Agriculture overview: Palm oil in Indonesia

Indonesia, the world’s largest producer of palm oil, is forecast to harvest 33.5 million tons of the fruit this season, according to the Foreign Agricultural Service of the USA (FAS). This is more than the second- and third-largest producing countries, Malaysia and Thailand’s, crop combined.

Worldwide production would probably reach 63.2 million tons this year and would have to meet global consumption of 60.7 million tons, according to FAS. Palm oil, a cooking alternative to sunflower oil, has a higher oil content than similar-use crops. The tree originated in West Africa and was quickly transplanted to Southeast Asia. Its demand and scope of international trade led to futures contracts for the products being traded on commodities exchanges.

International campaigns against its cultivation in Indonesia, where virgin rainforests are cut down and replaced with palm plantations, has culminated in consumer pressure groups. One such Internet and social media-driven campaign is Say No to Palm Oil. – Jacob Visser

- Indonesian population: 253 million
- Agriculture’s contribution to GDP: 14.3%
- Currency: Indonesian rupiah (US$1 = IDR12 124)
- Head of government: President Joko Widodo
- Agribusiness: rubber and similar products, palm oil, poultry, beef, forest products
- Agriculture minister: Amran Sulaiman

1 Indonesia is the world’s largest producer of palm oil.

Sources:
- Indonesian government
- USDA, CIA World Factbook, Reuters

Fungicides, herbicides boost Bayer agri sales

Bayer’s agriculture unit posted a 13% increase in sales in its fiscal third quarter, with strong growth in its fungicides and herbicides units. The division’s revenue increased to €1.9 billion (R26 billion) from €1.7 billion (R23.3 billion) a year earlier.

In September, the company said it would build up its plastic unit through an initial public offering. Its acquisition of Merck’s OTC unit for $34 billion was a strategic move to focus the company on crops science and health care, according to a statement. The Merck deal is likely to increase Bayer’s non-prescription drug offerings as it moves to strengthen its consumer care division.

Although the company bought China’s Dahan Pharmaceutical Group Ltd company in February, it said in order to grow and meet global consumer demand, it would look for further acquisitions in future. – Stanley Karombo

Global soya bean production expected to increase by 8%

World soya bean production in 2014/2015 is forecast to expand by 8% from the previous season. Record harvests are expected in all major producers including the USA, Brazil and Argentina, according to the International Grains Council.

Production is expected to increase to 307 million tons in 2014/2015 from 272 million tons the previous season. South African soya bean farmers intended to plant 22% more to the grain than the previous season (when 944 340t was harvested).

Grain SAS’s economist, Wandile Sihlabe, told Farmer’s Weekly, soya bean prices are under pressure by forecasts of good rainfall, especially over the eastern parts of the country, including Mpumalanga. – Stanley Karombo