

Voluntary Report – Voluntary - Public Distribution

Date: June 27, 2025

Report Number: SF2025-0019

Report Name: Southern Africa Shortages Boost United States Corn and Soybean Exports Benefiting American Farmers

Country: South Africa - Republic of

Post: Pretoria

Report Category: Export Accomplishments - Market Access, Grain and Feed, Oilseeds and Products

Prepared By: Dirk Esterhuizen

Approved By: Oliver Flake

Report Highlights:

In 2024, Southern Africa faced a severe drought, leading to a significant decline in corn and soybean production, which caused rising food inflation and economic challenges. FAS/Pretoria worked with industry and government to resolve asynchronous genetically engineered crop approvals between the United States and South Africa, this facilitated the import of U.S. corn and soybeans. As a result, the United States exported corn and soybeans to the region, valued at \$140 million, which is the highest export value in the past 30 years. This trade not only bolstered Southern Africa's food supply and strengthened long-term trade relationships but also delivered substantial economic benefits to the U.S. agricultural sector, underscoring the importance of American agriculture in addressing global food security challenges.

Executive Summary

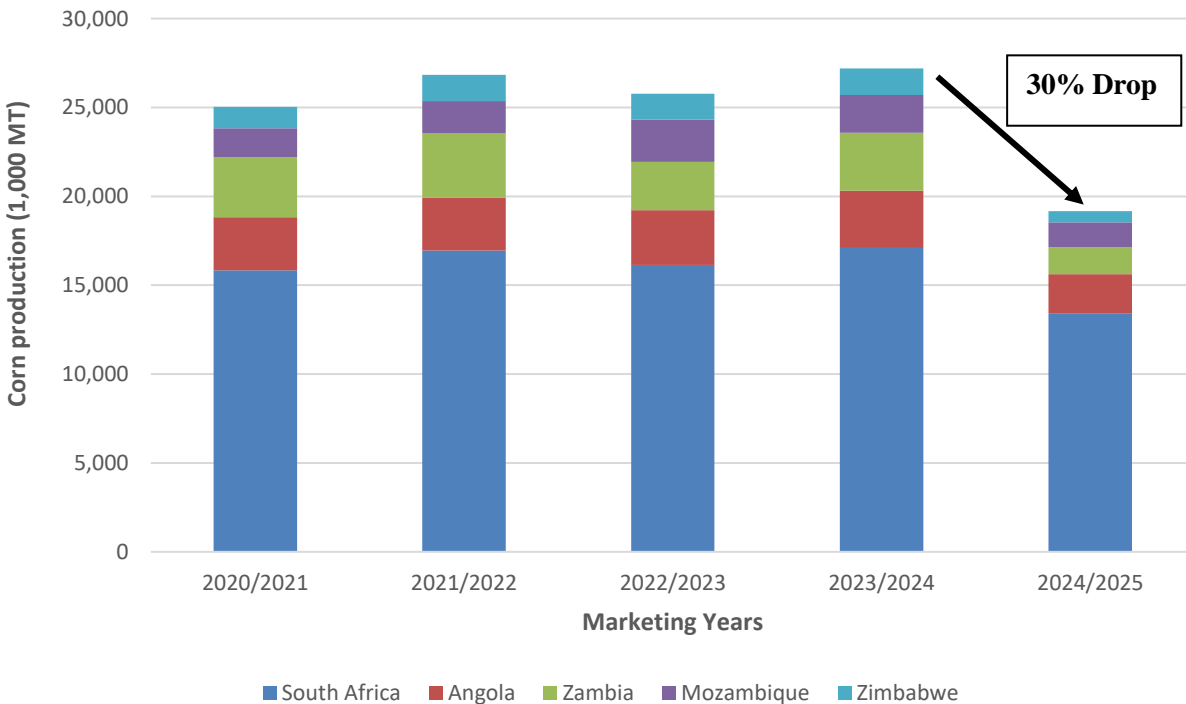
- In 2024, Southern Africa experienced a severe El Niño-induced drought, which significantly reduced corn and soybean production. This led to widespread food insecurity, higher food prices, and increased inflation in the region.
- FAS/Pretoria played a pivotal role in resolving asynchronous genetically engineered (GE) crop approvals, enabling the import of U.S. corn and soybeans. This resolution was crucial for facilitating trade and addressing food shortages in Southern Africa.
- Based on the latest trade data, the United States exported 300,000 metric tons (MT) of corn and 165,000 MT of soybeans to Southern Africa during the local marketing year 2024/25 (May 2024 to April 2025), with a total value of \$140 million. This represents the highest export value in the past 30 years and significantly supported the U.S. agricultural sector.
- These U.S. exports not only bolstered the American farm economy through increased exports but also enhanced food security in Southern Africa. The primary recipients of these exports included South Africa, Zimbabwe, Mozambique, Angola, Namibia, and Lesotho, fostering long-term trade relationships and creating opportunities for future growth.

Background: Drought in Southern Africa

In 2024, Southern Africa experienced a severe El Niño-induced drought, coupled with excessive heat, which had a devastating impact on the region's corn and oilseed production. Countries such as Zambia, Zimbabwe, South Africa, and Mozambique experienced significant reductions in the yields of these crucial crops. Corn production in the region dropped by 30 percent, resulting in the smallest crop in five years (see Figure 1), while soybean production decreased by 26 percent (see Figure 2).

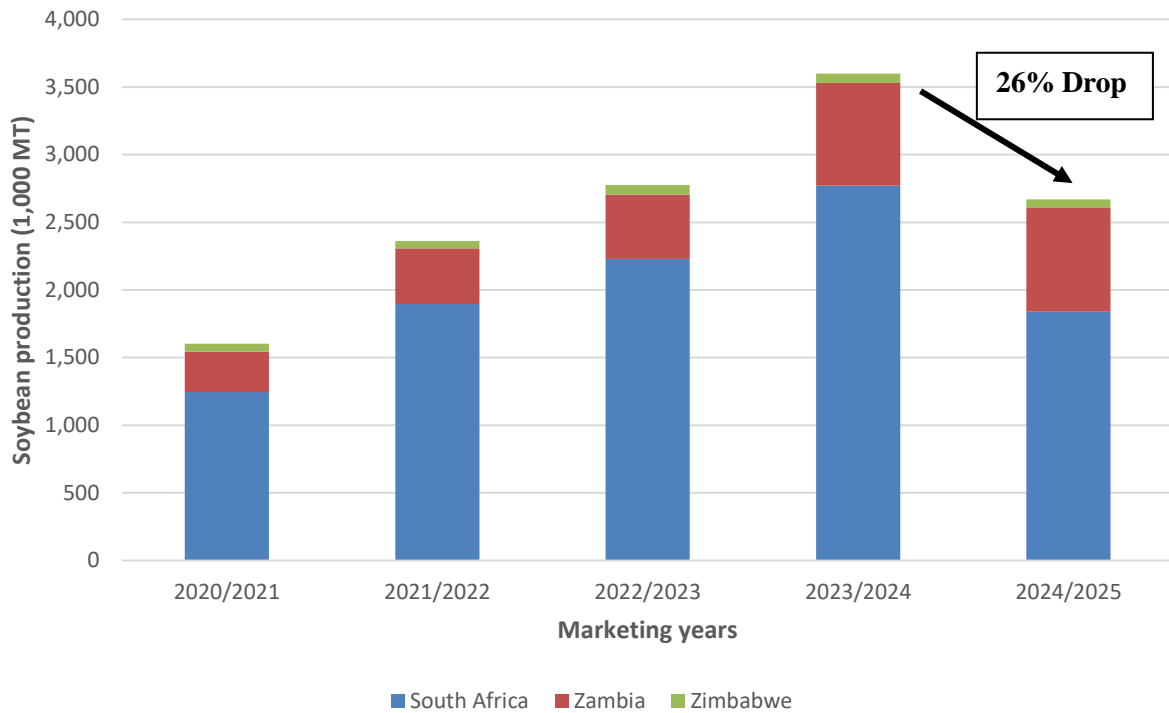
Most of Southern Africa's corn and oilseed production is rainfed, with less than 20 percent under irrigation, highlighting the region's heavy reliance on rainfall. Adding to the weather risk, production in most Southern African countries, except for South Africa, is primarily conducted by communal farmers. The lack of rainfall and water scarcity made it difficult for farmers to plant and harvest corn and oilseeds, leading to widespread food insecurity. The drought also caused water levels in major rivers and reservoirs to drop to critical levels, further exacerbating the challenges faced by rural communities. The reduced availability of these staple crops not only affected local food supplies but also had broader economic implications for the region, including higher food prices and increased inflation.

Figure 1: Corn Production in Southern Africa



Source: FAS, USDA

Figure 2: Soybean Production in Southern Africa



Source: FAS, USDA

Market Opens after Resolving Asynchronous Approvals

Asynchronous approvals can pose significant risks to trade, particularly since South Africa applies zero tolerance for the unintentional presence of GE events in food and feed imports. As one of the top 10 global producers of GE crops, South Africa has approved numerous GE plant events, including corn and soybeans, for commercial cultivation since the implementation of its Genetically Modified Organism (GMO) Act in 1997. South Africa also permits the importation of GE crops. However, according to the GMO Act, the list of GE events cultivated in an exporting country must be synchronized with the GE crops approved by South African regulators for food and feed purposes.

Synchronizing inter-country GE lists can be complex, as commodities often consist of GE stacked events. South Africa requires separate approval for GE events that combine two or more traits, even if the individual traits have already been approved. In cases where events are approved but no longer cultivated in an exporting country, South Africa requires confirmation that cultivation has ceased.

FAS/Pretoria collaborated closely with all stakeholders in South Africa to address the asynchronous GE events and facilitate trade with the United States. On November 19, 2024, South Africa's Department of Agriculture informed the industry that all GE corn events causing asynchrony with the United States had been approved and import permits would be

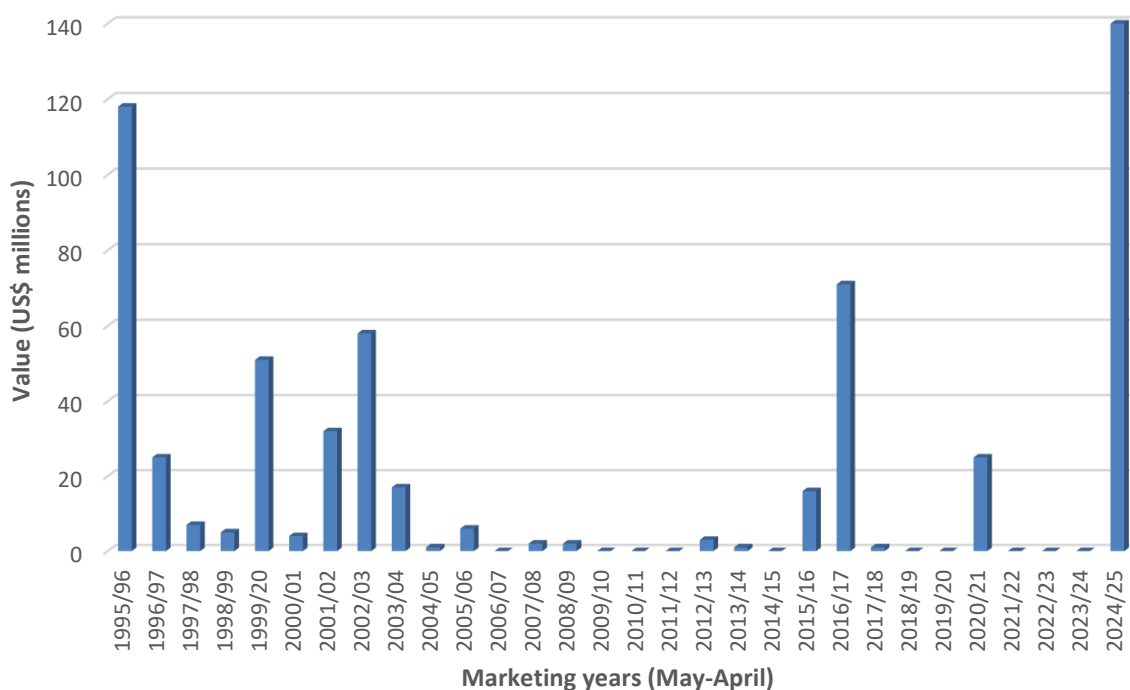
issued for U.S. GE corn. This follows the opening of the South African market for U.S. GE soybeans on September 30, 2024.

While South Africa is the leading producer of GE crops in Southern Africa, other countries in the region remain cautious or have imposed bans. However, in times of severe drought or food shortages, and when non-GE grains cannot be secured for food, most countries in the region permit the import of GE grain.

Economic Benefits of U.S. Corn and Soybean Exports to Southern Africa

In local marketing year (MY) 2024/25, the United States exported 300,000 MT of corn and 165,000 MT of soybeans to the Southern Africa region. These exports were valued at \$140 million, representing the highest export value in the past 30 years (see Figure 3) and accounting for almost 30 percent of total U.S. agricultural exports to the region.

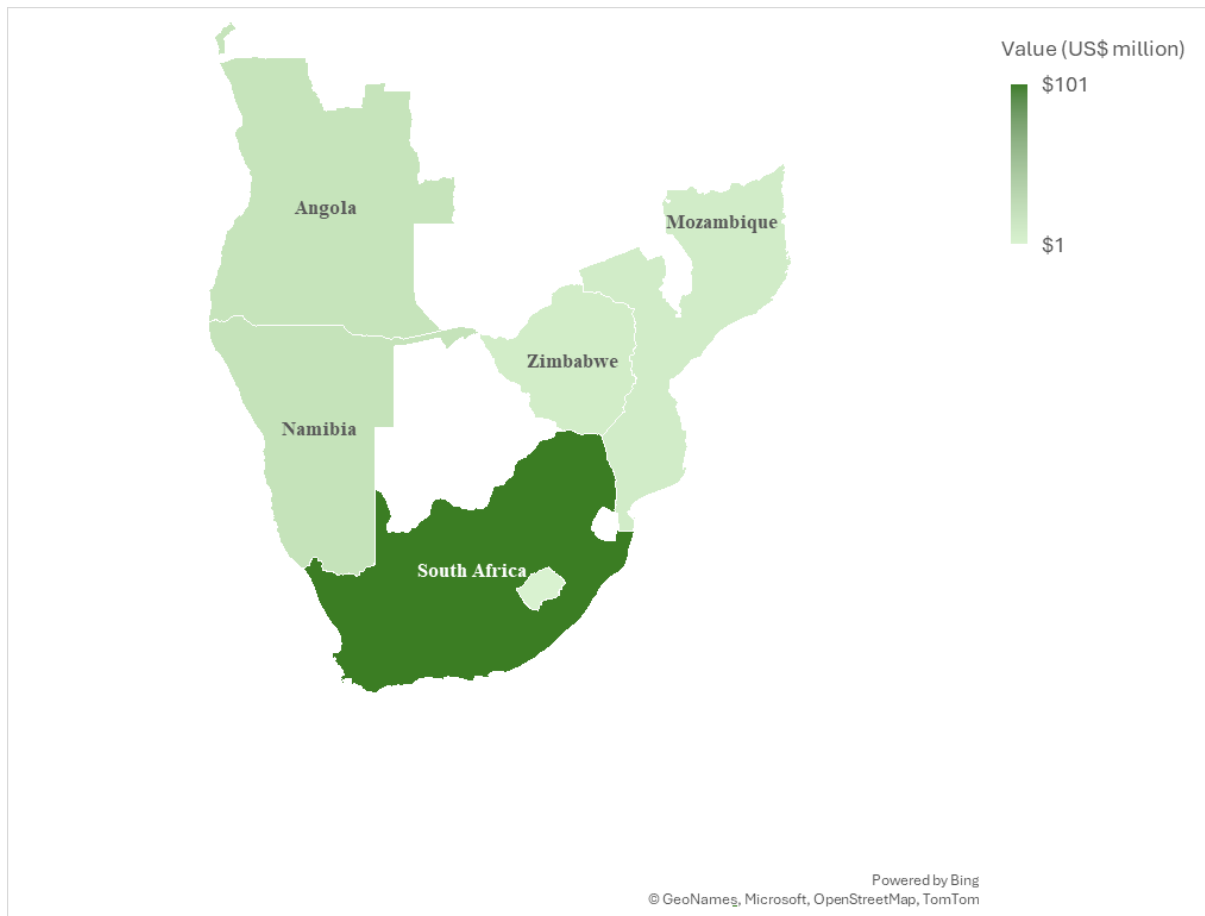
Figure 3: *The Value of United States’ Corn and Soybean Exports to the Southern Africa Region Over the Past 30 Years*



Source: FAS, USDA

The \$140 million in export value underscores a notable benefit to U.S. corn and soybean farmers. By exporting corn and soybeans to Southern Africa, the United States not only derived significant economic benefits but also supported the region's food security, fostering long-term trade relationships and creating opportunities for future growth. The primary recipients of U.S. corn and soybeans exported to the region included South Africa, Zimbabwe, Mozambique, Angola, Namibia, and Lesotho (see Map 1).

Map 1: *U. S. Corn and Soybean Exports to the Southern Africa Region*



Source: FAS and the South African Grain Information Services

Southern Africa consumes approximately 25 million metric tons (MMT) of corn annually, with nearly two-thirds allocated for human consumption. Notably, over 70 percent of the U.S. exported corn was white corn, which serves as a staple food in the form of a porridge and is the primary carbohydrate source in Southern Africa. In contrast, yellow corn is predominantly utilized in the livestock industry for animal feed production.

The region also utilizes around 3 MMT of soybeans annually, of which 85 percent is crushed to be used for animal feed, as soybean demand for food is relatively small. Soybean meal, derived from crushed soybeans, is a critical protein source for feed manufacturers in Southern Africa, accounting for over 70 percent of protein meal usage in animal feed. Most soybean exports were directed to South Africa, which experienced a significant decline in local soybean production due to drought. The U.S. exports occurred as South Africa needed imports to augment local production to maintain crushing demand. South Africa has made substantial investments in expanding its soybean processing capacity, adding approximately 1.5 MMT of additional oilseed processing capacity over the past decade.

Summary

The successful export of U.S. corn and soybeans to Southern Africa in MY 2024/25 not only underscores the resilience and productivity of American agriculture but also highlights the critical role the United States plays in supporting global food security. By addressing the region's food shortages and fostering long-term trade relationships, these exports have delivered economic benefits to the U.S. agricultural sector. As Southern Africa continues to face agricultural challenges, the United States remains a reliable partner, committed to providing high-quality agricultural products that meet the region's needs and contribute to its economic stability and growth. This partnership exemplifies the strength and importance of American agriculture on the global stage.

Attachments:

No Attachments.