

SA agricultural jobs up 5% y/y in Q3, 2022

Although South Africa's agricultural sector faced numerous challenges in the 2021/22 production season – from tough production conditions in grains and oilseeds, disease outbreaks in livestock, and trade barriers in horticulture – the sector sustained jobs. In the third quarter of this year, there were 873 000 people in primary agriculture. This is up by 5% year-on-year (while down marginally by 0,1 quarterly). Notably, this is well above the long-term agricultural employment of 780 000. As with the previous quarter, the increased farm activity in some vegetables, fruits and field crops sustained robust employment.

Still, the picture is not all rosy. The livestock, animal husbandry, forestry, and related services subsectors shaved jobs during this period under review. The decline in employment in livestock was expected as the subsector faces the spread of foot-and-mouth disease, which has led to a temporary suspension of exports and a reduction in activity in numerous businesses, thus weighing on farmers' finances. Furthermore, the higher feed cost is an additional challenge for the livestock industry. This decline in agricultural jobs was mainly in the North West and Mpumalanga. Still, the reduction in the business activity in the subsectors mentioned above was compensated by the increasing work opportunities in horticulture and field crops. Thus, other provinces registered positive growth from the third quarter of 2021.

The data for the last quarter of the year will likely present a roughly unchanged view from the third quarter primary agricultural jobs numbers. The horticulture and field crops subsector probably will maintain the current workforce, although input costs have risen notably. Farmers are optimistic about the 2022/23 production season, and the rains since the start of the quarter are broadly positive for the sector, notwithstanding the planting delays in the grains and oilseeds regions and the destruction of some banana and macadamia fields in Mpumalanga because of excessive rains. The business challenges that the Tongaat Hulett financial difficulties brought to the sugarcane industry will possibly not reflect in the agricultural jobs numbers for now.

As we stressed in our various notes, aside from the subsector-specific issues, South Africa's agriculture faces challenges around the inadequate functioning of network industries – roads, rail, ports, water, and electricity, and poorly functioning municipalities, leading to an increase in the cost of doing business. Moreover, the challenging economic conditions in the country have, in some areas, led to labour unrest, which also requires close monitoring.

Exhibit 1: South Africa's agriculture employment



Source: Stats SA and Agbiz Research

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