 at 24,865 tons, valued at R430,3 million, but this reduced to 21,486 tons with a value of R810 million in 2022. This is attributed to the drastic increases in sunflower prices experienced since 2019.

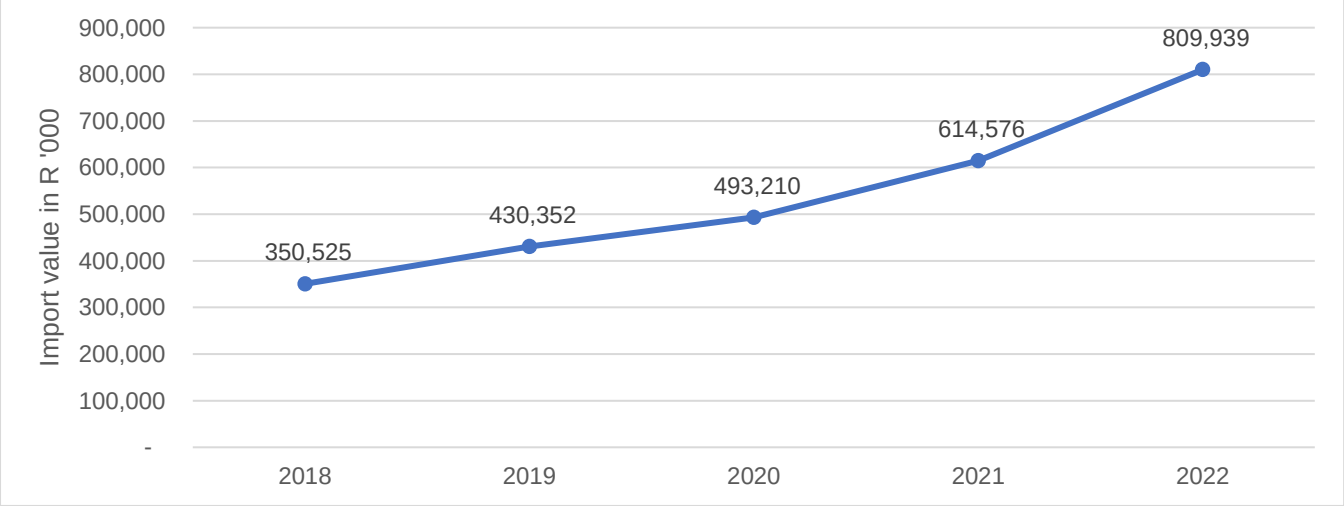


Figure 26: Namibia's sunflower oil imports value in 2022. Source: ITC Trade map (2023)

No canola/rapeseed exports or re-exports were recorded from Namibia for the years 2019 – 2022. However, during the same period, the country reported an average export of 62 tons of sunflower oil, of

which 52 tons were re-exports during the same period. Palm oil recorded an export volume of 55 tons, and 48 tons of this was re-exports, although given no local production of palm oil in Namibia, the whole 55 tons may be re-exports. In terms of soybean, the whole 9 tons exported by Namibia during the period under review was re-exports. Namibia recorded an export value of 4 tons of olive oil, of which 3 tons were re-exports (Figure 27).

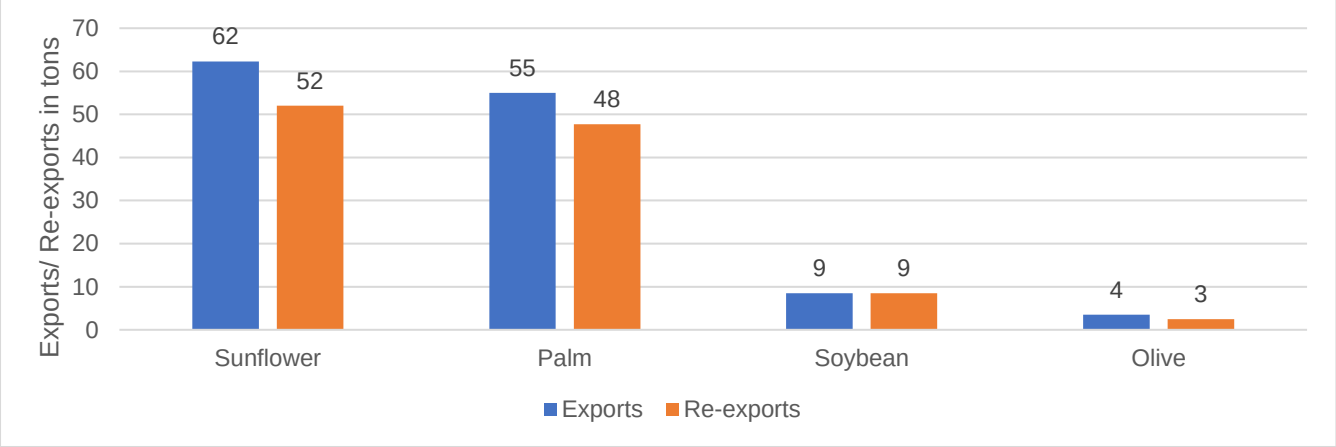


Figure 27: Namibia's average vegetable oil exports/re-exports for the period 2019 - 2022
Source: ITC Trade map (2023)

PRICES: Namibia's vegetable oil price data is scarce and it is difficult to obtain such latest price data that is consistent in terms of the periods under review. However, according to Selina Wamucii (2023), canola/rapeseed oil was the most expensive in Namibia with an average cost of N$31,507 per ton in the year 2016, followed by the olive oil price of N$30,770 per ton in 2020 respectively. Soybean oil proved to be the cheapest vegetable oil in Namibia, costing N$13,809 per ton during the year 2015. The price data for sunflower cooking oil and palm oil are for the years 2020 and 2015, of which the cost for sunflower was N$14,187 per ton and for palm oil it was N$23,216 per ton accordingly (Figure 28).

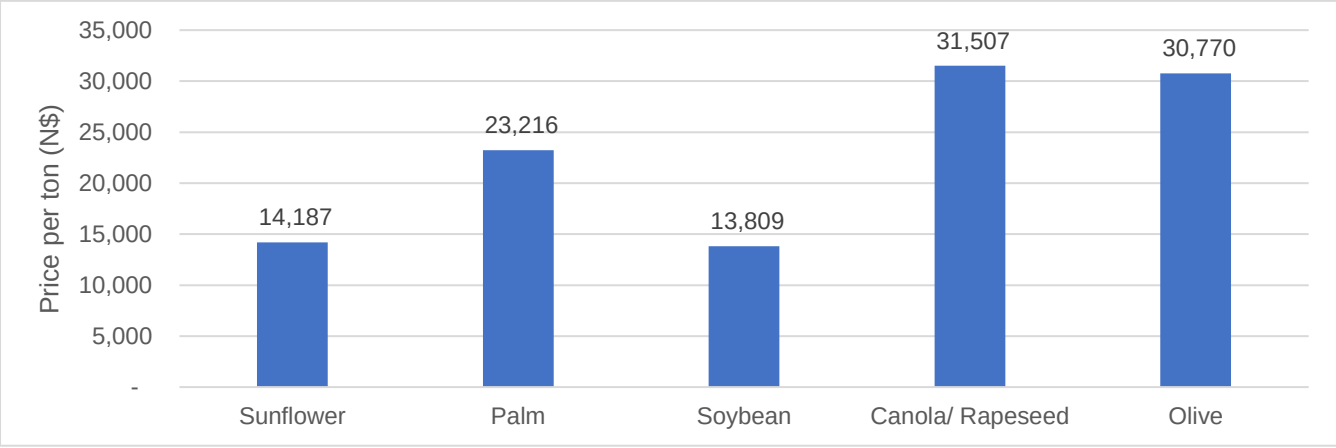


Figure 28: Vegetable oil prices in Namibia in 2021. Source: Selina Wamucii (2023)
Conversion date 02.11.2023

Figure 29 indicates the annual inflation rate for Namibia's cooking oil prices, mainly sunflower cooking oil as it is the main consumed vegetable oil. The cooking oil inflation rate has been on an increasing trend since 2020 at 6.2 before a drastic increase to 25.2 in July 2022.

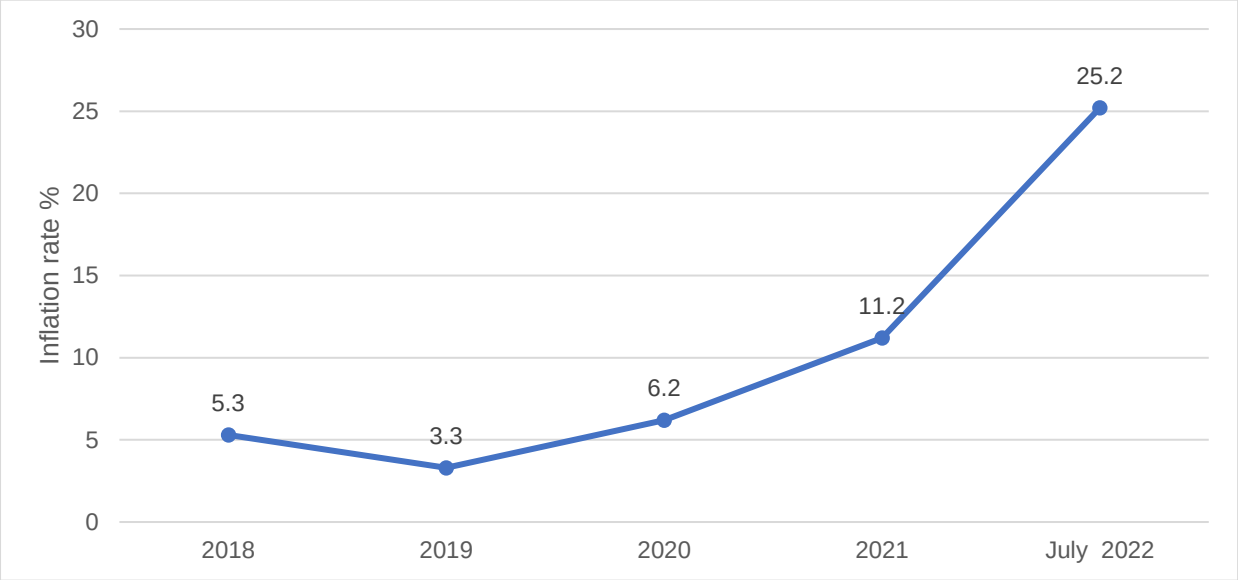


Figure 29: Cooking oil annual inflation rate in Namibia. Source: Namibia Statistics Agency (2023)

5. KEY POTENTIALS

This Market Intelligence report highlighted the global, African and local trends of selected vegetable oils, i.e. sunflower oil, palm oil, soybean oil, olive oil, and canola or rapeseed oil. Overall, the global production of vegetable oils in major producing countries has been on a decreasing trend due to low crop harvests as a result of climate change. Additionally, the exports of some vegetable oils, especially sunflower oil, have been disrupted by political conflicts between the major producing countries. These effects should serve as a wake-up call for low vegetable oil-producing countries such as Namibia to invest and scale up local vegetable oil production to meet local demand.

As per the reviews in this report, Namibia has the potential to produce an overall or combined 24,145 tons of vegetable oils with a value of N$874,9 million that was imported by the country during the year 2022. The largest opportunity is on sunflower oil which has the largest import share of 22,340 tons valued at R809,9 million. The sunflower crop that is used for sunflower oil production is considered a fairly drought-tolerant crop that can potentially be grown successfully in Namibia. Additionally, this is the most consumed oil in Namibia and it is imported in large quantities for local consumption hence providing customer guarantee for potential sunflower crop farmers.

Namibia also has an opportunity to produce 377 tons of olive oil with a value of R18,5 million. Olive trees have proven to be quite suitable for cultivation in the Erongo region (along the Swakop River) where most

of the country's largest olive oil plantations are currently situated. About 960 tons of palm oil valued at N$29,9 million currently being imported by Namibia is another opportunity that can be explored by potential producers in the country as this is currently not being produced in Namibia. Palm trees are in the same family as date trees and Namibia is currently involved in the commercial production of dates in the Southern parts of Namibia which could prove some suitability for palm tree production in the same area as well.

Other vegetable oils such as canola/rapeseed and soybean oils are also not produced in Namibia. However, these are being consumed in considerable amounts as proven by its importation of 126 tons (with a value of R4,9 million) for canola/rapeseed oil and 342 tons (with a value of R11,7 million) for soybean oil respectively. Potential producers are encouraged to research more on their production practices/requirements and take advantage of these imports to produce for the local demand.

Apart from the production potential in terms of value and tonnages available for consumption in Namibia, possible producers of vegetable oils also have an opportunity to tap into export markets that may be available in some SADC countries as highlighted in Table 3. Overall, the table indicates that the majority of the top 3 vegetable oil importing countries, apart from Botswana (mostly imports sunflower oil from South Africa), Zimbabwe (mostly imports soybean oil from Mozambique) and Seychelles (mostly imports olive oil from Tunisia) in the SADC import their vegetable oils from outside of Africa and mostly from countries in Asia, Europe and South America. This can be viewed as an opportunity for Namibia to produce some of these vegetable oils and supply them to not only the presented top three importers but also other SADC and African countries.

Table 3: Top three (3) vegetable oil-importing countries in SADC during 2022: Source: ITC Trade Map (2023)

	Top 3 importing countries in SADC**	**Import figures**		**Main supplying country**
		Values in R	**Tonnages**	
Sunflower oil	South Africa	4,582,122,000	176,934	Bulgaria
	Botswana	781,099,000	20,478	South Africa
	Mozambique	602,390,000	20,443	Argentina
Palm oil	South Africa	10,800,893,000	515,448	Indonesia
	Tanzania	5,372,916,000	223,312	Malaysia
	Angola	4,469,774,000	191,582	Malaysia
Soybean oil	Zimbabwe	4,749,351,000	150,860	Mozambique
	Angola	3,841,901,000	124,279	Portugal
	South Africa	1,321,386,000	48,424	Argentina

Canola/ Rapeseed oil	South Africa	78,873,000	3,147	Spain
	Mauritius	12,037,000	238	Malaysia
	Angola	3,341,000	118	Indonesia
Olive oil	South Africa	397,952,000	6,473	Spain
	Angola	199,967,000	3,652	Portugal
	Seychelles	123,338,000	2,199	Tunisia

**Excluding Namibia where it is amongst the top 3 oil importing countries, i.e. Canola/rapeseed and Sunflower

Local farmers are, therefore, encouraged to grow more vegetable oil crops, be it sunflower, palm oil, soybean, olive and canola/rapeseed, not only to encourage private investment in value addition of such crops but also to induce the government to operationalise the vegetable oil processing plant at Shadikongoro Green Scheme Irrigation Project and increase its production capacity over time and as necessary to serve the local and export markets.

Although more practical research needs to be conducted on the feasibility of growing palm oil and canola/rapeseed crops on a commercial scale, the other three vegetable oil crops have already proven to be adaptable to various parts of Namibia and potential farmers can easily invest in the commercial production of such crops. Also to complement the producers, various research institutions are encouraged to research further, set up trials to test the suitability and adaptability of different vegetable oil crops as highlighted in this report, and make such information available to potential producers to take advantage of.

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