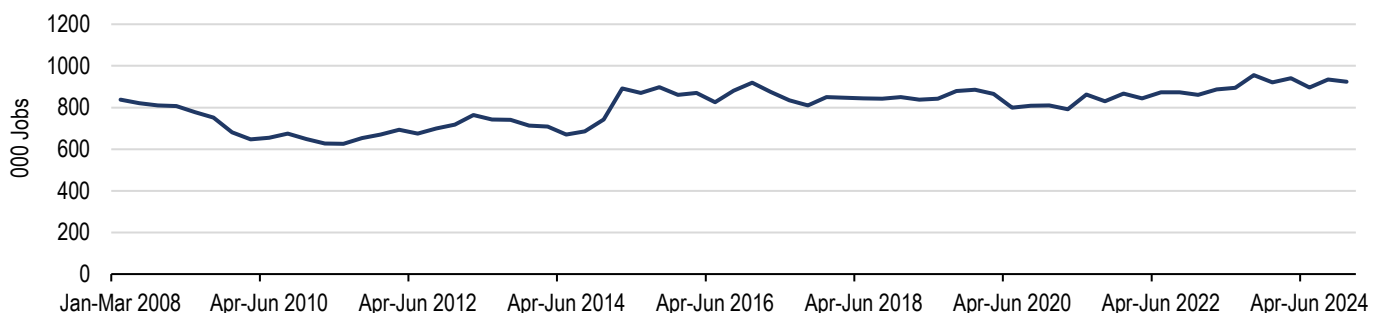


18 February 2025

SA's primary agricultural employment declined mildly in the last quarter of 2024

- South Africa's agriculture is on its recovery path, supported by favourable rainfall and progress in controlling the spread of animal diseases, amongst other contributing factors. The previous 2023-24 production season was challenging, characterised by the mid-summer drought and animal diseases that added immense pressure to the sector. The jobs data for the fourth quarter of 2024 illustrate the difficulty the sector experienced, although much milder than we anticipated. For example, primary agriculture employment fell by 1% from the third quarter to 924k jobs in the last quarter of 2024. The field crops, game and hunting, and forestry are the subsectors that registered notable losses. However, from an annual perspective, the employment was roughly unchanged from the last quarter of 2023. Positively, the primary agricultural employment of 924k people is well above the long-term jobs of 799k.
- Given the resilience of recent quarters' job performance, it is possible that we may see a recovery in employment conditions in 2025, assuming that there aren't pressing trade-related challenges that will weigh on the sector's profitability in the near term. The mild increase in the minimum wage this year, while challenging for some commodities and adding to already higher input cost pressures, may also not be a major hindrance. With all this said, there is significant uncertainty on the trade front, mainly AGOA.
- The Eastern Cape, Free State, and Limpopo are the only provinces that registered quarterly job losses. Meanwhile, other provinces saw mild quarterly increases.
- Overall, the sector is recovering this year from a production perspective, but there are heightened risks associated with international trade. The AGOA duty-free access to the US market and generally fractured geopolitics are areas that we continue to watch closely as these matter for the exports of agricultural products, farm profitability, and, ultimately, the sustainability of agricultural jobs. Beyond the global factors, port inefficiencies, poor rail and road infrastructure, crime and stock theft, and worsening municipal service delivery remain significant risks to agriculture's long-term growth prospects.

Exhibit I: South Africa's agricultural jobs



Source: Statistics South Africa and Agbiz Research