

Solid SA agriculture jobs growth in Q4, 2021

Statistics South Africa reminds us this morning of the excellent agricultural season we are leaving behind in 2021 when the primary agriculture gross value added expanded by 8,3% y/y (following a year of solid growth of 13,4% y/y). The agency released the Quarterly Labour Force Survey data for Q4, 2021, which showed a similar positive reading of a 7,1% y/y increase in primary agriculture jobs to 868 000, which is well above the long-term agricultural employment of 780 000. The increased activity on the farms in the last quarter of the year and generally improved financial conditions following excellent harvests were at the core of these robust employment conditions in the sector.

To appreciate the 2020/21 season's output, consider the primary grains such as maize and soybeans, which saw production reaching 16,3 and 1,9 million tonnes, respectively. For maize, this is the second-largest harvest in the history of South Africa and a record soybean harvest. Other field crops also generated large yields in 2020/21. The South African Wine Industry Information and Systems reported the 2021 wine grape crop at 1,5 million tonnes, 9,0% more than the 2020 harvest within the horticulture subsector. Citrus, deciduous fruits and various horticulture products also recorded large harvests and a record export volume in the case of citrus. The livestock industry was hit by biosecurity challenges, such as foot-and-mouth disease outbreaks and high feed costs, towards the end of the year. Still, the livestock subsector held relatively well and benefited from the improvement in the grazing veld. Thus, it is unsurprising that the jobs gains in Q4, 2021 were widespread in crops, livestock, forestry and horticulture. The aquaculture subsector saw a mild decline in employment compared with Q4, 2020.

From a provincial perspective, Limpopo (-9% y/y), KwaZulu-Natal (-6% y/y), and Western Cape (-0,1% y/y) saw marginal job losses in Q4, 2021. These were overshadowed by gains in employment in other provinces. Hence, the overall primary agriculture employment increased by 7,1% y/y, as stated above.

Looking ahead, 2022 might be a break from the two consecutive years of high performance in the sector and possibly a slight decline in employment, specifically seasonal labour. The rising farming input costs such as fuel, fertilizers and agrochemicals will add pressure on farmers. This will also be in a season where field crop harvests could be lower than the 2020/21 season, albeit above the long-term level. We are holding a reasonably cautious view on primary agriculture employment conditions this year, while we are not foreseeing a significant decline.

Exhibit 1: South Africa's agriculture employment



Source: Stats SA and Agbiz Research

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