

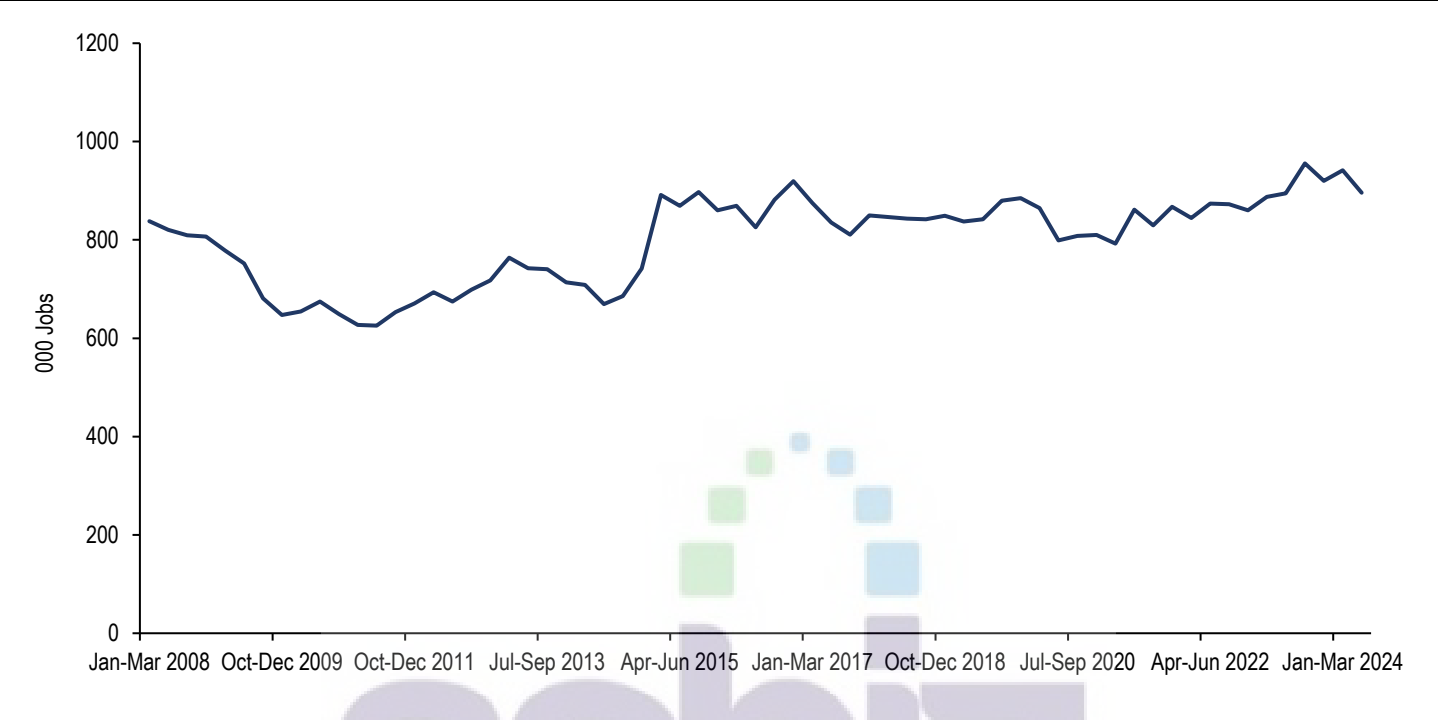
13 August 2024

South Africa's primary agricultural employment slowed in Q2 but remains well above long-term levels

- The effects of the recent El Niño-induced mid-summer drought are starting to show in South Africa's agricultural jobs data. For example, the figures released by Statistics South Africa today show that employment in primary agriculture was down 5% quarter-on-quarter to 896k in the second quarter of 2024. From an annual basis perspective, the performance is also weak, although up 0,2% from the second quart of 2023. Still, the primary agricultural employment of 896k people remains well above the long-term jobs of 799k and generally reflects the harsh summer season we are leaving behind.
- Some subsectors showing a decline in employment include field crops, livestock, and forestry. The job performance in these subsectors is unsurprising as the mid-summer drought has notably impacted them, specifically field crops. Moreover, the livestock industry faces relatively higher feed costs and lingering animal disease, which all explain these subdued job data in the subsector.
- The Western Cape, Northern Cape, North West, and Gauteng are the provinces that showed significant quarterly job losses. Meanwhile, other provinces showed a mild improvement, which was insufficient to change the overall picture of a decline in employment in South Africa's agriculture. The Western and Northern Cape provinces do not have significant summer crop production, which means that the quarterly job losses in these particular provinces mirror the generally financially constrained environment in the farming businesses. The mid-summer drought primarily added pressures in the country's northern regions.
- Beyond these high-frequency data, the agricultural sector remains crucial for employment creation in South Africa's rural communities. But, the sector must be on a positive growth path to sustain and create new job opportunities. In the near term, a range of constraining factors for businesses require policymakers' attention to resolve for the sector to grow.
- These include continuing the positive momentum in resolving the port inefficiencies. The sector also struggles with poor rail and road infrastructure and worsening municipal service delivery. This must be an area of focus for the Government of National Unity. The improvement in this area would add much-needed positive momentum in South Africa's agriculture. Rising incidents of crime, lingering animal disease challenges, and increased geopolitical uncertainty remain top-of-mind challenges for agribusinesses, as illustrated in the recent results of the [Agbiz/IDC Agribusiness Confidence Index](#).
- In a [survey](#) we conducted in June 2024, covering some agribusinesses and farming enterprises operating in all agricultural subsectors across South Africa, the respondents raised the above challenges as the most troubling issues they face. Therefore, the South African government and the private sector should

work collectively to address these growth-constraining factors, particularly those on the domestic policymakers' reach, to support long-term agricultural sector prosperity and job creation.

Exhibit I: South Africa's agricultural jobs



Source: Statistics South Africa and Agbiz Research

