

South Africa's agriculture may recover in 2025



By [Wandile Sihlobo](#)

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This will likely be a year of recovery in South Africa's agriculture. Much of the country benefitted from the La Niña rains. However, the recovery may be weaker than initially anticipated.



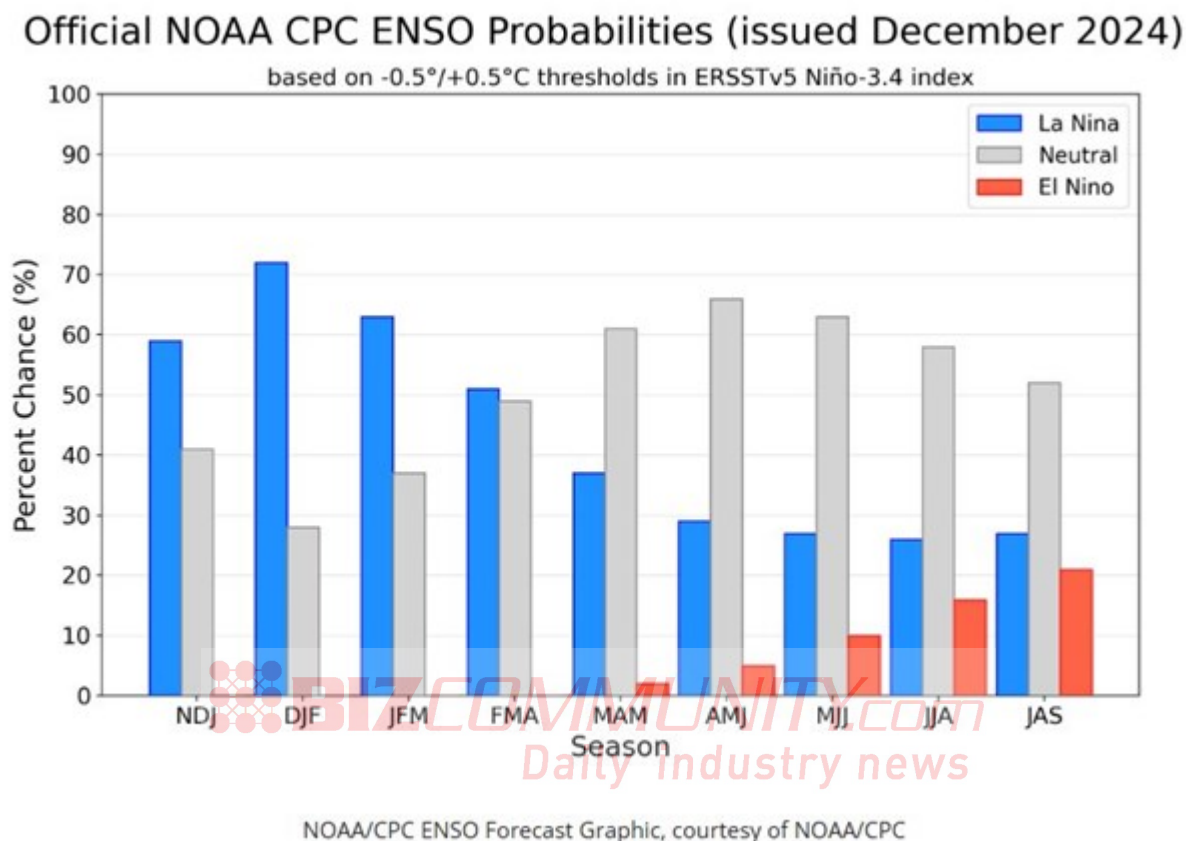
Source: wirestock via [Freepik](#)

The La Niña rains were late in some regions, such as Delmas in Mpumalanga, various regions of Limpopo, and parts of the Free State. This added strain on the grazing veld and delayed summer crop planting. Some farmers may remain in a challenging financial position in regions that did not receive adequate rains.

Still, the overall agricultural production conditions promise to be better than in 2024, characterised by the mid-summer drought and animal disease challenge.

South Africa has also progressed notably in controlling the spread of foot-and-mouth disease and other animal diseases, such as avian influenza and African swine fever. This sets the livestock and poultry subsector in an ideal position to rebuild, provided we see a sustained recovery in the grazing veld across the country and yellow maize production, a primary feed.

Better dam levels and a stable electricity supply for irrigation will continue to benefit the horticulture subsector—fruit, vegetables, and floriculture—and set South Africa's agriculture in an ideal position for recovery in 2025.



Note: The La Nina may be dominant through to March. From there on, the weather will normalise — see the blue bar. If we get nice rains until then, even the late crop may benefit, and the grazing veld.

Reflections on 2024 performance

But let us be honest: the year we are leaving behind – 2024 – was challenging for the sector. If I can reflect on critical events and themes that dominated the South African agricultural scene, five stood out for me. Combined, they resulted in a mixed performance across the different subsectors in 2024.

First, we started the 2023-24 production season (this is the 2024 calendar year), aware that it would be a mild El Niño year, but the timing of it was uncertain at the start of the season. Consensus from various early forecasts showed that it would intensify from March onwards.

Theoretically, this would not be the worst timing for farmers as the crop would have passed the pollination stages requiring moisture. As a result, we had assumed that South Africa would still achieve a decent harvest under such conditions.

Farmers planted slightly higher areas for the 2023-24 summer grains and oilseeds than the previous one. The good rains at the start of the season were a major incentive for farmers, along

with relatively higher agricultural commodity prices. Indeed, for the first few months of the season, South Africa seemed to be in for a decent summer grains and oilseed harvest.

The conditions changed for the worst from February to the end of March 2024. The country did not receive any meaningful rains throughout this period, and there was also a severe heatwave. This resulted in significant crop failure and financial loss to farmers as they had planted a slightly bigger area.

By the end of the season, South Africa's 2023-24 summer grains and oilseed harvest was down 23% from the previous season at 15,40 million tonnes. The consequence of crop failure is the tight grain supply and higher commodity prices.

Second, animal disease continued to be a major challenge for farmers. This is understandable because we have had various cases of foot-and-mouth disease in cattle, African swine fever in pigs, and avian influenza in poultry over the past three years. While animal disease outbreaks are not unique to South Africa and indeed common across the world, South Africa's challenges have intensified in the recent past.

In 2022, six of South Africa's nine provinces reported foot-and-mouth disease outbreaks. This was the first time in the country's history that the disease had spread this wide. Livestock and poultry farming account for roughly half of agriculture's annual gross value added.

Thus, the challenging place the country found itself in prompted the government and industry stakeholders to increase their focus on strengthening farm biosecurity controls and surveillance. Other interventions that are still underway include efforts to improve South Africa's veterinary and related support services (mainly the laboratories) that deal with vaccine production needs.

On October 25, 2024, the Department of Agriculture released even more positive news, which we believe will further support the recovery path of the industry.

The Department announced that: "The foot and mouth disease outbreak, which occurred during 2021-2022, has been successfully resolved in the North West, Free State, Gauteng, and Mpumalanga Provinces. These provinces, initially impacted by the outbreak, have now completed comprehensive testing of animals on quarantined farms. The results indicate that the foot and mouth disease virus is no longer present."

This is admirable progress and further supports South Africa's ambition of being a global player in red meat exports. Addressing the biosecurity challenges is essential for a successful path to the export markets.

Positive developments in 2024

Third, there were also positive developments in South Africa's agriculture this year. One such positive development, which is not necessarily agriculture-specific, is the improvement in electricity supply. This positively contributed to the sector and partly to the robust horticulture production.

For example, when one considers the dependence of South Africa's agriculture on horticulture, it is always worth highlighting that all of South Africa's horticulture – fruits and vegetables depends on irrigation that needs an adequate power supply. In crucial field crops, roughly 20% of maize, 15% of soybean, 34% of sugarcane, and nearly half of wheat are produced under irrigation.

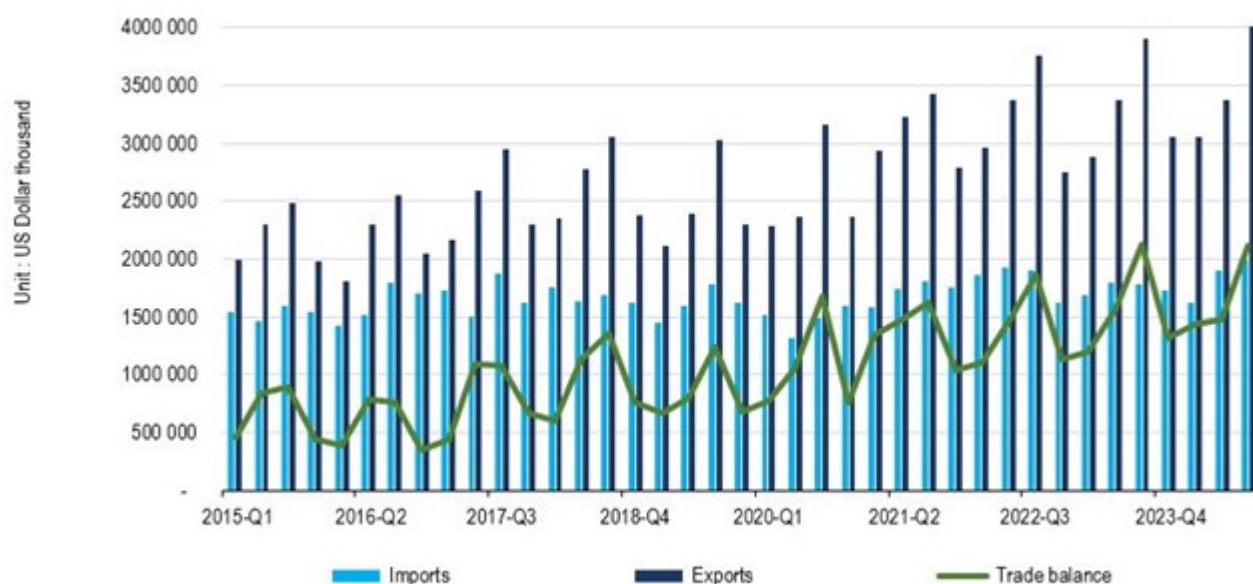
Electricity is also heavily used in various processing activities related to red meat, poultry, piggery, wool, and dairy production. Similarly, agribusinesses and other food-producing businesses are heavy users of electricity and various downstream processing activities, such as milling, bakeries, abattoirs, wine processing, packaging, and animal vaccine production. Thus, we believe a better electricity supply enabled better operations in 2024.

Fourth, logistics infrastructure efficiency remains a primary concern for the farming sector. However, the ongoing collaboration between Transnet, private industry, and various logistical organizations helps ensure the continuous flow of products, even if there are delays in specific periods.

The gains of this collaboration are visible in the export figures. For example, South Africa's cumulative agricultural export value for the first three quarters of 2024 is up 4% from 2023, at \$10,55bn. This reflects an uptick in the volume of various agricultural exports and the price surge in some products.

The top exported products by value include citrus, nuts, maize, apples and pears, wine, fruit juices, sugar, dates, figs, avocados and mangos, berries, and grapes, amongst other products.

Exhibit I: South Africa's agricultural exports



Source: Trade Map and Agbiz Research

Note: I am starting to believe that 2024 will reach a new record of exports and surpass the 2023 record of US\$13,2 billion.

Lastly, the commitment to policy continuity after the formation of the Government of National Unity (GNU) is also a noteworthy development for South Africa's agriculture. Ordinarily, when a new government begins its term, there would be a temptation to introduce new policies and programmes. At times, such practices are justified.

However, in South Africa's agriculture, the Agriculture and Agro-processing Master Plan has already been formulated and embraced by business, labour, government, and other social partners. There was no need to introduce a new policy, but continuity and a sharper focus on the implementation of policy and programmes.

This is precisely what the seventh administration committed to doing in agriculture. This approach saved the sector valuable time, and the efforts could now be channelled towards implementing various programmes and the sector's growth.

Amongst other things, this is partly why the sentiment in the sector improved notably in recent months.

Looking ahead to 2025

While there were numerous other developments in the sector that we do not discuss in this note, the five points outlined above were perhaps the most notable and cross-cutting in various value chains in 2024.

As we start 2025, there is renewed optimism in the sector on the back of relatively better rainfall and improvements in the animal disease control front. This may boost the output in the sector.

From a policy perspective, this year's focus should remain on the opening of export markets, improvement of the network industries, and improving municipality performance.

Moreover, there also needs to be a relentless focus on implementing the Agriculture and Agro-processing Master Plan as it carries relevant and necessary interventions to support the inclusive growth of South Africa's agriculture.

ABOUT WANDILE SIHLOBO

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