

Manufacturing Africa:

Mozambique Economic and
Green Manufacturing
Growth Strategy Report and
UK Private Sector
opportunity assessment

Oilseeds value chain investment case

March-April 2026



This document has been funded by UK aid from the UK Government;
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Vision for the oilseeds sector in Mozambique



For the country

Position Mozambique as a **top three soyabean producer and processor in SADC** by scaling domestic production, anchoring industrial crushing capacity, and **achieving edible oil and meal self-sufficiency** through structured import substitution and regional export integration



For the industry

Increase national soyabean production **3x to ~300,000 t/year** and enable **≥200,000 t/year of annual domestic soyabean crushing** through **targeted farm-level productivity interventions** to increase yields and expand farmer participation in soyabean cultivation (including structured outgrower models), and **development of new processing plants** aligned with the technical and quality requirements of domestic refineries

The vision for Oilseeds can be achieved by deploying individual projects starting with a soyabean crushing plant

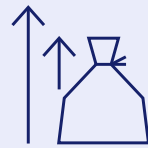
Investment Project

Establish a soyabean crushing plant (~100 ktpa installed capacity) leveraging current production levels



\$10-15M

Investment required¹



\$45-50M

Annual revenue²



\$50-55M

FX saved on crude oil and oilcake imports per year³



~100

Jobs created



~40,000

Smallholder farmers integrated to achieve <85% utilization

1. Includes CAPEX investment and required working capital for year 1 operations
2. Assumes oilcake price of \$500/t and crude oil price of \$1025/t
3. Assumes import CIF prices of \$656/t for oilcake and \$1390/t for crude oil

The investment into a soyabean crushing facility is supported by 5 key pillars

Relevant domestic and regional markets...



The domestic market of soyabean crude oil and oilcake presents a **~\$50M import substitution opportunity**, while the **broader Eastern SADC** represents a **~\$600M opportunity**, with demand growing at up to **~30% CAGR in select markets**

Expanding feedstock scale...



soyabean production is rising ~15% p.a., underpinned by **strong production fundamentals**; leveraging this growth alongside **Mozambique's gateway position can unlock scalable domestic crushing** and regional export integration

Distinct value proposition...



Clear **comparative advantages for soyabean crushing production costs in Mozambique**, enable **10-20% higher efficiency** against South Africa, a key exporter to eastern SADC

Institutional commitment to import substitution...



Government commitment to **import substitution and agro-processing development**, guaranteeing **institutional support to enhance competitiveness** and **streamline investment processes**

Attractive business case...



A strong and attractive business case, with **EBITDA of 10%, IRR of 14%** and an estimated payback period of **6-7 years**

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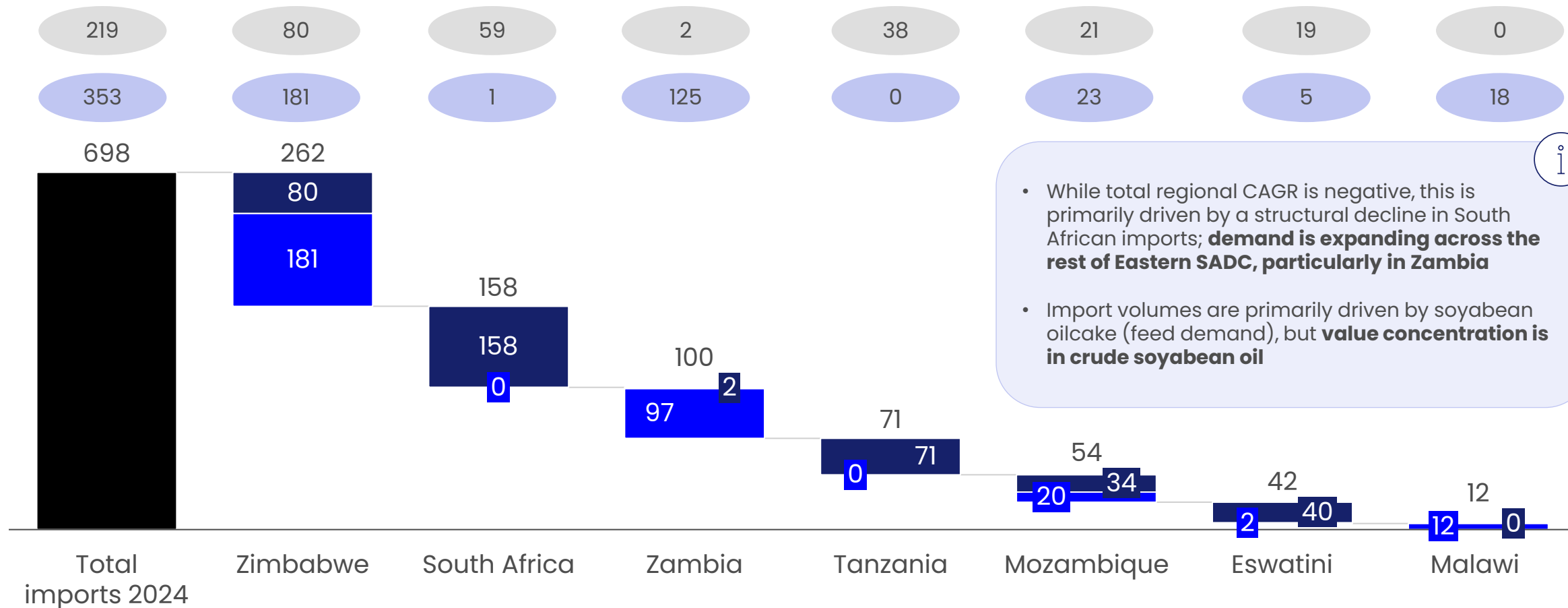
Eastern SADC's ~\$600M soyabean oil and oilcake import market presents a significant opportunity for regional import substitution

2024 Eastern SADC imports of soyabean crude oil and oilcake, ktpa

■ Oilcake ■ Crude oil

○ X Import value oilcake, \$Mn

○ X Import value crude oil, \$Mn



• While total regional CAGR is negative, this is primarily driven by a structural decline in South African imports; **demand is expanding across the rest of Eastern SADC, particularly in Zambia**

• Import volumes are primarily driven by soyabean oilcake (feed demand), but **value concentration is in crude soyabean oil**

Sustained import growth across key SADC markets highlights a scalable regional opportunity for soyabean processing

xx Positive growth xx Limited growth xx Negative growth □ Deep dive ■ Key target markets

Crude oil	2024 Import value, \$Mn	CAGR, %
Eastern SADC	353	4%
South Africa	1	-29%
Eswatini	5	4.4%
Tanzania	0	n/a
Zambia	125	31%
Zimbabwe	181	6%
Mozambique	23	0%
Malawi	18	-0.4%

Oilcake	2024 Import value, \$Mn	CAGR, %
Eastern SADC	219	-7%
South Africa	59	-17%
Eswatini	19	14%
Tanzania	38	29%
Zambia	2	16%
Zimbabwe	80	2%
Mozambique	21	7%
Malawi	0	n/a

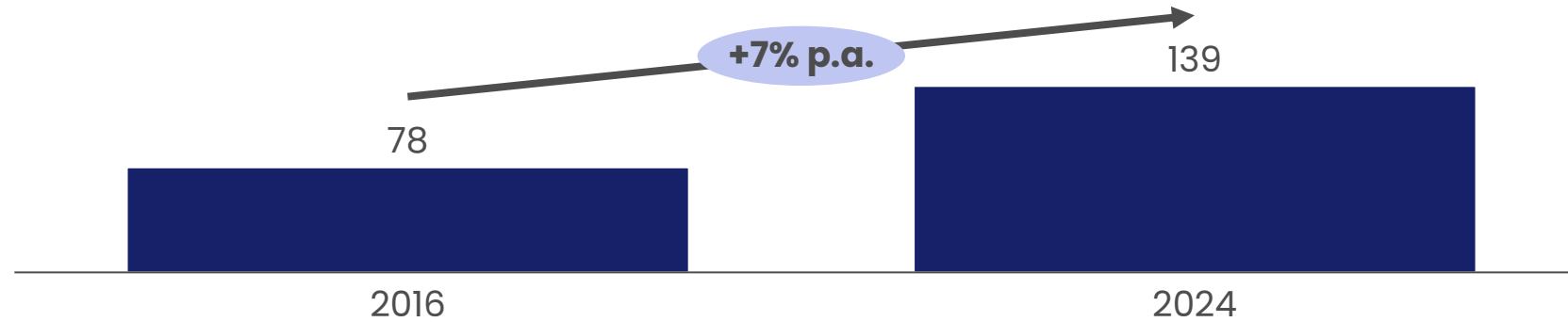
Key insights

- Zambia is the fastest-growing crude oil import market, with imports expanding at 31% CAGR (2016–2024), supported by continued growth in Zimbabwe (6% CAGR)
- Tanzania leads regional oilcake demand growth, with imports increasing at 29% CAGR, followed by Zambia (16%), reflecting rising feed demand

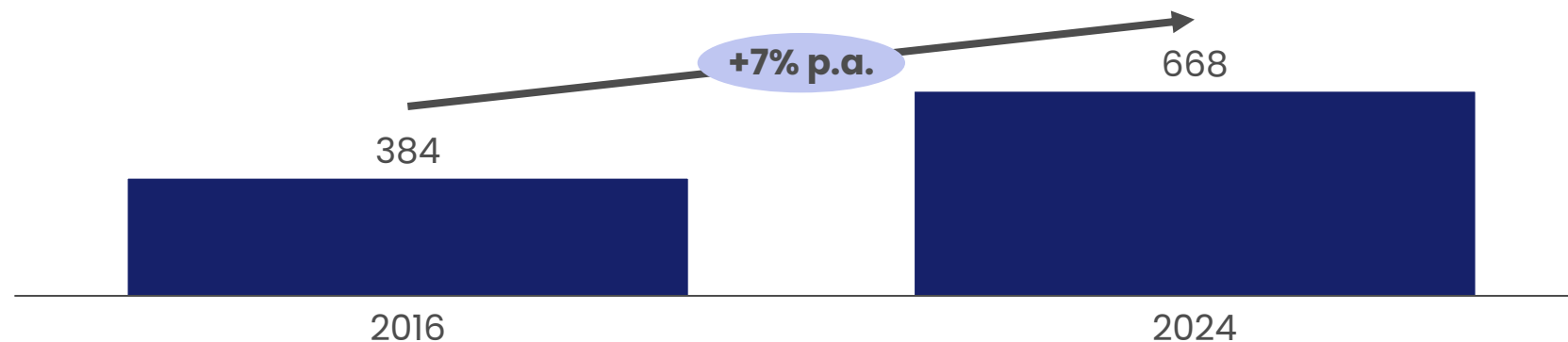
Growth in poultry production and animal feed demand underpins a scalable domestic market for soyabean oilcake



Poultry production, 2016 – 2024, ktpa



Animal feed demand, 2016 – 2024, ktpa



Animal feed demand has nearly doubled between 2016 and 2024, growing at approximately 7% p.a., reflecting strong expansion in the livestock sector, with poultry accounting for ~50% of feed demand and serving as the primary driver of growth

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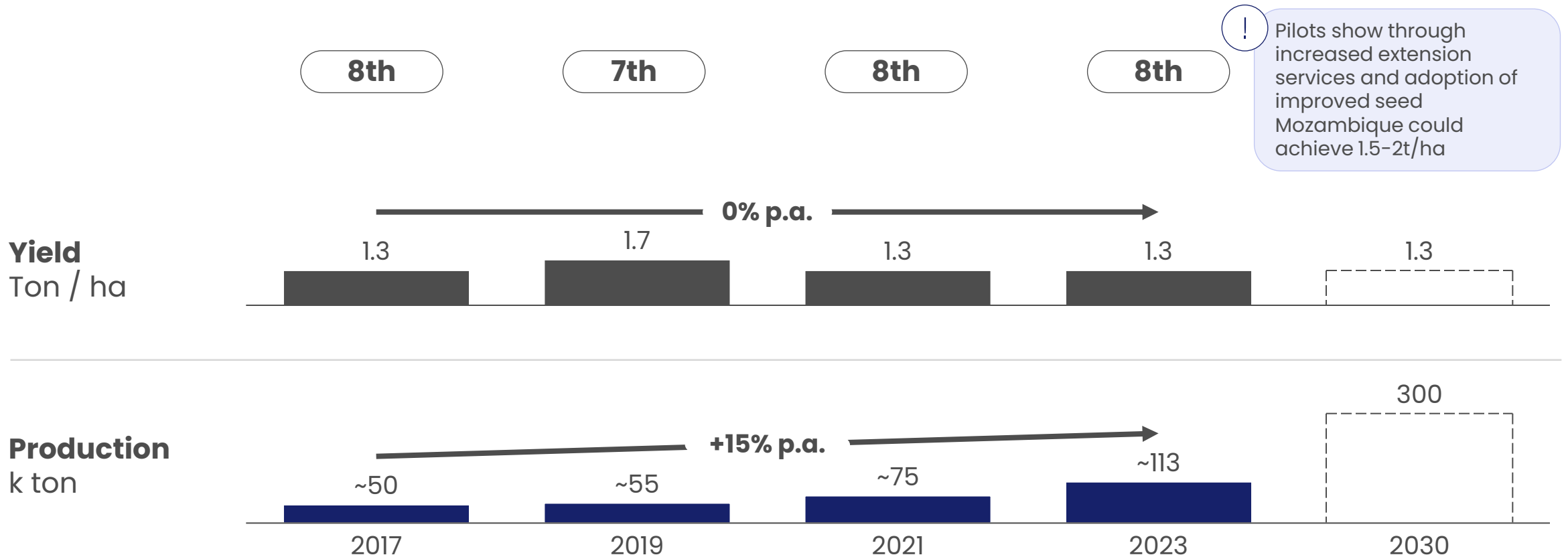
A strong and attractive business case, with EBITDA of 10%, IRR of 14% and an estimated payback period of 6-7 years

National soyabean production has experienced steady growth in recent years at 15% p.a.

○ Position in African production ranking

□ Potential production and yields

soyabean production in Mozambique, 2017–2030¹

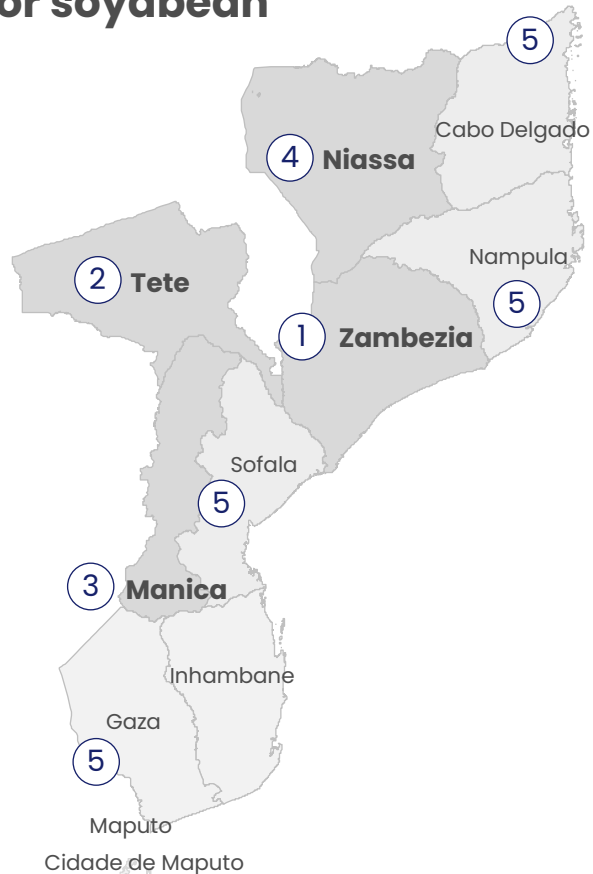


1. 2030 estimates derived by extending historical production CAGR observed between 2017–2023

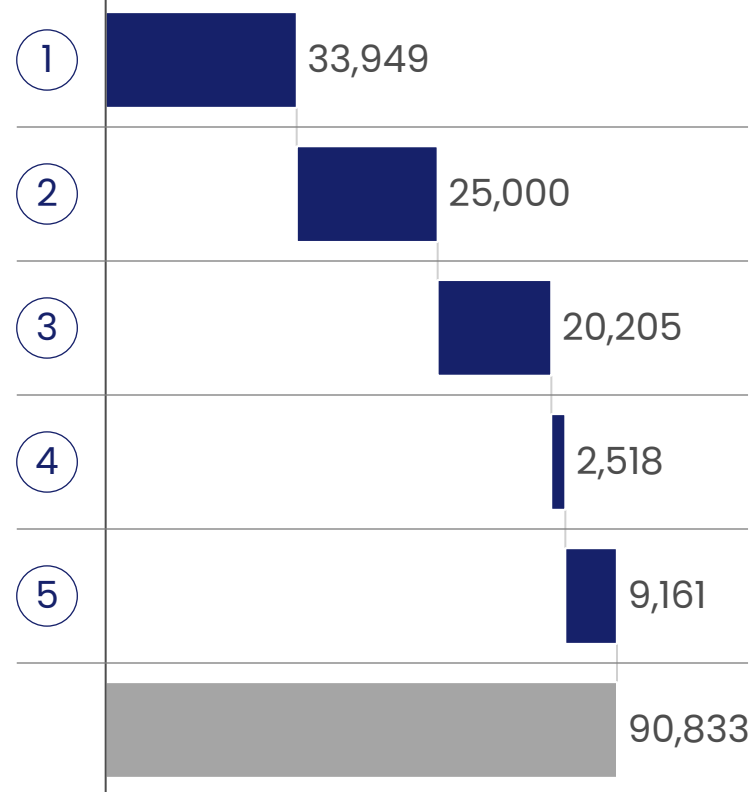
Large areas of arable land provide significant potential to scale soyabean production...

Arable land available under long-term DUAT framework¹

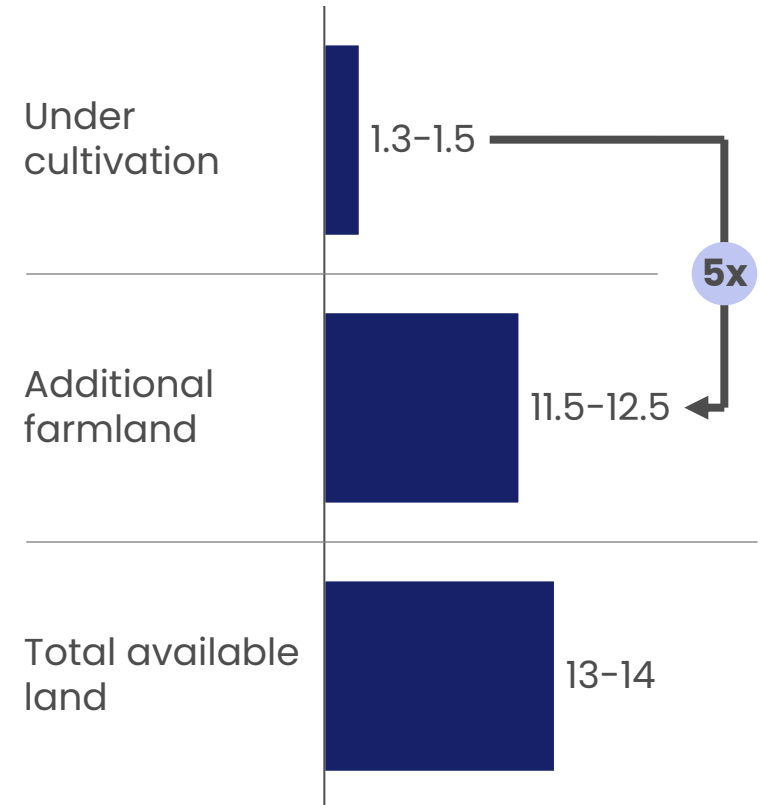
Main cultivation provinces for soyabean



Current land under production, 2023, ha



Available arable land in Nacala and Beira corridor, M ha



1. Land in Mozambique is state-owned and accessed through a renewable 50-year DUAT (land-use right); costs are administrative and annual land tax-based
2. Available arable land derived from assessments of agricultural development potential across the Nacala and Beira corridors

Source: [Production and marketing trends of soyabean in Mozambique, JICA](#), [Beira agricultural Growth Corridor](#)

...with favourable climatic and soil conditions for its cultivation

Favourable conditions

Mozambique has an established history in soyabean production and ranks among the **top 10 producers in Africa**, with **~113,000 tonnes** in 2023

Mozambique has privileged conditions to produce soyabean

~5-7

Soil pH, aligned with optimal nutrient availability, reducing the need for extensive soil correction relative to alkaline systems

800-1,200 mm

Average annual rainfall; optimal soyabean production requires ~500-800 mm; Mozambique's rainfall indicates adequate moisture contingent on seasonal distribution

24-28° C

Average annual temperature, within the optimal physiological range for photosynthesis and reproductive development

7-9 H

Daily sunlight exposure, sufficient to sustain continuous photosynthesis and productivity growth

5 -25 m

Groundwater depth, indicating low water table risk and well-drained profiles, critical given soyabean's sensitivity to waterlogging and root hypoxia

65-80%

Average annual humidity, supporting stable vegetative growth; however, requires disease management to mitigate fungal pressure in high-humidity zones



Productivity



Improved seed adoption



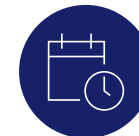
Introduction of early-maturing, drought-tolerant varieties with yield potential >2.5 t/ha

Yield performance



Average yields reach up to ~1.7 t/ha, with upside potential through improved seed, fertilizer optimization, and aggregation models

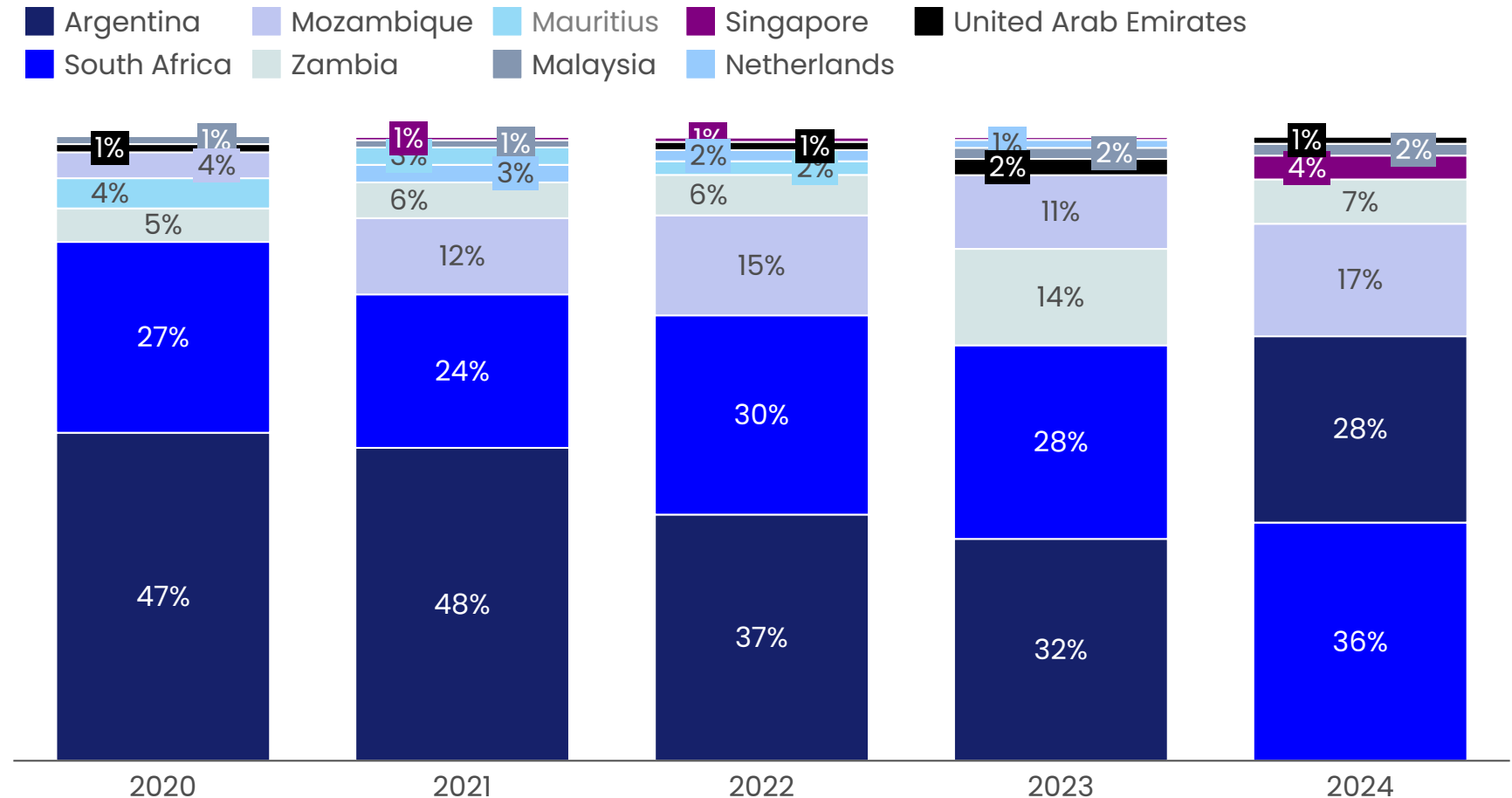
Production cycle



90-120 day maturation period, consistent with global best-practice production systems

Mozambique's role as a trade gateway to Eastern SADC creates an opportunity to capture additional value through domestic crushing

Market share¹ of top soyabean crude oil and oilcake exporters to Eastern SADC, 2020-24, %



- **Mozambique is a meaningful trade gateway into Eastern SADC**, capturing ~11-17% market share (2020-24) and demonstrating an entrenched role in regional soyabean crude oil and oilcake flows
- **However, this role is largely transit-based**, with volumes driven by re-exports rather than domestic processing
- **Developing cost-competitive crushing could internalise these margins**, repositioning Mozambique from a transit corridor to a regional value-adding processing hub

1. Based on import value (USD) into Eastern SADC

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


A strong and attractive business case, with EBITDA of 10%, IRR of 14% and an estimated payback period of 6–7 years

Relative to exporters serving Eastern SADC, Mozambique demonstrates cost competitiveness at farm-gate and labour

Comparative advantage analysis against top three exporting countries to Eastern SADC

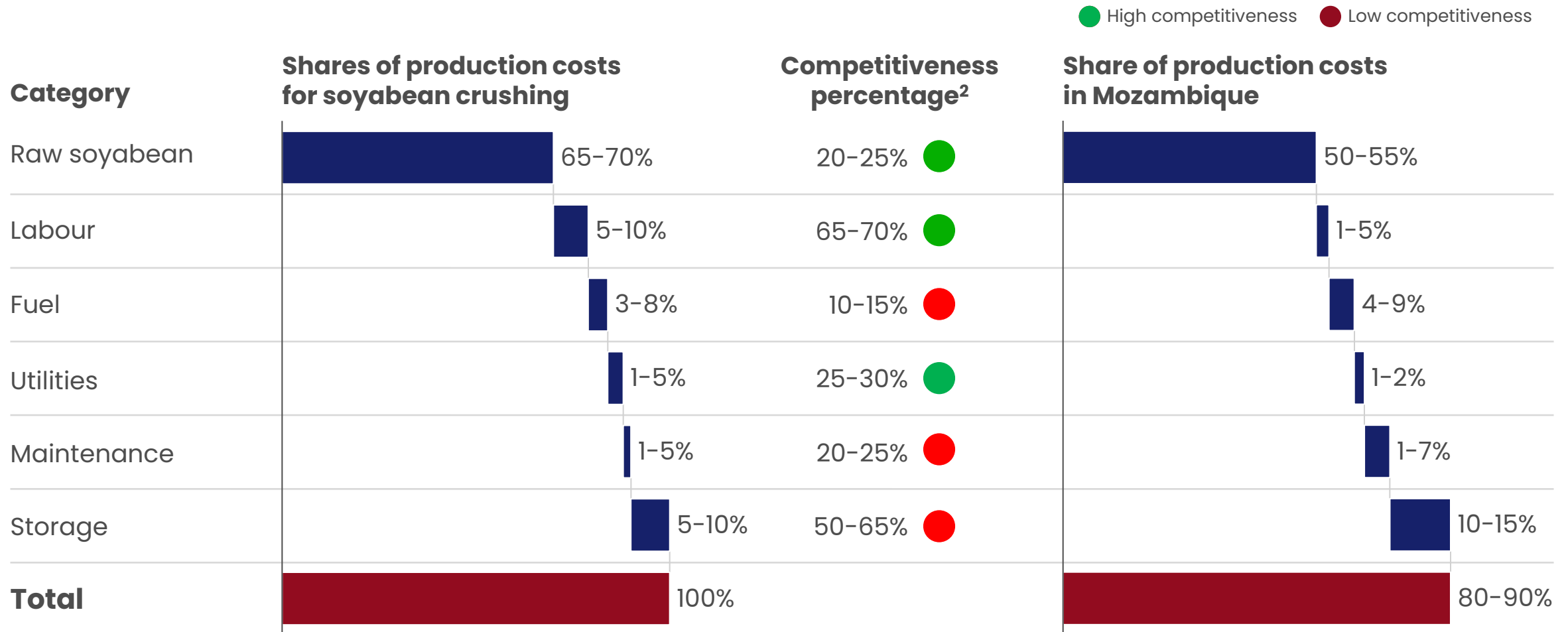
Group	Productive factor	   				Key insights	
		Mozambique	Argentina	South Africa	Zambia		
Raw materials	Farm gate price of soyabean					Mozambique and Argentina are among the lowest soyabean producers, with farm-gate prices around \$0.3-0.35/kg	
	Structural factors	Utilities ¹					Mozambique's electricity tariffs (~\$0.08/kWh) are nearly 1.3x higher than Zambia's (\$0.06/kWh) but are 1.2x lower than South Africa and Argentina
		Labour ²					Mozambique's minimum wage (\$104/month) is approximately 3x lower than South Africa (\$328/month)
		Diesel price					Mozambique's diesel price is the second most competitive; 1.1x higher than South Africa (\$1.25/l vs. \$1.12/l)
Other factors	Storage ³					Mozambique has the highest costs to store crude oil (\$10/t vs \$2-4/t in Argentina)	
	Maintenance					Argentina and South Africa crushing industries are supported by local manufacturing of machinery and spare parts. Mozambique and Zambia are import dependent	

 High competitiveness
 Low competitiveness
 Key competitive factor

1. Utilities reflect industrial electricity tariffs (USD/kWh) and industrial water tariffs
2. Labour reflects the national statutory minimum wage (USD/month)
3. Storage reflect the price to store crude oil for approximately 7 days

Cost advantages could enable Mozambique to be 10–20% more competitive in soyabean crushing than South Africa

Comparison of soyabean crushing production costs versus South Africa



1. South Africa selected as it was the largest exporter to Eastern SADC in 2024

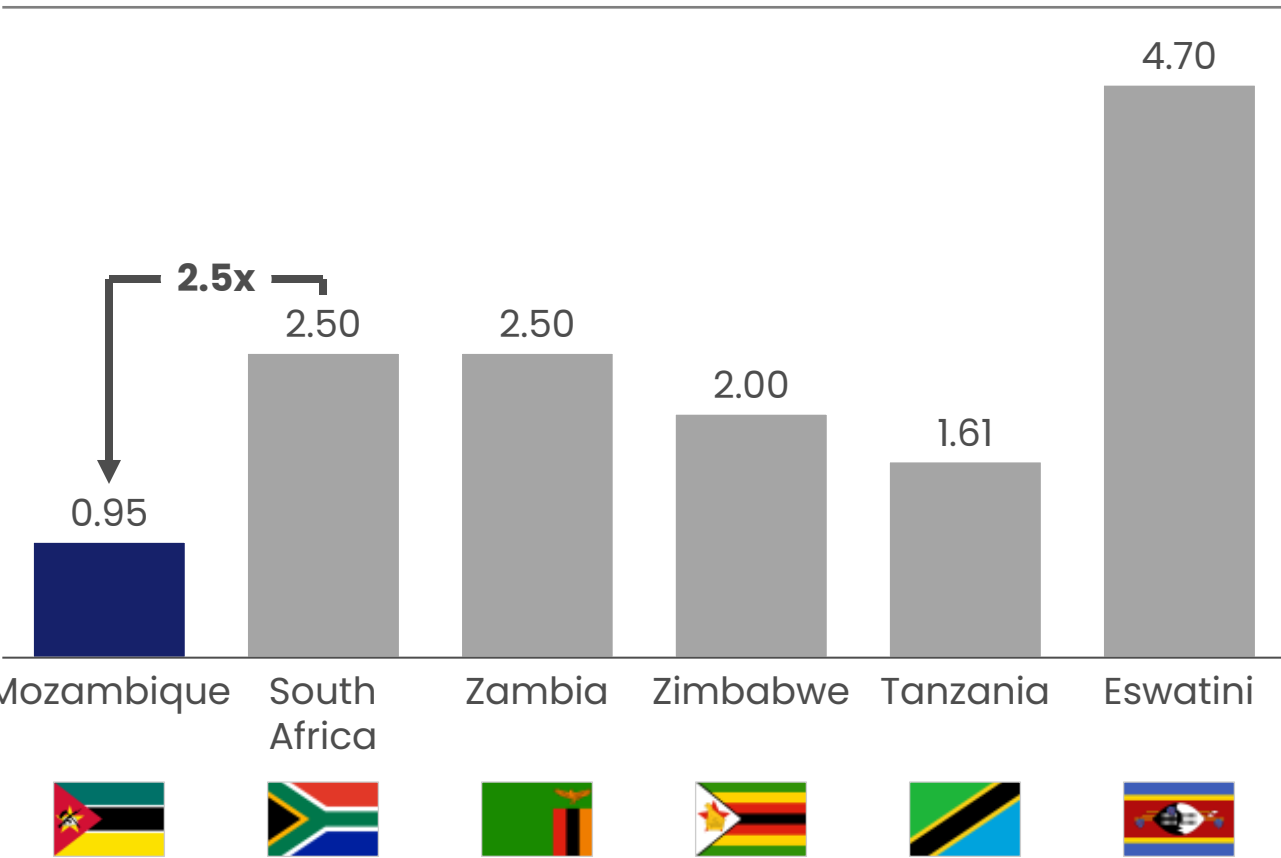
2. Competitiveness was determined by the percentage difference between South Africa's cost structure and Mozambique's, after adjusting each category for Mozambique's local advantages. A negative difference indicates Mozambique's competitiveness or disadvantage in that item

Source: Globalpetrolprices, tridge

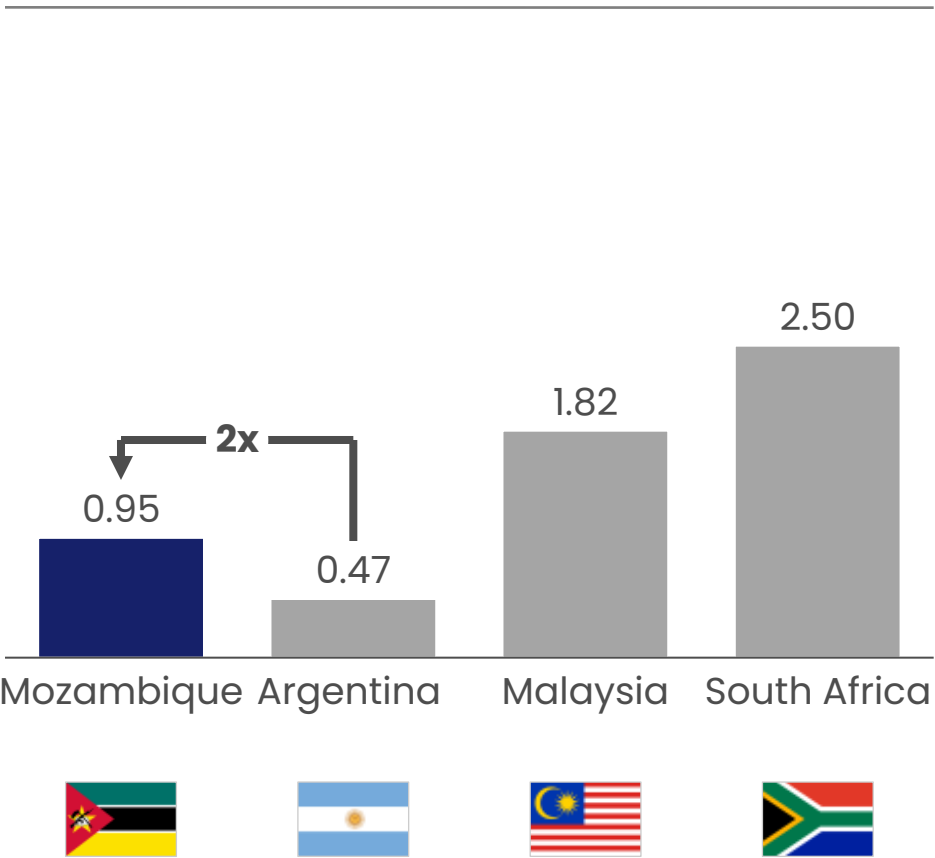
soyabean prices in Mozambique remain competitive relative to exporters and regional peers

Retail prices per kg of soyabean in 2025

2025 Price of soyabean in importing markets, \$



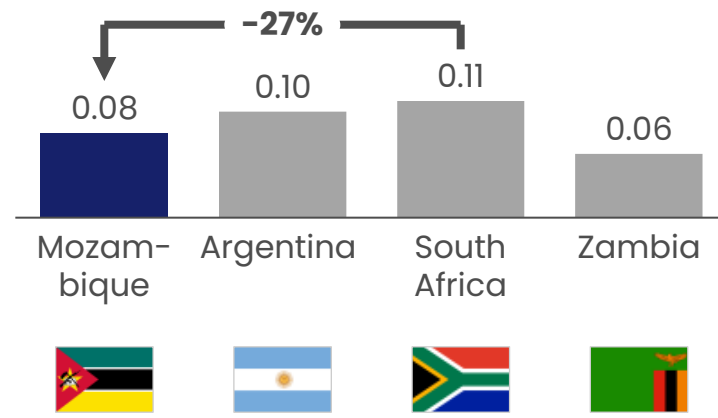
Price of soyabean in exporting markets, \$



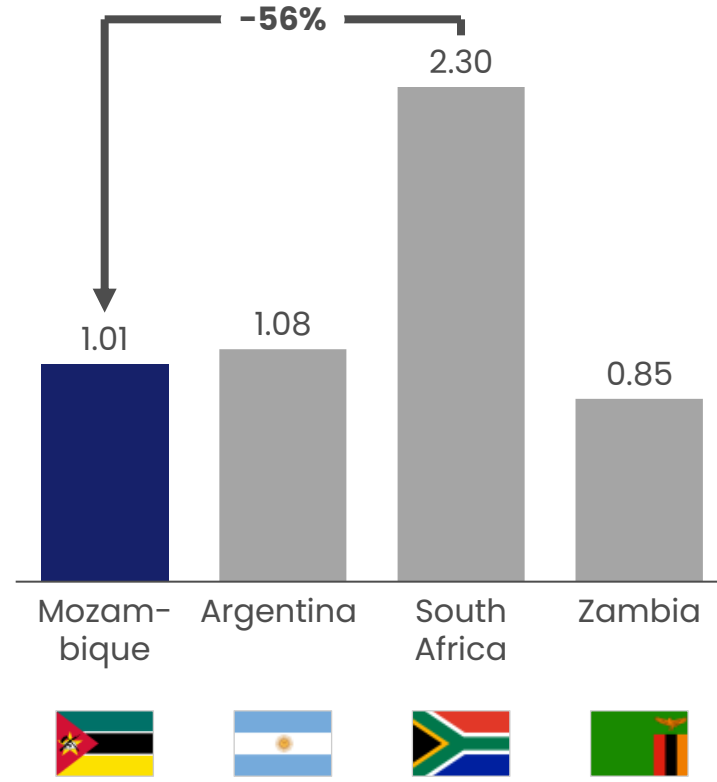
Electricity and fuel prices are lower than in exporting markets, reinforcing industrial cost competitiveness

Prices of key industrial utilities

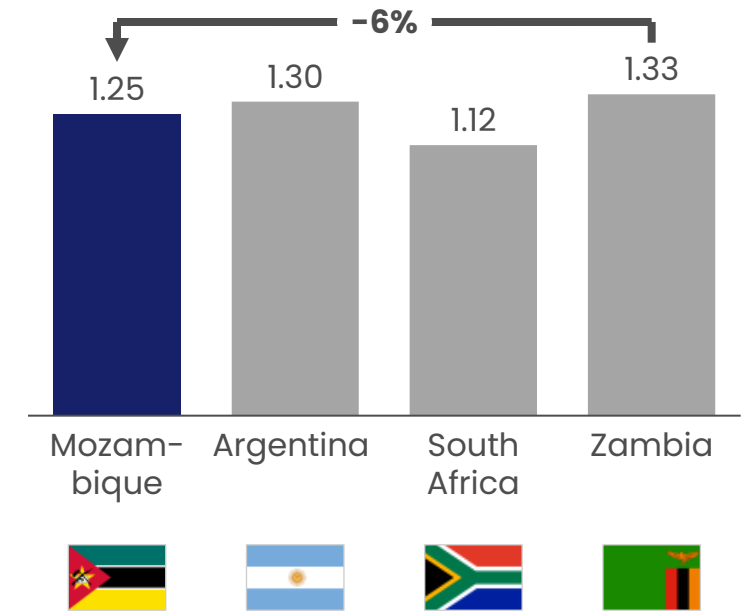
Electricity tariffs, \$/kWh



Water, \$/m³



Fuel, \$/L



Maputo, Beira and Nacala corridors secure direct linkage between production clusters and ports, anchoring regional competitiveness

NON-EXHAUSTIVE



Context

What is it?

- Beira, Maputo and Nacala are historic colonial-era **anchor ports**, **originally established as primary trade gateways**, and have since been modernised through successive public and private investments in corridor infrastructure
- Strategic rail–port logistics axes linking the Ports of Beira and Nacala to inland Mozambique and regional markets including South Africa, Zimbabwe, Zambia, and Malawi

Relevance

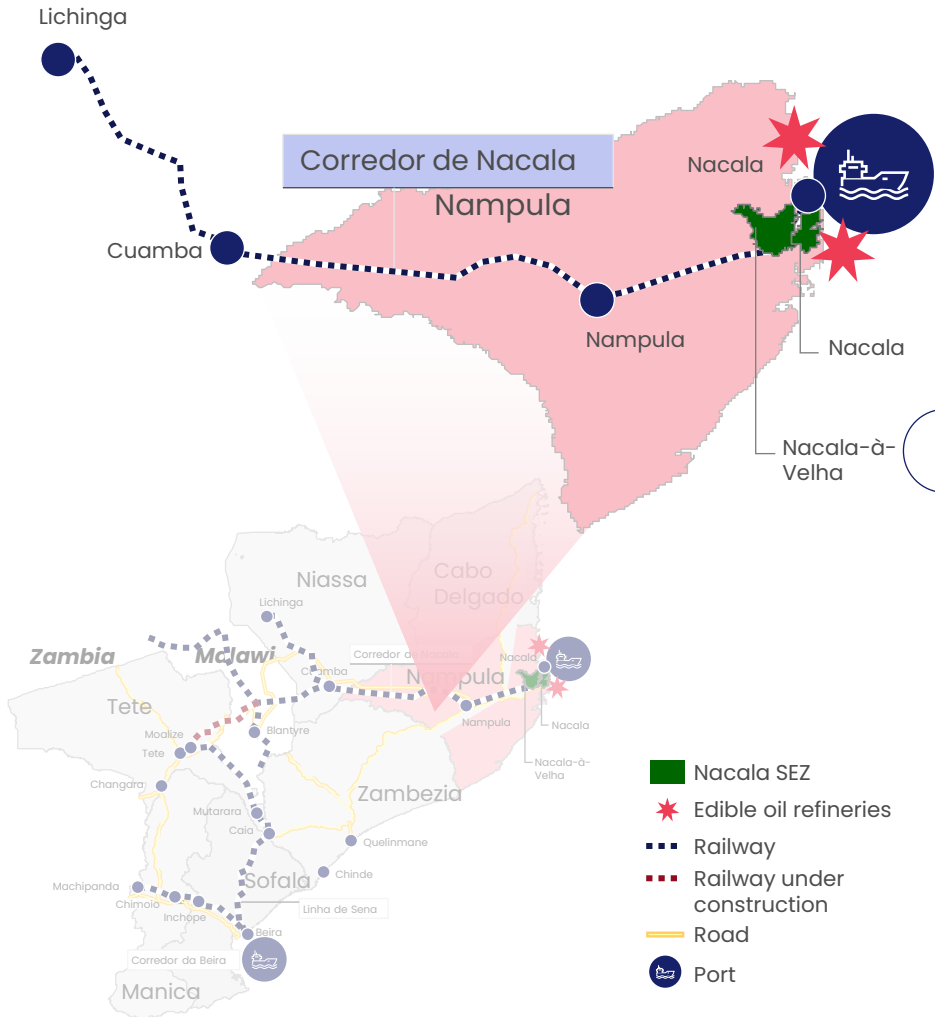
- More **than \$15B in public and private investment** has been committed to infrastructure along the Beira and Nacala corridors, including a **\$7B pledge from Japan in Nacala**
- Together, the corridors provide over **70 million tonnes of annual port capacity**, with 4.05 million tonnes handled through Beira in 2024
- Strategically supported by initiatives such as the EU’s Global Gateway (~\$2.0B) and Japan’s Tokyo International Conference for African Development
- The corridor serves as a platform for industrial diversification, regional integration, and access to global value chains

Interested parties



Nacala offers a strategic location for a crushing facility due to proximity to production zones, refining capacity and SEZ incentives

NON-EXHAUSTIVE



Factor

Why Nacala?

Special Economic Zone

- Nacala hosts a **designated Special Economic Zone (SEZ)** providing a range of incentives for industrial investors, including:
 - Corporate tax incentives**, including 0% income tax for the first 3 years and a 50% reduction from years 4–10
 - Full exemption from customs duties and VAT** on imported construction materials, machinery, equipment, spare parts and other inputs required for SEZ-licensed operations
 - Streamlined investment approval** and licensing processes through APIEX
 - Facilitated work permits and visas** for foreign technical and managerial staff

Proximity to farming regions

- Zambezia, Niassa and Tete provinces represent the primary soyabean production zones in Mozambique, making **Nacala a strategic location to aggregate feedstock while minimizing transport and logistics costs**

Northern refineries location

- Existing edible oil refineries are concentrated in northern Mozambique, creating a **nearby market for crude soyabean oil**

Nacala corridor logistics

- Provides efficient access to the Port of Nacala as well as regional export markets**, enabling cost-effective logistics for both soyabean aggregation and export of processed products to neighbouring countries

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Attractive business case...



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Government guarantees full support to investors to ensure the success of soyabean production as well as the industrial crushing unit

TO BE VALIDATED BY GOVERNMENT

soyabean
production 

Crushing production 



Strengthen soyabean seed certification and compliance by implementing mandatory producer registration, field inspections, traceable seed labelling systems, and enforcement mechanisms, while supporting adoption of certified seed through targeted subsidy and extension programs



Introduce **import safeguard measures** to protect domestic soyabean processing, including **tariff escalation on crude and refined oils**, targeted import restrictions during harvest periods to increase demand for domestically processed edible oils



Provide 5 hectares of serviced land in the Nacala SEZ and fast-track plant establishment through streamlined industrial and environmental licensing via APIEX, ensuring rapid investor onboarding and project implementation



Guarantee reliable and competitively priced electricity supply in the Nacala SEZ by completing the North–South transmission line and providing industrial power tariffs **below ~USD 0.08/kWh** to support uninterrupted operation of the crushing facility



Streamline export processes to reduce export costs through **granting project-specific green-lane clearance** to reduce physical inspections and border delays



Streamline import procedures and remove import duties on critical processing inputs including solvents, processing chemicals, and spare parts—to reduce operating costs and ensure uninterrupted industrial operations

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A soyabean crushing facility presents an attractive investment case with strong returns...

Economics for a crushing plant with 100 ktpa capacity

IRR

~14-20%

NPV

~\$25-30 M



Payback time

~6-7 years

Total investment

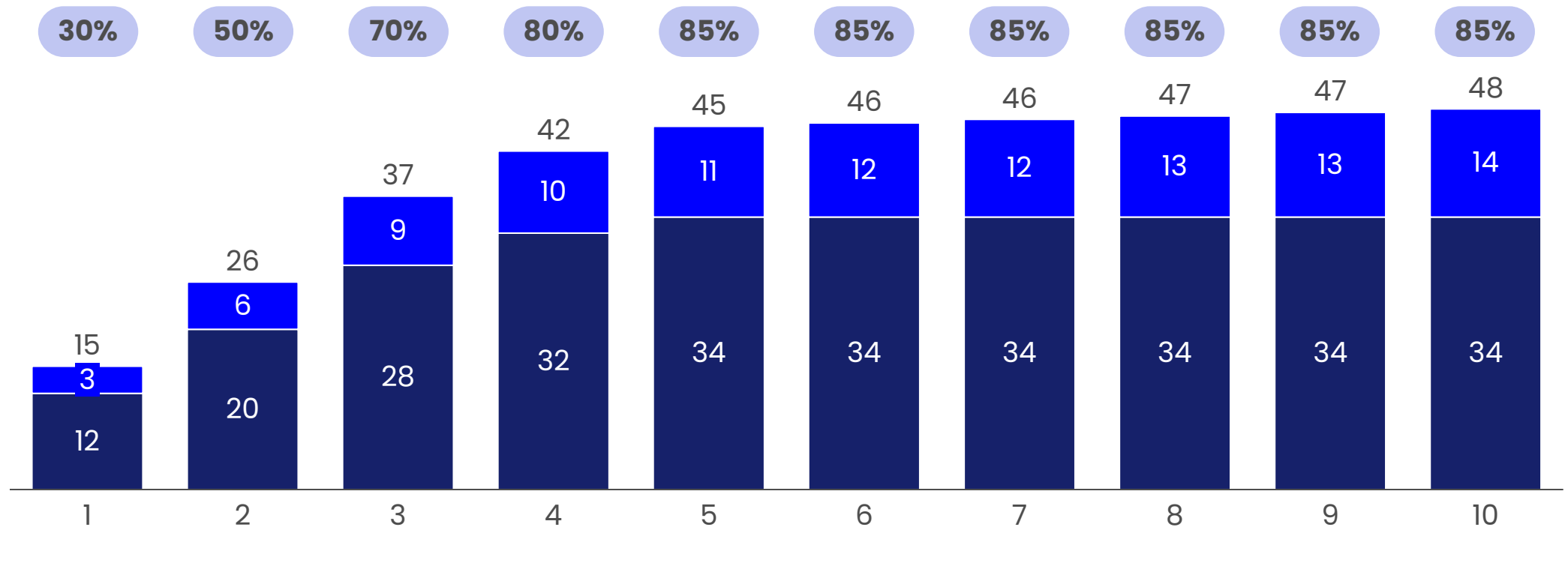
~\$10-15 M

...generating ~\$50Mn in annual revenue at steady state, achieving EBITDA margins of ~10%

PRELIMINARY PROJECTIONS

Economics for a crushing plant with 100 ktpa capacity ■ Crude oil ■ Oilcake

Capacity utilisation, %












EBITDA Margin, %












- 1 Earnings Before Interest, Taxes, Depreciation and Amortization. Further margin details (i.e., EBIT and net profit) would require accounting for CAPEX depreciation and tax considerations (0% for the first 10 years if the facility is located in EPZ)
- 2 Internal Rate of Return. Based on nominal cash flows -- does not account for time value of money



Potential investors (1/2)

Company	Country	Description/ Relevance	Country of operations	Revenue, USD Bn	Presence in Sub-Saharan Africa
		The world's largest agricultural commodity trader and oilseed processor – already invested in soy crushing in Africa (Egypt) and trades actively in East/Southern Africa	70+	154	✓ 
		No direct in-country operations yet; Southern Africa grain and oil supply chain is adjacent; Bunge SA is well-positioned to extend into Mozambique given SADC trade flows	30	53	✓ 
		A diversified global agri-merchant with 25+ years in Mozambique across rice, sesame, oilseeds, and cotton – the company has explicitly identified Mozambique as a potential oilseed production giant, and its existing logistics and sourcing infrastructure in-country makes it the most ready platform for a crushing investment	30	41	✓ 

Potential investors (2/2)

Company	Country	Description/ Relevance	Country of operations	Revenue, USD Bn	Presence in Sub-Saharan Africa
		<p>East Africa's largest grain milling conglomerate already operating a wheat flour mill in Nacala; just commissioned a \$100M, 500MT/day soy crushing and oil refinery in Blantyre, Malawi, making it the closest proven regional crusher</p>	<p>9</p>	<p>n/a</p>	<p>✓ </p>
		<p>China's state-mandated global oilseed trading and processing giant – with China the world's largest soyabean importer and COFCO's explicit mandate to secure overseas supply chains, Mozambique's expanding soyabean production offers a strategically attractive greenfield crush opportunity</p>	<p>35</p>	<p>38</p>	<p>✓ </p>
		<p>Specialist oilseed and nut processor already operating in Mozambique (\$30M in a sesame hulling facility in Sofala); underpinned by strong DFI relationships (FMO, BII, Proparco, Swedfund)</p>	<p>20+</p>	<p>n/a</p>	<p>✓ </p>