

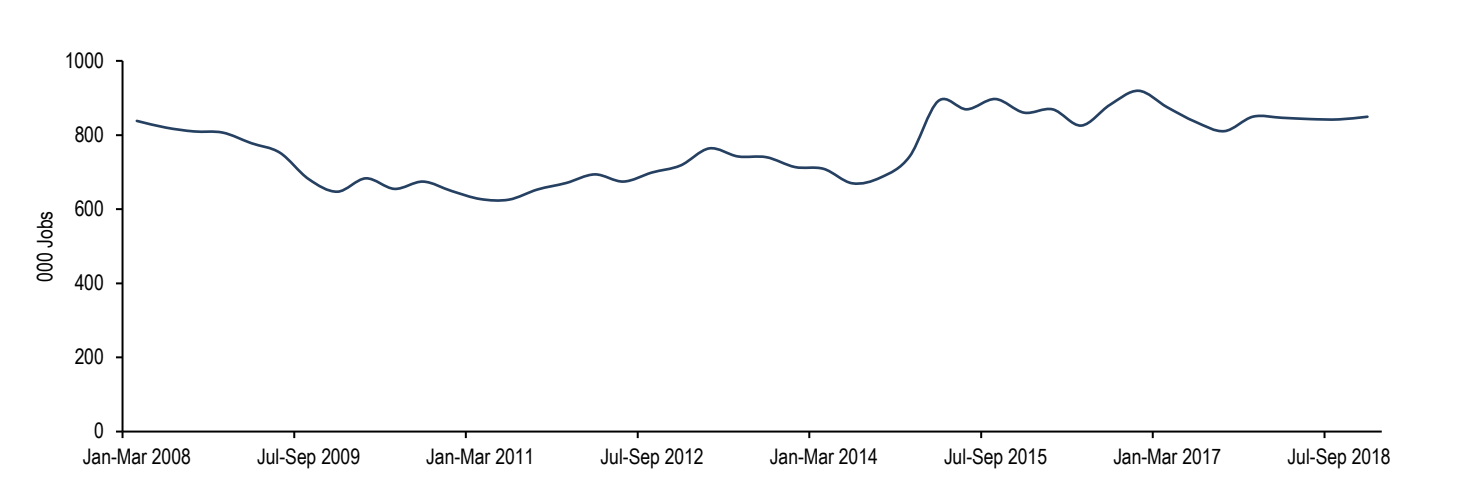
Slight improvement in SA agricultural jobs

- **South Africa's primary agricultural employment improved marginally to 849 000 jobs in the last quarter of 2018 compared to the previous quarter. Although this data is encouraging in a climate where South Africa is exploring strategies that could unlock job creation in the agricultural sector, the country is still far behind its target of creating a million agricultural jobs by 2030 as envisaged in the National Development Plan. What's more, if the underutilised land in the former homelands and other parts of the country are not brought into full production with a key focus on labour-intensive sub-sectors, notable job creation in South Africa's agriculture will not materialise. Fortunately, the President in his State of the Nation Address (SONA) signalled a positive message on this.**
- Data released this morning by Statistics South Africa shows that the country's primary agricultural sector created an extra 7 000 (+1%) jobs in the fourth quarter of 2018 to a total of 849 000 compared to the previous quarter, albeit remaining unchanged from the corresponding period in 2017 (Figure 1). The quarterly uptick was boosted by increased activity in livestock, fisheries and forestry subsectors.
- This was mainly spread across four provinces, namely; Western Cape, KwaZulu-Natal, Mpumalanga and North West, which showed 16% quarter-on-quarter (q/q), 13% q/q, 5% q/q and 4% q/q, respectively, improvement in employment. Meanwhile, the rest of the other provinces experienced a quarterly reduction.
- About two-thirds of South Africa's agricultural jobs are now in the field crop and horticultural sub-sectors. This suggests that if there is to be an increase in agricultural employment, these sub-sectors will have to be a priority from a policy perspective, and that is precisely what President Cyril Ramaphosa's SONA prioritised.
- From a regional perspective, given that the SONA noted a possibility to focus on underutilised land and communal land, KwaZulu-Natal, the Eastern Cape and Limpopo would potentially be focus areas for expansion and notable job creation in the South African primary agricultural sector. There is evidence that suggests that these provinces have vast tracts of unused arable land that could potentially boost the agricultural sector, and subsequently job creation. To achieve this, among things that are needed, is to bring underutilised land in communal areas and land reform farms into commercial production, improve land governance, and expand irrigation systems.
- Overall, the near-term agricultural jobs prospects are positive despite the drier weather conditions in the western parts of South Africa, specifically North West and western Free State. These particular provinces mainly produce grains which are not as labour intensive as horticulture and other subsectors. Our optimism stems from improved agricultural conditions in the Western Cape, which accounts for 25% of South Africa's agricultural jobs. The wine sector, which is currently at harvest time, is set to receive a slightly bigger crop compared to 2018, which will lead to increased activity. Moreover, KwaZulu-Natal, Mpumalanga, Eastern Cape, Limpopo and Gauteng have been receiving scattered showers lately and that could somewhat support agricultural activity in the first quarter of 2019.

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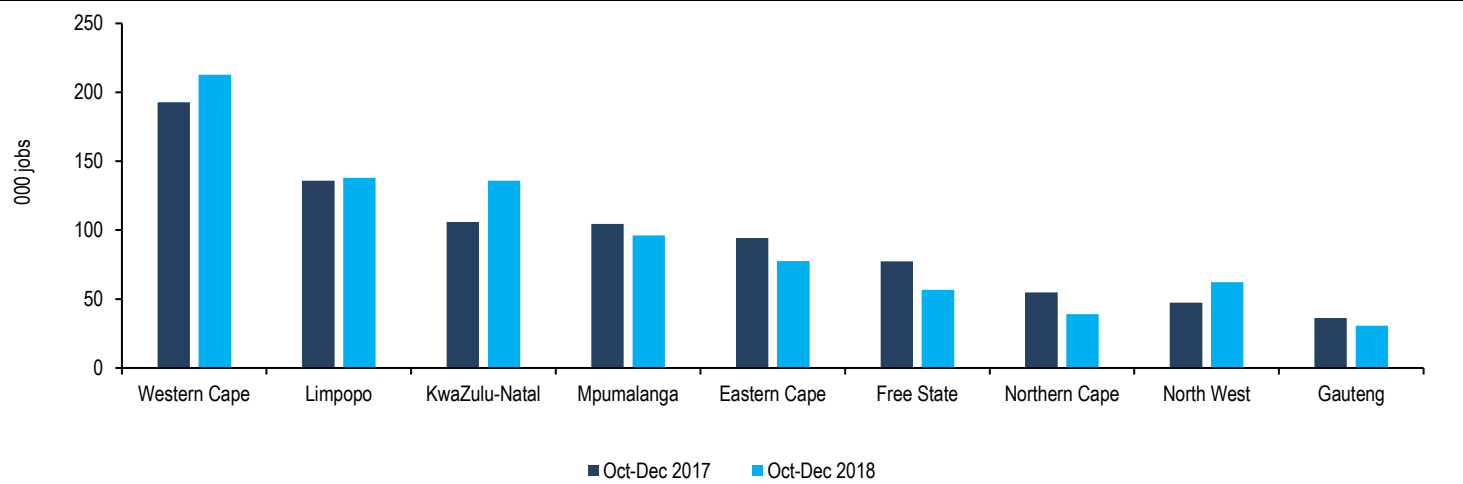
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Figure 1: South Africa's agricultural jobs



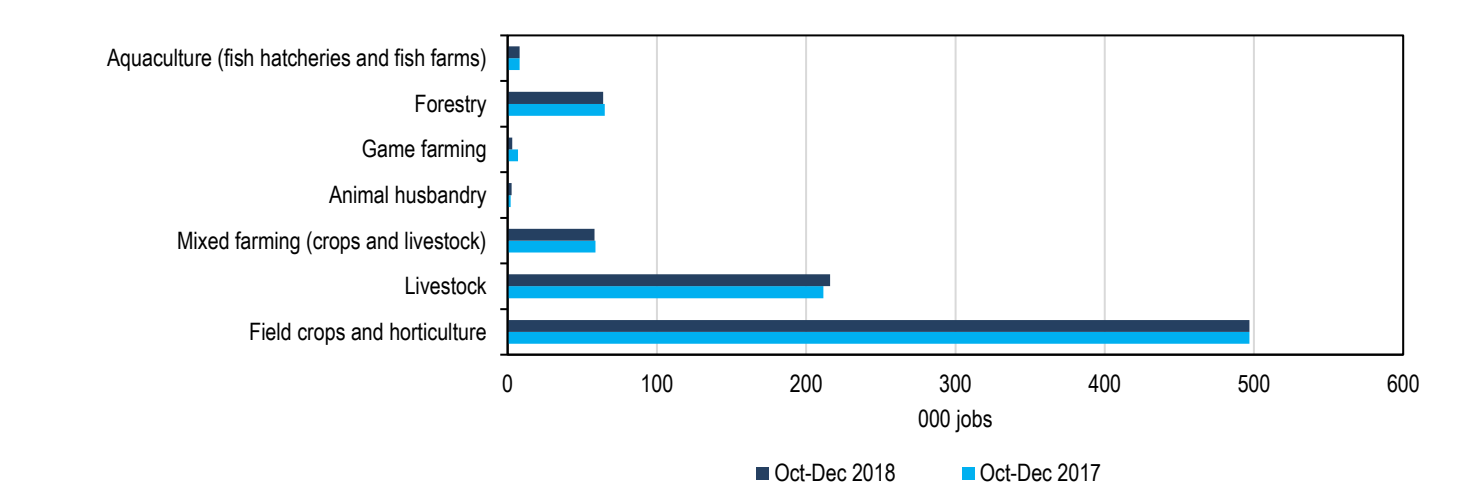
Source: Stats SA, Agbiz Research

Figure 2: South Africa's agricultural jobs by province



Source: Stats SA, Agbiz Research

Figure 3: Employment by sub-sector in South Africa's agricultural sector



Source: Stats SA, Agbiz Research