

**SOUTH SUDAN**



**THE WORLD'S NEWEST INVESTMENT DESTINATION**

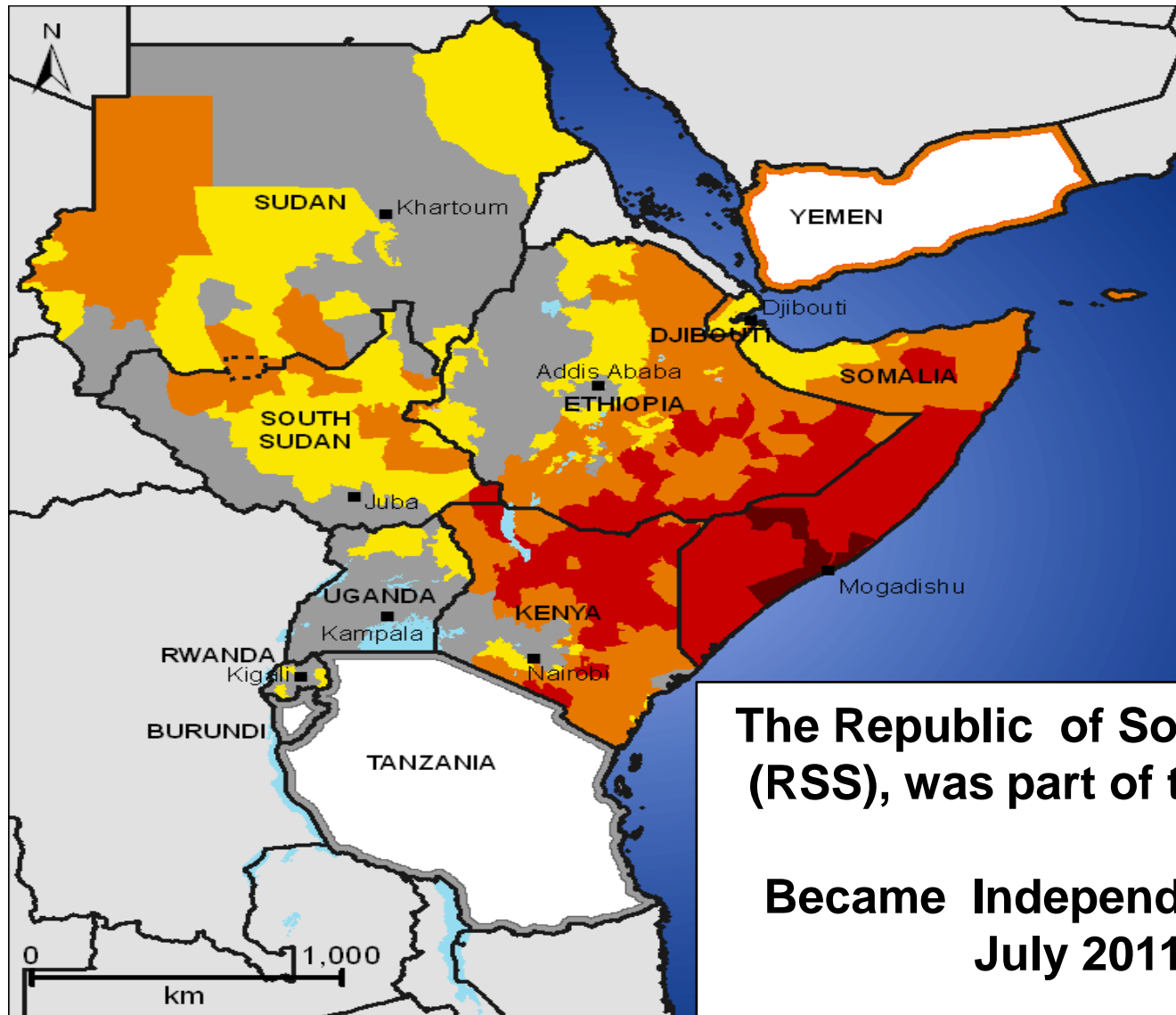


**AgriBusiness Forum, 19<sup>th</sup> October 2011.  
Johannesburg, South Africa**

**Hon Betty Achan Ogwaro  
Minister of Agriculture, RSS**



## Map of the Republic of South Sudan



**The Republic of South Sudan (RSS), was part of the Sudan,**

**Became Independent on 9<sup>th</sup> July 2011**

The Republic of South Sudan borders six countries  
The Sudan, Ethiopia, Kenya, Uganda, DRC and CAR



A vast country of **644,000 sq.km** – roughly the same size as France or Texas, but with only 8 million people

- at least 30 million hectares of arable land, but less than 5% is currently cultivated

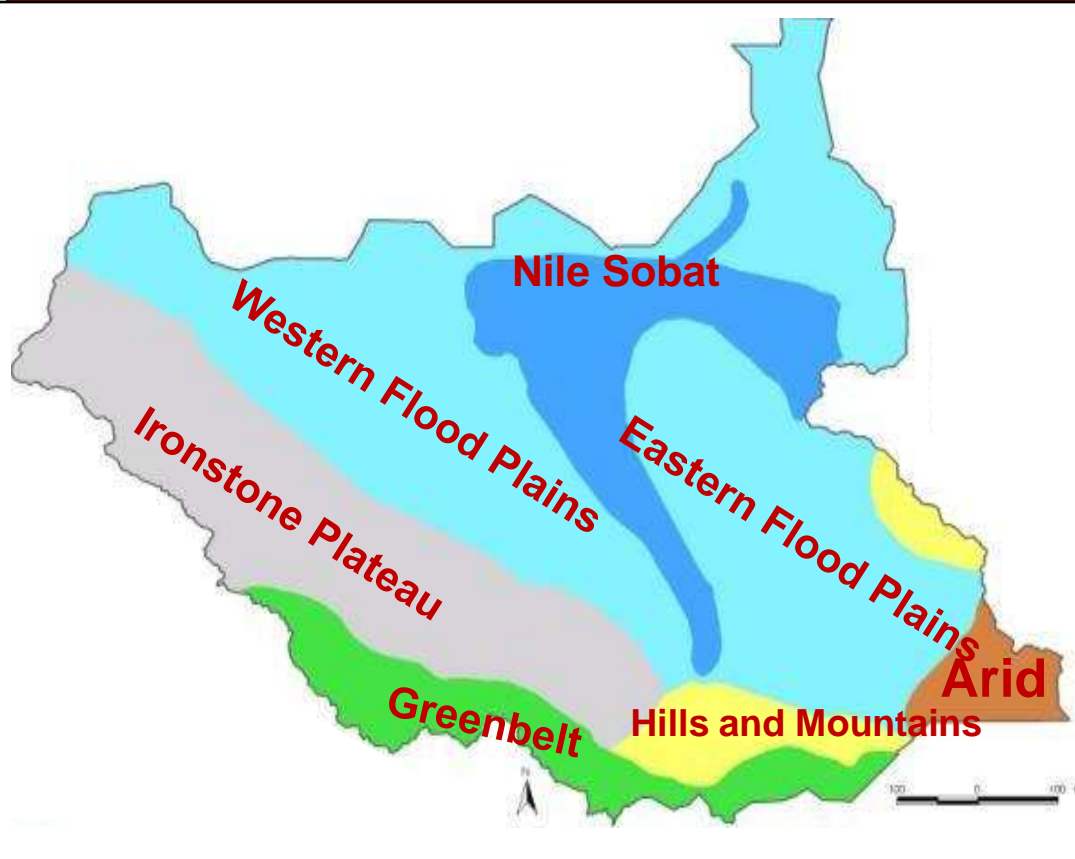
## The Republic of South Sudan has Ten states





The country is divided into six agro-ecological zones offering a diversity of agricultural potential

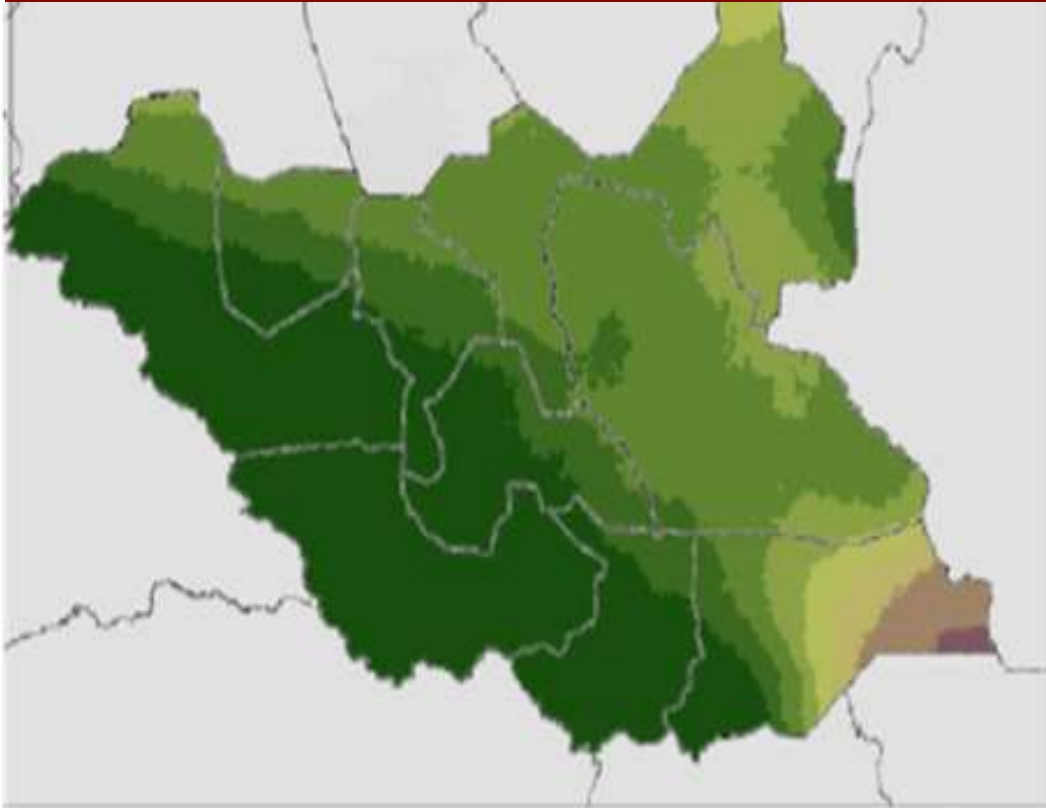
### South Sudan Agro-ecological Zones



- **Greenbelt:** good for oil palm, tea & coffee, fruits , irish potatoes, maize , vegetables, and tropical forestry
- **Ironstone Plateau:** excellent for sorghum, groundnuts sesame sunflower and livestock
- **Nile Sobat:** alluvial soils – ideal conditions for sugar cane, rice and sorghum
- **Flood plains:** variety of crops: sorghum, rice sugar cane, sesame and groundnuts
- **Hills and Mountains** – good for tea, coffee, temperate fruits,(apples, grapes), forest plantations and wheat
- **Arid Zone** – good for gum acacia

Most of the country receives high-levels of rainfall, sufficient for rain-fed cultivation of most crops

### South Sudan Rainfall Patterns



- Very high levels of rainfall in the hills and plateaus of the **South West**
- Lower levels of rainfall in the plains of the **North East**
- numerous lakes and rivers

**Average rainfall ranges from 500mm to 2000mm per year  
- compared to 440mm in Madrid and 830mm in Amsterdam**

**The combination of land, climate and local and regional demand creates commercial opportunities for investors in a wide range of crops**

<b>Sector</b>	<b>Nature of Opportunity</b>
<b>Cereals</b>	<ul style="list-style-type: none"> <li>• Wide expanses of land along river banks in the northern and central parts of the country, with rich soils and ample sunshine, ideal for cereals pulses, sugar and oilseeds (sunflower, soybean, groundnut etc.)</li> </ul>
<b>Oilseeds</b>	<ul style="list-style-type: none"> <li>• High rainfall areas in the south ideal for oil palm; floodplains &amp; river valleys ideal for rice</li> <li>• Local and regional supply deficit and high prices (cereals, oils and sugar are the top 3 food imports to South Sudan and neighbouring countries)</li> </ul>
<b>Sugar</b>	<ul style="list-style-type: none"> <li>• WFP and Government eager to purchase locally for food aid programs</li> <li>• Potential to generate own power needs from begasse/biomass waste (and sell surplus to local communities/industries)</li> </ul>
<b>Horticulture &amp; Floriculture</b>	<ul style="list-style-type: none"> <li>• High altitude, high rainfall “greenbelt” along Uganda border suitable for temperate horticulture and floriculture production – within 200km of international airport at Juba</li> <li>• Widespread tropical fruit production – mango, pineapple, avocado, etc.</li> <li>• Potential to supply local markets (most produce for urban markets currently imported) and export to EU and Middle East (as in Kenya and other EAC countries)</li> </ul>
<b>Coffee/Tea</b>	<ul style="list-style-type: none"> <li>• Coffee &amp; tea plantations established in Greenbelt in the 1970s, abandoned during war</li> <li>• Potential for investors to revive plantations and invest in coffee washing stations and tea factories</li> </ul>
<b>Specialty crops (gum acacia, etc.)</b>	<ul style="list-style-type: none"> <li>• Sudan as a whole is a leading exporter of sesame and gum acacia – high value crops particularly in the Middle East</li> </ul>

**Given its natural assets and growing local and regional demand, South Sudan's top priority is to attract commercial cereal farmers and millers**

## **South Sudan's Cereal Potential**

### **Assets**

- Rich alluvial soil and arable land along the Flood Plains, Iron Stone Plateau and the Green Belt
- High solar radiation, with an average of over 10 hours of sunlight per day
- Ample supply of water through rainfall and extensive river system suitable for irrigation purposes
- Several local and regional investors already operating large scale farming in South Sudan particularly Upper Nile State

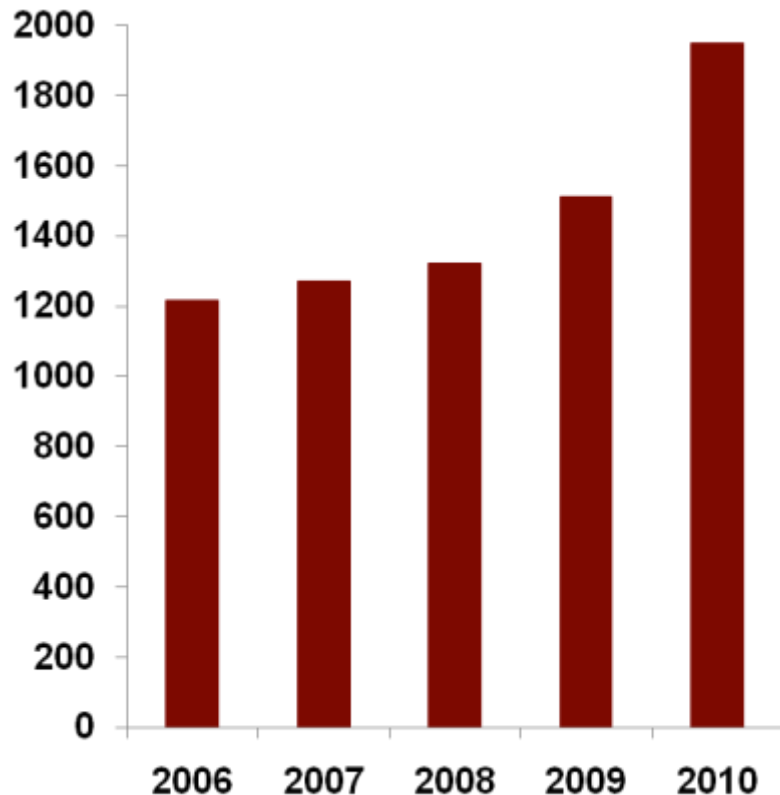
### **Market**

- Despite assets, South Sudan today imports more than 200,000 tons of cereals (maize, rice, sorghum, millet): WFP alone estimates need of 90,000-130,000 tons of food aid in 2011
- Potential also to export to neighboring countries: 6 immediate neighbours import over \$1.3 billion of cereal, while COMESA imports more than \$6 billion
- With strong global demand and high import costs food prices are expected to remain high



# South Sudan offers an attractive market for agribusiness with significant imports, high prices and growing demand

## Agricultural & Food Imports of Sudan (US\$ Million)

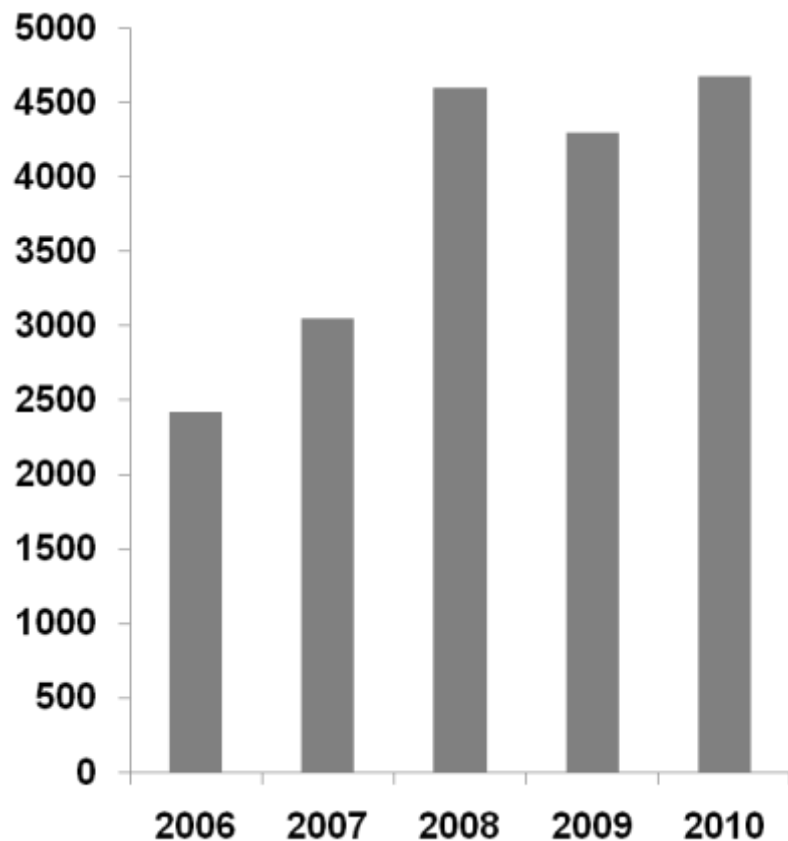


## Local Market Opportunity

- Imports of food and agricultural products for Sudan as a whole exceeded \$1.9 billion in 2010
- Imports of food products to South Sudan are estimated at \$200-300 million per year
- Local prices are inflated due to high import costs
- The WFP (World Food Program) alone expects to buy 100,000 tons of cereals for South Sudan in 2011 – with preference for local sourcing
- Driven by oil revenues, government spending and growth in other sectors, incomes and food consumption are expected to double in the next 5 years

# All six of South Sudan's neighbours are significant importers of food and demand is growing

## Agricultural Imports of CAR, DRC, Ethiopia, Kenya & Uganda (US\$ Million)

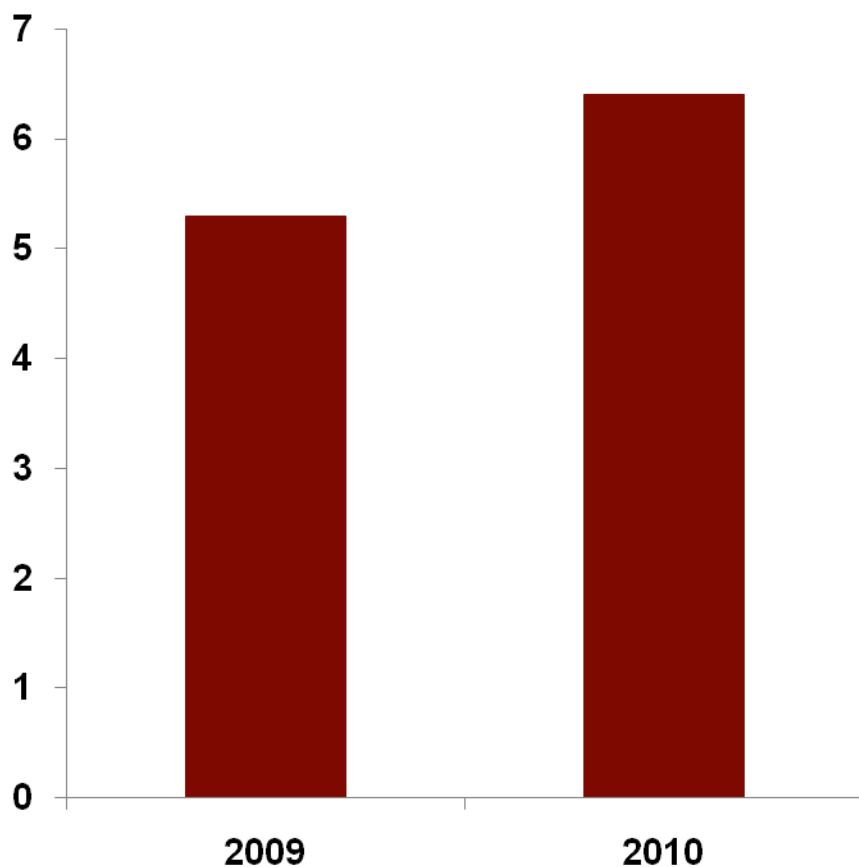


## Regional Market Opportunity

- In addition to North Sudan, South Sudan's 5 other neighbours (CAR, DRC, Ethiopia, Kenya and Uganda) imported more than \$4.5 billion of food and agricultural products in 2010
- With large populations and large land areas unsuitable for agriculture, the Sudan, Ethiopia and Kenya are likely to remain net food importers even in the long term
- Instability in some countries in the region (e.g. DRC) is also limiting local food production, creating opportunities for exporters in neighboring countries
- South Sudan has high potential of exporting food to neighboring countries

## Beyond domestic needs, commercial cereal farmers in South Sudan are well placed to serve the large regional market

### COMESA Cereal Imports (US\$ Billions)



### Regional Market Opportunity

- The six countries neighboring South Sudan (CAR, DRC, Ethiopia, Kenya, Sudan, Uganda) together import more than \$1.3 billion of cereals per year
- The 19 countries of COMESA together import more than 21 million tons (or \$6 billion) of cereals per year
- With improving transport links and South Sudan's expected membership of COMESA (and the planned new tripartite COMESA-SADC-EAC trade area), commercial cereal farmers in South Sudan have the potential to supply significant part of this enormous market opportunity

# Several local firms have begun investing in cereal production, and the Government is keen to attract additional investors with global know-how



- Access to approx. 60,000 hectares in Upper Nile region
- Currently cultivating 3000 hectares
- Planning to grow maize, sorghum, sesame, sunflower, gum acacia



- Leased approx. 4,000 hectares in Upper Nile region
- Currently cultivating 400 hectares
- Planning to grow maize, sorghum, sesame, gum acacia



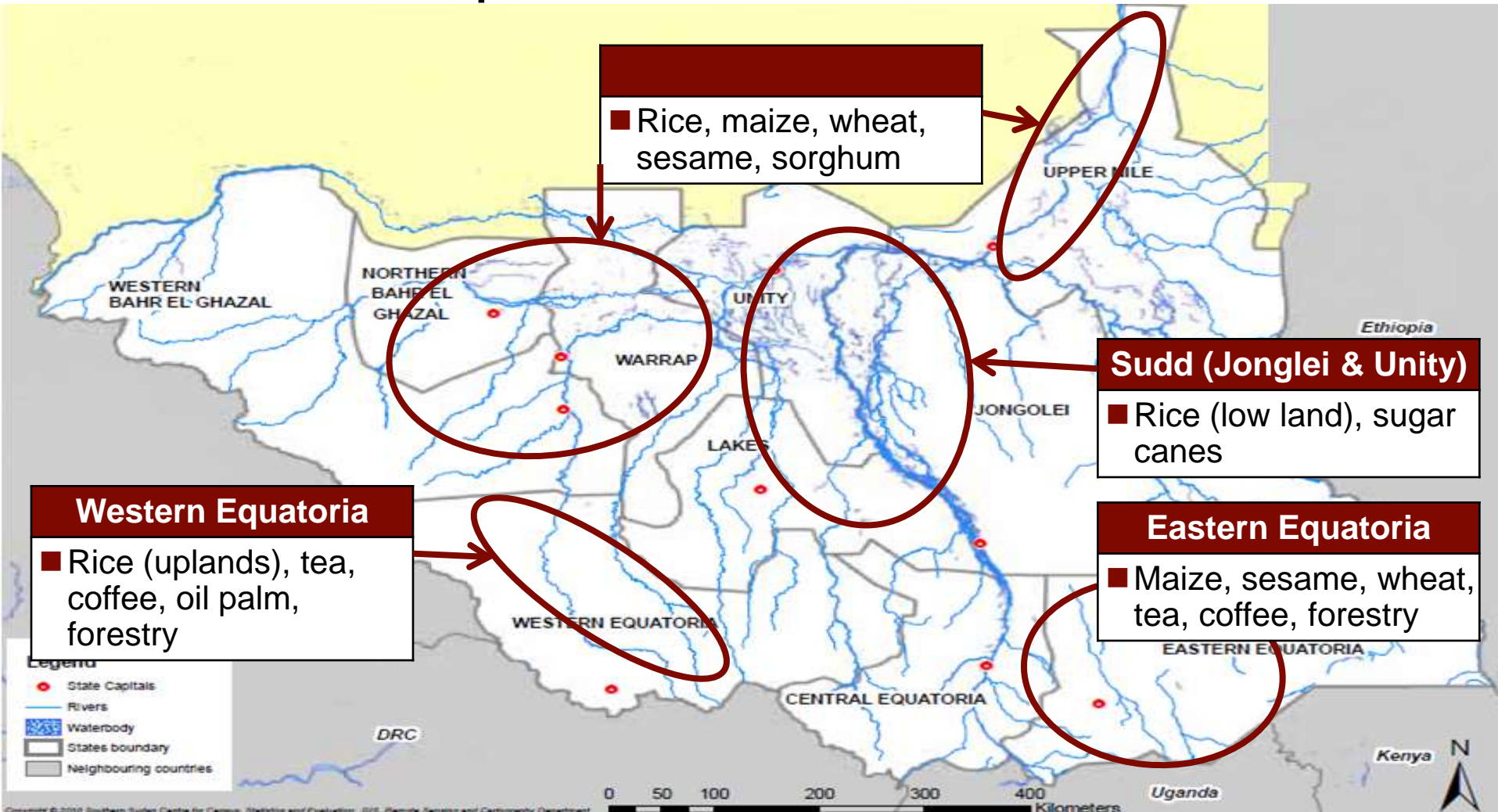
- Approx. 800 hectares under cultivation
- Primarily maize and sorghum

## Actual Production





# The Government has identified several priority areas for commercial investments in cereal production



**Locals would capitalize on small scale out growers schemes while investors capitalize on large scale production and processing**





## With a large regional market and ideal conditions for a range of crops, South Sudan offers significant potential for oilseed farmers and millers

### South Sudan's Oilseed Potential

#### Assets

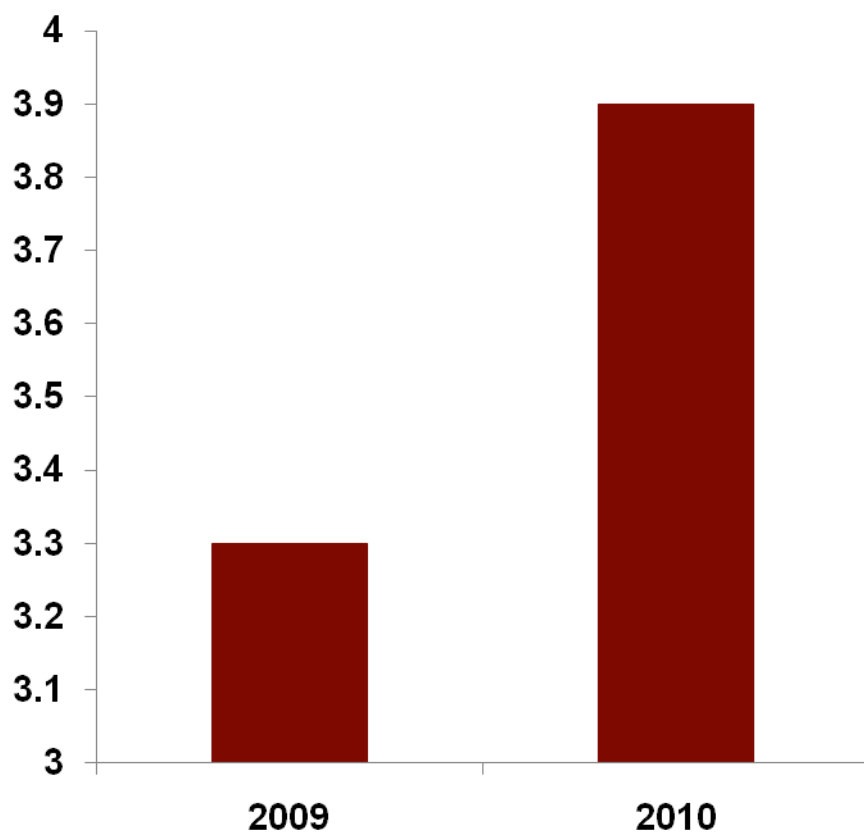
- Ideal conditions along rivers in northern and central part of country for sunflower, soybean, etc: well drained soils, long sunshine hours, ample water supply
- Good conditions for groundnut in central plains around Rumbek/Yirol
- Excellent conditions and old plantations for oil palm in Nzara in DRC border

#### Market

- Sudan as a whole imported more than \$120 million of vegetable oils and oilseeds in 2010
- Potential also exists to export to neighboring countries: 6 immediate neighbours import over US \$1 billion of vegetable oils, while COMESA imports almost \$4 billion
- With strong global demand and high import costs, prices are expected to remain high

## Neighbouring countries are also major importers of vegetable oils and oilseed products

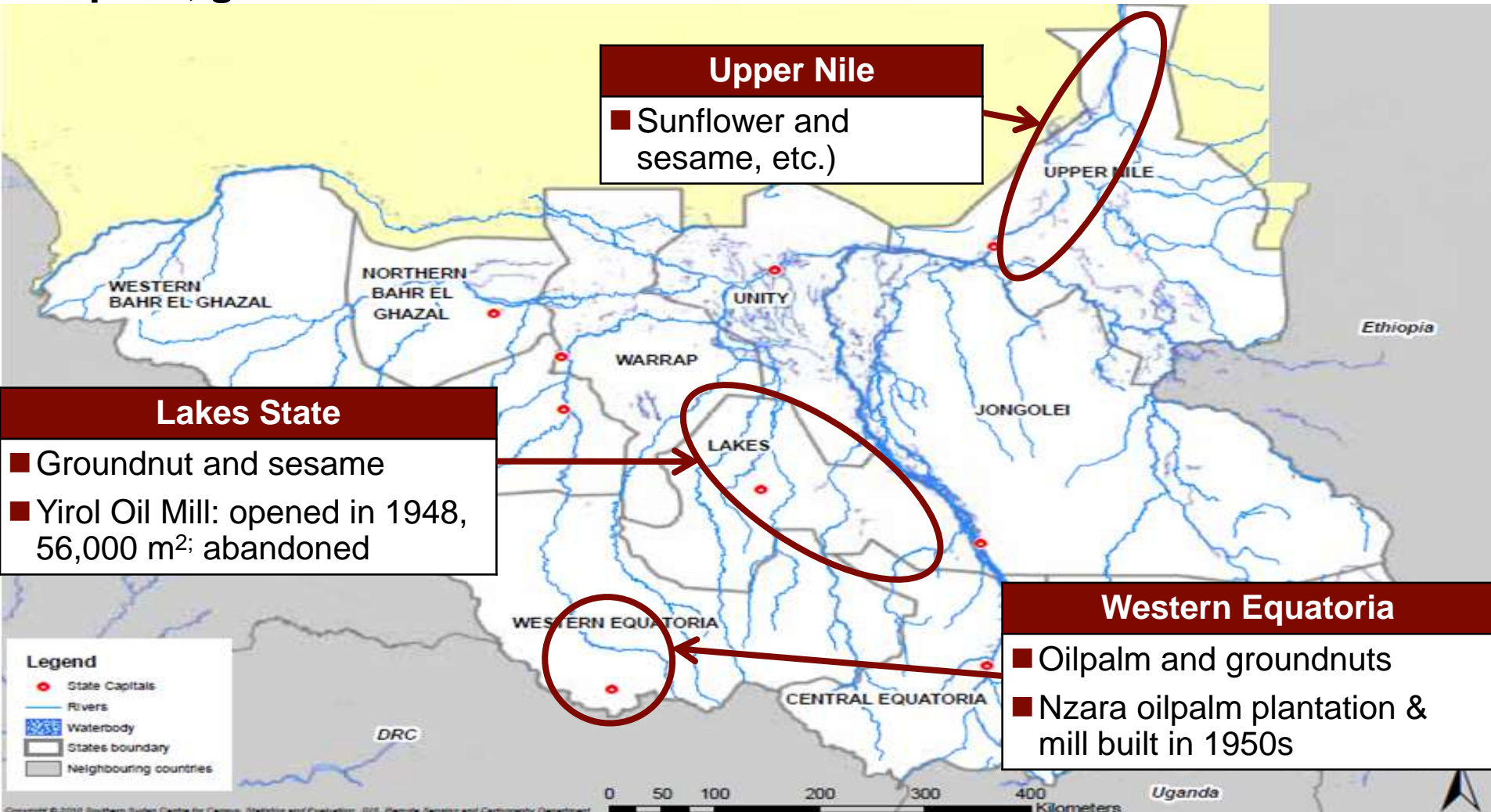
**COMESA Vegetable Oil and Oilseed Imports (US\$ Billions)**



### Regional Market Opportunity

- The six countries neighboring South Sudan (CAR, DRC, Ethiopia, Kenya, Sudan, Uganda) together import more than \$1 billion of vegetable oils and oilseeds per year
- The 19 countries of COMESA together import almost \$4 billion of vegetable oils and oilseeds per year
- With improving transport links and South Sudan's expected membership of COMESA (and the planned new tripartite COMESA-SADC-EAC trade area), oilseed producers in South Sudan have the potential to supply this enormous market

Several priority areas have been identified for investors in oil crops; oilpalm, groundnut and sesame



The Government of Republic South Sudan is particularly keen to attract investors interested in reviving the old oilseed plantations and mills in Nzara and Yirol



# Natural opportunities and access to regional markets makes South Sudan the region's gateway for sugar

## South Sudan's Sugar Potential

### Assets

- Ideal conditions in northern and central part of country for sugarcane production: flat plains, rich alluvial soils, long sunshine hours, ample water supply
- Investors in North Sudan already produce more than 7 million tons of cane (700,000 tons of raw sugar)
- 2 sites in South Sudan (Melut and Mangala) were earmarked and developed for sugar plantations and mills (c.20,000 hectares each), but abandoned/dismantled during the war

### Market

- Despite large production capacity in the North, Sudan as a whole imported more than \$300 million of sugar in 2010 - most of these imports are thought to have been for South Sudan
- Potential also exists to export to neighboring countries: 6 immediate neighbours import over \$500 million of sugar, while COMESA imports almost \$2 billion
- With strong global demand and high import costs, prices are expected to remain high

# While vast areas of South Sudan are suitable for sugarcane, 2 abandoned sites at Melut and Mangala are the priorities for investment

## Melut

- Covered a total area of 20,000 hectares; planned production of 110,000 tons of sugar per year for local market and export
- Abandoned due to the war and equipment taken to the North
- Centre of major oil and agricultural production zone – potential to sell excess power from begasse to oilfields, cereal mills, etc.



## Mangala

- Rich alluvial plain at confluence of Nile & tributary
- Feasibility study conducted in 1970s; work started but abandoned during war
- Ugandan group already exploring feasibility
- Only 45km from Juba – large potential market for excess power from begasse



## South Sudan also offers opportunities for investment in sustainable forestry and forest products



### Forestry

- South Sudan has favourable conditions for tree plantation development, both natural growth and/or under irrigation and agro-forestry systems
- In the past 187,850 ha. of plantations were established both under irrigation (*Acacia nilotica*) and in the higher rainfall areas (teak, eucalyptus, pines, etc)
- There are still some 15,000 ha. of mature plantations mainly of *Azalia africana*, *Cedrella tona*, *Acacia nilotica* & *Eucalyptus*; 6,500 ha. of mature teak (*Tectona grandis*); and 600 ha. of softwood plantations, mainly *Pinus petula*, *Pinus radiata*, *Cupressus lusitanica*
- The Ministry of Agriculture & Forestry is finetuning a system for granting forest concessions – to attract private investment and involve communities in forest management and reforestation

# Investments in **other related agribusiness sectors:**

- **Livestock , (beef and dairy), poultry and fisheries**



- **Cash crops such as coffee, tea, gum acacia, high value fruits and vegetables, and floriculture**
- **plantations of jute, kenaf and sisal**
- **Equipment leasing and dealers**
- **Agric Input dealers (Seed and fertilizers)**
- **Financial services such as Cooperative and Agricultural Banks**



# Investments in **other indirect related agribusiness sectors**

- **Research and Training**
- **Industrial businesses**
- **Packaging materials**
- **Factories including canning factories**
- **Infrastructure (roads including feeder roads)**
- **Hydro-electricity**



## **Current Challenges to farmers**

- ❑ Limited access to quality inputs and Support services.**
- ❑ Use of poor and inefficient technology**
- ❑ Inadequate public and private sector investment in the agriculture sector.**
- ❑ Weak institutional & manpower capacity**
- ❑ Poor & Inadequate rural infrastructure and rudimentary markets with limited access hinder agricultural growth.**
- ❑ Inadequate & weak research and extension systems**
- ❑ Lack of inputs and input supply channels.**
- ❑ No Agricultural Financial institutions**



## **What government has to assist in vestment:**

- Ministries of Agriculture and Forestry
- Ministry of Commerce, Industry and Investment
- Agriculture and Forestry Policies including tax exemptions on all agric. inputs
- Investment Policies
- Land Policy
- The transitional constitution
- Ease in doing business in the South Sudan





# Welcome to South Sudan: The World's Newest Agribusiness Destination!

- South Sudan, is Open for Agribusiness –
- It has ample arable land and plenty of water, ideal climate and soils, and large local and regional market to be supplied
- **Very friendly people**
- **Business climate is right, Country is safe**
- **Next Agri-business Forum? South Sudan is the right place.**
- We urge you to visit South Sudan,
- The Ministry of Agriculture Forestry is ready to assist with all aspects of commercial agribusiness development

*Thank you*

