

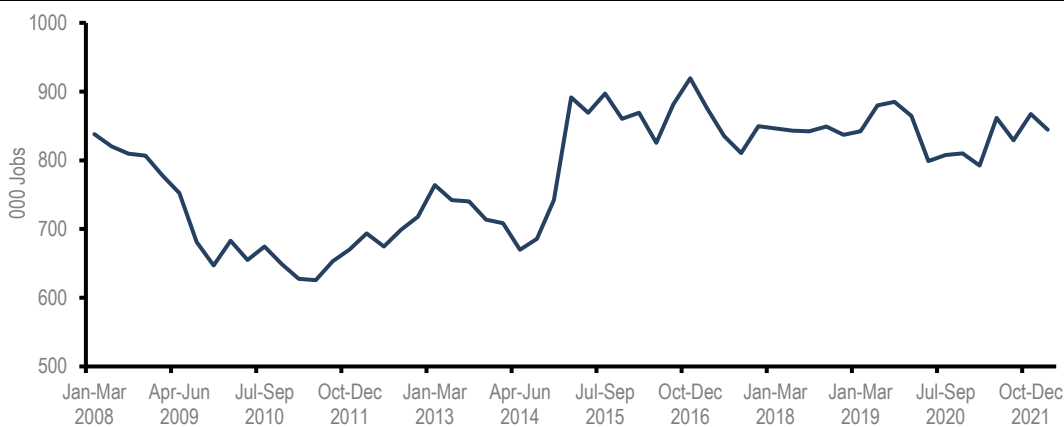
SA agriculture registers positive jobs growth in Q1, 2022

South Africa's 2021/22 agricultural production season started on a rough footing. The excessive rains in various regions of the country damaged some field crops and vegetables and necessitated replanting. We feared that the effects of the rough start of the year would show in primary agriculture jobs numbers. Positively, the data released by Statistics South Africa today shows a 7% year-on-year improvement in primary agriculture jobs to 844 389 jobs in the first quarter of this year.¹ This is well above the long-term agricultural employment of 780 000. The increased activity on farms during the replanting process, combined with the decent deciduous fruit harvest, supported employment. Other subsectors such as livestock also contributed to employment. The subsectors that shaved employment during this period were forestry and aquaculture (ocean and coastal fishing and fish farms).

The Western Cape, Northern Cape, Free State, North West and Limpopo registered job gains from a provincial perspective. These overshadowed losses in employment in other provinces. Hence, the overall primary agriculture employment increased by 7% y/y, as stated above.

With expectations of decent citrus, summer grains and oilseeds harvests, and fairly good activity in other subsectors of agriculture, we believe primary agriculture employment could remain at these robust levels this year. The livestock and wool industries, which are confronted by rising feed costs and foot-and-mouth disease outbreaks, with the latter leading to an export ban, are in the uncertain territory and worth close monitoring. Other subsectors of agriculture face general challenges around the inadequate functioning of network industries – roads, rail, ports, water, and electricity, and poorly functioning municipalities, leading to an increase in the costs of doing business. Moreover, the challenging economic conditions in the country have, in some areas, led to labour unrest, which also requires a close eye. Still, we are positive about agriculture's ability to provide employment even in these challenging times.

Exhibit 1: South Africa's agriculture employment



Source: Stats SA and Agbiz Research

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¹ On a quarterly perspective, the jobs are down by 4% from the last quarter of 2021.