

## SA agricultural jobs up 5% y/y in Q1, 2023

The data released this morning by Statistics South Africa paints an encouraging picture of agricultural employment. In the first quarter of 2023, about 888 000 people were employed in primary agriculture, up 3% q/q and 5% y/y. This is well above the long-term agricultural employment of 780 000. From a regional perspective, the Western Cape, KwaZulu-Natal, and Gauteng were the significant drivers of this employment. At the same time, other provinces showed a slight decline compared to levels seen in the first quarter of 2022. The robust production conditions of various field crops, fruits, forestry and aquaculture were behind the improvement in agricultural jobs in the first quarter. Meanwhile, the livestock industry saw a decline in employment, which is unsurprising given the pressures presented by the higher feed costs at the start of the year and animal diseases for much of 2022 and into 2023.

Admittedly, while the agricultural season, mainly field crops and fruits, is promising, the start of the year was on a rough patch. The excessive rains, high input costs, and persistent load-shedding presented various risks to farmers. As a result, crop planting in different regions of the country was delayed by roughly a month, threatening yield prospects. But the warm weather at the end of January and much of February helped improve conditions on the farms.

Moreover, various interventions to ease the load-shedding burden on farmers, such as load curtailment, expansion of the diesel rebate to the food value chain, and, most recently, the launch of the Agro-Energy Fund, all support the production conditions. Hence, the 2022/23 maize harvest is estimated at 15,9 million, 3% higher than the 2021/22 season's harvest and the third-largest harvest on record. In addition, the soybeans harvest is estimated at a record 2,8 million tonnes. South Africa's sugar cane crop will likely increase by 3% to 18,5 million tonnes in 2023/24. Other field crops and fruits also show prospects for decent harvest this season, which supports better employment prospects in the sector.

From now on, the rising geopolitical tensions, deteriorating infrastructure, crime, and the general impact of these factors on trade are key issues we will monitor as they will influence farm profitability and job prospects. An export-oriented agricultural sector like South Africa requires a favourable global environment, increasing investment, and efficient logistics to thrive.

### Exhibit 1: South Africa's agriculture employment



Source: Stats SA and Agbiz Research

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