



Quartely Economic Overview

AGRICULTURE SECTOR

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agriculture, land reform
& rural development

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PREFACE

The core business of the Directorate: Statistics and Economic Analysis is to provide economic and statistical services to monitor the economic performance of the agriculture, sector. To support this important task, the Economic and Statistical Research Unit conducts economic analyses of the performance of the agriculture sector, as well as the external impact on the AFF sector and its industries.

This publication, the *Quarterly Economic Overview of the Agriculture, Sector*, was developed because of a need within the Department of Agriculture, Land Reform and Rural Development (DALRRD) to be regularly informed on developments and expected economic trends in the agricultural sector. The quarterly report has been established as a regular feature in the directorate's workplan. Since the beginning of 2004, the report has also been published for outside use to add value to a number of regular economic publications about the agricultural sector. It is our vision to maintain the report as an indispensable reading for everyone interested in developments of the South African agriculture sector.

This issue looks at the economic developments in 2021: Q1, as well as the expected economic trends in the South African agriculture sector as the domestic and global economies continue to face economic uncertainties.

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EXECUTIVE SUMMARY

Global growth prospects: Real GDP growth Rates, 2021 (Q1) in the advanced economies of the following countries: Canada, Italy and United States increased by 1.4%, 0.1% and 1.6% respectively, while Germany, France, Japan and United Kingdom decreased by 0.1%, 1.8%, 1.0%, and 1.5% correspondingly when compared to the first quarter of 2020 (Q1). In the emerging markets and developing economies, 2021 (Q1) Real GDP growth rates decreased in the following countries: Brazil, China, India, Philippines, South Africa and Nigeria decreased by 1.2%, 18.3%, 1.6%, 0.3%, 4.6% and 0.5%, respectively, whilst Indonesia, Malaysia and Russia decreased by 0.7%, 0.5% and 1.0% respectively when compared to the first quarter of 2020 (Q1)

Global grain supply forecast: Global supply projections for 2021 (Q1) of wheat, coarse grains, rice milled, cotton, oil meals and vegetable oils increased by 3.1%, 1.3%, 1.5%, 5.7%, 3.3%, and 2.7% respectively, while oilseeds decreased by 0.04% when compared to the first quarter of 2020

South Africa's GDP: South Africa Gross Domestic Product increased at an annualised rate of 4.6% in the first quarter of 2021 from a growth of 5.8% in the fourth quarter of 2020. Mining, finance and trade industries made the biggest contribution to GDP in the first quarter of 2021 which grew by 18.1%, 7.4%, and 6.2% and contributed 1.2%, 1.5% and 0.8% respectively to the GDP. The agriculture, forestry and fisheries industry, is one of the industry that reported negative growth rate of 3.2% and contributed -0.1% to the GDP in 2021: Q1

Inflation: The annual average headline CPI for the first quarter 2021 was 3.08% which shows a decrease of 1.06% when compared to the same period last year. Food inflation for the first quarter of 2021 was 5.51% which shows an increase of 2.2% from 3.31% of the first quarter of 2020.

Employment: According Statistics South Africa, The official unemployment rate increased from 32.5% in the fourth quarter of 2020 to 32.6% in the same quarter of

2021. The largest employment decreases were observed in Private households (70 000), followed by the informal sector (19 000) and the Agricultural sector (18 000) in first of 2021.

The grain market review section: Reflects on quarterly price trends (domestic and international) and supply and demand of the following major products produced in South Africa: maize, wheat, soya bean, sorghum, sunflower and groundnuts, as well as the fruit and vegetable and meat industry reviews.

Trade: During Q1: 2021, South Africa's agricultural trade balance grew by 73.6% relative to Q1: 2020, to R18,9 billion from R 10,9 billion. On a quarter-on-quarter basis, agriculture's trade balance grew by 74% in Q1: 2021 relative to Q4: 2020. Over the period, the export value of agricultural products grew by 20% quarter-on-quarter to R41,9 billion from R 35,0 billion while the import value of agricultural products contracted by 5% quarter-on-quarter, to R23,0 billion from R24,1 billion.

1 GLOBAL OVERVIEW OF THE AGRICULTURE, FORESTRY AND FISHERIES ECONOMY

1.1 Global Real GDP Growth Rates

According to the IMF, World Economic Outlook Report (January 2021), it indicates that while recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The 2021 forecast is revised up 0.3% point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

The projected growth recovery this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5%, 0.9% point higher than projected in the previous forecast. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis. A global economic recovery is in sight with some activity in many sectors having picked up and partially adapted to pandemic restrictions.

Vaccine rollout, although uneven, is gaining momentum and government stimulus, particularly in the United States, is likely to provide a major boost to economic activity. But prospects for sustainable growth vary widely between countries and sectors. Faster and more effective vaccination deployment across the world is critical. Prospects have improved over recent months with signs of a rebound in goods trade and industrial production becoming clear by the end of 2020. Real GDP growth rates, 2021 (Q1) in the advanced economies of the following countries: Canada, Italy and United States increased by 1.4%, 0.1% and 1.6% respectively, while Germany, France, Japan and United Kingdom decreased by 0.1%, 1.8%,

1.0%, and 1.5% correspondingly when compared to the first quarter of 2020 (Q1). See figure 1 below.

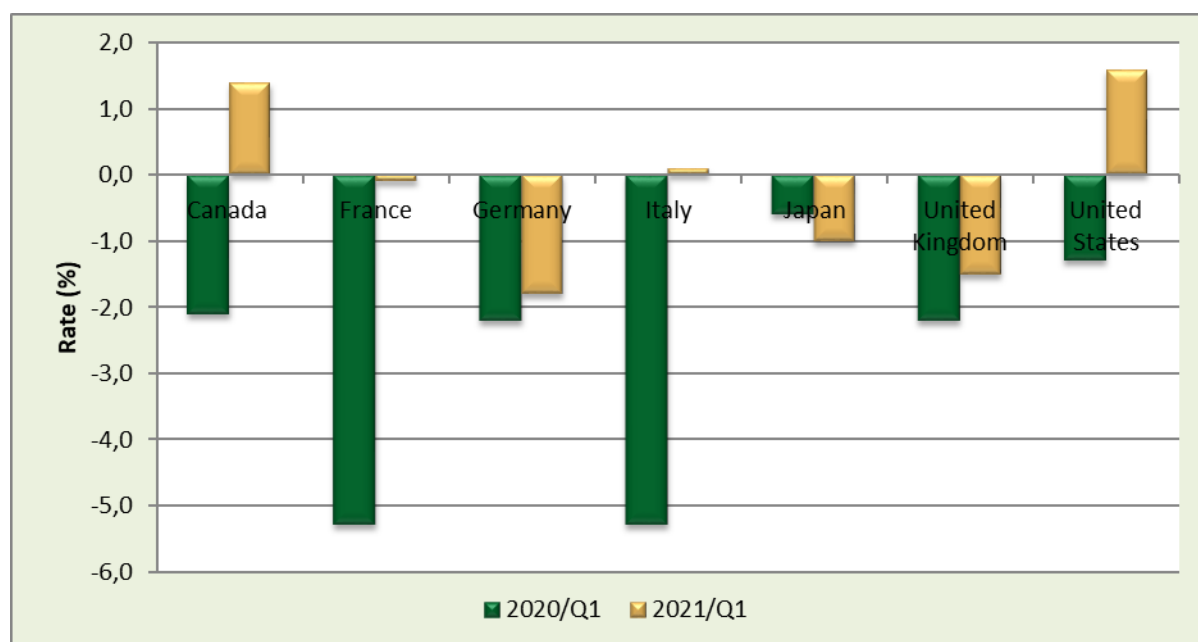


Figure 1: Advanced Economies Quarterly GDP Growth Rates
Data Source: Various Sources

Figure 2, Indicate that in the emerging markets and developing economies, 2021 (Q1) Real GDP growth rates decreased in the following countries: Brazil, China, India, Philippines, South Africa and Nigeria decreased by 1.2%, 18.3%, 1.6%, 0.3%, 4.6% and 0.5%, respectively, whilst Indonesia, Malaysia and Russia decreased by 0.7%, 0.5% and 1.0% respectively when compared to the first quarter of 2020 (Q1) figures.

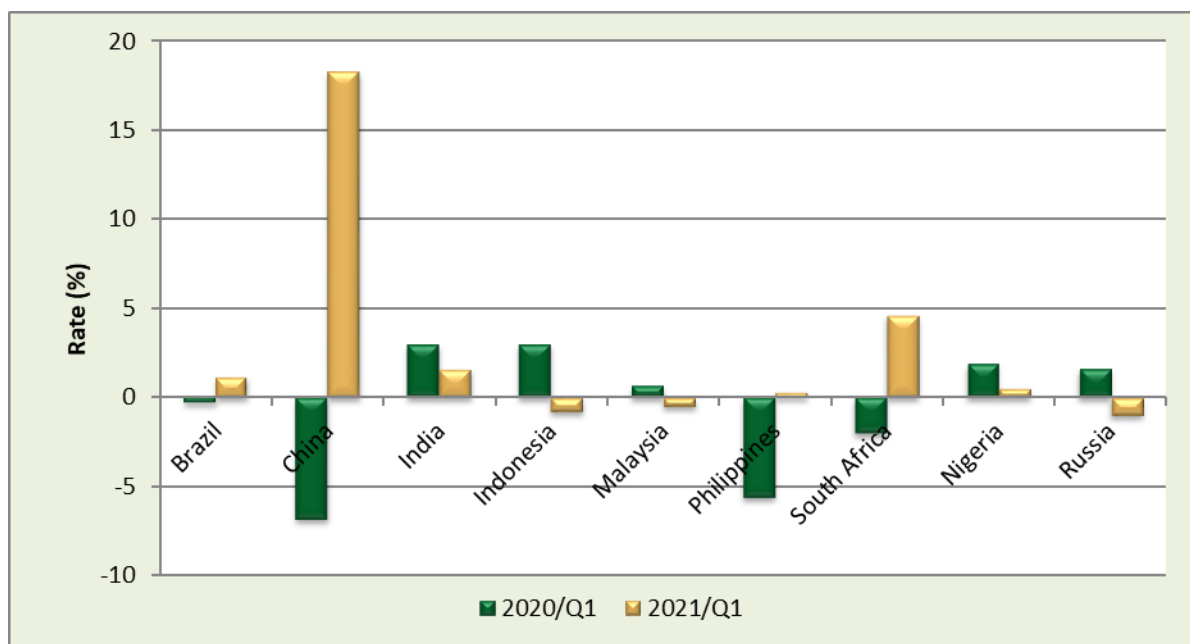


Figure 2: Emerging Markets and Developing Economies Quarterly GDP Growth Rates
Data Source: Various Sources

1.2 Global Grain forecast

The global grain supply forecast indicates a total grain increase of 1.9%, from 3.528 million metric tons in 2020 (Q1) to 3.577 million metric tons in 2021 (Q1). Global supply projections for 2021 (Q1) of wheat, coarse grains, rice milled, cotton, oil meals and vegetable oils increased by 3.1%, 1.3%, 1.5%, 5.7%, 3.3%, and 2.7% respectively, while oilseeds decreased by 0.04% when compared to the first quarter of 2020, see figure 3 below.

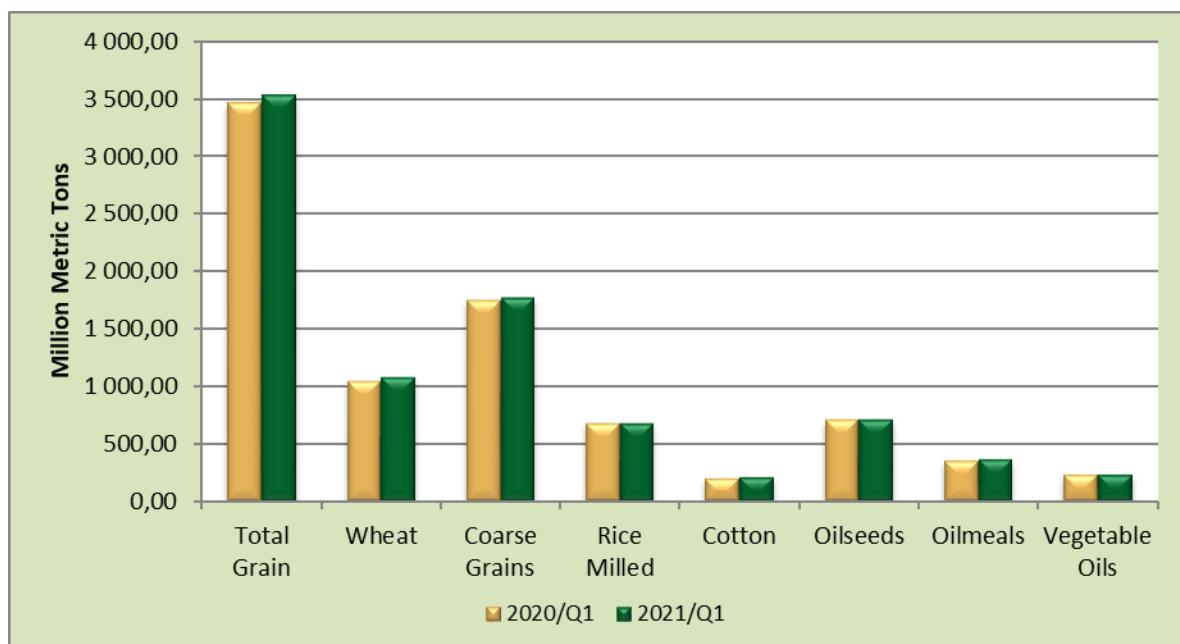


Figure 3: Quarterly global grain supply forecast
Data Source: USDA

1.3 Global Food Prices

Globally in 2021 (Q1) some major countries were paying partly more by 16.2% on food purchases compared to 2020 (Q1). The following global food products price indices in 2021 (Q1), meat reflects a marginal decrease by 4.1%, while dairy, cereals, oil and sugar indices reveal a significant increase by 9.7%, 24.2%, 51.1% and 13.7% respectively, when compared to (Q1) of 2020, see figure 4.

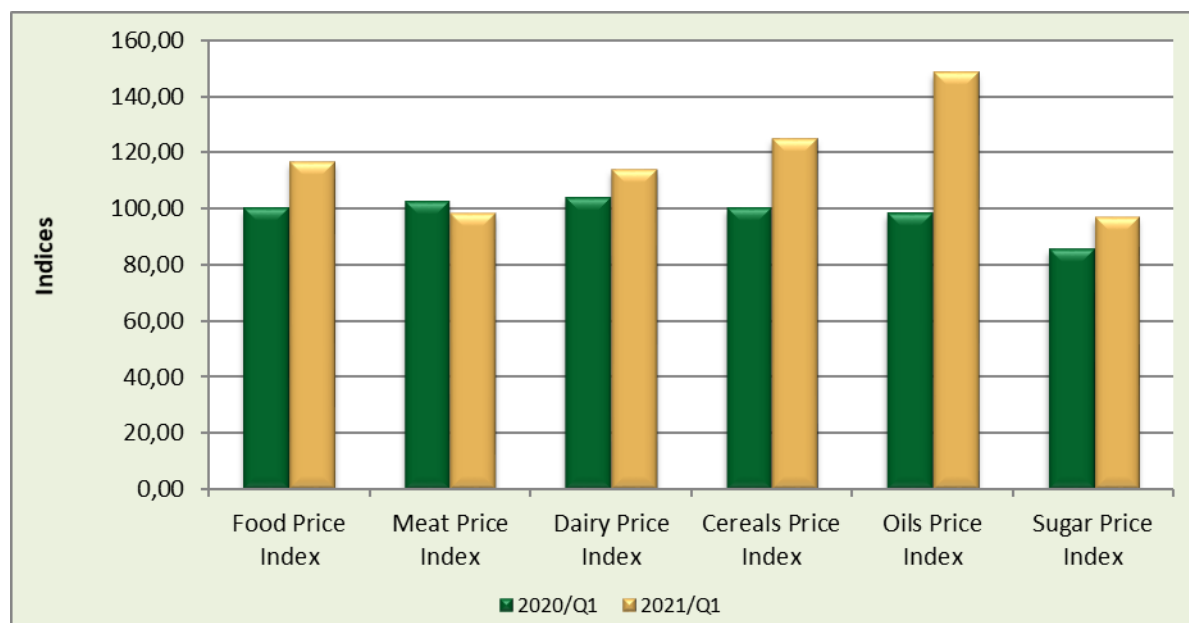


Figure 4: Quarterly global food price indices
Data Source: FAO

2 THE STATE OF THE DOMESTIC ECONOMY IN AGRICULTURE, FORESTRY AND FISHERIES

2.1 Growth

Data for the first quarter of 2021 from Statistics South Africa shows the country's real Gross Domestic Product increased at an annualised rate of 4.6% in the first quarter of 2021 from a growth of 5.8% in the fourth quarter of 2020 (fig 5 below). According to OECD economic forecast report, the South African economy is projected to rebound by 3.8% in 2021 and 2.5% in 2022. Inflation is increasing, but remain below the Reserve Bank's target. The economic recovery is uneven across sectors though economic activity rebounded strongly in the last quarter of 2020 (OECD). Of the ten industries, eight industries recorded a positive growth in 2020: Q1. Mining, finance and trade industries made the biggest contribution to GDP in the first quarter of 2021 which grew by 18.1%, 7.4%, and 6.2% and contributed 1.2%, 1.5% and 0.8% respectively to the GDP. Even though many industries have recovered (reported a positive growth), failure to contain the looming third wave will have a negative impact on growth to many industries in the coming months.

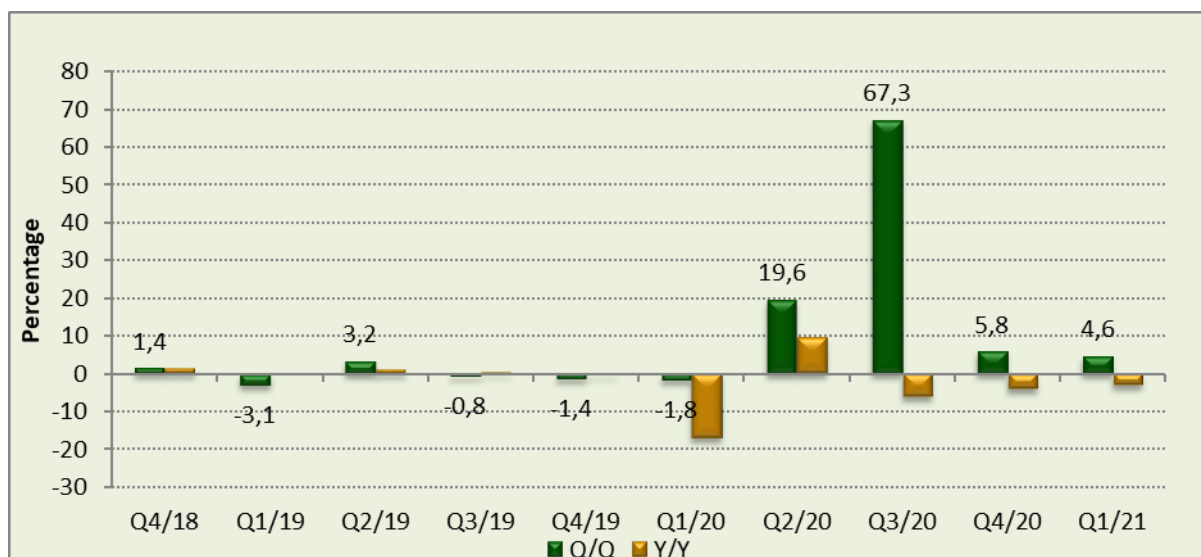


Figure 5: Domestic real GDP growth
Source: Stats SA

The agriculture, forestry and fisheries industry, is one of the industry that reported negative growth rate of 3.2% and contributed -0.1% to the GDP in 2021: Q1 (Figure 6). According to BFAP report, the agricultural sector’s quarterly performance is often complicated given the timing of delivery by various subsectors, but still provide valuable insights to consider. A relative comparison between the first quarter of 2020 and first quarter of 2021 shows that the agricultural sector grew by 7.5% in 2021: Q1 compared to 2020: Q1. Disaggregated data from three agriculture subsectors shows that field crops and horticulture products made the biggest positive contribution to the total agricultural Gross Value of Production (GPV). Field crops and horticulture products increased by 52% and 11% respectively in 2021: Q1 compared to 2020: Q.1. Of the horticulture crops, deciduous fruit sales increased by 16%, which is a result of strong harvests for pome, stone, and other deciduous fruit in 2021 (BFAP). Amongst the field crops, maize was the largest positive contributor to the GPV, which increased by 32% year-on-year. The GPV of animal products increased by 6% year-on-year in 2021:Q1, with major contributors to growth being pork with a growth of by 26%, followed by beef and sheep with an increase of 9% and 4% respectively.

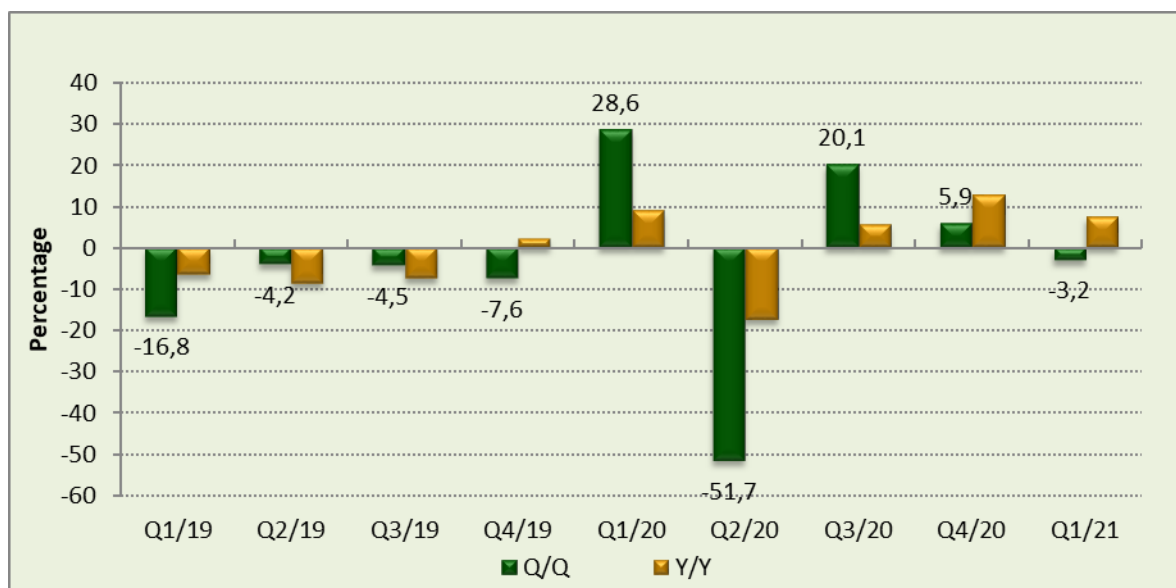


Figure 6: Agriculture, forestry and fishing sector growth rates
Source: Stats SA

2.2 Inflation

South Africa’s annual headline CPI and the food inflation from the first quarter of 2021 as illustrated in figure 7. The annual average headline CPI for the first quarter 2021 was 3.08% which shows a decrease of 1.06% when compared to the same period last year. Food inflation for the first quarter of 2021 was 5.51% which shows an increase of 2.2% from 3.31% of the first quarter of 2020.

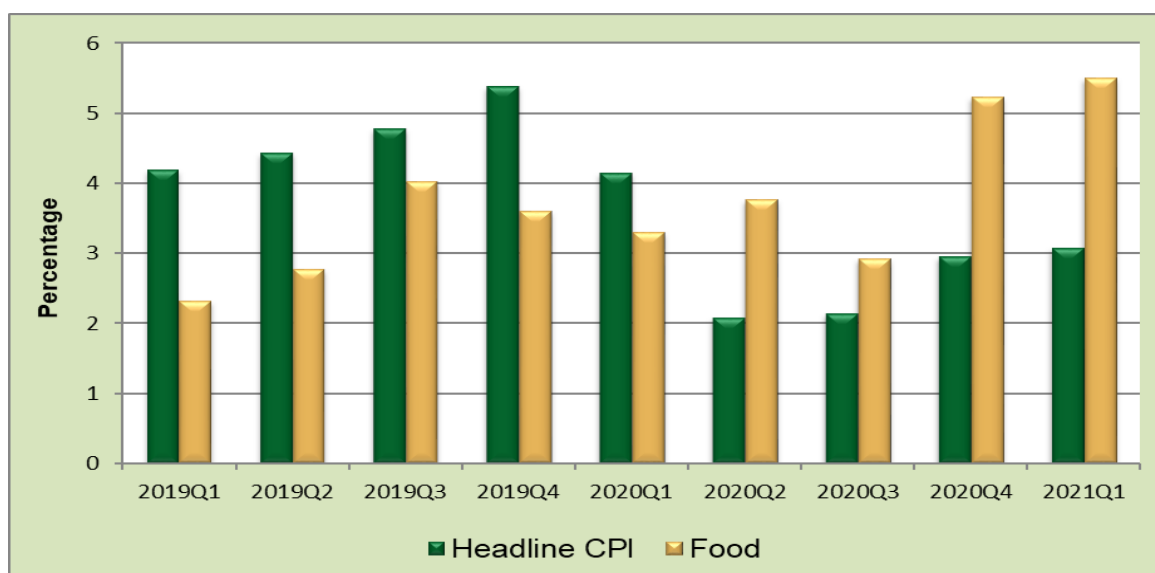


Figure 7 : SA headline CPI and CPI for food
Data Source: Stats SA

Figure 8 illustrates the consumer trends of selected food items for the first quarter of 2021. Food inflation for 2021 (Q1), shows that vegetables, fruit, bread & cereals and fish were generally less expensive with CPI of 0.63%, 3.61%, 4.77% and 5.41% respectively when compared to other food items in the same quarter. On a quarterly basis, the CPI for oils & fats in 2021 (Q1) was the most expensive with a CPI of 11.93% which is higher from 9.49% in the previous quarter of 2020 (Q4), which is an increase of 2.44%. CPI for milk, egg & cheese in 2021 (Q1) was the second largest food item with a CPI of 6.69% when compared to the same period last year 2020 (Q1), the CPI for milk, egg & cheese has gone up by 4.2%. The CPI for meat in 2021 (Q1) was the third largest with CPI of 6.76% which is lower from 6.85% in the previous quarter of 2020 (Q4), which is a decrease of 0.09%.

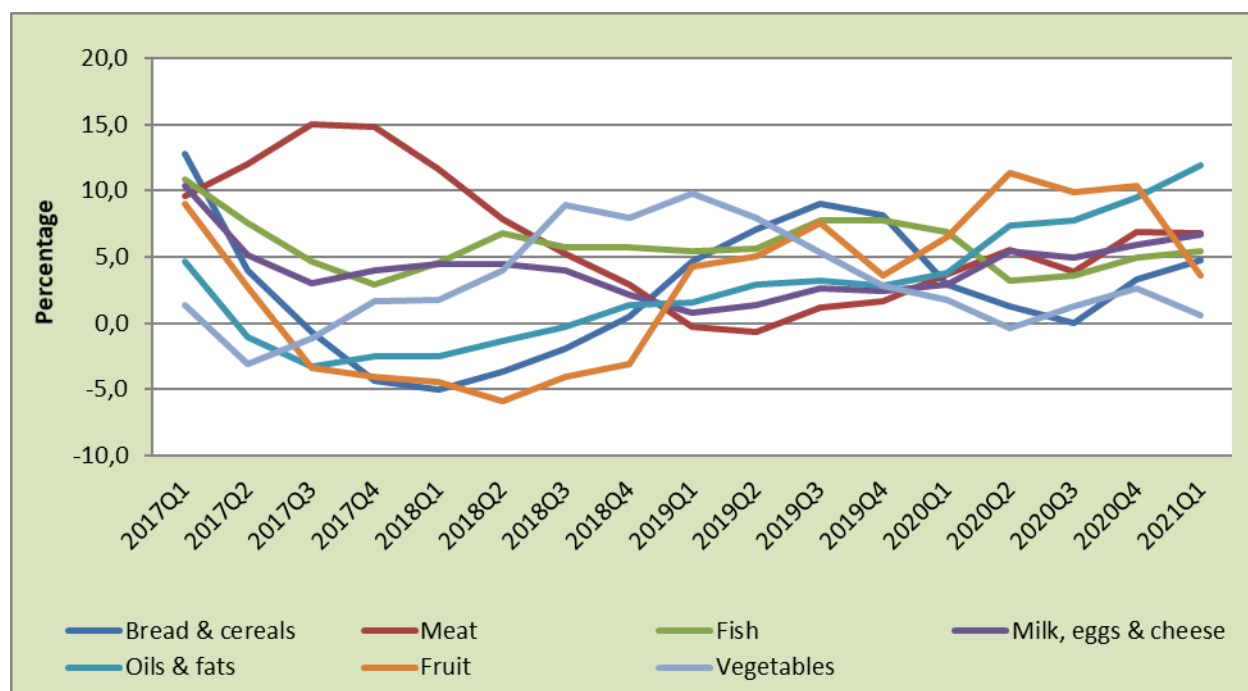


Figure 8: CPI for selected food items

Data Source: Stats SA

2.3 Employment

The official unemployment rate increased from 32.5% in the fourth quarter of 2020 to 32.6% in the same quarter of 2021, a record since the Quarterly Labour Force Survey (QLFS) was launched in 2008, this is according to Statistics South Africa (Stats SA). The rate under the expanded definition, which includes those who have given up on looking for jobs is now 43.2%. Youth unemployment under the expanded definition is at a staggering 74.7%, which means that only one in four school leavers who are 24 or under have a job in South Africa. The largest employment decreases

were observed in Private households (70 000), followed by the informal sector (19 000) and the Agricultural sector (18 000) in first of 2021. During the same period employment increases were only observed in the formal sector (79 000). Compared to a year ago, total employment decreased by 1,4 million. The number of unemployed persons increased by 2,4% (172 000), while the number of persons who were not economically active increased by 11,6% (1,8 million). The number of unemployed persons remained almost unchanged at 7.2 million compared with the fourth quarter of 2020 (increased by 8,000). The number of discouraged work seekers increased by 201,000 (6.9%).

It is important to note that stats SA suspended face-to-face surveys in March 2020 because of the pandemic and the QLFS has since been carried out by computer assisted telephonic interviews. Given the change in the survey mode of collection and the fact that the first quarter of 2021 estimates are not based on a full sample, comparisons with previous quarters should be made with caution. Who knows, perhaps a full sample would have revealed even higher rates of unemployment. The data, even if incomplete are concerning on all kinds of levels. Growing unemployment means poverty, hunger and inequality are all also on the rise. South Africa's social fabric is fraying, a point driven home by terrifying rates of gender-based violence and a host of other social ills. Unemployment is perhaps not the root cause of any of these challenges, but it is clearly a contributing factor. It's also an indicator of an economy that is hardly firing on all cylinders and that remains starved of the investment needed to create jobs.

South Africa's official unemployment rate has been above 20% for at least two decades, even though the economy expanded by 5% or more a year in the early 2000s. Analysts cite an education system that doesn't provide adequate skills, strict labor laws that make hiring and firing onerous and apartheid-era spatial planning that make it difficult for job seekers to enter and remain in the formal workforce as part of the problem.

Figure 9 shows that between the first quarter of 2021 and the same quarter of 2020, the number of employed persons decreased in nine industries with only finance that showed a slight increase of 0.4%. The largest decrease were recorded in Construction, Private household, Manufacturing, Trade, Mining, Transport and

Agriculture decreased by 19.7%, 14.4%, 12.2%, 10.3%, 9.3%, 9.2% and 8.4% respectively. During the same period Community and social services as well as Utilities decreased by 5.1% and 0.5% respectively.

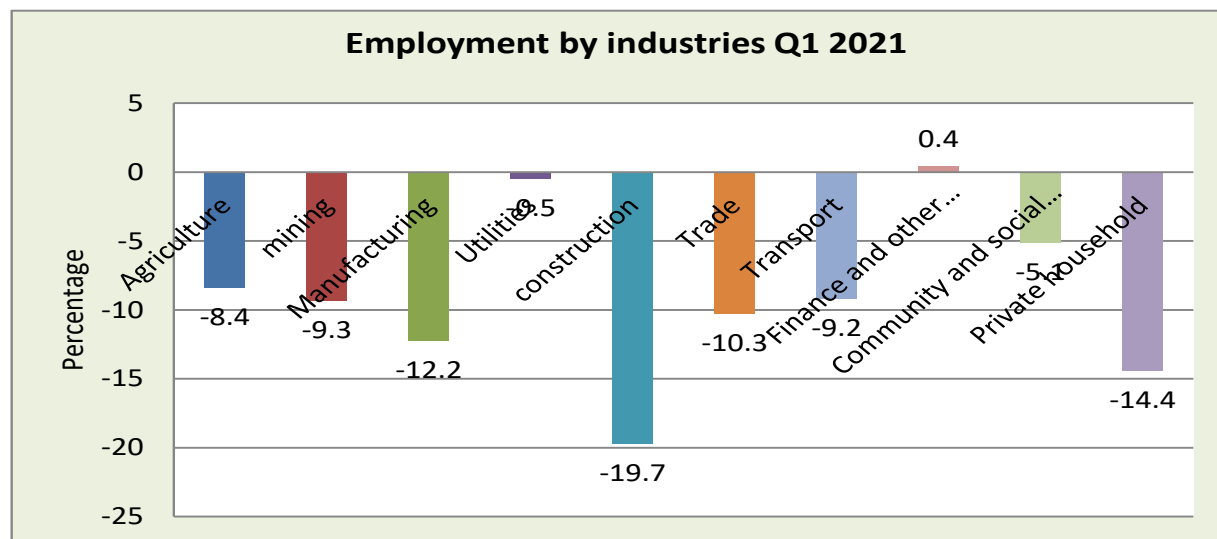


Figure 09: Total number of people employed by industries between 2020: Q1 and 2021: Q1
Source: Stats SA

Figure 10 below illustrate that the number of people employed in agricultural sector decreased by 8.4% in the first quarter of 2021, from 865 000 persons in the first quarter of 2020 to 792 000 persons in the same quarter of 2021. Off the 72 000 jobs lost 59 000 jobs were lost by woman, while man lost about 13 000 jobs between the two quarters. During the same period in total, the agricultural sector comprised of 228 000 women and 564 000 man compared to 249 000 women and 561 000 men.

On quarter to quarter, in the first quarter of 2021, the number of people employed in agriculture sector decreased by 2.2%, from 810 000 in the last quarter of 2020 to 792 000 in the first quarter of 2021.

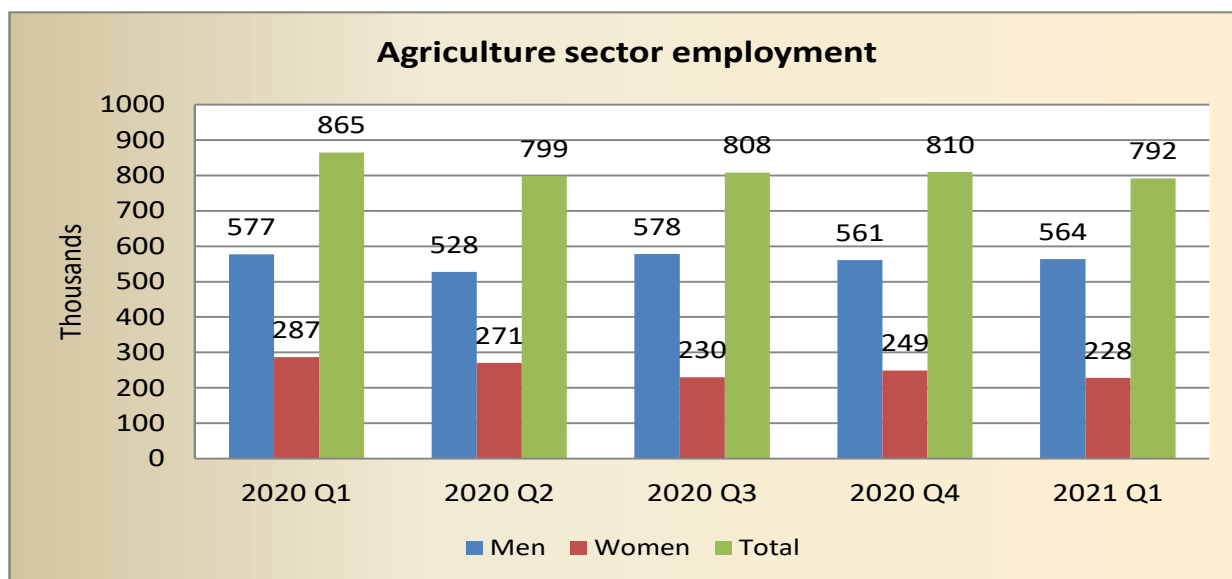


Figure 10: Total number of people employed in the agriculture sector between 2020: Q1 and 2021: Q1: Source: Stats SA

Figure 11 below shows that between the first quarter of 2020 and the first quarter of 2021, provincial agriculture employment increased in Gauteng, Eastern Cape, Mpumalanga and Limpopo by 43.6% 25.7%, 31.6% and 7.6% respectively. While provincial agriculture employment decreased in Western Cape (46.7%), North West (22.1%), Free State (11.1%), Northern Cape (4.7%) and KwaZulu-Natal (2.8%). During the same period (QLFS) publication, also indicate that 3.0 million people were involved in subsistence farming compared to 2.4 million people, an increase of 27.1%. KwaZulu-Natal and Eastern Cape remained with the highest number of people involved in subsistence farming.

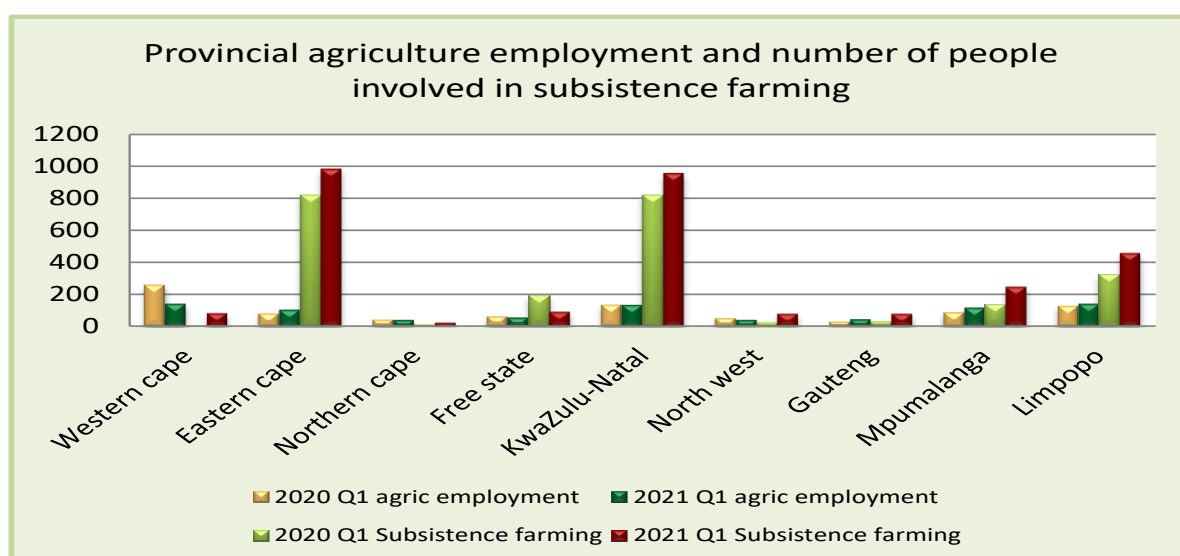


Figure 11: Provincial agriculture employment and subsistence farming between 2020: Q1 and 2021: Q1 Source: Stats SA

2.4 Expenditure on intermediate goods and services by the agricultural sector

The figure 12 below illustrate The total expenditure on intermediate goods and services was reported at R39.8 billion in the first quarter of 2021 compared to R45.2 billion in the previous quarter, a decrease of 12.0%. Compared to a year ago the total expenditure on intermediate goods and services increased by 6.8% from R37.2 billion in the first quarter of 2020 to R39.8 billion in the first quarter of 2021.

The total expenditure on intermediate goods and services increased by 6.8% from a year (2020 Q1) ago to (Q1 2021) Figure 12 shows comparison of the total expenditure on Farm Services, Farm Fuel, Fertilizers, Seeds and Plants as well as Farm Feeds in the fourth quarter of 2020 compared to the previous quarter. The increase of 6.8% was due to increases in Farm Services (6.0%) Fuel (3.1%), Fertilisers (3.0%), Seed & Plants (10.0%) Farm feeds (8.0%).

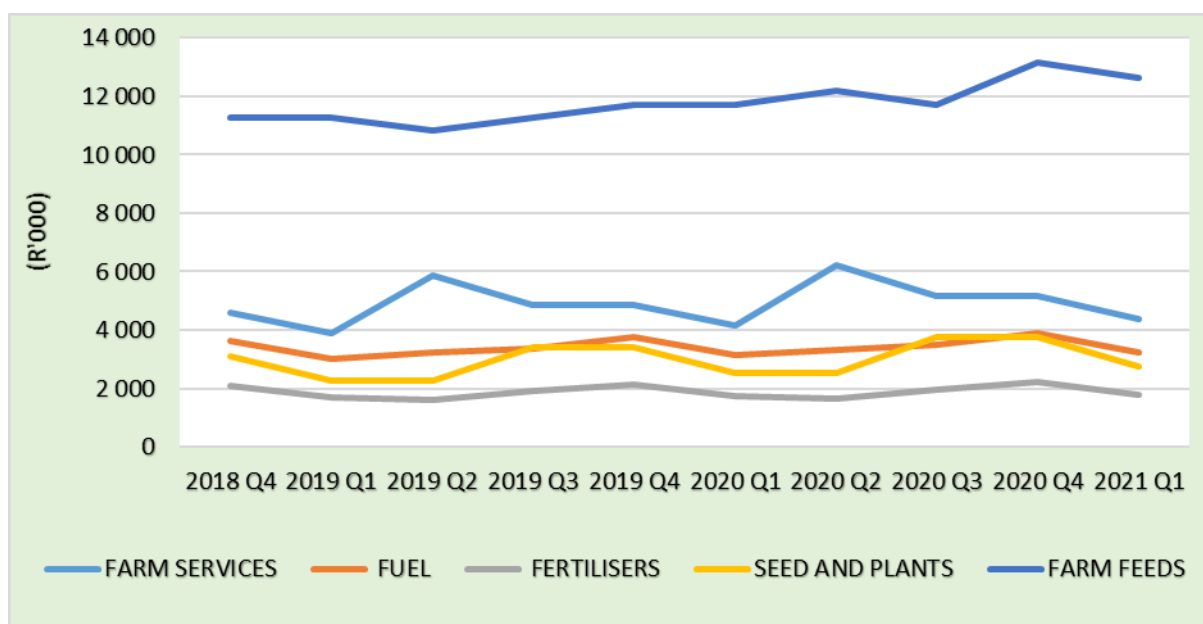


Figure 12: Trends in the expenditure on fuel, farm feeds, fertilisers, seeds and plants and farm services between 2019 Q1 and 2021: Q1

Source: DALRRD

2.5 fertilizer market review

2.5.1 South African fertiliser expenditure

The expenditure of the fertilizer in first quarter of 2021 was R1 802 compared to R1 750 in the same quarter in 2020, this represent 3% increase on expenditure of fertilizers. The fluctuation could be due to the changes in the area planted due to the season and suitable climate., see Figure 13.

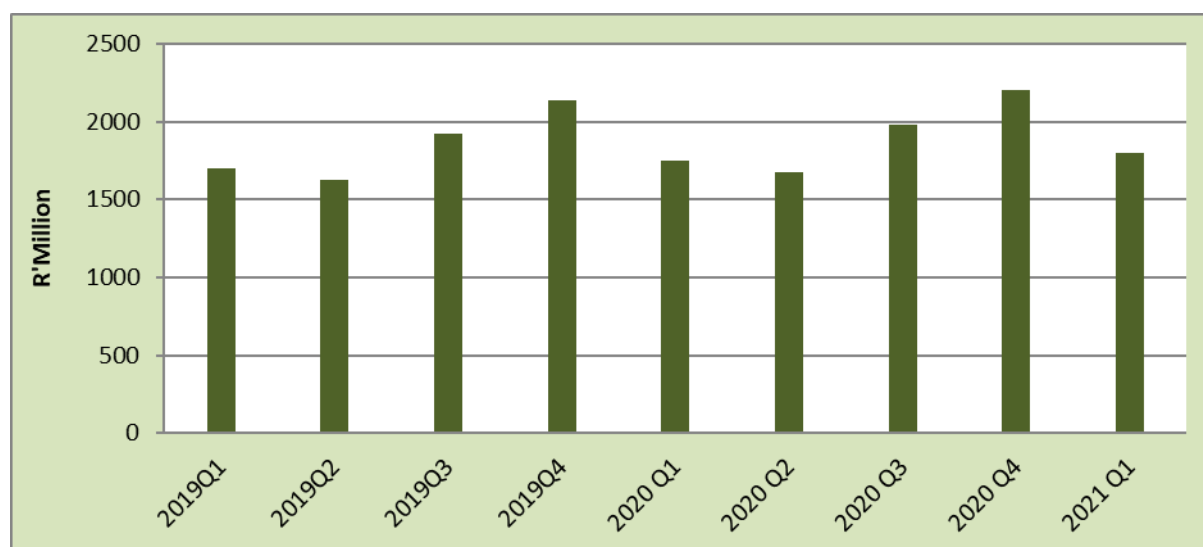


Figure: 13 South Africa fertiliser expenditure
Source: Grain SA

2.6 Nominal gross farm income and net farm income from agricultural products

The figure 14 illustrate that the nominal real gross income from all agricultural products increased by 12.8% from R65.0 billion in the last quarter of 2019 to R73.4 billion in the same quarter of 2020. During the same period, the net farm income is estimated at R13.9 billion compared to R21.4 billion, a significant increase of 54.1%. The increase in net farm income was largely boosted by a huge increase of 48.7% in income from field crops, while income from animal product and horticulture increased by 7.3% and 2.1% respectively.

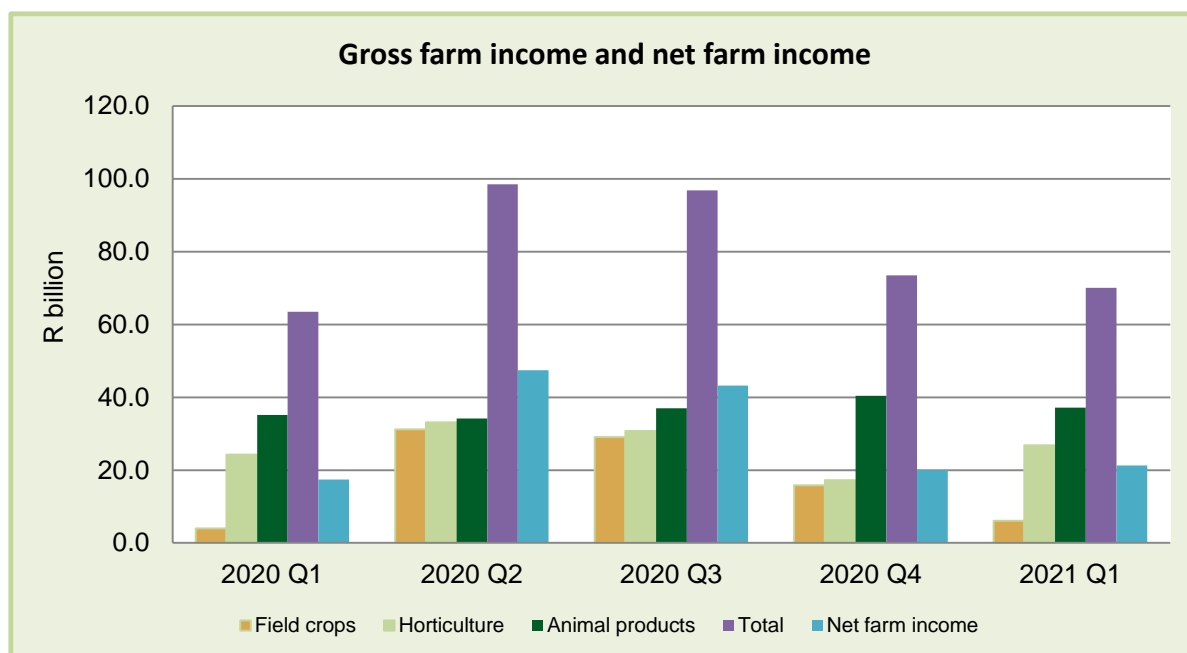


Figure 14: Trends in nominal gross farm income between 2020: Q1 and 2021: Q1

Source: DALRRD

2.9 Reviews of South Africa’s water dam levels

South Africa’s national dam levels were comparatively higher in Q1: 2021 than they were the same period last year. National dam levels increased by 26,3% in Q1: 2021 relative to Q1: 2020, to an average of 80,2% from an average of 63,5%, due to persistent rains that boosted the country’s dam levels remarkably. Nonetheless, the Department of Water and Sanitation continued to caution against the rampant use of water as the country is not out of the woods from the previous drought.

On a quarter-on-quarter basis, South Africa’s national dam levels increased by 26.2% in Q1: 2021 relative to Q4: 2020. Even though dam levels appear to be fairly stable, the Department of Water and Sanitation reiterated that this is an opportune time for water consumers to use water sparingly.

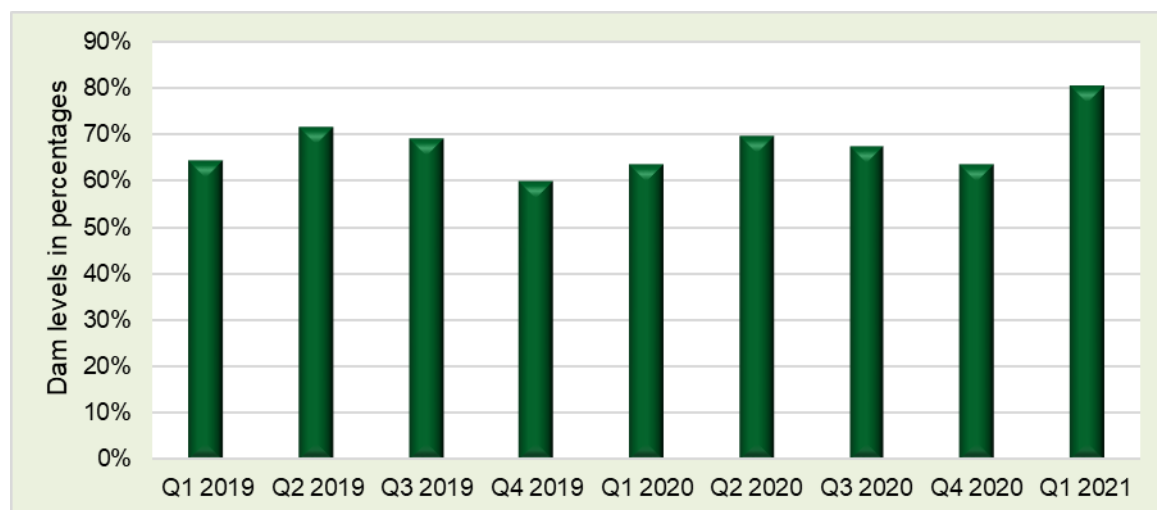


Figure 15: Total dam levels in Q1: 2021

Source: Department of Human Settlements, Water and Sanitation

1. Provincial average dam levels

In large parts of the country, the rainy season boosted the water situation substantially. Provincial dam levels improved remarkably in Q1: 2021 relative to Q1: 2020, except for dam levels in Gauteng which decreased by 0,2% in Q1: 2021 relative to Q1: 2020. Despite the marginal drop in Gauteng's dam levels, the situation is expected to remain in a sustained position for the foreseeable future.

Dam levels in the Eastern Cape improved by 7,9% in Q1: 2021 relative to Q1: 2020, to an average of 55% from an average of 51%. Despite the bleak picture the province had regarding the province's water situation, communities experienced some relief in Q1: 2021 relative to Q1: 2020, as some water supply systems experienced good improvement in their water levels due to the rains that fell in some parts of the province.

Dam levels in the Free State Province increased by 37,1% in Q1: 2021 relative to Q1: 2020, to an average of 98% from an average of 71%, as a result of rain showers in most areas of the Free State province. Dam levels in Kwazulu-Natal increased by 13,5% in Q1: 2021 relative to Q1: 2020, to an average of 67% from an average of 59% while the heavy rains following the Tropical Cyclone Eloise helped improve the province's dam levels.

Limpopo dam levels improved substantially, by 21,3% in Q1: 2021 relative to Q1: 2020, to an average of 78% from an average of 64%. Most of the dams surpassed their capacity and this is a remarkable improvement from last year same period. Mpumalanga dam levels increased by 9,5% in Q1: 2021 relative to Q1: 2020, to an average of 82% from an average of 74%. Inkomati-Usuthu River System on the Lowveld boosted the province's water levels from the showers of rain by filling up the dams.

The Northern Cape for the first time in years found some relief after heavy rains resulted in overflowing rivers, replenishing vastly diminished water levels and helped mitigate the effects of the drought. In January, tropical storm Chalane brought rain to parts of the Northern Cape. More was to come as tropical cyclone Eloise caused a low-pressure system carrying a large amount of moisture to the western parts of South Africa, resulting in heavy rains over the dry province as well as the Free State, North West and Namibia. More rain resulted in a significant rise in Northern Cape's dam levels. As a result, dam levels in the Northern Cape increased by 28,5% in Q1: 2021 relative to Q1: 2020, to an average of 90% from an average of 74%, reflecting a huge improvement in the province's water situation.

Dam levels in the Western Cape also benefitted from the rainy season. Several dams across the province showed significant increases, increasing by 24,6% in Q1: 2021 relative to Q1: 2020, to an average of 61% from an average of 49%. Anton Bredell, Minister of Local Government, Environmental Affairs and Development Planning in the Western Cape indicated that even though dam levels have increased across the Western Cape, this does not mean there should be a relaxation on the residents' good water behaviour. Responsible, sustainable water consumption must become a permanent part of the residents' daily existence to ensure adequate water supply for the province's growing population.

Meanwhile, dam levels in North West province increased by 12,9% in Q1: 2021 relative to Q1: 2020, to an average of 76% from an average of 67%, a generous recovery compared to the corresponding period last year.

The Department of Water Sanitation urged South Africans to continue with water conservation efforts to save the country's scarce resource. Despite increasing dam levels in the rest of the country, South Africa's ageing water infrastructure continues to be of great concern with over a third of the country's water supply reportedly being lost due to leaks and other problems. Experts warned households to expect increasing water outages.

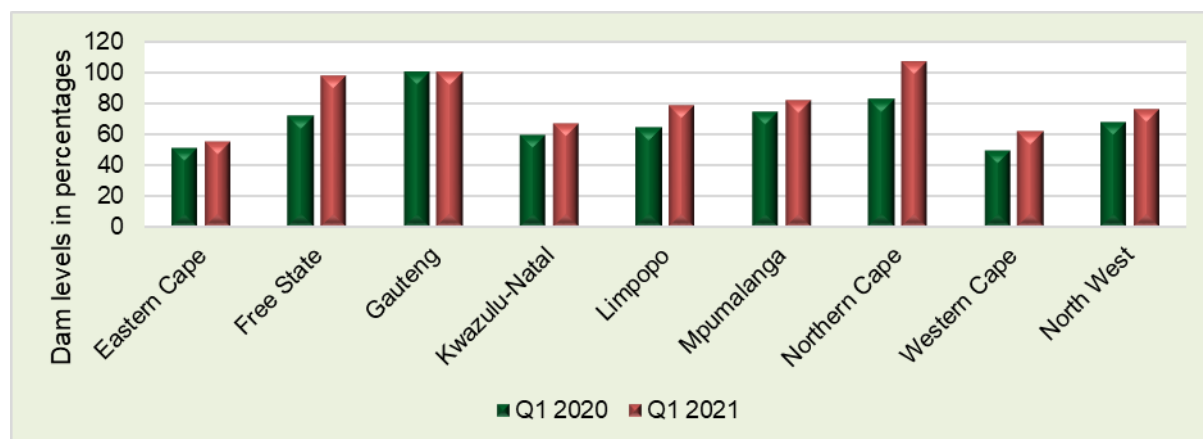


Figure 16: Provincial dam levels

Source: Department of Human Settlements, Water and Sanitation

Figure 17 shows Provincial dam levels from Q1: 2020 to Q1: 2021. Almost all provincial dam levels improved significantly in Q1: 2021 relative to Q4: 2020, except for dam levels in the Western Cape Province, which decreased by 21,9% quarter-on-quarter. The bulk of dam levels in the Western Cape are generally better off than they were three years ago however, more rain is needed to recharge dam levels.

Meanwhile, average dam levels in the Eastern Cape Province, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape and North West Province increased by 11,0%, 33,5%, 5,4%, 24,3%, 35,2%, 25,0%, 18,1% and 20,1% respectively in Q1: 2021 relative to Q4: 2020. The Department of Water and Sanitation warned South Africans against complacency and cautioned against the rampant use of water as the country is not out of the woods from the previous drought. Moreover, due to the fact that the country has a regional low rainfall pattern, water must be treated as a scarce resource and water users are therefore encouraged to double their efforts to save and harvest as much water as possible.

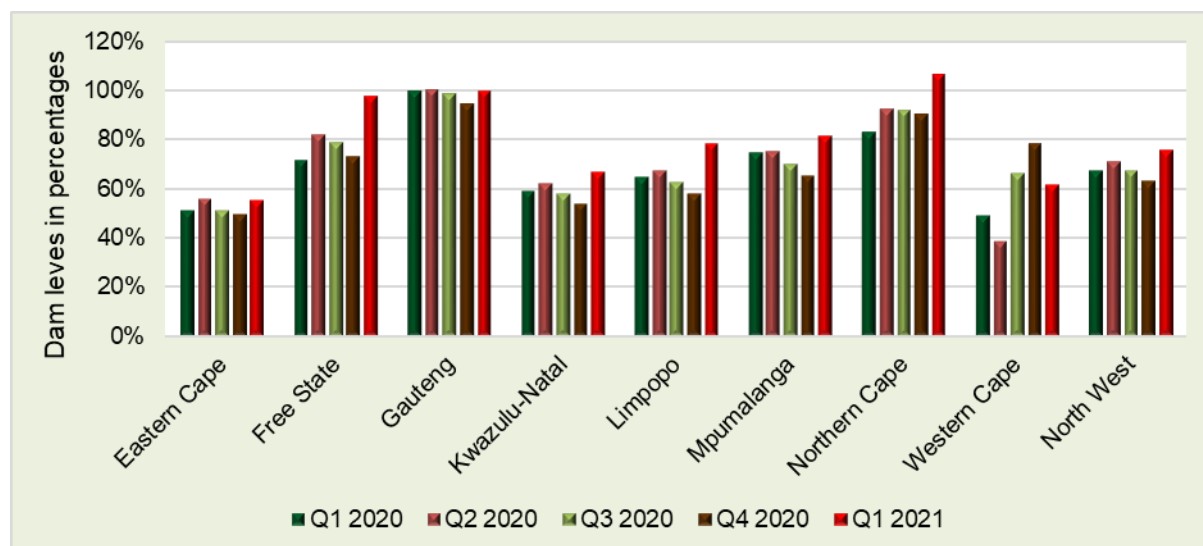


Figure 17: Average dam levels from Q1:2020 to Q1: 2021

Source: Department of Human Settlements, Water and Sanitation

3. Review of Agricultural Markets

3.1 Grain market review

3.1.1 White and yellow maize

Figure 18 illustrates the price trends of white maize, yellow maize and international parity prices of maize from 2019: Q1 to 2021: Q1. South African local white maize for the first quarter of 2021 decreased by 3.6% to R3471.35/ton below the international import parity price of white maize which traded at R4108/ton during the same period. The domestic price of yellow maize increased marginally by 1.0% to R3414/ton in 2021: Q1 compared to previous quarter. The international export and import parity price increased by 8.1% and 9.1% to R31721/ton and R5108/ton respectively in 2021: Q1. The domestic price for white maize and yellow maize were consistent with economic theory, both traded within the parity prices as expected.

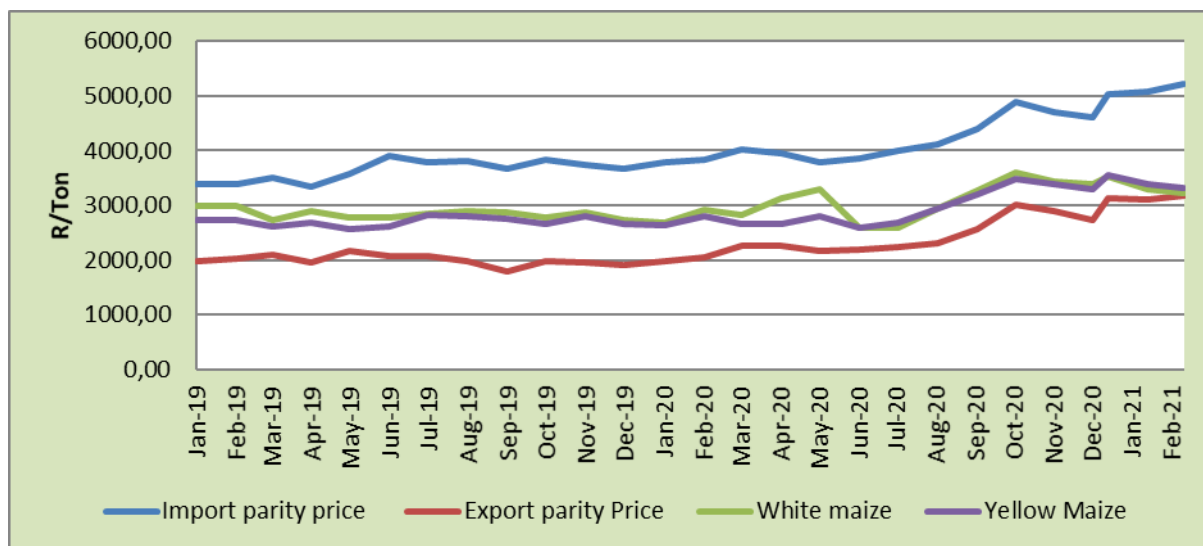


Figure 18: White maize price
Source: Sagis

Figure 19 depicts maize seed price and maize seed by-products for the period 2018:Q4 to 2021:Q1. Quarter-to-quarter data shows that maize seed price decreased by 3.6% in 2021: Q1 to R3346/ton from R3571/ton reported in 2020:Q4. During this period, (2021:Q1) all maize by-products reported an increase in prices which put more financial pressures to consumers. Super maize 2.5kg, super maize 1kg, and (special maize) mealie meal/maize flour 5kg increased by 12.7%, 6.6% and 7.5% respectively end of 2021: Q1.

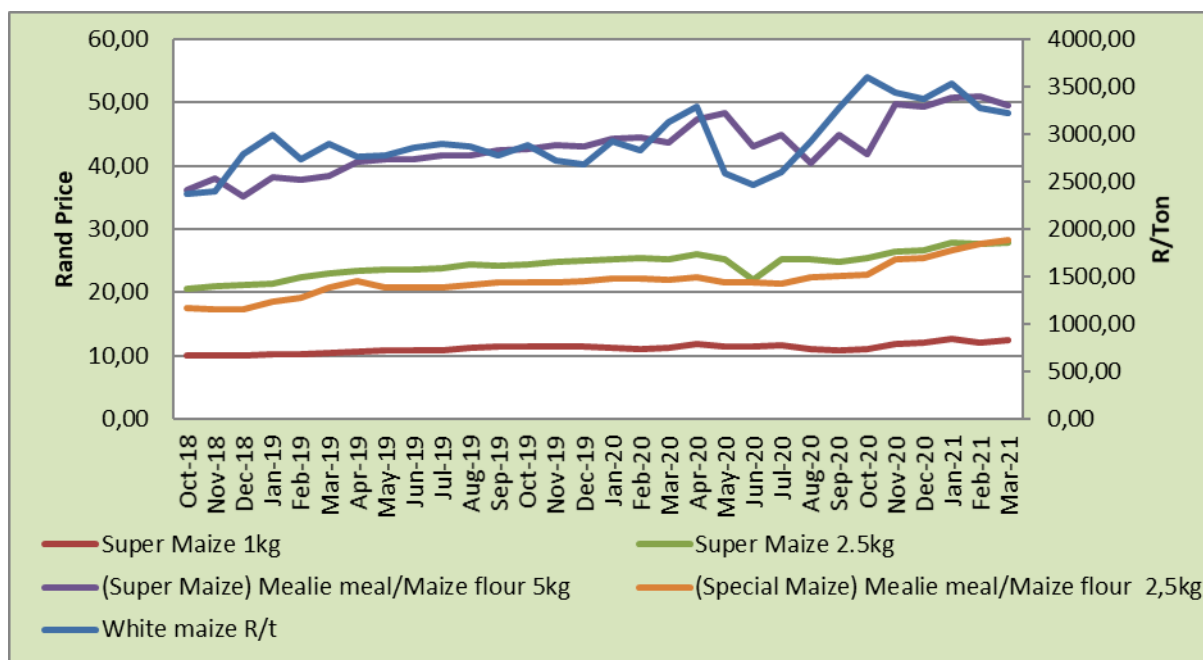


Figure 19: Retail prices vs white maize seed prices
Source: Safex/Stats SA

The supply and demand of white maize for 2021: Q1 is depicted in figure 18 below. South Africa’s local demand and exports of white maize for 2021: Q1 decreased by 68.8% and 59.0% respectively in relation to 2020: Q4.

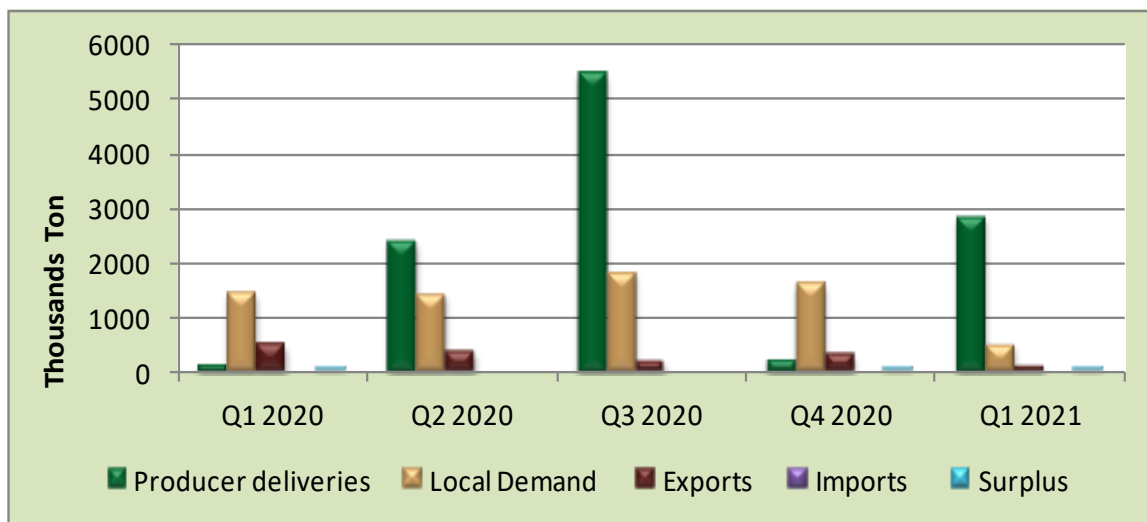


Figure 20: Supply and demand of white maize.
Source: Sagis

Figure 21 illustrates the supply and demand of yellow maize from 2020: Q1 to 2021: Q1. South Africa’s local demand of yellow maize increased by 201.1% while exports of yellow maize decreased by 65.9% in 2021:Q1 compared to the last quarter of 2020.

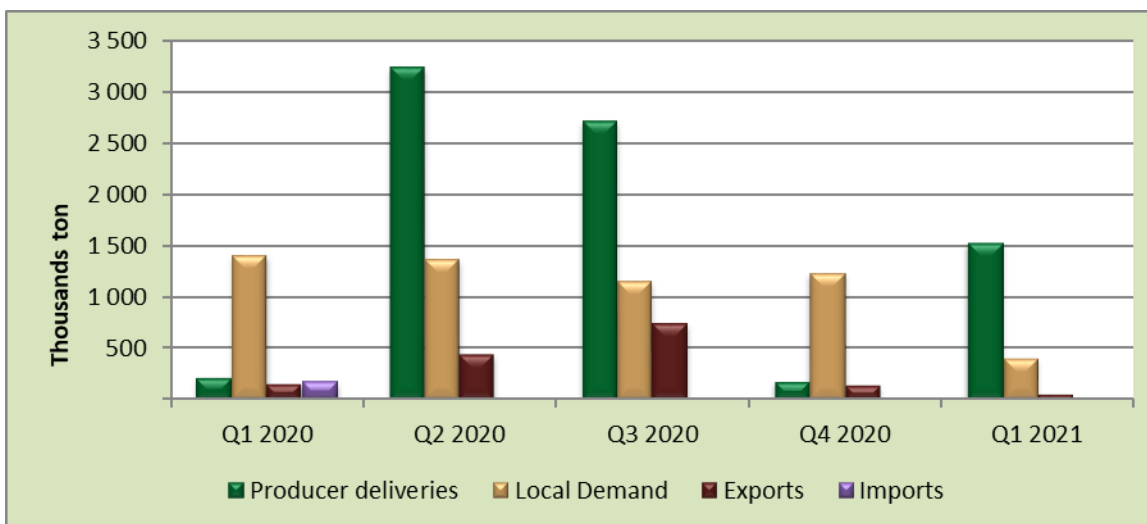


Figure 21: Supply and demand of yellow maize
Source: Sagis

3.1.2 Wheat

Figure 22 shows the price trends of domestic wheat price and international parity prices for the period 2017: Q1 to 2021: Q1. The domestic wheat price traded at R5127/ton in 2021: Q1, 3.2% higher compared to previous quarter. Wheat import and wheat export parity price traded at R5402/ton and R3505/ton which represent a decrease in price by 5.4% and 9.1% respectively in 2021:Q1.

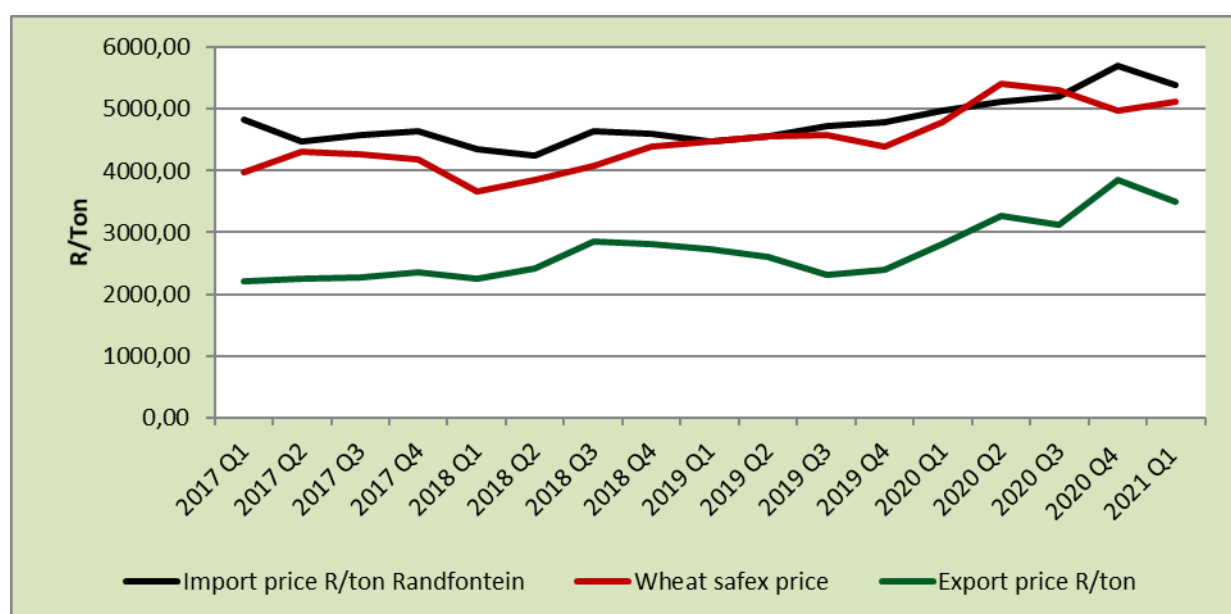


Figure 22: Wheat safex price, export parity price and Import parity price
Source: Sagis/Safex

Figure 23 depicts retail bread prices versus wheat safex price from 2017: Q1 to 2021: Q1. Consumers paid more for wheat by-products in 2021:Q1. The price of selected wheat by-products increased by 3.0%, 0.1%, 2.8% and 5.7% for white bread 700gr, brown bread 700gr, flour cake 2.5kg and flour bread 2.5kg respectively in 2021: Q1.

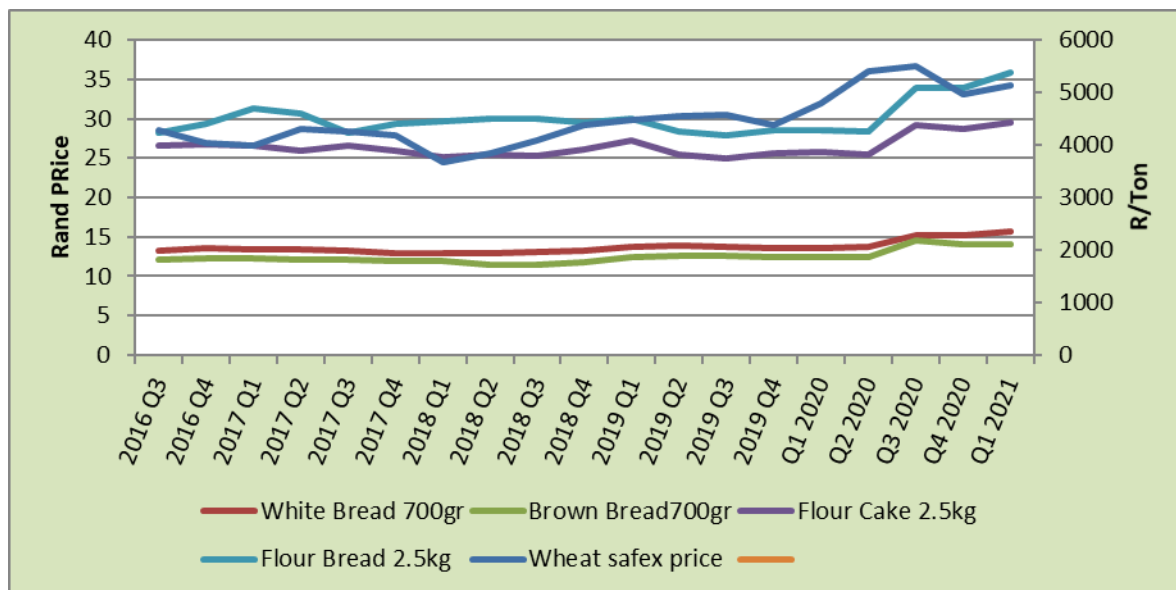


Figure 23: Retail bread price vs wheat import price

Source: Stats SA & Safex

Figure 24 depicts the supply and demand of wheat from 2020: Q1 to 2021: Q1. South Africa’s wheat deliveries for 2021:Q1 decreased by 56.5% compared to the same period a year ago in 2020: Q1. Local demand and imports of wheat in 2021:Q1 decreased by 51.8% and 19.8% respectively when compared to previous quarter.

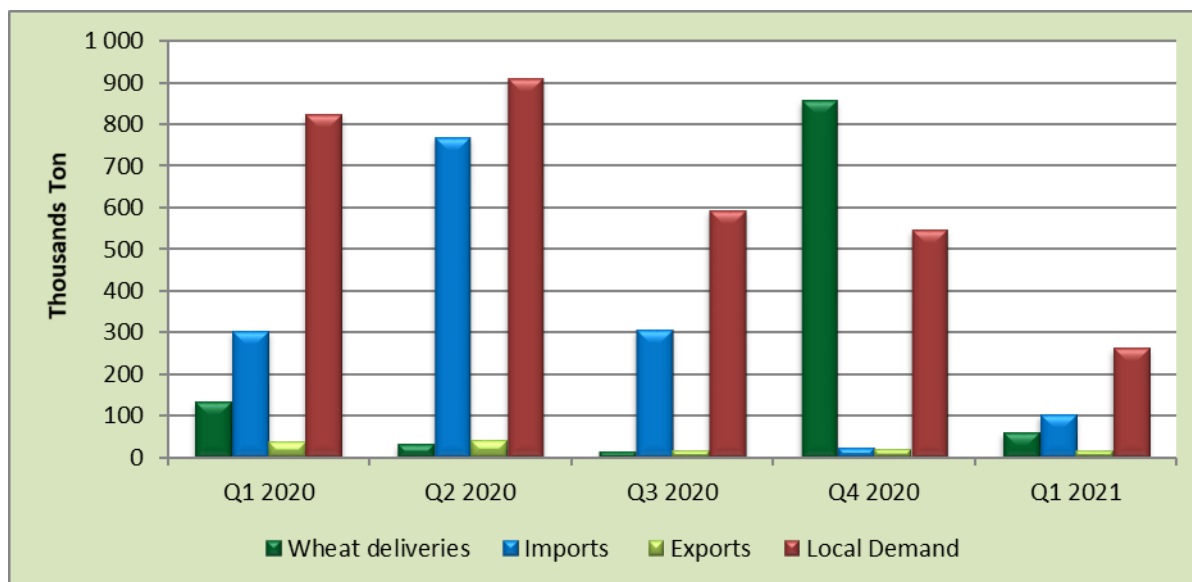


Figure 24: Wheat deliveries, Imports, Exports and local demand

Source: Stats SA & Safex

3.1.3 Soya beans

The price of soybeans remains high; during the last quarter of 2020 soybean price was 40% higher than it was during the same period last year(y/y). On a quarter-on-quarter basis (q/q) the price was 14.9% higher. The price of soybeans traded at 16.6% below the import price although it is 13.1% above the export price.

Local prices are tracking the high international prices which have been rising since the last half of quarter 2020 as shown on figure 25. On a year-on-year basis international soybean prices increased by 27.8%, whilst on a quarter-on-quarter basis prices increased by 22.6% during the last quarter of 2020.

International prices increased as a result of short-term uncertainty for soybean and product shipments out of Argentina as well as tightening supplies in the United States and concerns regarding yields in South America. Brazil also a major soybean producer; increased their soybeans imports to augment their tight local supplies.

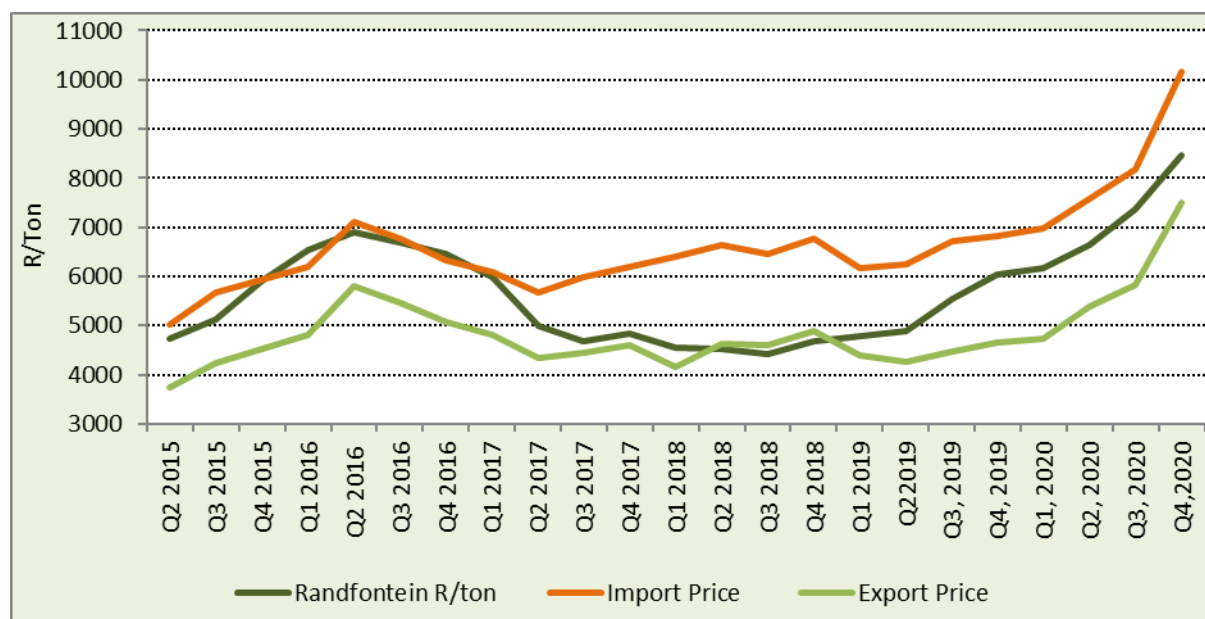


Figure 25: Soya beans local price vs import price
Source: Safex/Sagis/USDA/World Bank

Final soybeans production for 2020 ended at 6.4% higher than it was in the 2019 season-resulting in a final total of 1,2 million tons. Demand was lower in 2020 compared to 2019 due to the higher prices. Although, it was still enormously higher at 14.8% above the 1.2 million tons average local demand, resulting in a huge

increment in soybeans imports to supplement the lower local supplies. The ending stock was the lowest since 2017 at 63.5% lower than it was in 2019 shown (Table 1). The 2021 soybeans production is forecasted to be the highest on record as a result of the growing local demand, local shortages and the high international and local prices as shown in Table 1.

Table 1: South African Soybeans Production & Use Table

	2014	2015	2016	2017	2018	2019	2020	2021 Forecast
Beginning Stock	61806,00	63704	89128	84792	330535	502241	138455	74455
Production	948000	1070000	742000	1316000	1540000	1170345	1245500	1 620 900
Imports	103704	124981	271098	28000	6000	9500	115 000	0
Total Supply	1113510	1258685	1102226	1428792	1876535	1682086	1498955	1695355
Local Consumption	1049230	1164880	1010689	1063783	1349294	1539631	1423400	1564500
Exports	576	4677	6745	414	25000	4000	1 100	1100
Total Demand	1049806	1169557	1017434	1098257	1374294	1543631	1424500	1 565 600
Closing Stocks	63 704	89128	84792	330535	502241	138455	74 455	129 755

Source: DALRRD/ NAMC/Sagis

3.1.4 Sunflower

Figure 26 shows below shows the supply and demand of sunflower seed up to the first quarter of 2021. Producer deliveries in the first quarter of 2021 increased by 1118.5% as compared to the previous quarter of 2020 (Q4). Producer deliveries in the first quarter of 2021 is expected to be 344.7% higher than it was in the same quarter of 2020 (Q1). South African sunflower seed imports decreased by 45.6% in the first quarter of 2021 as compared to the previous quarter in 2020 (Q4). Sunflower seed exports decreased by 34.0% in the first quarter of 2021 when compared to the previous quarter of 2020 (Q4). Local sunflower seed consumption in the first quarter of 2021 was 42.3% lower than it was in the previous quarter of 2020 (Q4). Local consumption in the first quarter of 2021 is expected to be 36.3% lower than it was in the same quarter of 2020 (Q1),

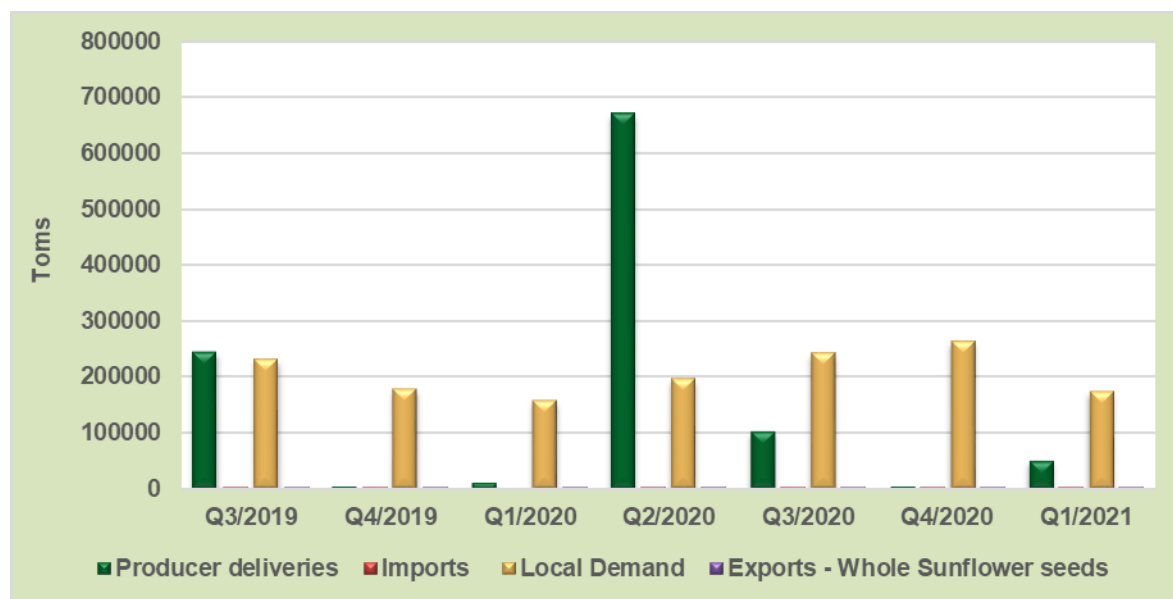


Figure 26: Sunflower seed deliveries; local demand and trade
Source: Sagis

During the first quarter of 2021, South Africa sunflower seed prices traded below the import parity price at R9 345.95/ton compared to R11 393.26/ton in the first quarter of 2021, which is a total increase of 12.2% compared to the previous quarter of 2020 (Q4). The price of sunflower seed has increased by 68.2% during the first quarter of 2021 as compared to the same period last year, which is 23.9% higher than it was in the previous quarter of 2020 (Q4). The local sunflower seed price in the first quarter of 2021 traded at 18.0% lower than the import price, compared to trading at 15.9% below the import price in the fourth quarter of 2020. The prices of sunflower oil 2L and 750ml in the first quarter of 2021 traded higher by 49.1% and 13.4% respectively, when as compared to the same period in 2020 (Q1). The price of sunflower oil 2L and 750ml in the first quarter of 2021 increased by 10.7% and 2.8% respectively, when compared to the previous quarter (Q4) in the same year.

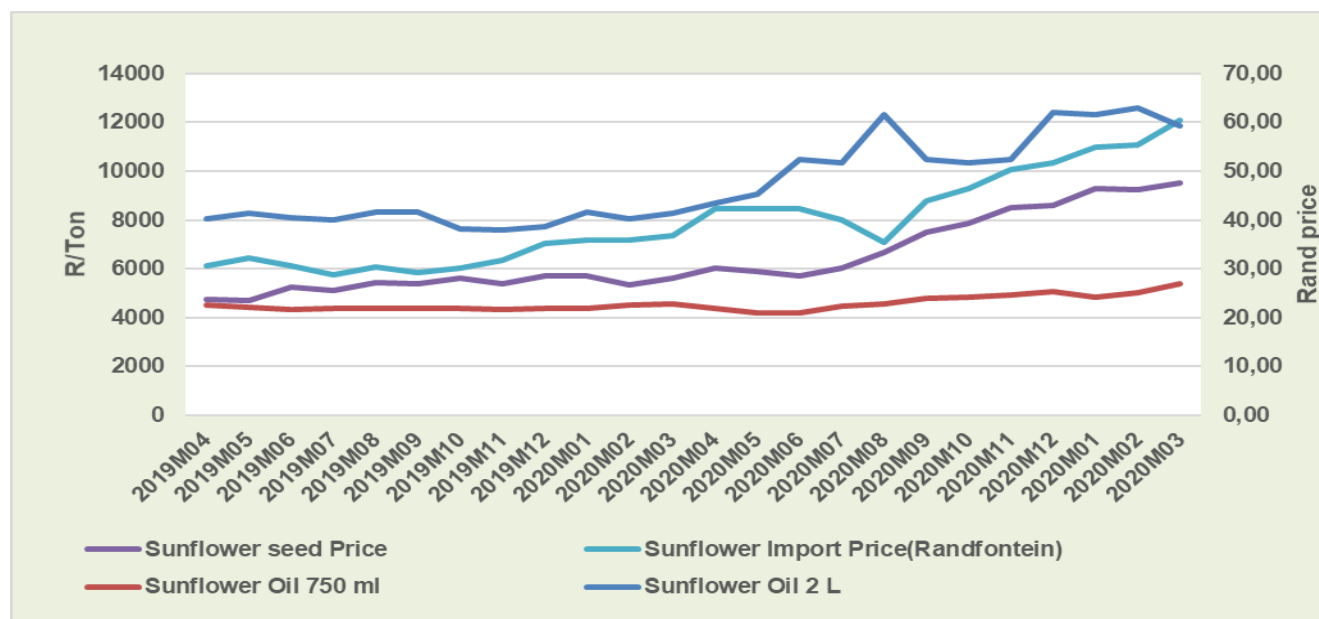


Figure 27 : Sunflower local seed; import price (Randfontein) and Sunflower retail price
 Source: Safex; USDA; Sagis; and Own calculations

3.1.5 Sorghum

The demand and supply on table 2 below shows that the final 2020 overall sorghum production ended at 170 590 tons 24.4% higher than in 2019. However; local demand decreased by 0.7% during the same period. The reduction in demand could be attributed to inter-alia; soaring local and international coarse grain prices. Prices increased as a result of the rise in feed use in China during the herd rebuilding phase resulting from the swine flue. Other fundamentals that caused a rise in global coarse grain prices result from stronger demand also in Mexico, Argentina and Brazil.(Figure 28).



Figure 28: Sorghum Parity Price

Source: Safex, Sagis

Forecasts indicate that sorghum production is expected to increase by 8% in 2021 compared to 2020. The rise in production could be attributed to the high prices as a result of the high global demand.

Table 2: Sorghum Demand & Use Table

	2013	2014	2015	2016	2017	2018	2019	2020	2021 Forecast
Opening stock	56015	50069	121812	83142	35238	59246	51860	60423	48 238
Production	147200	265000	114700	70500	152000	115000	127000	158000	170 590
Imports	50033	8725	34316	74957	55824	32500	59253	3000	5 000
Total Supply	251652	320301	277713	226677	244073	206746	238113	221423	223828
Local demand	182033	172320	165532	178790	176000	166500	170390	169155	168410
Exports	19550	26169	29039	12649	13800	12345	7300	5650	5 500
Total Demand	201583	198489	194571	191439	182783	173700	177690	174805	173 910
Ending Stock	50069	121812	83142	35238	59246	51860	60423	48 238	44 418

Source: DALRRD/ NAMC/Sagis

3.1.6 Groundnuts

The National Crop Estimate Committee first planting estimate data for the 2020/21 production season indicate that groundnut production is forecast at 57 900 tons, up by 15,6% from the 50 080 tons harvested the previous season. Weather conditions have generally been favourable since the start of the planting season and

widespread rainfall allowed groundnut planting to commence on time relative to the previous season were a large part of the crop was planted extremely late.

Annual plantings of groundnuts for the 2020/21 production season is forecast at 38 550 hectares, which is 2,8% higher than 37 500 hectares planted the previous season. Prospects of increased area plantings is an indication that 2020/21 could be one of South Africa’s best production season. Figure 29 shows producer deliveries, local demand of groundnuts as well as imports and exports of groundnuts from Q1:2019 to Q1:2021.

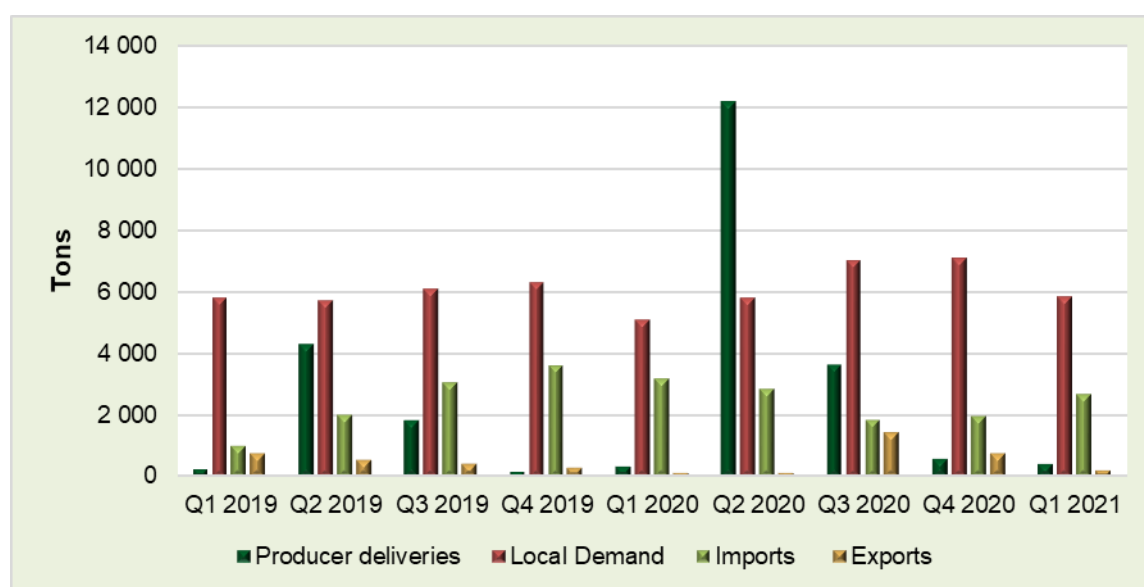


Figure 29: Producer deliveries, local demand, export and imports of groundnuts

Source: Sagis

Favourable weather conditions and data regarding the 2020/21 groundnut crop season continues to paint a positive picture. Producer deliveries of groundnuts increased by 17% in Q1: 2021 relative to Q1: 2020, reaching an average of 425 tons from an average of 362 tons, see figure 29. As local optimism increased and some of the groundnut producing areas have started receiving summer rains, the South African Weather Service anticipates above-normal rainfall in the country as part of the expected La Niña weather event. During the same period, local demand of groundnuts increased by 15% in Q1: 2021 relative to Q1: 2020, to an average of 5 849 tons from an average of 5 094. With improved production prospects, the South African agricultural sector is having an upbeat start to the year.

Meanwhile, exports of groundnuts increased significantly in Q1: 2021 compared to Q1: 2020, to an average of 227 tons from an average of 129 tons. While South Africa managed to maintain the demand for its product due to varietal choices (producing mainly Spanish type of groundnuts) that created niche market opportunities, the South African groundnut industry has significant potential to increase its export market share in its existing markets.

Over the years, the South African groundnut industry has shown a significant decline in the area under production which resulted in a shortage of local supply and is now a net importer of groundnuts. Nevertheless, in Q1: 2021, imports of groundnuts decreased by 15% relative to Q1: 2020, to an average of 2 706 tons from an average of 3 181 tons. As the season progresses, the groundnut crop promises to be among the best in history, with large volumes of groundnuts expected to be exported than in the previous year.

South Africa's consumption of peanut butter occurs mainly in two forms, as edible peanuts and as processed peanut butter. During Q1: 2021, consumption of edible groundnuts decreased by 7% relative to Q1: 2020, to an average of 2 095 tons from an average of 2 263 tons. Consumption of edible peanuts is mostly dependent on price which are dependent on the supply and demand of groundnuts. Therefore, in Q1: 2021, consumption of peanut butter increased by 27% relative to Q1: 2020, to an average of 2 940 tons from an average of 2 317 tons. Meanwhile, while there was no consumption of crushed oil & cake in Q1: 2020 relative to Q1: 2021, consumption of crushed oil & cake increased to an average of 42 tons in Q1: 2021. Groundnut crushing and groundnut oil production constitute a very small part of the South African market.

The average market price of peanut butter (400 gram) increased by 9% in Q1: 2021 relative to Q1: 2020, to an average market price of R33.68/400 gram from an average market price of R 30.79/400 gram. The artificial situation created by the Covid-19 pandemic made it difficult for people to afford to buy meat and meat products. As the economy continues to suffer from the pandemic in South Africa and more people are unemployed, peanut butter has become one of the many reliable

staple in households. Warehouses that used to hold excess amounts of peanut butter now have to keep up with the new demand.

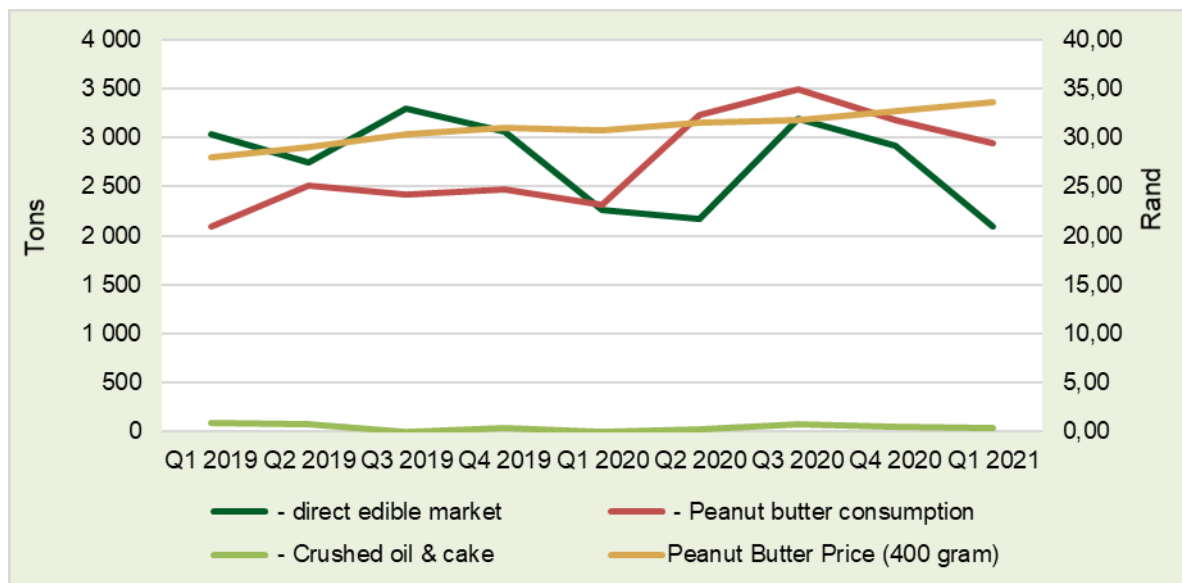


Figure 30: Groundnuts consumption

Source: Sagis

3.2 Fruit and vegetable market review

The following section looks at the average prices and quantities of fruits and vegetables traded at the Fresh Produce Markets (FPMs) from Q1: 2019 to Q1: 2021.

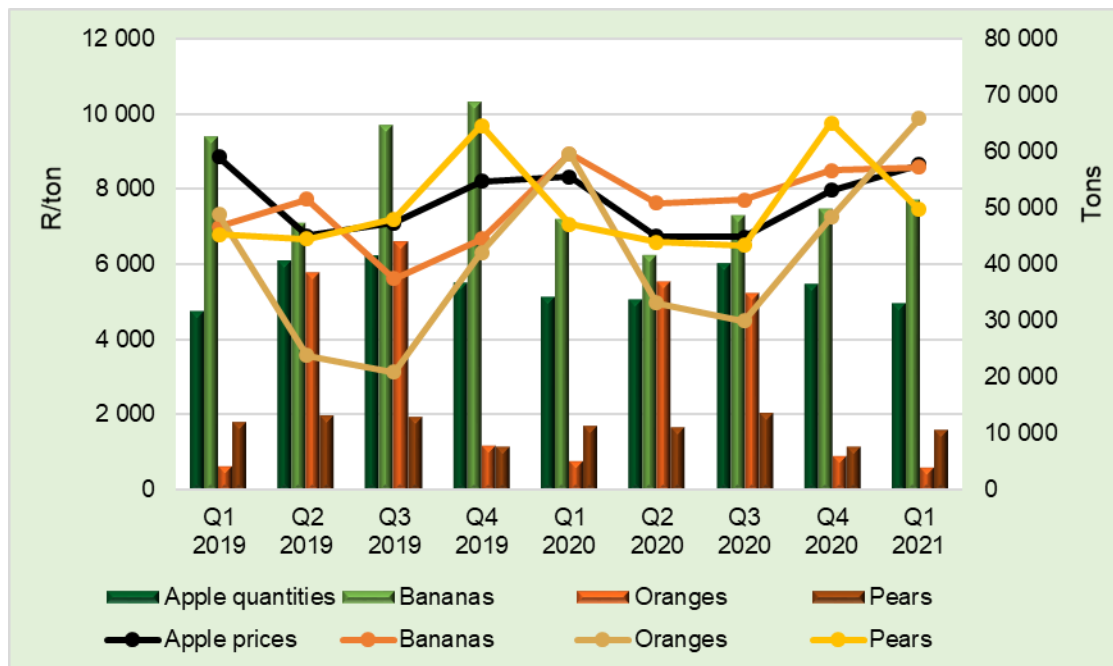


Figure 31: Average price and quantities of various fruits traded at fresh produce markets (FPMs)

Source: DALRRD

The yearly trend in fruit prices saw the price of apples increase by 4.0% in Q1: 2021 relative to Q1: 2020 while quantities decreased by 3.0% year-on-year. This is despite the fact that output grew due to favourable weather conditions. Apple production is expected to rise to 966 000 tons while apple growing areas continue to expand. Higher supplies are anticipated to lift exports to a near-record of 530 000 tons. Banana average prices decreased by 3.9% in Q1: 2021 relative to Q1: 2020 while quantities of bananas increased by 7.0% year-on-year. Weak demand for bananas resulted in a fall in prices although at production level, everything appears to be normal with the exception of some major growing areas that have had to deal with extreme weather conditions.

The yearly trend in orange prices saw prices of oranges increase by 10.3% in Q1: 2021 relative to Q1: 2020 while quantities decreased by 20.2% year-on-year. The harvest of early Navel oranges started in Letsitele and the harvest started later this year. The volume of navel oranges in Letsitele were lower than last year's level. The volumes of Navel oranges in the Limpopo Senwes area (Marble Hall / Groblersdal) recovered to normal levels and a good harvest is expected. Meanwhile, production is looking good in the Eastern Cape Sundays River Valley (Kirkwood, Addo) and a slight increase is expected. However, the ongoing dry weather in Gamtoos Valley (Patensie, Hankey) is expected to have a considerable impact on volumes and sizes.

A fairly normal harvest is expected in the Western Cape although the harvest may be 10% lesser than last year's harvest. Across the country, Navel volumes are expected to be mostly in line with last year's volumes.

Valencia oranges in Letsitele and Hoedspruit (Limpopo Province) have recovered due to summer rains and an expected good harvest. Meanwhile, Valencia volumes in the Eastern and Western Cape will likely be lower but still above the five-year average. Meanwhile, the yearly trend in pear prices saw prices of pears increase by 5.4% in Q1: 2021 compared to Q1: 2020 while quantities decreased by 5.5% year-on-year. Growing areas continue to recover from pre-drought levels as producers' work to replace old trees removed during the drought.

On a quarter-on-quarter basis, the average price of apples increased by 8.6% in Q1: 2021 relative to Q4: 2020 while quantities of apples decreased by 9.4% quarter-on-quarter. Due to the logistical problems, the harvest season overlapped with the coronavirus lockdown and problems in Cape Town affected supplies. During the same period, the average price of bananas increased by 1.1% in Q1: 2021 relative to Q4: 2020 while quantities of bananas also increased by 3.1% quarter-on-quarter. Things are going well in the central markets and coastal areas with the exception of the KwaZulu-Natal markets, which are under pressure, as KwaZulu-Natal banana growers are harvesting and there are volumes also from Mpumalanga, Komatipoort.

Meanwhile, the average price of oranges increased by 35.9% in Q1: 2021 relative to Q4: 2020 while quantities of oranges decreased by 33.4% quarter-on-quarter. Navel oranges have shown a small increase since last year while Valencia oranges increased by 5%, showing a strong increase in production. The average price of pears decreased by 23.7% in Q1: 2021 relative to Q4: 2020 while quantities of pears increased by 40.9% quarter-on-quarter. The early harvest of William / Bo Chretien (Bartlett) pears is over while the Packhams harvest continued and a number of growers noted how beautiful the fruit is looking this year. Therefore, higher packouts are expected.

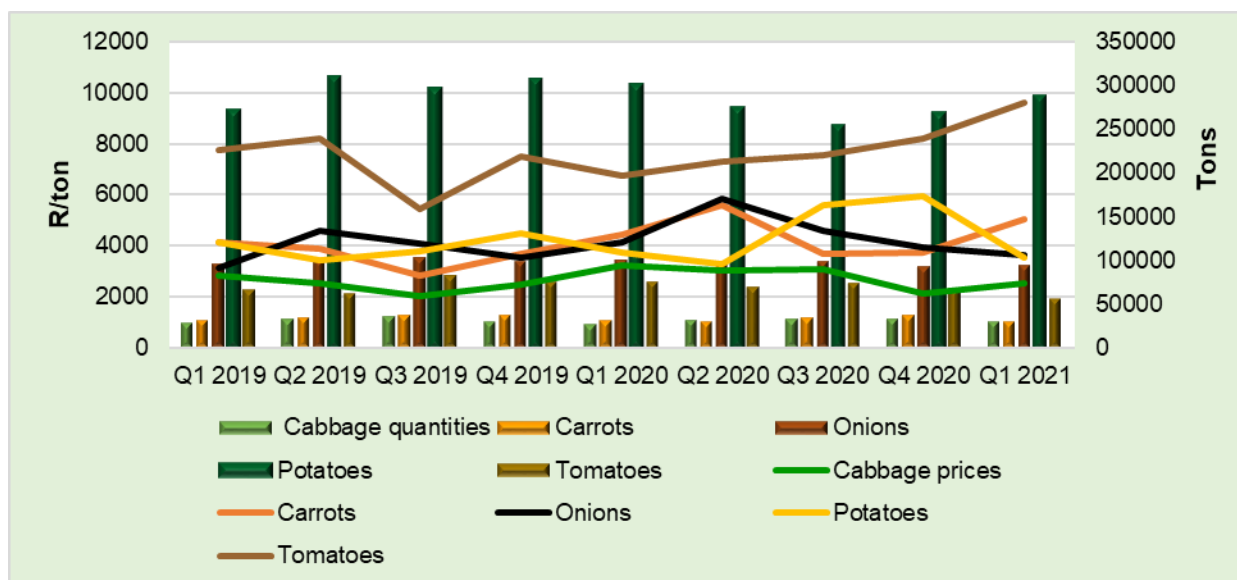


Figure 32: Average price and quantities of various vegetables traded at Fresh Produce Markets (FPMs)

Source: : DALRRD

Prices of vegetables sold at the Fresh Produce Markets are mainly driven by domestic supply and demand dynamics. The average prices of carrots and tomatoes increased by 12,8% and 42,4% respectively in Q1:2021 relative to Q1: 2020, due to a reduction in supplies on the market while volumes decreased by 5,2% and 26,4% respectively year-on-year. The average prices of cabbage decreased by 21,6% in Q1: 2021 relative to Q1: 2020, on the back of higher volumes while volumes increased by 14,7% during the same period. Meanwhile, the average prices of onions and potatoes decreased by 12,2% and 5,8% respectively in Q1: 2021 relative to Q1: 2020 while volumes decreased by 6,2% and 4,9% respectively year-on-year. Potato prices declined despite lower volumes and can be attributable to weak demand and quality issues. The quality of potatoes dropped in Q1: 2021 due to high rains and sudden heat meanwhile, the average prices of onions are under pressure due to quality considerations.

On a quarter-on-quarter basis, the average prices of cabbage, carrots and tomatoes increased by 19,4%, 35,0% and 17,2% respectively in Q1: 2021 relative to Q4: 2020 while volumes of cabbage, carrots and tomatoes decreased by 8,5%, 18,4% and 18,2% respectively quarter-on-quarter. A shortage of cabbage was experienced in Q1: 2021 relative to Q4: 2020 while low carrot volumes were due to the effects of the rainy weather. Meanwhile, tomato volumes were low due to the consistent rain however the quality remained remarkably good. The average prices of onions and potatoes decreased by 8,4% and 40,8% respectively in Q1: 2021 relative to Q4: 2020 while volumes increased by 2,6% and 6,6% respectively quarter-on-quarter. Potato and onion prices came under pressure quarter-on-quarter as a result of higher volumes while quality improved with dryer conditions. Overall, the market picked up slightly quarter-on-quarter with good volumes available.

3.3 Meat industry review

According to BFAP report on the Perspective on agriculture's performance in the first Quarter of 2021, it indicates that the agricultural sector performed well in the first quarter of 2021, This growth is largely supported by high meat prices, partly due to constrained supply all three sub-sectors showing real growth. The 2021 (Q1) agricultural gross production value (GPV) from animal products increased by 6%

year on year. As illustrated graphically above in figure1, total beef slaughtering increased by 0.96% in first quarter of 2021 compared to the same quarter of 2020. The price of beef per kg increased by 9.64% in first quarter of 2021 when compared to the same period in 2020. see figure 33.

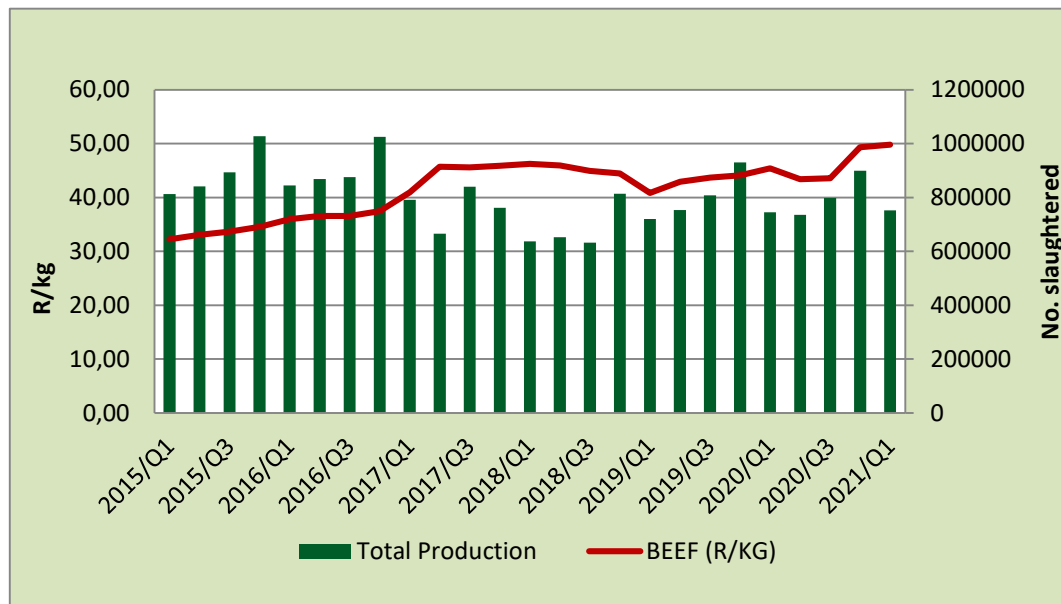


Figure 33: Beef production

Source, DALRRD

3.4 Poultry industry review

Poultry production increased by 0.4% on y/y basis, while on a q/q basis production increased by 3.6%. The price of poultry per ton decreased by 4.3% and 3.7% on a y/y and on a q/q basis. The decline in prices is due to inter-alia, the reduced trade activity as a result of the Covid 19 pandemic and the rise in commodity prices which have raised the costs of production..., see figure 34.

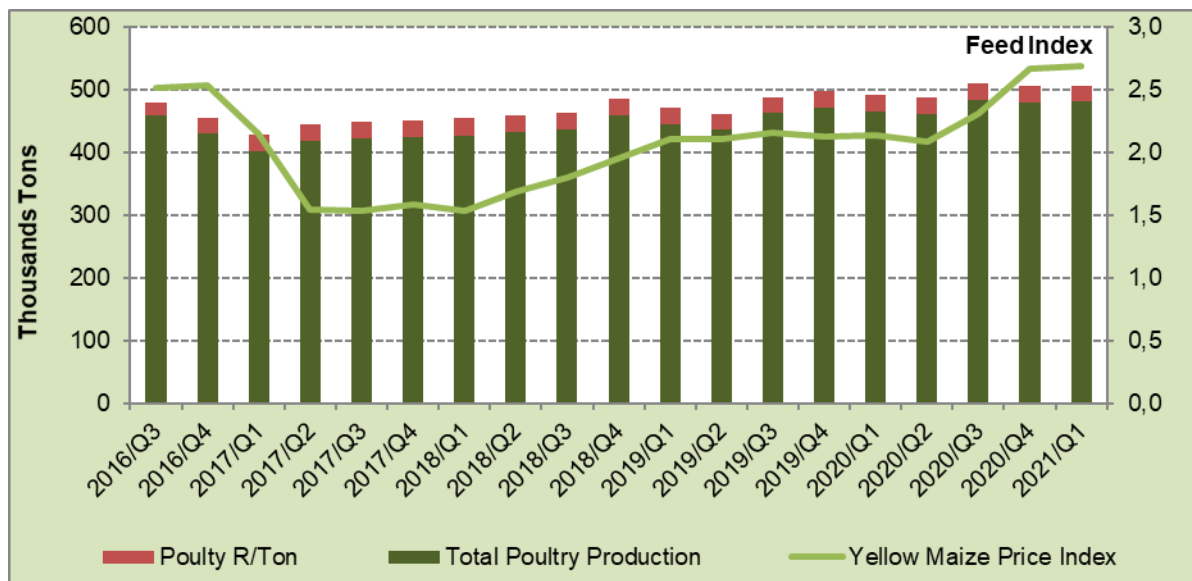


Figure 34: Poultry production

Source: DALRRD

The poultry and feed price indices graph below shows that poultry producer prices have grown at a negative quartely rate of 0.2% between 2017 and quarter 1 of 2021, whilst the retail prices and feed costs have been rising during the same period. The price of fresh whole chicken, chicken portions and frozen non IQF chicken portions p/kg have risen by a quarterly growth rate of 1.9%; 1.7% and 0.7% respectively. Yellow maize as an indication of feed costs has risen by 3% during the said period.

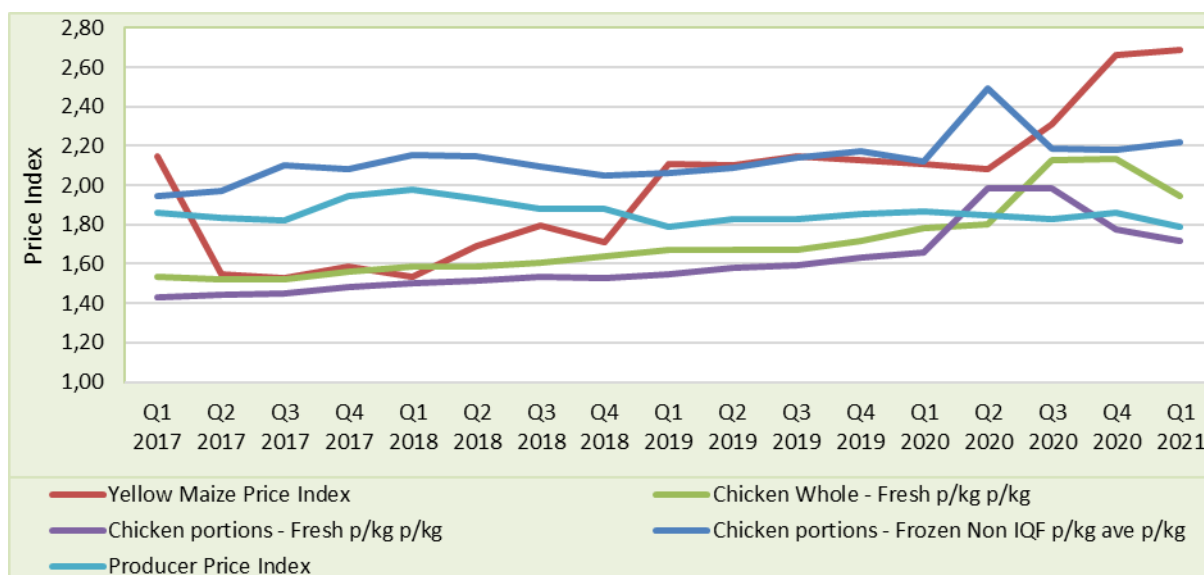


Figure 35: Poultry feed vs Retail prices

Source: SAPA, STATSTA & Safex

3.5 Milk industry overview

South African total milk production is depicted in figure 36 below for the period 2019:Q1 to 2021: Q1. South Africa’s production of milk on quarter-on-quarter decreased by 17.0% (866 million liters) in 2021:Q1 compared to 8.0% (1 044 billion liters) reported in 2020:Q4. The average producer price per litre of milk increased by 7.2% in 2021: Q1 in relation to the previous quarter, from R5.13/ℓ in 2020: Q4 to R5.50/ℓ in 2021:Q1.

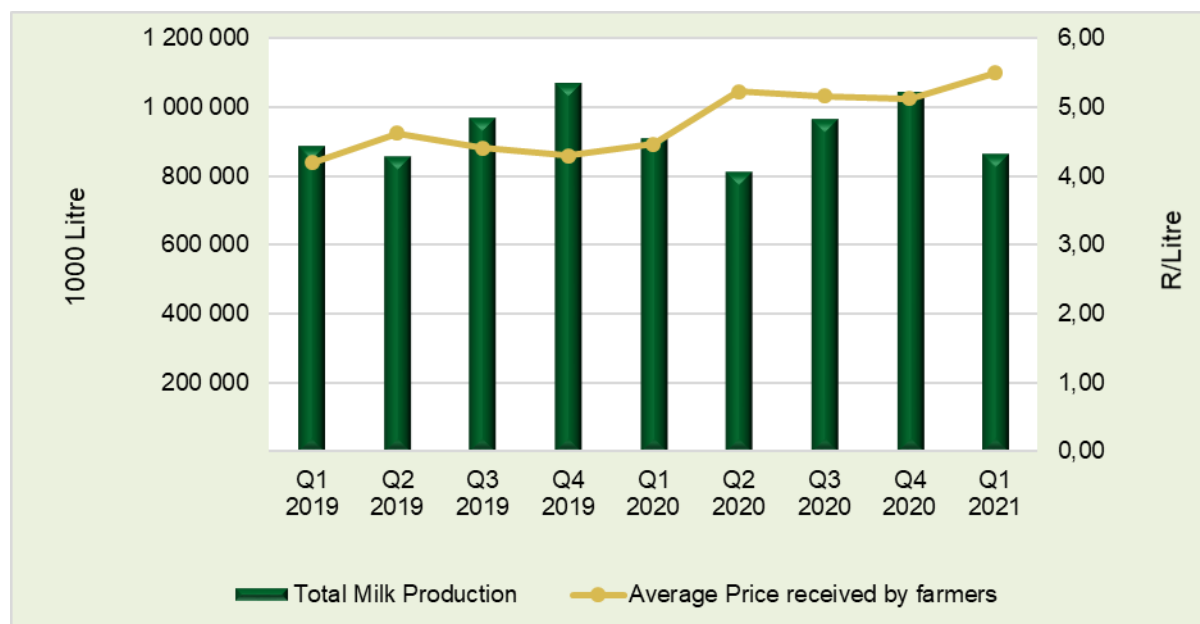


Figure 36: Trends in total production and average price of milk

Source: DAFF

Figure 36 depicts trends in imports and exports of milk and cream, not concentrated nor containing added sweetening. South African exports of milk and cream (neither concentrated nor containing added sweetening) for 2021: Q1 increased by 16.7%. Similarly, the imports milk and cream (neither concentrated nor containing added sweetening) also increased by 29.74% during the same period.

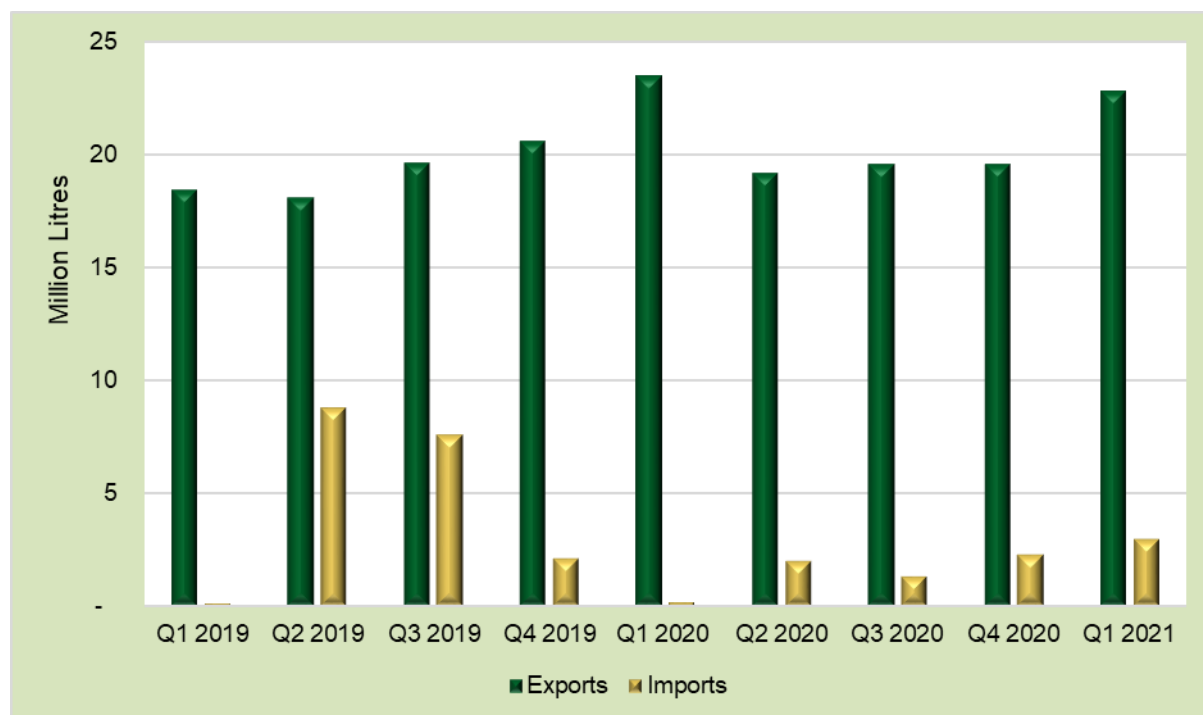


Figure 37: Trends in imports and exports of milk and cream, not concentrated nor containing added sweetening

Source: GTA, 2020

3.6 Egg industry review

Figure 38 depicts South Africa total egg production and price per dozen from 2018: Q1 to 2021:Q1. In 2021: Q1, the total production of eggs in the country was estimated at 213.2 million dozen, 3.5% lower when compared to 2020:Q4. The average price per dozen of eggs increased by 0.42% in 2021: Q1, from R11.88 per dozen in 2020: Q4 to R11.93 per dozen in 2021:Q1.

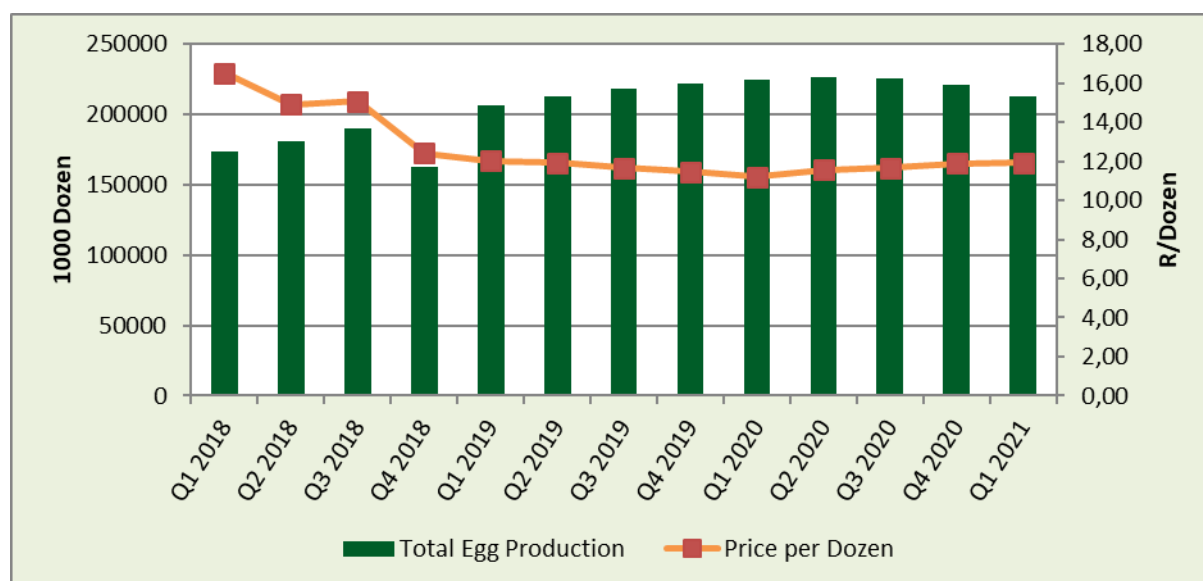


Figure 38: Trends in total egg production and average price per dozen eggs.

Source: DAFF

3.6 Trade of agricultural, forestry and fisheries

South Africa’s economy still has some catching up to do based on historical norms. Although there has been a gradual rebound in SA’s economy in Q1: 2021 to an annualised rate of 4,6%, the pace of recovery going forward will be highly dependent on the vaccine rollouts and how the pandemic is contained both domestically and abroad.

In the case of the Agricultural sector, exports of agricultural products seem to be faring well boosted by the rise in global demand. There are prospects of another year of solid growth in the agricultural sector however, the greatest challenge that has faced the sector is both animal and plant health whereby South Africa has been experiencing frequent outbreaks of diseases that tend to hinder agricultural trade and cause substantial financial losses for farmers (Agbiz, 2020).

During Q1: 2021, South Africa's agricultural trade balance grew by 73.6% relative to Q1: 2020, to R18,9 billion from R 10,9 billion. Weather forecasts seem generally favourable for summer rainfall regions, supported by good rainfall. South Africa appears to be set for another large harvest in 2021. Meanwhile, the prices of commodities continue to benefit from rising global demand and positive sentiment.

On a quarter-on-quarter basis, agriculture’s trade balance grew by 74% in Q1: 2021 relative to Q4: 2020. Over the period, the export value of agricultural products grew by 20% quarter-on-quarter to R41,9 billion from R 35,0 billion while the import value of agricultural products contracted by 5% quarter-on-quarter, to R23,0 billion from R24,1 billion. Imports contracted quarter-on-quarter as recovery of domestic demand gathers momentum. However, domestic economic conditions remain fragile due to the slow vaccine rollout and the risks of new waves of Covid-19 infections and renewed power supply cuts. These will undermine the local growth momentum.

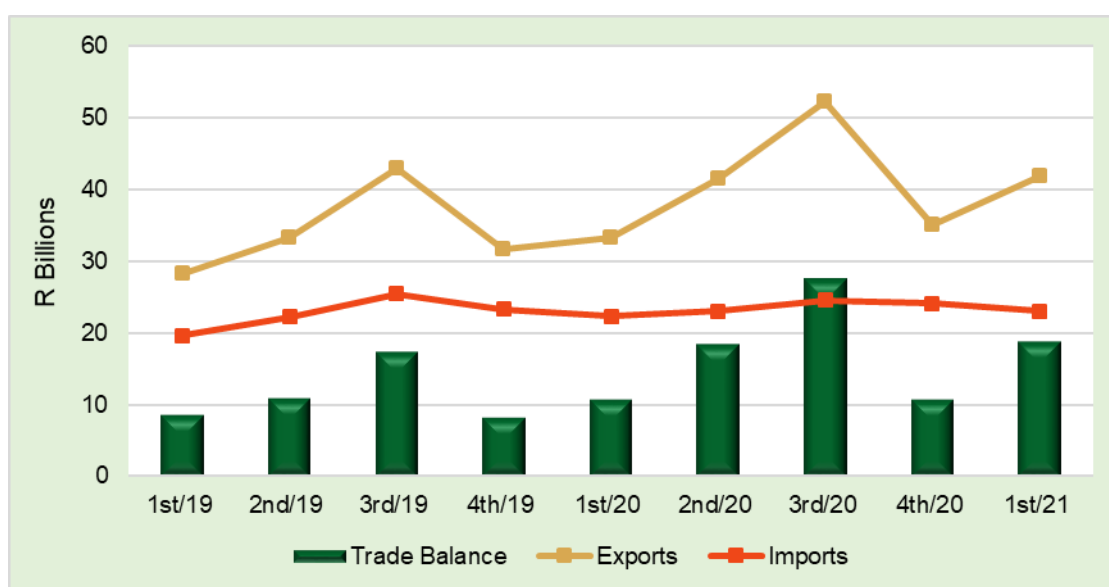


Figure 39: Trade balance of agricultural products

Source: Trademap, 2021

Figure 40 indicates the top five agricultural products imported by SA in Q1: 2021. Of the top five agricultural products imported by South Africa, these include wheat (30%), rice (22%), palm oil (19%), meat and edible offal (15%) as well as oilcake and other solid residue (14%). Meanwhile, figure 41 indicates the top five primary agricultural products exported by SA in Q1: 2021. Of the top five agricultural products exported by South Africa, these include fresh or dried grapes (43%), groundnut oil (26%), wine (11%), fresh apples, pears and quinces (10%) as well as maize or corn (10%). Despite the fragile state of the economy, the agricultural sector is preparing itself for another year of a large harvest and therefore large export

volumes, especially in the horticulture and field crop subsectors are expected (Agbiz, 2021).

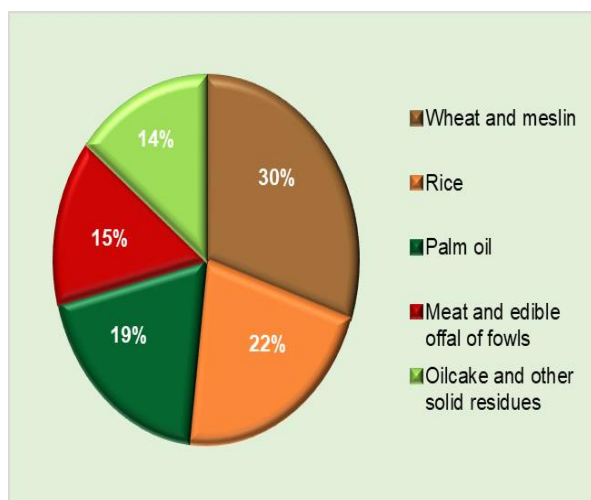


Figure 40: Top five agricultural products imported by SA
Source: Trademap, 2021

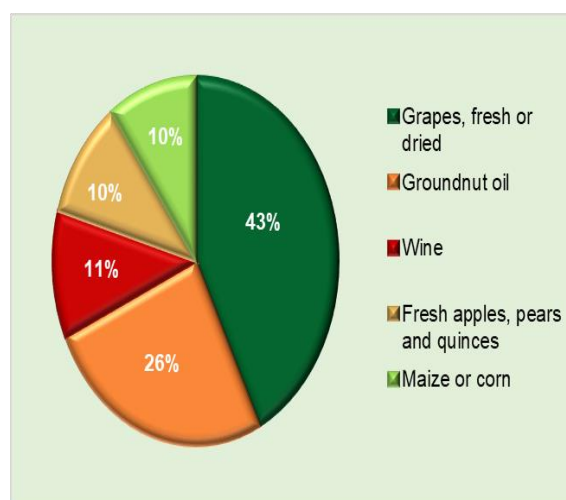


Figure 41: Top five agricultural products exported by SA
Source: Trademap, 2021

4. CONCLUSION

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics. Global growth prospects: Real GDP growth Rates, 2021 (Q1) in the advanced economies of the following countries: Canada, Italy and United States increased by 1.4%, 0.1% and 1.6% respectively, while Germany, France, Japan and United Kingdom decreased by 0.1%, 1.8%, 1.0%, and 1.5% correspondingly when compared to the first quarter of 2020 (Q1). In the emerging markets and developing economies, 2021 (Q1) Real GDP growth rates decreased in the following countries: Brazil, China, India, Philippines, South Africa and Nigeria decreased by 1.2%, 18.3%, 1.6%, 0.3%, 4.6% and 0.5%, respectively, whilst Indonesia, Malaysia and Russia decreased by 0.7%, 0.5% and 1.0% respectively when compared to the first quarter of 2020 (Q1)

South Africa's GDP figures shows an increase annualised rate of 4.6% in the first quarter of 2021 from a growth of 5.8% in the fourth quarter of 2020. Mining, finance and trade industries made the biggest contribution to GDP in the first quarter of 2021. The agriculture, forestry and fisheries industry, is one of the industry that reported negative growth rate of 3.2% and contributed -0.1% to the GDP in 2021: Q1

The annual average headline CPI for the first quarter 2021 was 3.08% which shows a decrease of 1.06% when compared to the same period last year. Food inflation for the first quarter of 2021 was 5.51% which shows an increase of 2.2% from 3.31% of the first quarter of 2020.

The official unemployment rate increased from 32.5% in the fourth quarter of 2020 to 32.6% in the same quarter of 2021. The largest employment decreases were observed in Private households (70 000), followed by the informal sector (19 000) and the Agricultural sector (18 000) in first of 2021.

South Africa's agricultural trade balance grew by 73.6% relative to Q1: 2020. On a quarter-on-quarter basis, agriculture's trade balance grew by 74% in Q1: 2021 relative to Q4: 2020. Export value of agricultural products grew by 20%, while the import value of agricultural products contracted by 5% quarter-on-quarter.

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