

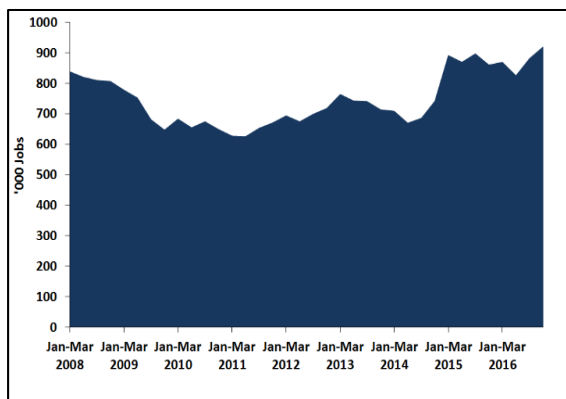


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## SA's agricultural jobs at record high in Q4, 2016

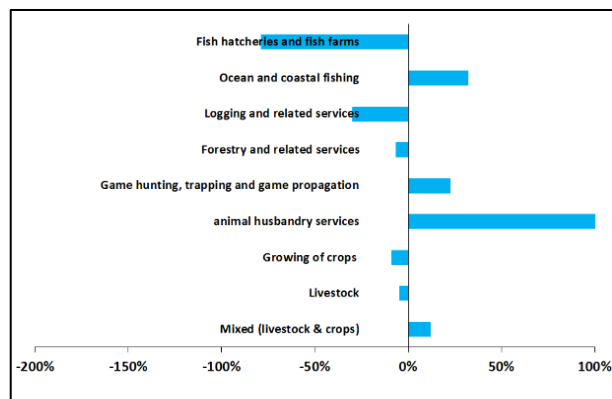
*Recent employment data shows that the agricultural sector created 4% more jobs in the fourth quarter of 2016 from the previous one – which is 38 000 additional jobs, putting the sector's total labour force at 919 000 jobs. In a database starting from 2008, this is a record number of jobs in agricultural sector (see Chart 1)*

- On a year-on-year basis (y/y), agricultural jobs grew by 7% in the fourth quarter of 2016. Also worth noting is that in a broader economy, agriculture plays a crucial role – constituting about 6% of the total labour force, which is well above sectors such as mining and almost at par with the transport industry. To some extent, this increase shows a rebound of the agricultural sector after the 2015/16 El Niño induced drought.
- Positive improvements** in the agricultural jobs market were mainly in livestock and crop farming (mixed), animal husbandry, game-farming, as well as ocean and coastal fishing (see **Chart 2**). The livestock and crop farming is the largest contributor to agricultural employment, making up a share of 64% or 588 793 jobs. Important to note is that this section covers crops, as well as horticulture jobs. In the fourth quarter, jobs in livestock and crop farming grew by 12% q/q owing to harvest activity in horticulture, particularly stone fruits. Increased activity in summer crop growing areas also contributed to this uptick. Over this period, the area planted to summer crops grew by 19% y/y to 3.88 million hectares.
- Moreover, during the fourth quarter of 2016, the livestock industry saw an increase in slaughtering activity owing to seasonal demand during Christmas holidays, as well as higher feed costs which made it a challenge for some farmers to maintain their herds. Data from the Red Meat Levy Admin shows that in December 2016, South African farmers slaughtered 299 767 herd of cattle, which is 22% higher than the previous month. Therefore, some jobs might have been created during this process. Meanwhile, **job losses** were mainly in forestry, logging services, as well as fisheries (fish hatcheries and fish farms) (see **Chart 2**).
- Looking ahead**, although the increased labour participation in the sector is encouraging, we suspect that it could be short-lived as some participants might have been seasonal labour following more favourable agricultural conditions.



**Chart 1: Employment in SA's agri. sector ('000)**

Source: Statistics South Africa, Agbiz Research



**Chart 2: Q-o-Q percentage change in employment**

Source: Statistics South Africa, Agbiz Research

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