



Unlocking Africa's Position in the \$200 Billion Soybean Market

A strategic look at Africa's production potential, trade advantage,
and path to value creation.



Soybean (*Glycine max*) is a high-protein legume crop that has become one of the most economically important agricultural commodities worldwide. Originally domesticated in East Asia over 3,000 years ago, the soybean is now cultivated across North and South America, Asia, and increasingly Africa. It is classified as an oilseed crop because of its dual output: oil and protein meal.

Soybeans are unique among major crops because they simultaneously serve the food, feed, and industrial sectors. Unlike maize or rice, which primarily serve food markets, soybeans have diversified demand channels, making it structurally resilient as a commodity.

Globally, soybeans underpin livestock industries, edible oil markets, biofuel production, and food processing systems. Africa currently plays a relatively small role in global supply, yet it holds significant potential due to expanding domestic demand and suitable agro-climatic conditions.

Soyabean contains

36%-56%
protein content

Key characteristics:

- Protein content: 36 to 56%
- Oil content: 18
- Nitrogen-fixing crop improves soil fertility
- Short growth cycle: 85 to 120 days
- Adaptable to multiple agro-ecological zones

Animal Feed

Soybean meal is the dominant protein ingredient in poultry and livestock feed.

- Accounts for 70 to 75% of global protein feed consumption
- Typical poultry feed contains 40 to 48% soybean meal
- Essential for broilers, layers, aquaculture, and pig farming



Edible Oil

Soybean oil is among the most widely consumed vegetable oils globally.

- Represents approximately 28% of global vegetable oil production
- Used for cooking oil, margarine, processed foods
- Competes with palm oil and sunflower oil



Human Consumption

Soybeans are used in:

- Soy flour
- Soy milk
- Tofu and textured vegetable protein
- Infant nutrition and fortified foods



Industrial applications

- Biodiesel production
- Industrial lubricants
- Cosmetics
- Adhesives and printing inks



Soybeans derive value from transformation, not just production. Crushing converts the crop into oil for human consumption and protein meal that sustains global feed markets.

Suitable conditions for Soyabeans

Soybeans perform best under specific agronomic conditions:



- Optimal temperature: 20°C to 30°C
- Rainfall requirement: 500 to 900 mm annually
- Sensitive to waterlogging
- Moderate drought tolerance



- Well-drained loamy soils
- pH range: 5.5 to 7.5
- Preferably phosphorus-rich soils



- 90 to 120 days maturity
- Suitable for crop rotation with maize
- Can be grown once or twice per year, depending on irrigation



Requires long daylight exposure for optimal flowering
Performs best in regions with a stable warm season





Global Soyabean Production and Market Context

As of recent global estimates total annual global production:

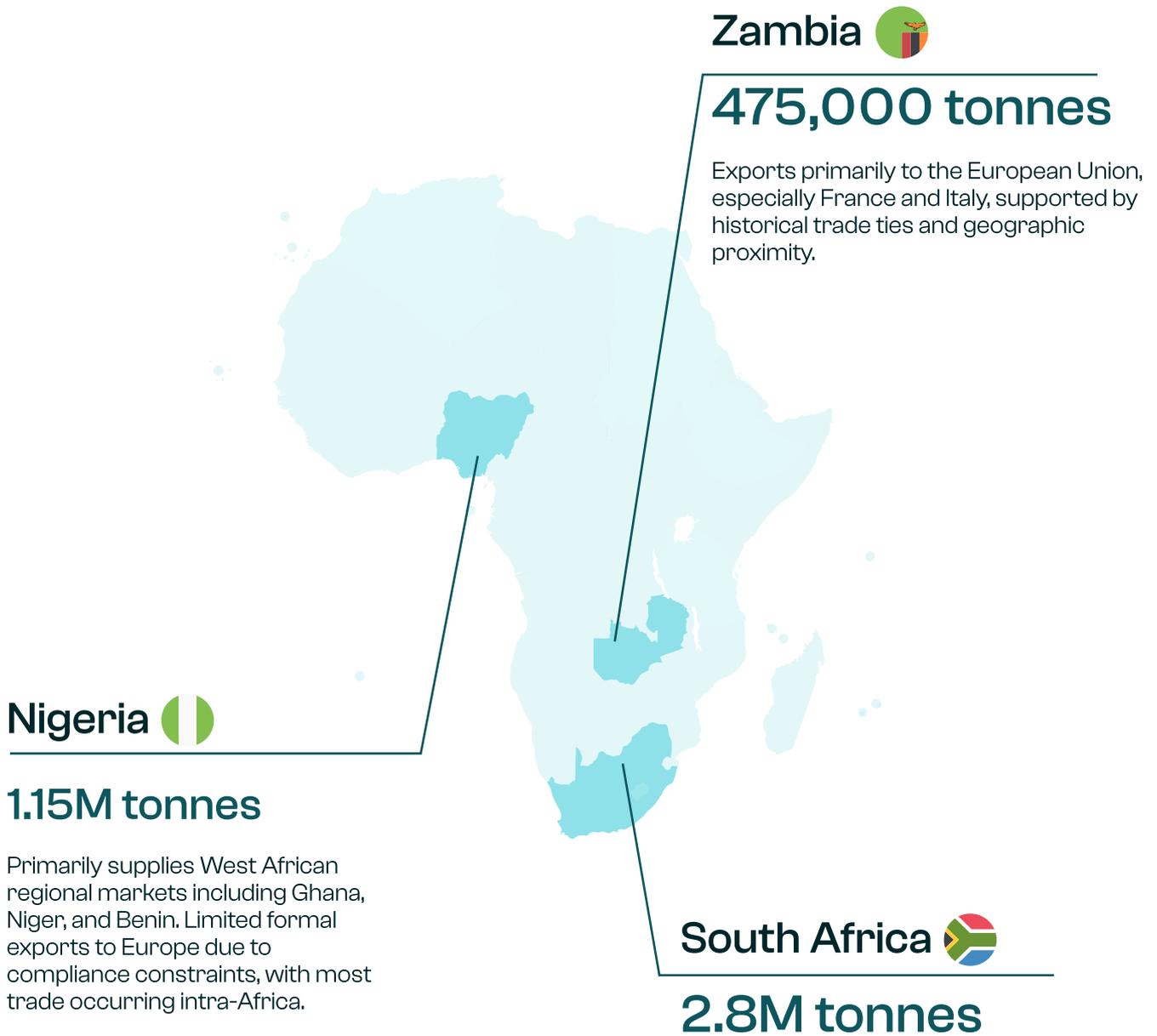
428.2 Million MT



Market Value

- Global soybean market value: over USD 200 billion annually
- Soybean oil market: approximately USD 65 billion
- Soybean meal market: approximately USD 110 billion

Global pricing benchmark: Chicago Board of Trade futures.



Global Soyabean demand is consumption-driven, not speculative.

Annual demand

428M
tonnes

Market value

\$200B

South Africa Production of
Soyabean

40%

Market value for soyabean oil

\$65B

Demand growth tracks population growth, urbanisation, and food processing, rather than commodity cycles.

Major Demand Centres

90M
tonnes
annually

China

China imports over 100 million tonnes of soybeans to serve its crushing industry, livestock feed demand, and edible oil consumption.

15M
tonnes
annually

The European Union

The EU imports about 15 million tonnes annually, mainly to supply protein-rich feed for poultry, pigs, cattle, and dairy production.



Strong Domestic Demand For Feed And Oil

Growing poultry and livestock sectors drive demand for soybean meal, while soybean oil remains widely consumed in households and food processing.



Growing Regional Trade Under AfCFTA

Reduced trade barriers across Africa expand market access for soybean producers and processors.

Short Production Cycle

Soybeans mature in about 90 to 120 days, allowing farmers to generate income within a relatively short period.



Crop Rotation Benefits

Soybeans improve soil fertility through nitrogen fixation, boosting productivity for future crops.



Dual Revenue Streams From Oil And Meal

Processing soybeans produces cooking oil and protein meal, creating two valuable market outputs.



Import substitution potential

Many African countries rely on imported soybean products, creating an opportunity for local production to replace imports.

Threat of new entrants – Moderate

Farming entry cost relatively low

Processing capital-intensive

Supplier power – Moderate

Seed suppliers influence input cost

Fertilizer dependency increases cost volatility

Buyer power – High

Large feed mills and oil processors dominate purchases

Buyers can negotiate price based on global benchmarks

Threat of substitutes – Moderate

Sunflower meal, Palm kernel cake, fish meal

Competitive rivalry – Increasing

A growing number of commercial farms

Regional competition from Zambia and South Africa



Cultivation

Soybeans are planted and grown over a 90 to 120 day cycle under suitable temperature, rainfall, and soil conditions.

Harvesting and Drying

Mature soybeans are harvested and dried to reduce moisture levels, preserving quality and preventing spoilage during storage.

Cleaning and Storage

The beans are cleaned to remove debris and stored in controlled facilities before being transported for processing or trade.

Crushing and Processing

Soybeans are crushed in processing plants where they are separated into soybean oil and soybean meal.

Product Manufacturing

Soybean oil is refined for cooking and food processing, while soybean meal is used in poultry, livestock, and aquaculture feed.



PHASE 1: Location & Strategy Setup

Objective

Select zones that meet climate, drying conditions and logistics requirements for export-quality production

Key biological requirements

🌡️ Temperature

20–30°C

☁️ Rainfall

500 to 900 mm

🔄 Crop Cycle

90–120 days

Viable sesame belts in Africa

Ghana 🇬🇦
(northern and middle belts)

Nigeria 🇳🇮
(Central States)

Ethiopia 🇪🇹
(Rift Valley)

Malawi 🇲🇼

Tanzania 🇹🇿

Strategic choice

Malawi is a low-risk entry point:

Focuses on export-grade chilli

Structured contract farming system

Strong compliance alignment with European buyers.

PHASE 2: Land acquisition & setup

Objective

Learn before scaling.

Lease, do not buy

Lease duration: 1–3 seasons

Conduct soil testing

20–\$40 per sample, helping determine fertilizer needs.

Procure improved seed varieties

Improved soybean seeds can increase yields by 30–40%

PHASE 3: Production

Land Preparation

Mechanized plowing and harrowing typically costs **\$70–\$120** per hectare.

Key Activities

- Weed control (first 30–40 days critical)
- Pest monitoring
- Nutrient management

Planting

- Planting typically occurs within a 2–3 week window at the start of the rainy season to ensure sufficient soil moisture.
- Seeds are planted 3–5 cm deep with a seeding rate of 60–80 kg per hectare, producing about 300,000–400,000 plants per hectare.

PHASE 4: Aggregation and Storage

Storage Requirements

- Maintain grain moisture below 13%
- Store in clean, ventilated facilities
- Use fumigation to control pests

Basic Storage Investment

- Warehouse facility (200–300 tonnes capacity)
- Metal silos improve quality preservation.

Post-harvest losses can reach **10–20%** without proper storage, making storage a key value driver.

PHASE 5: Processing

Soybeans create two main products:

Soybean Oil

Used for cooking and food manufacturing.

Soybean Meal

Used in poultry, livestock, and aquaculture feed.

Typical Crushing Output

From 1 tonne of soybeans

- 180–200 kg soybean oil
- 780–800 kg soybean meal

Processing margins can increase revenue by 20–40% compared to selling raw beans.

PHASE 6: Market Expansion

Objective

Once production stabilizes, producers can expand into regional trade.

- Regional Trade Opportunities
Major African soybean buyers include:
 - Nigeria
 - South Africa
 - Kenya
 - Egypt

Under AfCFTA, reduced tariffs make cross-border agricultural trade easier.

TIP

Soybeans lose quality and value when moisture is poorly controlled during storage.

Drought or excessive rainfall



Irrigation systems, climate-resilient seed varieties

Global price decline



Forward contracts, diversified revenue streams

Fertilizer and seed price spikes



Bulk procurement agreements

Storage damage



Modern storage infrastructure

Export bans or tariff changes



Market diversification



About Us

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100+

global banking partnerships