



# Quartely Economic Overview

AGRICULTURE SECTOR

Volume 19, Number 3, Third Quarter 2021



agriculture, land reform  
& rural development

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA



## 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: Q3, 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:**

Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. Real GDP growth Rates, 2021 (Q3) in the advanced economies of the following countries: Japan, decreased by 0.9%, while Canada, France, Germany, Italy, United Kingdom and United States increased by 1.2%, 3.0%, 1.7%, 2.6%, 1.3% and 0.5% respectively, when compared to the second quarter of 2020 (Q3).

In the emerging markets and developing economies, Real GDP growth Rates, 2021 (Q3) in the advanced economies of the following countries: Japan, decreased by 0.9%, while Canada, France, Germany, Italy, United Kingdom and United States increased by 1.2%, 3.0%, 1.7%, 2.6%, 1.3% and 0.5% respectively, when compared to the second quarter of 2020 (Q3).

**Global grain supply forecast:** The global grain supply forecast indicates a total grain increase of 0.4%, from 3.565 million metric tons in 2021 (Q3) to 3.551 million metric tons in 2020 (Q3). Global supply projections for 2021 (Q3) of cotton increased by 3.0%, while wheat, coarse grains, rice milled, oilseeds, oil meals and vegetable oils decreased by 0.5%, 0.2%, 0.6%, 2.5%, 3.8%, and 3.3% respectively, when compared to the third quarter of 2020.

**South Africa's GDP:** The South African economy after recording four consecutive quarters of positive growth, real gross domestic product (GDP) slumped by 1,5%, eroding some of the economic gains the country has made since the severe impact of COVID-19 in the second quarter of 2020. Six of the ten industries recorded a decline in production in the third quarter, with agriculture, trade and manufacturing the hardest hit.

**Inflation:** The annual average headline CPI for the third quarter 2021 was 4.93%, which shows a decrease of 2.79% when compared to the same period last year.

Food inflation for the third quarter of 2021 was 7.21%, which shows an increase of 4.29% from 2.92% of the third quarter of 2020.

**Employment:** South Africa's unemployment rate rose to 34.9% in the third quarter of 2021, up from 34.4% in the previous quarter. It was the highest jobless rate since comparable data began in 2008, on the back of the July unrests and the lockdown. Job losses were concentrated in the trade sector with (309 000), community and social services with (210 000), construction and private households with (65 000) respectively and mining with (54 000), while the finance sector posted the only increase of (138 000).

**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 Q3: 2021, South Africa's agricultural trade balance contracted by 12.6% relative to Q3: 2020, to R 24,2 billion from R27,7 billion. On a quarter-on-quarter basis, agriculture's trade balance grew by 15.9% in Q3: 2021 relative to Q2. In Q3: 2021, the export value of agricultural products grew by 8.7% relative to Q2, while the import value of agricultural products grew by 2.8% quarter-on-quarter.

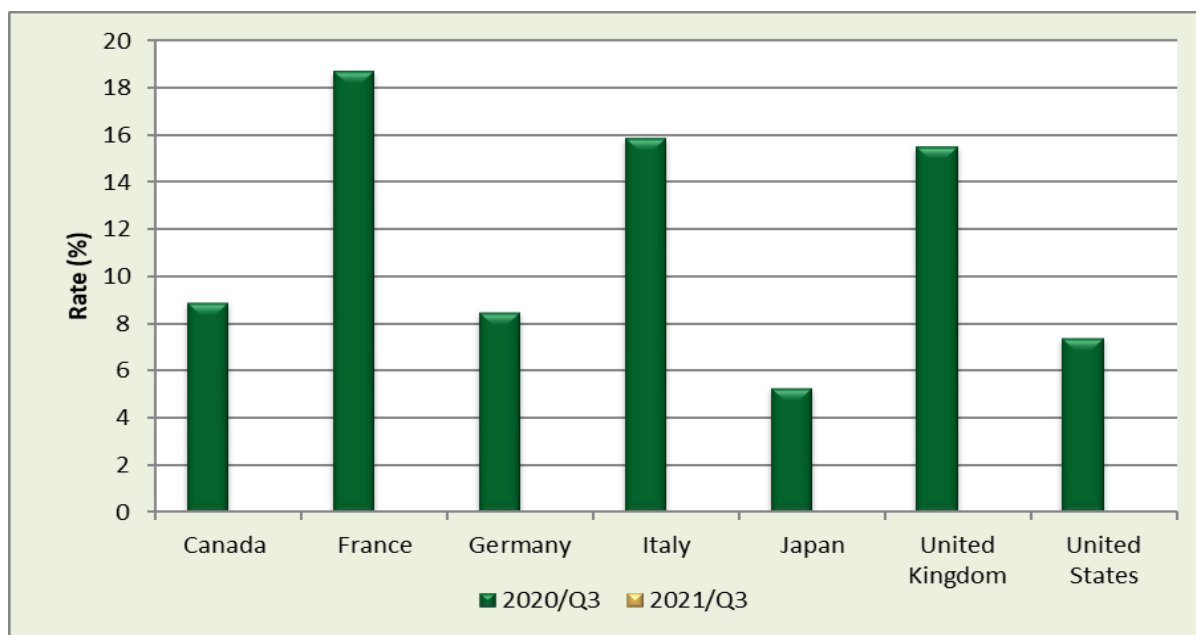


# 1 GLOBAL OVERVIEW OF THE AGRICULTURE, FORESTRY AND FISHERIES ECONOMY

## 1.1 Global Real GDP Growth Rates

According to the IMF, World Economic Outlook Report (October 2021), it indicates that the global economic recovery is continuing, even as the COVID-19 pandemic resurges. Vaccine access and early policy support are the principal drivers of the recovery. The global economy is projected to grow 5.9% in 2021 and 4.9% in 2022, 0.1% point lower for 2021 than in the July forecast. The downward revision for 2021 reflects a downgrade for advanced economies in part due to supply disruptions and for low-income developing countries, largely due to worsening pandemic dynamics.

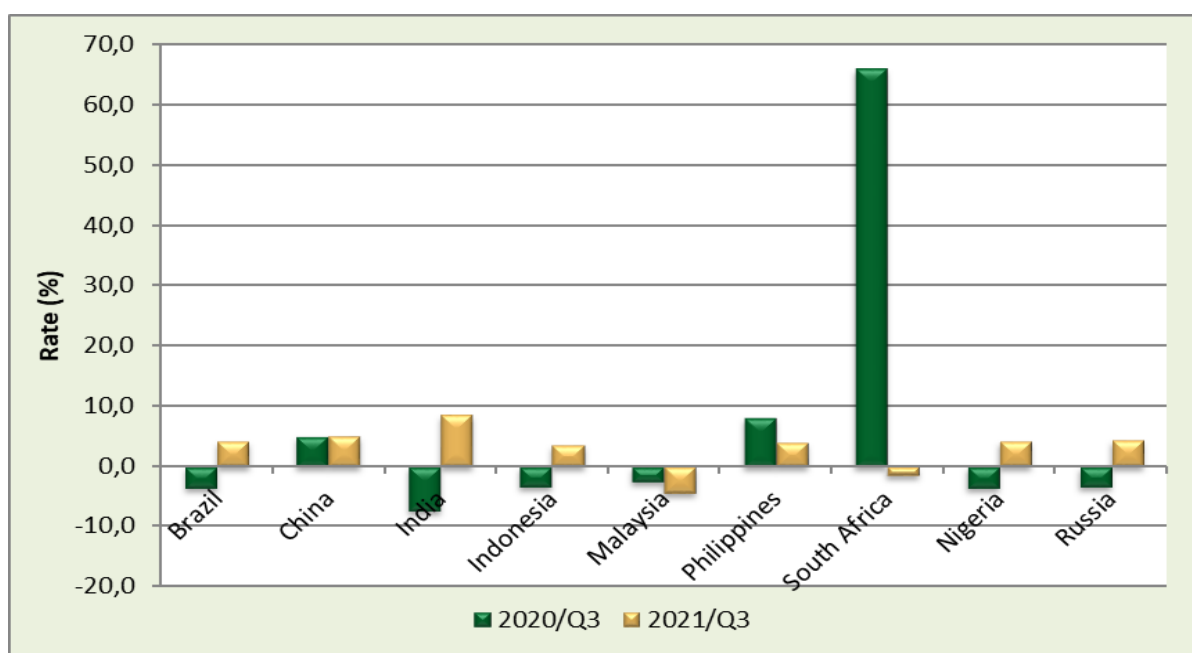
This is partially offset by stronger near-term prospects among some commodity-exporting emerging market and developing economies. Rapid spread of Delta and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome. Policy choices have become more difficult, with limited room to maneuver. Real GDP growth rates, 2021 (Q3) in the advanced economies of the following countries: Japan, decreased by 0.9%, while Canada, France, Germany, Italy, United Kingdom and United States increased by 1.2%, 3.0%, 1.7%, 2.6%, 1.3% and 0.5% respectively, when compared to the second quarter of 2020 (Q2). 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 (Q3) Real GDP growth rates decreased in the following countries: Malaysia and South Africa decreased by 4.5% and 1.5% respectively, whilst Brazil, China, India, Indonesia, Philippines Nigeria and Russia increased by 4.0%, 4.9%, 8.4%, 3.51%, 3.8%, 4.03% and 4.3%, respectively, when compared to the first quarter of 2020 (Q3) figures.

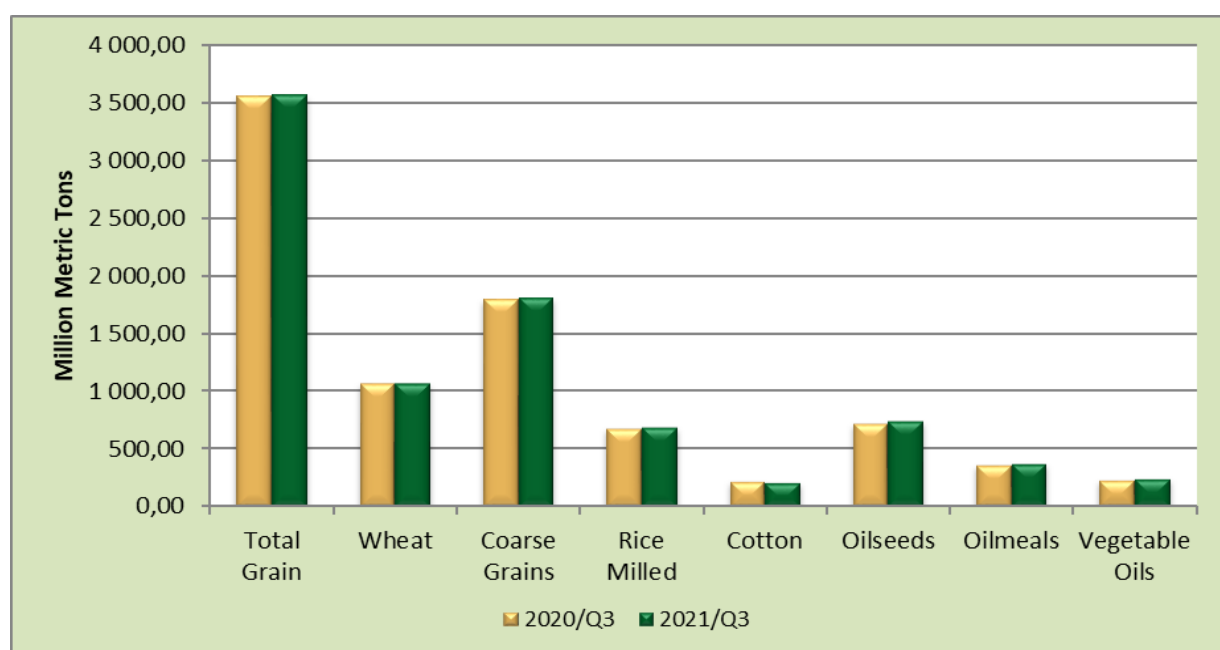


**Figure 2:** Emerging Markets and Developing Economies Quarterly GDP Growth Rates

Data Source: Various Sources

## 1.2 Global Grain forecast

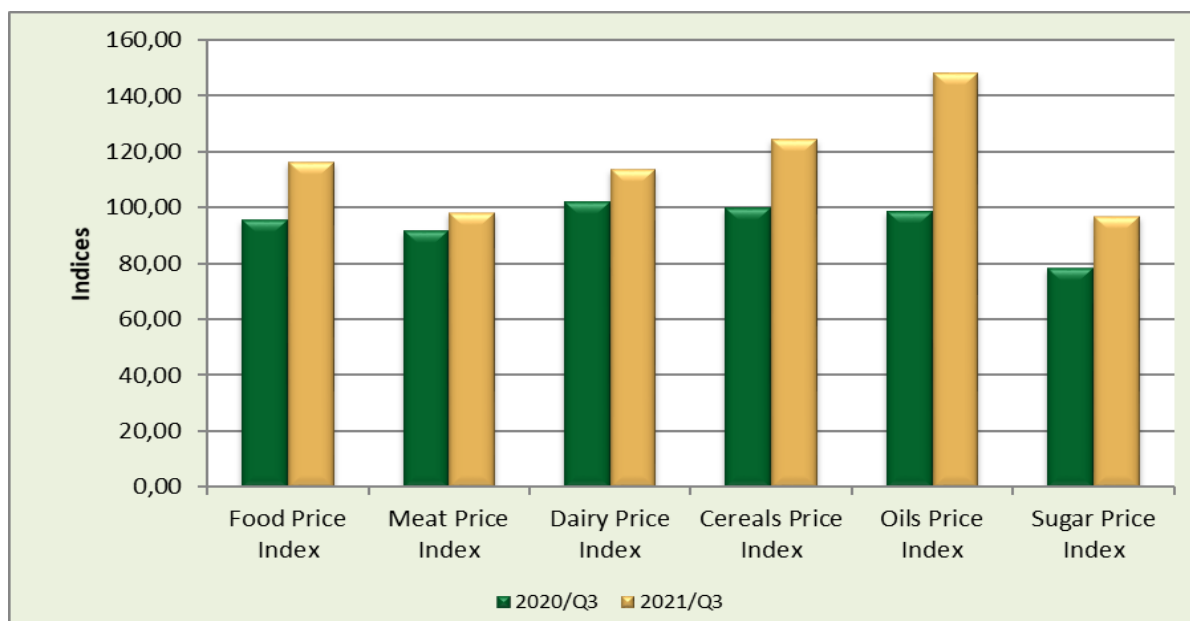
The global grain supply forecast indicates a total grain increase of 0.4%, from 3.565 million metric tons in 2021 (Q3) to 3.551 million metric tons in 2020 (Q3). Global supply projections for 2021 (Q3) of cotton increased by 3.0%, while wheat, coarse grains, rice milled, oilseeds, oil meals and vegetable oils decreased by 0.5%, 0.2%, 0.6%, 2.5%, 3.8%, and 3.3% respectively, when compared to the third 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 (Q3) some major countries were paying partly more by 21.2% on food purchases compared to 2020 (Q3). The following global food products price indices in 2021 (Q3), meat, dairy, cereals, oil and sugar indices shows an increase of 6.8%, 11.6%, 24.5%, 50.2% and 23.1% respectively, when compared to (Q3) of 2020, see figure 4.



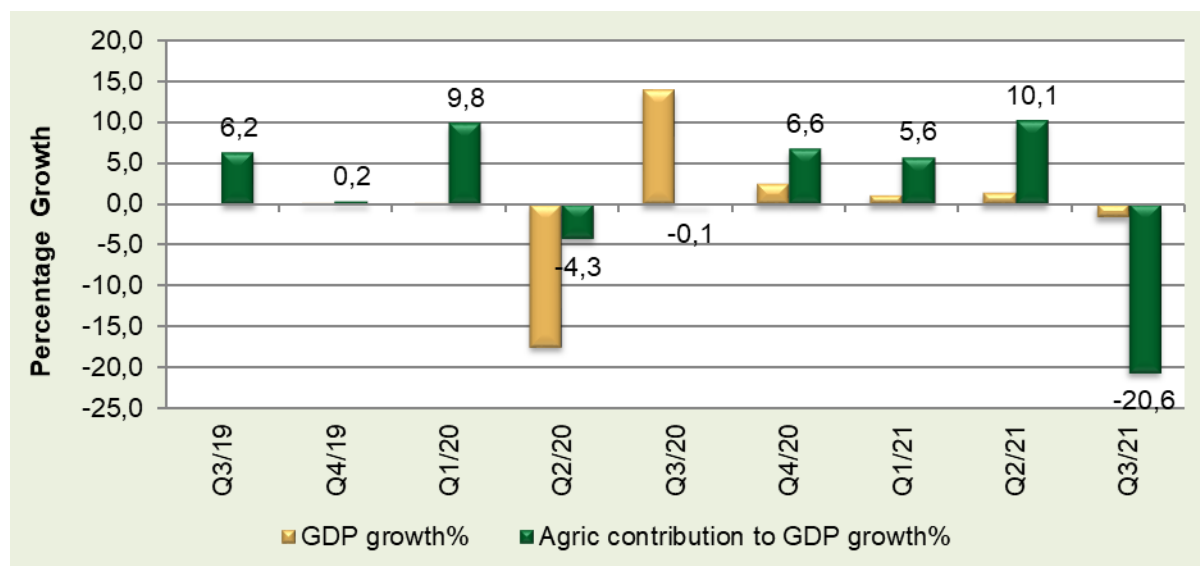
**Figure 4:** Quarterly global food price indices  
Data Source: FAO

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

### 2.1 Growth

The South African economy contracted in the third quarter of 2021 (July–September). Under the twin pressures of tighter COVID-19 lockdown restrictions and a spate of civil disorder in July, as well as several other headwinds,

After recording four consecutive quarters of positive growth, real gross domestic product (GDP) slumped by 1,5%, eroding some of the economic gains the country has made since the severe impact of COVID-19 in the second quarter of 2020. In the third quarter of 2021 the level of GDP was on par with the first quarter of 2016.

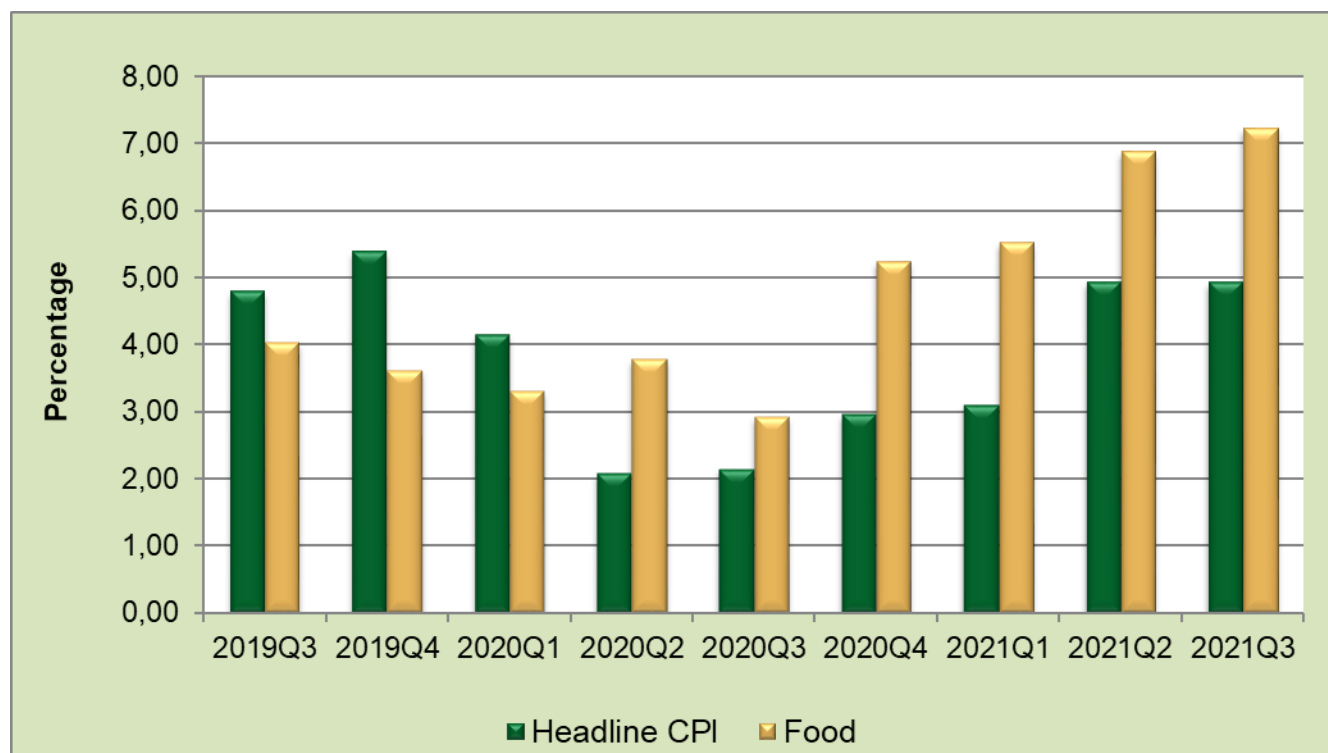


**Figure 5:** Domestic real GDP growth  
Source: Stats SA

Six of the ten industries recorded a decline in production in the third quarter, with agriculture, trade and manufacturing the hardest hit. The agriculture industry recorded its biggest drop in production since 2016, contracting by 13,6%. The decline in the third quarter was also supported by a negative growth rates of 20,6% (see Figure 5). Together with a decline in the production of animal products, the industry in KwaZulu-Natal was dealt a major blow by the civil disorder in July. Maize, citrus and sugarcane farms recorded losses from fires set during the upheaval.

## 2.2 Inflation

South Africa’s annual headline CPI and the food inflation from the third quarter of 2021 as illustrated in figure 7. The annual average headline CPI for the third quarter 2021 was 4.93%, which shows a decrease of 2.79% when compared to the same period last year. Food inflation for the third quarter of 2021 was 7.21%, which shows an increase of 4.29% from 2.92% of the third quarter of 2020.



**Figure 6** : SA headline CPI and CPI for food

Data Source: Stats SA

Figure 8 below illustrates the consumer trends of selected food items for the third quarter of 2021. Food inflation for 2021 (Q3), shows that fruit, bread & cereals, vegetables, fish and milk, egg & cheese were generally less expensive with CPI of -2.15%, 3.92%, 5.38%, 5.50% and 5.71% respectively when compared to other food items in the same quarter. On a quarterly basis, the CPI for oils & fats in 2021 (Q3) was the most expensive with a CPI of 23.12% which is higher from 20.25% in the previous quarter of 2021 (Q2), which is an increase of 2.87%. CPI for meat in 2021 (Q3) was the second largest food item with a CPI of 9.98% which is higher from 7.94% in the previous quarter of 2021 (Q2), which is an increase of 1.95%.

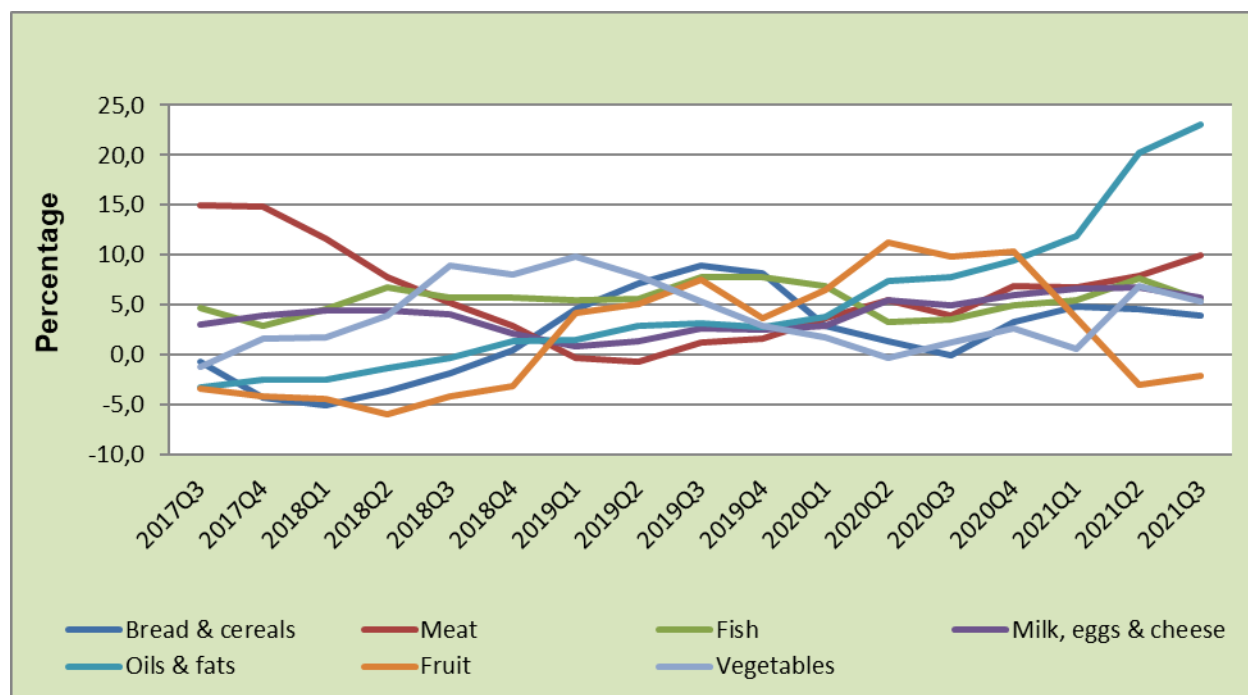


Figure 7: CPI for selected food items

Data Source: Stats SA

### 2.3 Employment

South Africa's unemployment rate rose to 34.9% in the third quarter of 2021, up from 34.4% in the previous quarter. It was the highest jobless rate since comparable data began in 2008, on the back of the July unrests and the lockdown. The number of unemployed persons fell by 183 000 to 7.6 million, but employment slumped by 660 000 to 14.2 million and the labour force plunged by 842 000 to 21.9 million. Job losses were concentrated in the trade sector with (309 000), community and social services with (210 000), construction and private households with (65 000) respectively and mining with (54 000), while the finance sector posted the only increase of (138 000). The expanded definition of unemployment, including people who have stopped looking for work was at 46.6%, up from 44.4% in the second quarter. The youth unemployment rate, measuring job seekers between 15 and 24 years old, hit a new record high of 66.5%. The bottom line is that as long as the unemployment rate keeps rising, poverty and inequality will continue to grow.

While Nedbank forecasts that lockdown and the July riots will be the most significant contributors to unemployment, analysts have also warned that South Africa’s worst year of load shedding on record will lead to job cuts. In an October the firm PwC noted that the power outages are one of several domestic challenges that the government will need to address if it hopes to see significant economic growth post-pandemic. PwC said that its baseline scenario has for some time assumed that power cuts would be back during the fourth quarter. Despite this, the group still expects heavy jobs losses to occur due to the power outages. Overall, load shedding is expected to reduce 2021 GDP growth by three percentage points and cost the country about 350,000 in potential jobs.

Figure 8 shows that between the third quarter of 2021 and the third quarter of 2020, the number of employed people increased in five industries such as transport, construction, utilities, agriculture and private household increased by 9.8%, 7.2%, 5.7%, 2.6% and 0.8% respectively. A decline of 409 000 in total employment in the third 2021 was largely due to decreases in the number of people employed in the Trade (231 000), Community and social services (190 000), Mining (74 000), Manufacturing (58 000) and Finance (48 000) industries.

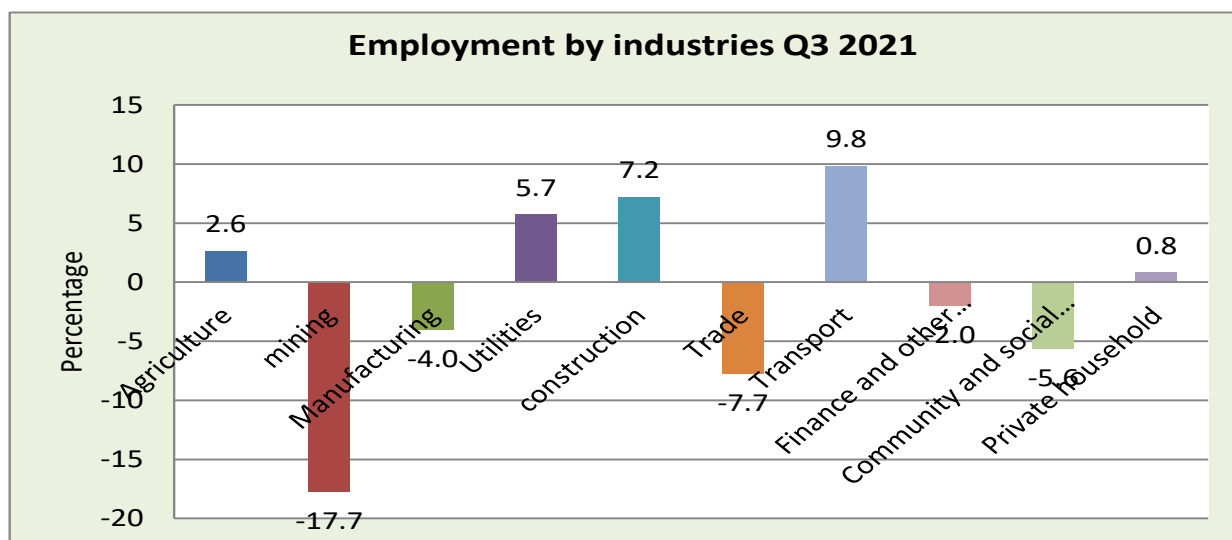
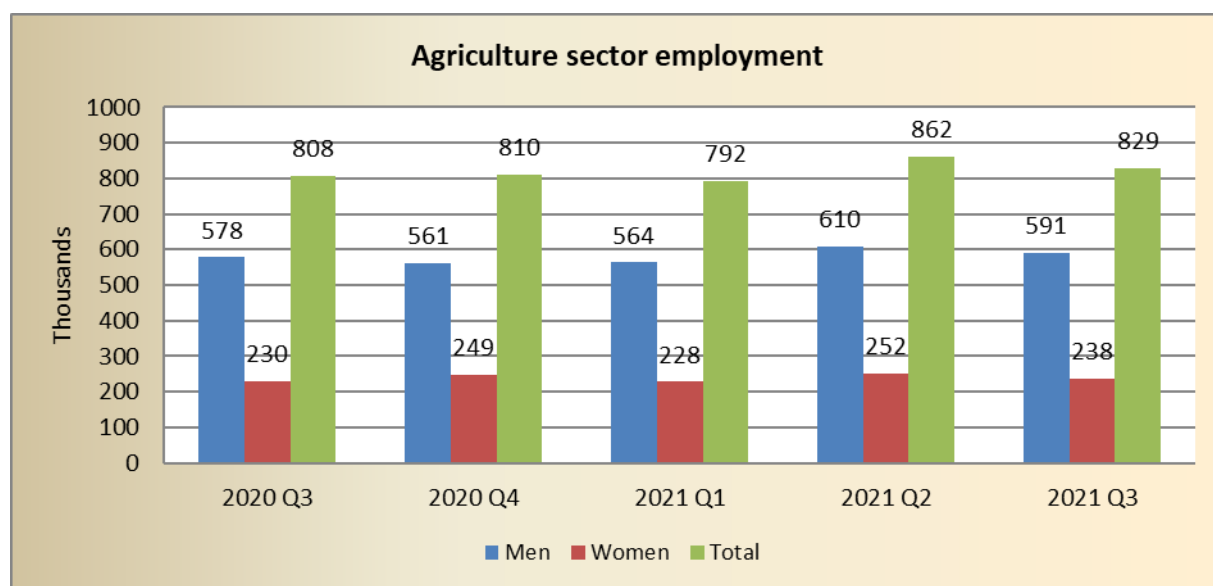


Figure 08: Total number of people employed by industries in 2021: Q3

Source: Stats SA

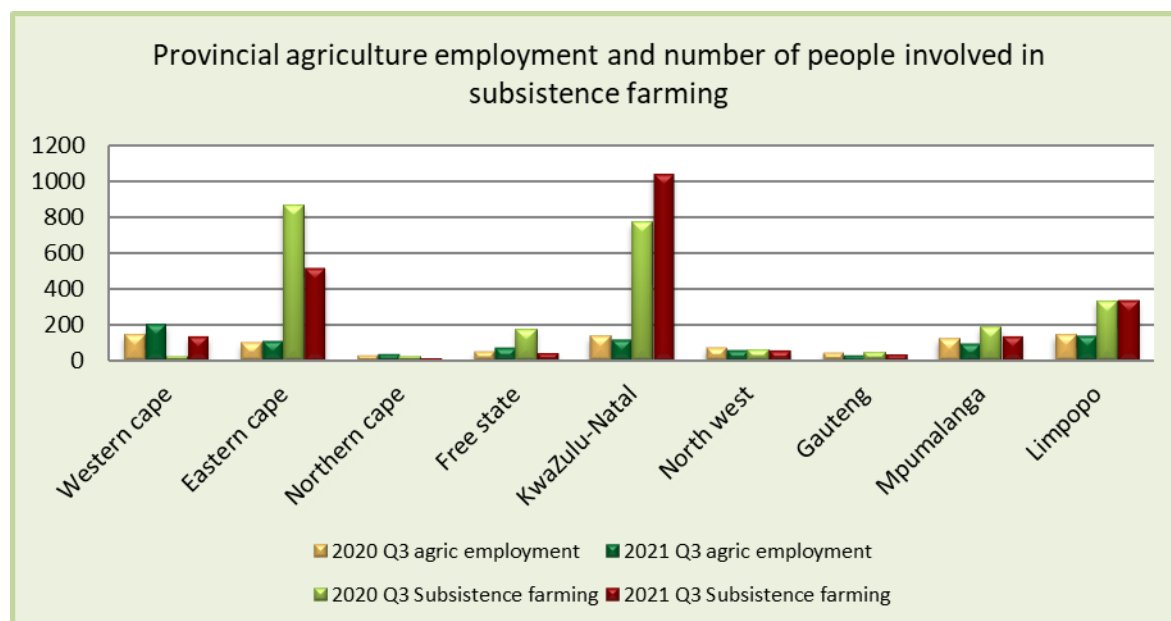


Figure 09 below illustrate that the number of people employed in agricultural sector increased by 2.6% in the third quarter of 2021, from 808 000 people in the same quarter of 2020 to 829 000 people. Off the 21 000 jobs created, 9 000 jobs were created for females, while 13 000 jobs were created for males between the two quarters. During the same period in total, the agricultural sector have 238 000 females and 591 000 males compared to 230 000 females and 578 000 males. On quarter-to-quarter basis, in the third quarter of 2021, the number of people employed in agriculture sector decreased by 3.8%, from 862 000 to 829 000.



**Figure 09:** Total number of people employed in the agriculture sector between 2020: Q2 and 2021: Q2: Source: Stats SA

Figure 10 below shows that between the third quarter of 2020 and the same quarter of 2021, provincial agriculture employment increased in Free State, Western Cape, Northern Cape and Eastern Cape by 48.4%, 44.3%, 19.0% and 9.8% respectively. While provincial agriculture employment decreased in Gauteng, North West, Mpumalanga, KwaZulu-Natal and Limpopo by 30.8%, 20.9%, 20.7%, 14.0% and 6.3%. During the same period (QLFS) publication, also indicate that 2.3 million people were involved in subsistence farming compared to 2.5 million people, a decrease of 7.5%. KwaZulu-Natal and Eastern Cape remained with the highest number of people involved in subsistence farming.

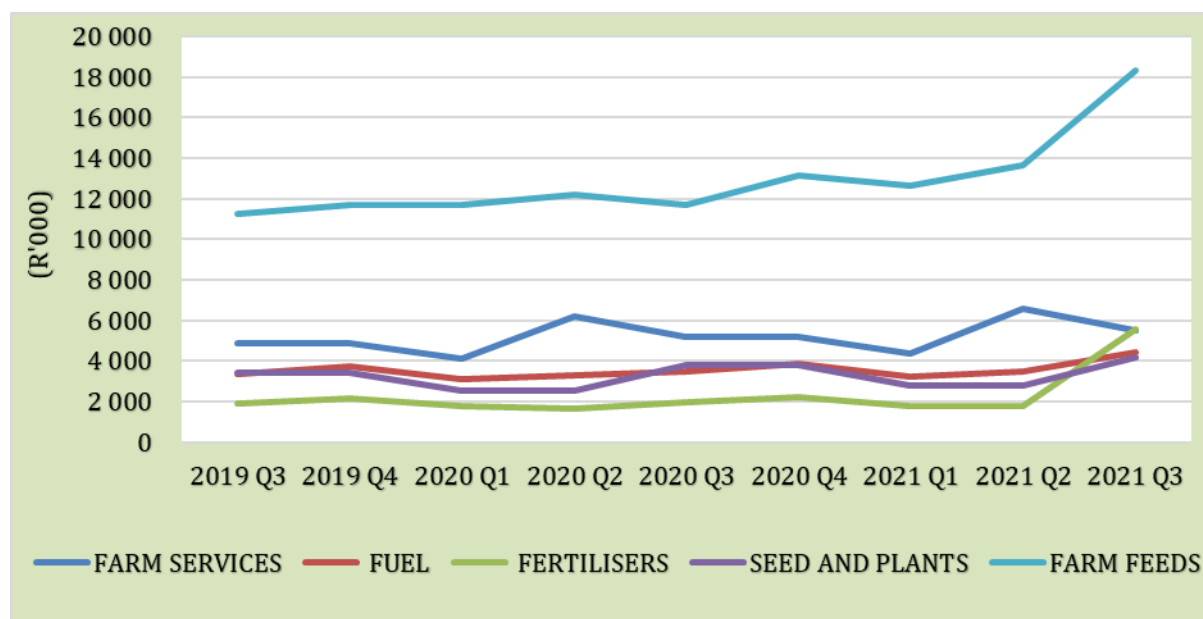


**Figure 10: Provincial agriculture employment and subsistence farming between 2020: Q3 and 2021: Q3** Source: Stats SA

## 2.4 Expenditure on intermediate goods and services by the agricultural sector

The figure 11 illustrate total expenditure on intermediate goods and services was reported at R52.6 billion in the third quarter of 2021 compared to R49.9 billion in the previous quarter, an increase of 5.47%. Compared to a year ago the total expenditure on intermediate goods and services increased by 7.1% from R49.1 billion in the third quarter of 2020 to R52.3 billion in the third quarter of 2021.

The total expenditure on intermediate goods and services increased by 5.5% from a year quarter (2 2021) ago to (Q3 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 third quarter of 2021 compared to the previous quarter. The increase of 5.5% was due to increases in Farm Services (-16.7%) Fuel (0.2%), Farm feeds (4.2%), Fertilisers (18.2%) and Seed & Plants (50.0%).



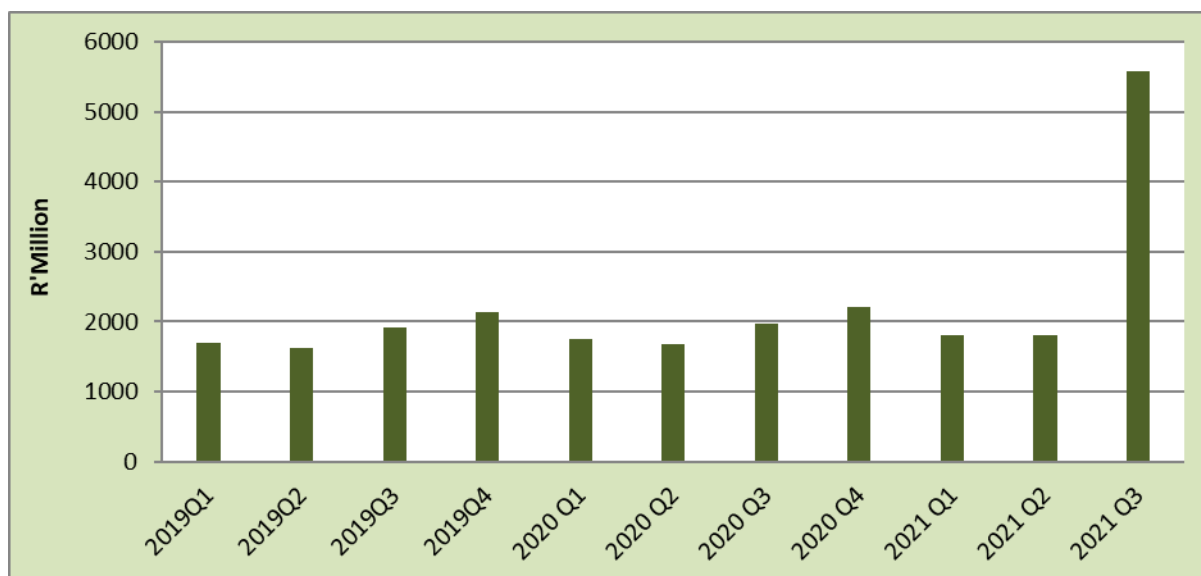
**Figure 11:** Trends in the expenditure on fuel, farm feeds, fertilisers, seeds and plants and farm services between 2019 Q3 and 2021: Q3

Source: DALRRD

## 2.5 Fertilizer market review

### 2.5.1 South African fertiliser expenditure

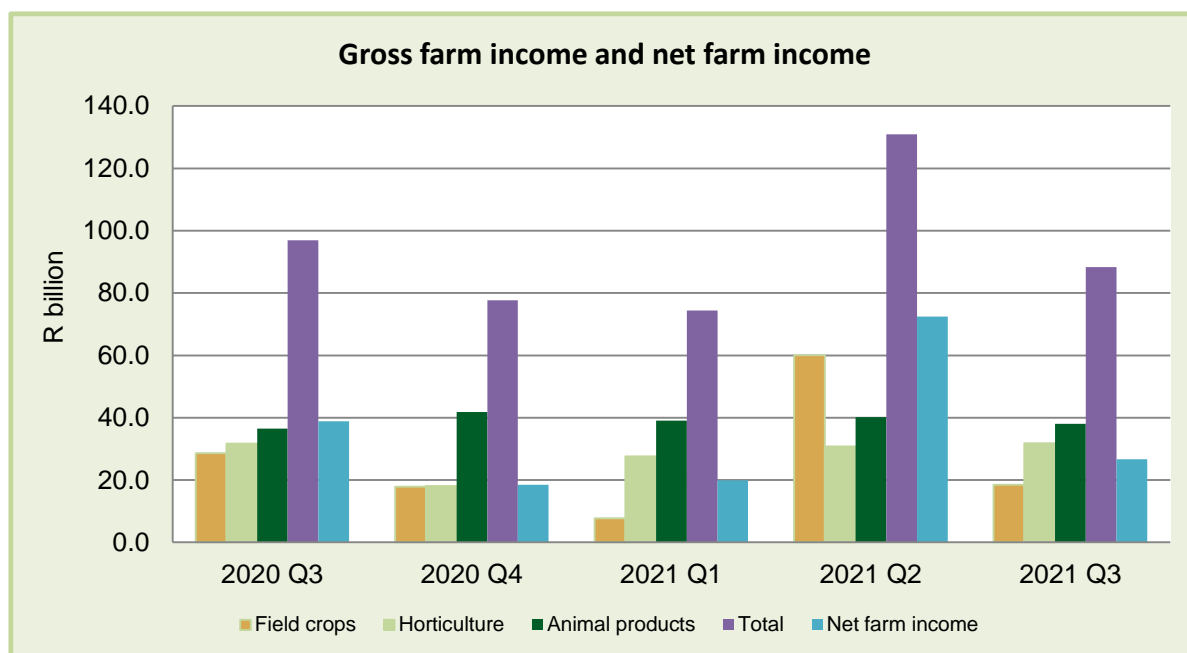
The expenditure of the fertilizer in Third quarter of 2021 was R5 577 compared to R 1 978 in the same quarter in 2020, this represent 181% increase on expenditure of fertilizers. The Covid 19 disruption contributed immensely to the price of fertilizer and the availability of fertilizer to the famers for the production season., see Figure 12.



**Figure: 12** South Africa fertiliser expenditure  
 Source: Grain SA

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

The figure 13 below illustrate that the nominal real gross income from all agricultural products decreased by 8.8% from R96.9 billion in the third quarter of 2020 to R88.3 billion in the same quarter of 2021. The net farm income is estimated at R26.7 billion in the third quarter of 2021 compared to R38.8 billion in the same quarter of 2020, a decrease of 31.3%. The decrease in net farm income was supported by a significant decrease of 35.5% in income from field crops, while income from animal products and horticulture increased by 4.1% and 0.3% respectively .

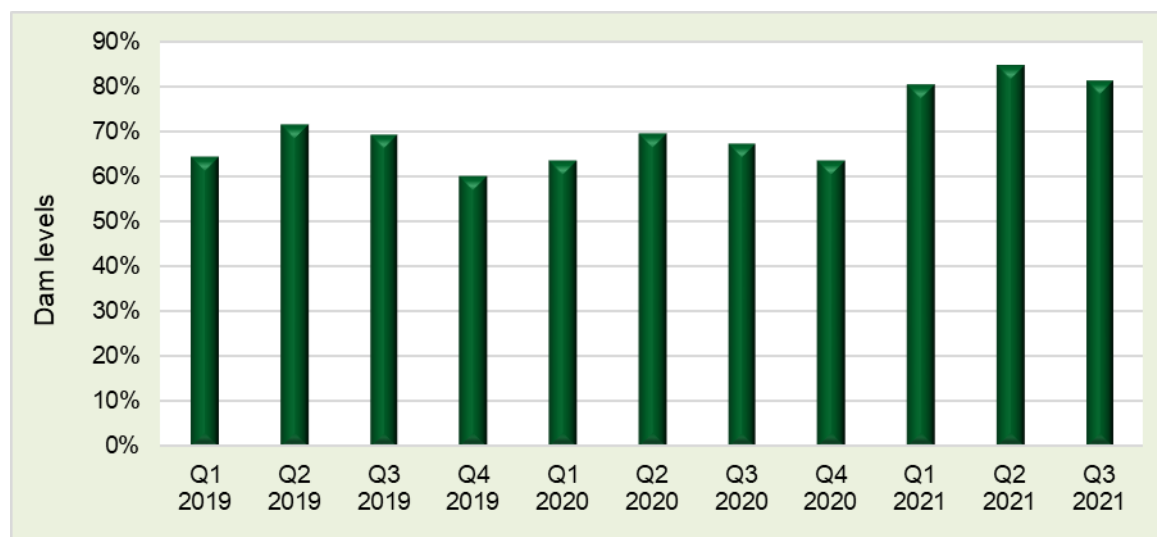


**Figure 13: Trends in nominal gross farm income between 2020: Q3 and 2021: Q3**  
Source: DALRRD

## 2.9 Reviews of South Africa’s water dam levels

South Africa’s national dam levels were comparatively higher in Q3: 2021 relative to Q3: 2020, recording an increase of 20.9% in Q3: 2021 relative to Q3: 2020, to an average of 81.3% from an average of 67.2%. Rains during the past months have pushed up dam levels while the outlook for the last quarter of the year is above average rainfall. This is good news since dam levels will increase rapidly, thereby improving water resource adequacy.

On a quarter-on-quarter basis, South Africa’s national dam levels decreased by 3.9% in Q3: 2021 relative to Q2. Whilst dam level gives comfort with regards to water availability, the Department of Water and Sanitation reiterated that it is important for all water users to continue to use water sparingly.



**Figure 14:** Total dam levels in Q3: 2021

Source: Department of Human Settlements, Water and Sanitation

### 1. Provincial average dam levels

Good rainfall early in the season boosted the water situation substantially. Provincial dam levels improved remarkably in Q3: 2021 relative to Q3: 2020, except for dam levels in the Eastern Cape and Gauteng Province which decreased by 0.9% and 2.8% respectively year-on-year. Dam levels in the Eastern Cape dropped notably, from an average of 51% in Q3: 2020 to an average of 50% in Q3; 2021, as the drought stricken province continues to go on a downward spiral in its water levels, with Nelson Mandela Metropolitan Municipality and the Sarah Baartman district being the worst affected by the drought. The drought badly affected a number of small towns and villages in the province, and some communities have resorted to buying water or drinking with animals at rivers. Dam levels in Gauteng dropped a few notches in Q3: 2021 relative to Q3: 2020, to an average of 98.1% from an average of 96%. The pressure brought about the major drop in some major dams resulted in a fall in the provincial dam levels, a sign that the system was affected by the dry winter season.

Dam levels in the Free State Province increased by 17.9% in Q3: 2021 relative to Q3: 2020, to an average of 93% from an average of 79%, as a result of above-normal rainfall that was received in the Free State Province. Dam levels in Kwazulu-Natal increased by 19.1% in Q3: 2021 relative to Q3: 2020, to an average of 69%

from an average of 58%, as a result of the light Spring showers experienced in some parts of the province. Meanwhile, the Umgeni Water Supply System remained above average during the third quarter of 2021 and has been above average even during the winter season, serving as an assurance that there is no need to be alarmed for fear of lack of water supply.

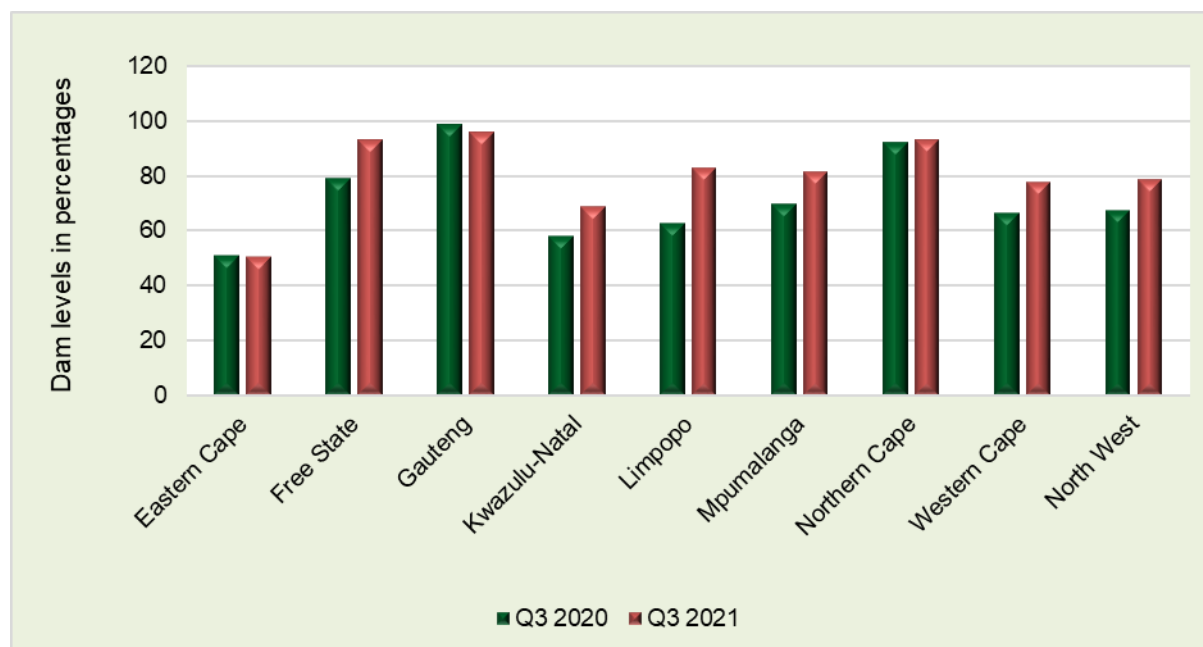
Dam levels in the Limpopo Province improved substantially, by 32.2% in Q3: 2021 relative to Q3: 2020, to an average of 82% from an average of 62%. While the dam levels are higher than the same period last year, the Department of Water and Sanitation indicated that the lack of rain and scorching temperatures were affecting the water levels and called on all water users in the province to be efficient and conserve water. Mpumalanga dam levels increased by 16.8% in Q3: 2021 relative to Q3: 2020, to an average of 81% from an average of 62%. The spring rainfall in the province led to major improvements in dams and water management areas in the province. The Department of Water and Sanitation encouraged the public in the province to continue using water sparingly despite the falling rain as South Africa is a dry and a water scarce country.

Dam levels in the Northern Cape increased marginally, from an average of 91.9% in Q3: 2020 to an average of 93% in Q3: 2021, as the main water supply system in the province, the Orange River Water Supply System has been dropping. The Department of Water and Sanitation has pleaded with Northern Cape residents to be circumspect of the way they utilise water amidst the recent reduction in the Orange River Water Supply System.

Dam levels in the Western Cape improved by 17.3% in Q3: 2021 relative to Q3: 2020, to an average of 77% from an average of 66%. The rain was soft and continuous and resulted in increases in most dam levels across the province. Rains in the Karoo also increased dam levels providing water to the City of Cape Town. Meanwhile, dam levels in the North West Province improved by 16.1% in Q3: 2021 relative to Q3: 2020, to an average of 78% from an average of 67%.

The Department of Water and Sanitation urged South Africans to continue with water conservation efforts to save the country's scarce resource. Furthermore, 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 15:** Provincial dam levels

Source: Department of Human Settlements, Water and Sanitation

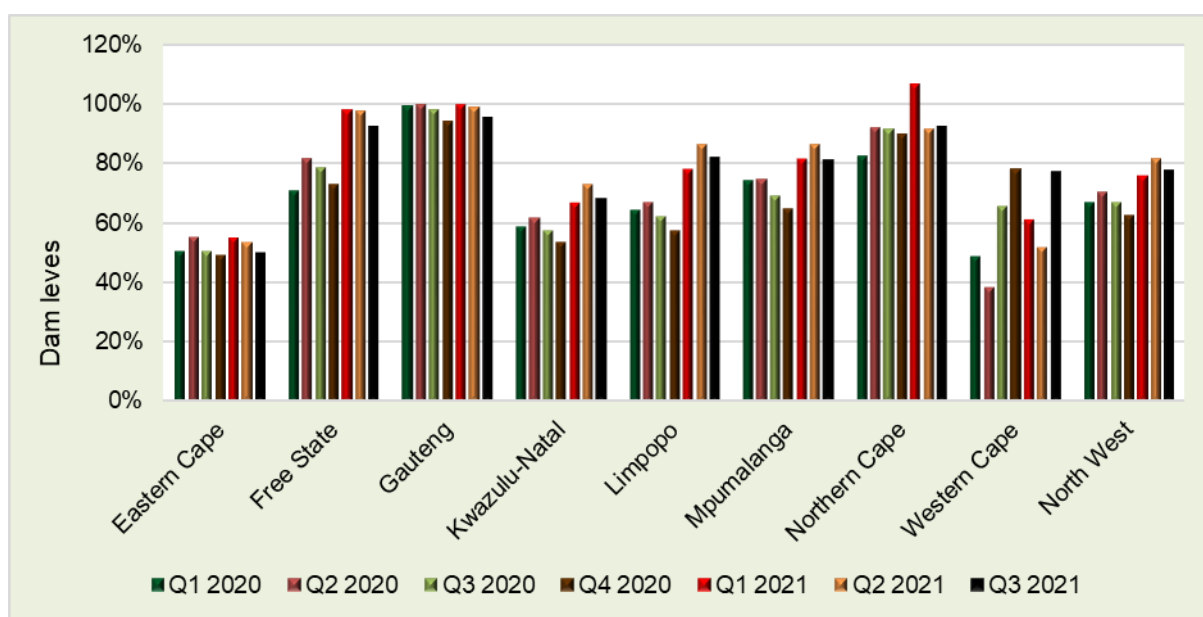
Figure 16 shows Provincial dam levels from Q1: 2020 to Q3: 2021. Almost all provincial dam levels dropped in Q3: 2021 relative to Q2, except for dam levels in the Northern Cape and Western Cape which increased by 1.1% and 49% respectively quarter-on-quarter. This is despite the dry winter season that just passed specifically in the Northern Cape while the Department of Water and Sanitation stated that dam levels in the Northern Cape maintained sufficient water levels quarter-on-quarter. Meanwhile, heavy winter rainfall boosted the average dam levels in the Western Cape.

The drought-prone Eastern Cape dam levels continued to face difficulty, falling by 6.0% in Q3: 2021 relative to Q2, as the province experienced moderately dry to severely dry conditions in isolated areas. Average dam levels in the Free State Province dropped by 5.2% in Q3: 2021 relative to Q2 while the average dam levels in Gauteng and Kwa-Zulu Natal decreased by 3.6% and 6.2% respectively quarter-



on-quarter. Gauteng has fewer and smaller dams while the Department of Water and Sanitation indicated that it has noted the decline in water volumes in Kwa-Zulu Natal and pleaded with communities not to panic as there is still enough water until the expected summer rainfall. However, the Department cautioned water users to use water sparingly.

Furthermore, average dam levels in Limpopo, Mpumalanga and North West Province decreased by 4.9%, 6.4% and 4.8% respectively in Q3: 2021 relative to Q2. The Department of Water and Sanitation warned South Africans against complacency and cautioned water consumers against the rampant use of water. Moreover, the Department of Water and Sanitation appealed to South Africans to continue with water saving efforts to ensure sustenance of livelihoods and to boost the economy.



**Figure 16:** Average dam levels from Q1:2020 to Q3: 2021

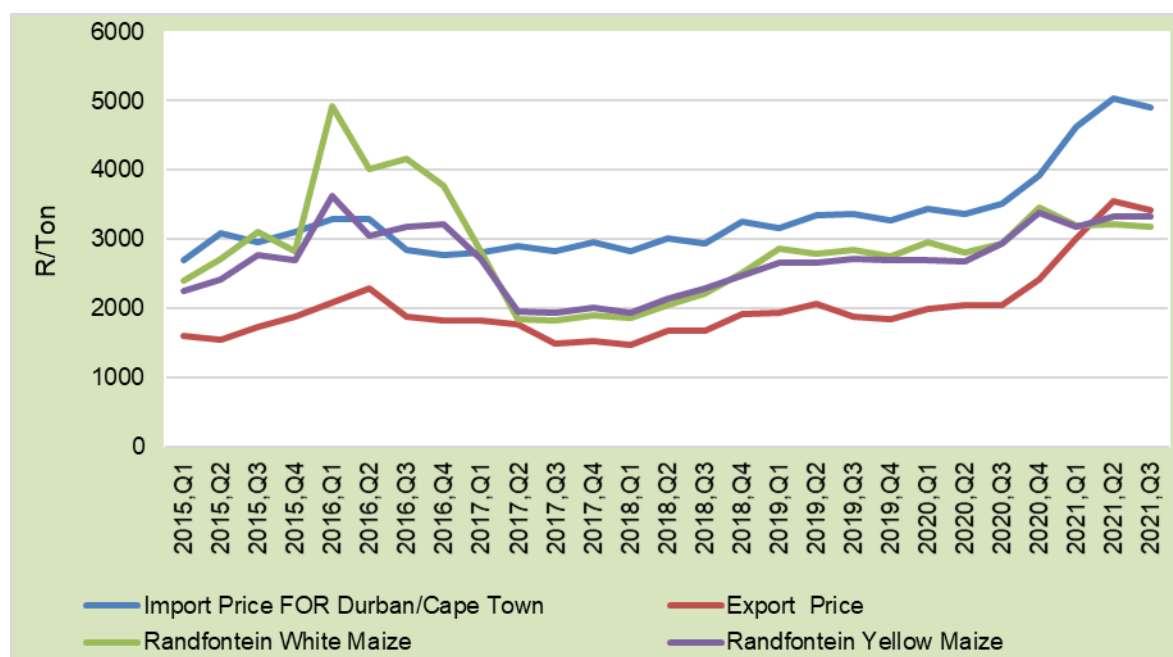
Source: Department of Human Settlements, Water and Sanitation

### 3. Review of Agricultural Markets

#### 3.1 Grain market review

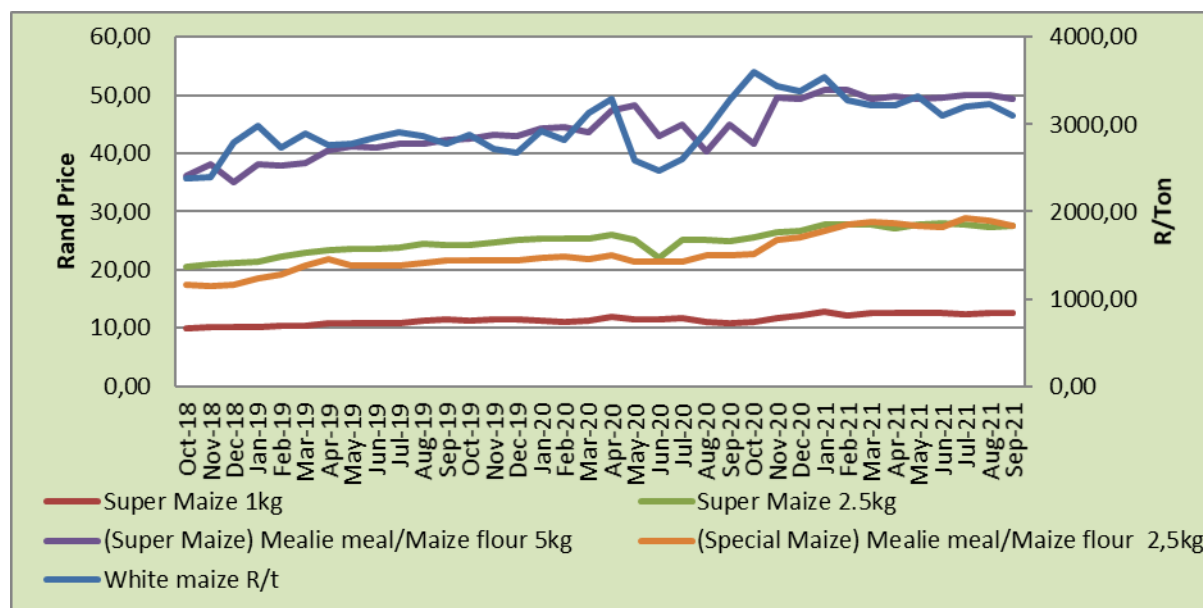
##### 3.1.1 White and yellow maize

Figure 17 illustrates the price trends of white maize, yellow maize and international parity prices of maize from 2015: Q1 to 2021: Q3. South African local white maize for the third quarter of 2021 decreased to R3179/ton below the international import parity price of white maize which traded at R4915/ton during the same period. The domestic price of yellow maize decreased marginally by 1.0% to R3335/ton in 2021: Q3 compared to previous quarter. The international export and import parity price increased by 0.6% and 0.4% to R3423/ton and R4915/ton respectively in 2021: Q3. The domestic price for white maize and yellow maize were consistent with economic theory, both traded within the parity prices as expected.



**Figure 17:** Price trends of Maize  
Source: Sagis

Figure 18 depicts maize seed price and maize seed by-products for the period 2018:Q4 to 2021:Q3. Quarter-to-quarter data shows that maize seed price decreased by 0.01% in 2021: Q3 to R3179 /ton from R3215/ton reported in 2020:Q1. During this period, (2021:Q3) all maize by-products reported a marginal increase in prices which put more financial pressures to consumers.



**Figure 18:** Retail prices vs white maize seed prices  
 Source: Safex/Stats SA

### 3.1.2 Wheat

Figure 19 shows the price trends of domestic wheat price and international parity prices for the period 2017: Q3 to 2021: Q3. The SA domestic wheat price traded at R5 601.58/ton in 2021: Q3, 11.1% higher compared to previous quarter. Wheat import and wheat export parity price traded at R5 663.04/ton and R4 160.23/ton which represent an increase in price by 13.5% and 26.2% respectively in 2021:Q3.

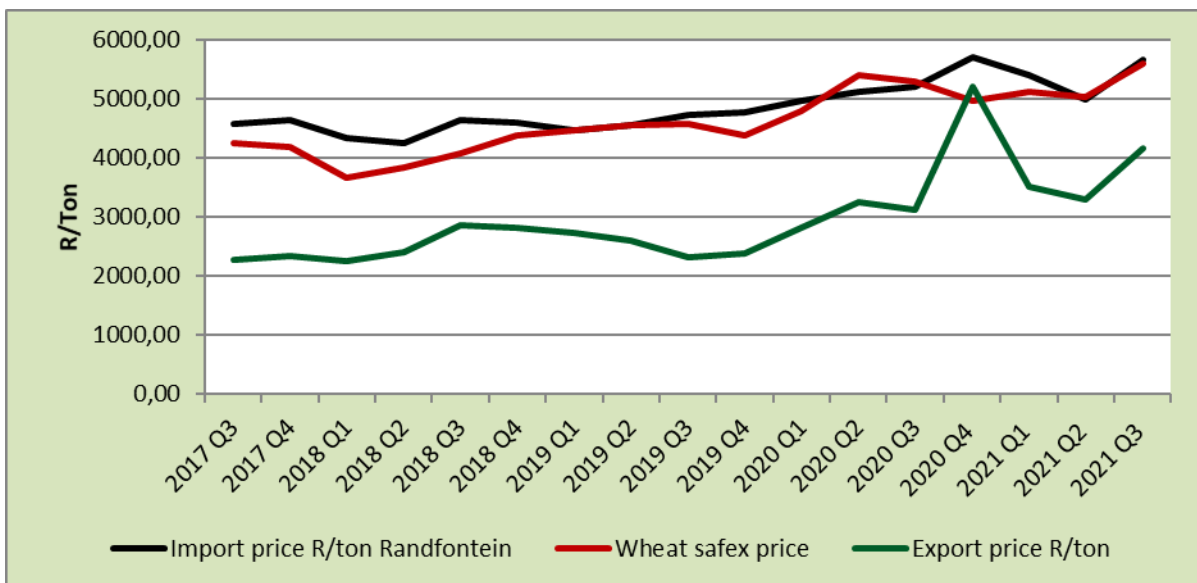


Figure 19: Wheat safex price, export parity price and Import parity price

Source: Sagis/Safex

Figure 20 depicts retail bread prices versus wheat safex price from 2017: Q3 to 2021: Q3. Consumers paid marginally more for wheat by-products in 2021:Q3. The price of selected wheat by-products decreased by 6.0% for brown bread 700gr, whilst prices of the remaining wheat by-products increased by 1.0%, 3.7% and 4.8% for white bread 700gr, flour cake 2.5kg and flour bread 2.5kg respectively in 2021: Q3.

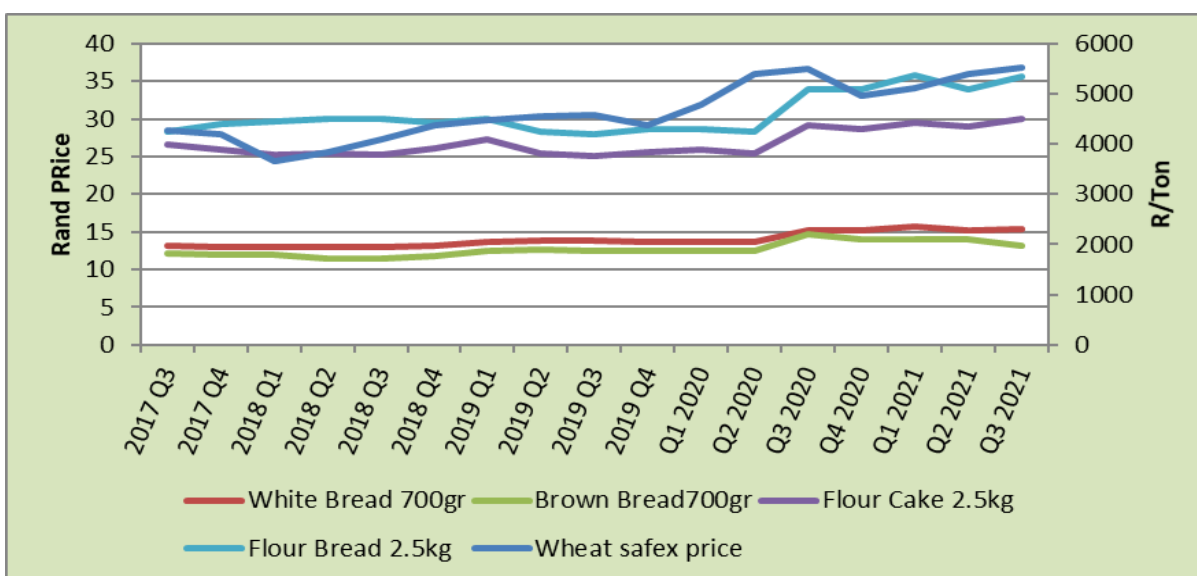


Figure 20: Retail bread price vs wheat import price

Source: Stats SA & Safex

Figure 21 depicts the supply and demand of wheat from 2020: Q3 to 2021: Q3. South Africa's wheat deliveries for 2021:Q3 decreased by 20.0% compared to the same period a year ago in 2020: Q3. Local demand of wheat in 2021:Q3 increased by 8.2%, whilst imports and exports of wheat decreased by 49.7% and 33.2% respectively when compared to previous quarter.

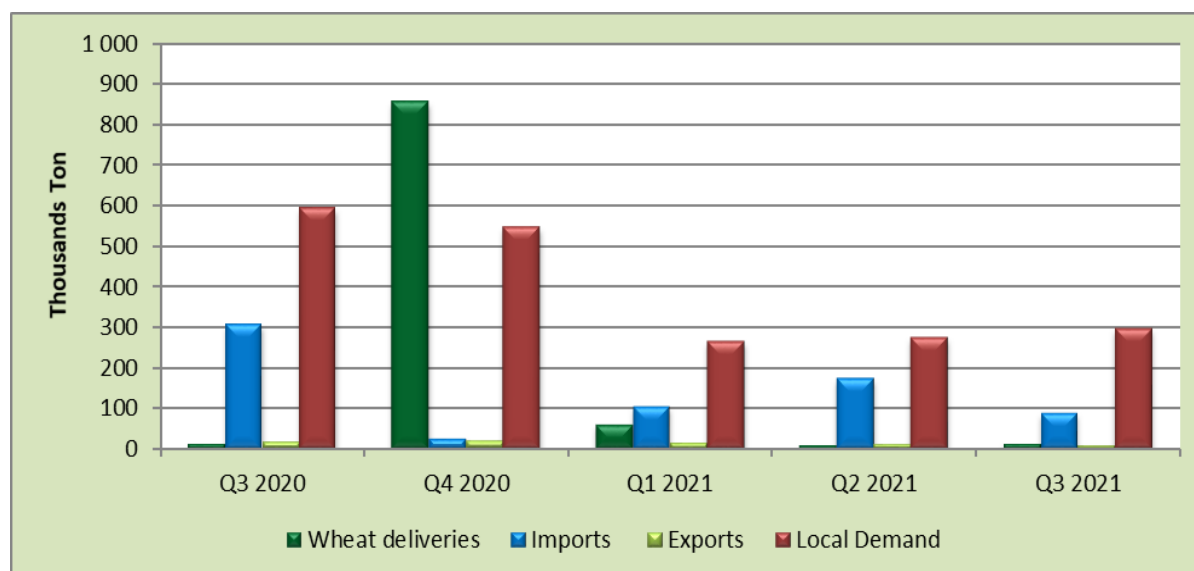
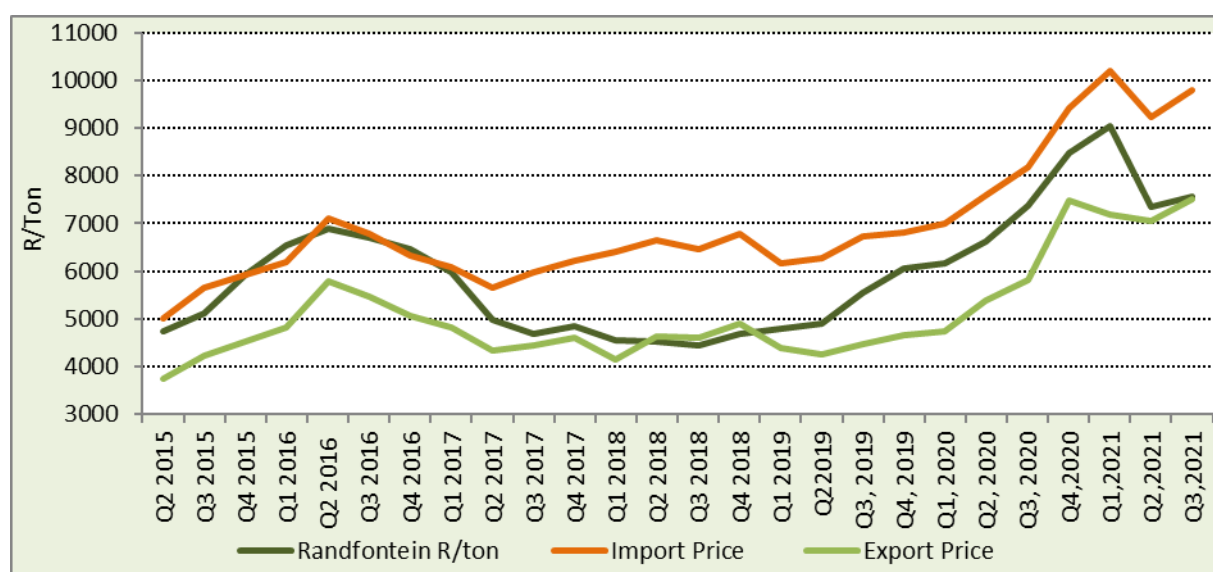


Figure 21: Wheat deliveries, Imports, Exports and local demand  
Source: Stats SA & Safex

### 3.1.3 Soya beans

The price of local soybeans increased by 2.7% on a year-on-year(y/y) basis whilst on a quarter-on-quarter(Q/Q) basis prices increased by 2.9%. The price traded 22.7% below the import price whilst it traded at a percentage point above the export price during the quarter. The local price tracked the high international price which was 41.5% higher on year-on-year basis during the quarter.

On a quarter-on-quarter basis the international price remained the same though it was still high compared to previous years. The curb in the international soybeans price rise during the 3<sup>rd</sup> quarter is due to inter alia; a reduction in World export demand and the expectations of record crops globally.



**Figure 22:** Soya beans local price vs import price

Source: Safex/Sagis/USDA/World Bank

As shown on Table 1 soybeans opening stock is expected to be 14,5% higher than it was in 2020. The 3<sup>rd</sup> quarter 2021 production forecast for soybeans remained unchanged from the previous 2<sup>nd</sup> quarter forecast. Production is still expected to be 51,8% higher than it was in the previous year. Exports have been revised upwards from their previous forecast of 1 500 tons to the latest forecast of 22 000 tons. Global output is still expected to grow by 5% from 2020/21 although there were downward revisions in the US, Argentina and India .

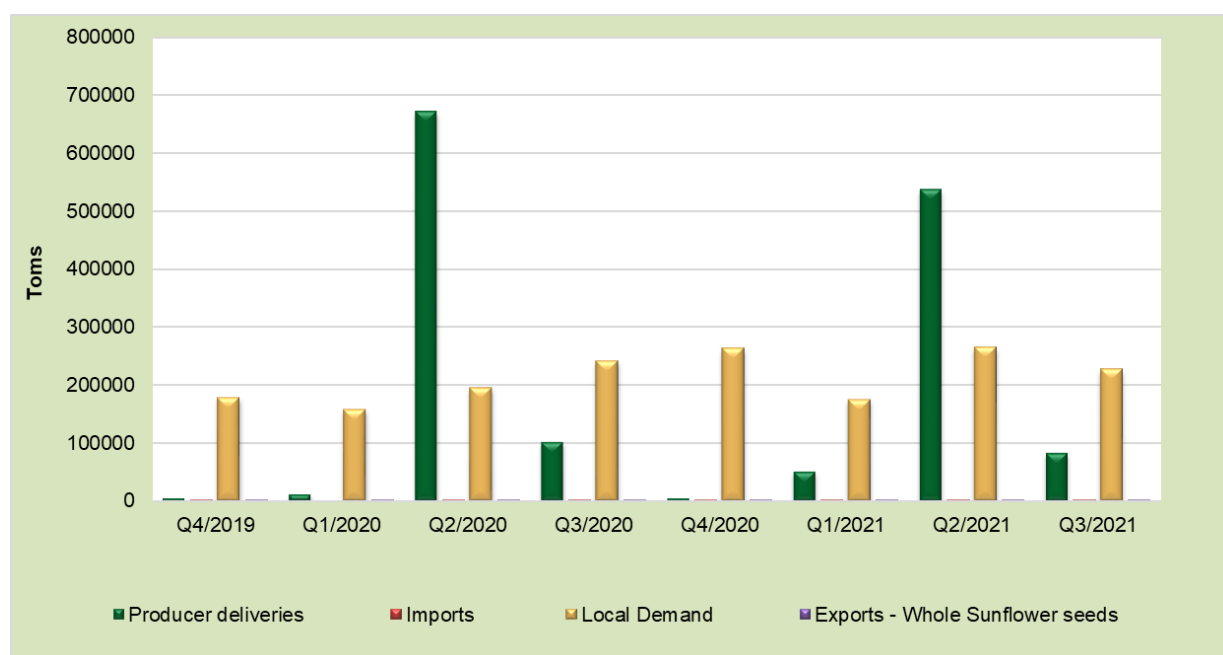
**Table 1:** South African Soybeans Production & Use Table

	2 014	2015	2016	2017	2018	2019	2020 Estimate	2021 Forecast
Beginning Stock	61806,00	63704	89128	84792	330535	502241	138455	46 053
Production	948000	1070000	742000	1316000	1540000	1170345	1 245 500	1 890 450
Imports	103704	124981	271098	28000	6000	9500	116 103	10000
Total Supply	1113510	1258685	1102226	1428792	1876535	1682086	1500058	1946503
Local Consumption	1049230	1164880	1010689	1063783	1349294	1539631	1452945	1 716 200
Exports	576	4677	6745	414	25000	4000	1 060	22 000
Total Demand	1049806	1169557	1017434	1098257	1374294	1543631	1 454 005	1 738 200
Closing Stocks	63 704	89128	84792	330535	502241	138455	46 053	207 303

Source: DALRRD and NAMC

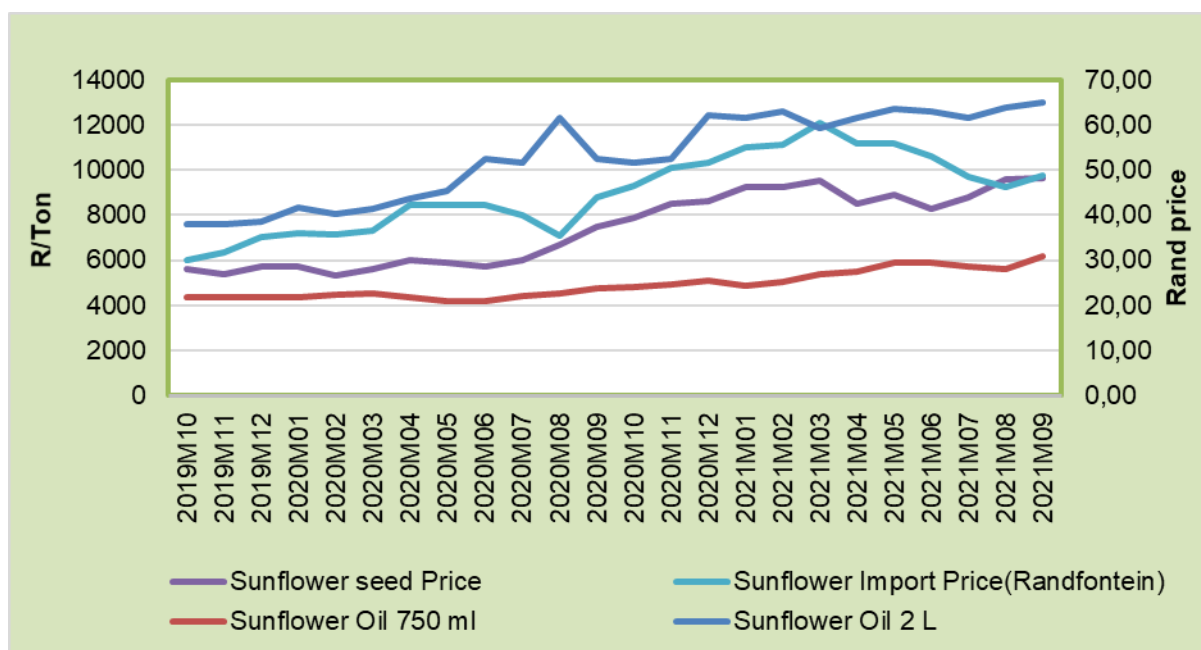
### 3.1.4 Sunflower

Figure 23 below shows the supply and demand of sunflower seed up to the third quarter of 2021. Producer deliveries in the third quarter of 2021 decreased by 84.5% as compared to the previous quarter of 2021 (Q2). Producer deliveries in the third quarter of 2021 is expected to be 17.7% lower than it was in the same quarter of 2020 (Q3). South African sunflower seed imports in the third quarter of 2021 is expected to be 2 366% higher than it was in the same quarter of 2020 (Q3). Sunflower seed imports decreased by 1.9% in the third quarter of 2021 as compared to the previous quarter in 2021 (Q2). South African sunflower seed export in the third quarter of 2021 is expected to be 46.7% lower than it was in the same quarter of 2020 (Q3). Sunflower seed exports decreased by 14.3% in the third quarter of 2021 when compared to the previous quarter of 2021 (Q2). Local sunflower seed consumption in the third quarter of 2021 was 14.3% lower than it was in the previous quarter of 2021 (Q2). Local consumption in the third quarter of 2021 is expected to be 6.1% lower than it was in the same quarter of 2020 (Q3),



**Figure 23:** Sunflower seed deliveries; local demand and trade  
Source: Sagis

Figure 24 below show South Africa sunflower seed prices traded below the import parity price at R9 339.96/ton compared to R9 575.62/ton in the third quarter of 2021, which is a total increase of 9.1% compared to the previous quarter of 2021 (Q2). The price of sunflower seed has increased by 38.9% during the third quarter of 2021 as compared to the same period last year, which is 8.4% lower than it was in the previous quarter of 2021 (Q2). The local sunflower seed price in the third quarter of 2021 traded at 2.5% lower than the import price, compared to trading at 22.1% below the import price in the second quarter of 2021. The prices of sunflower oil 2L and 750ml in the third quarter of 2021 traded higher by 15.1% and 27.6% respectively, when as compared to the same period in 2020 (Q3). The price of sunflower oil 2L and 750ml in the third quarter of 2021 increased by 1.4% and 1.5% respectively, when compared to the previous quarter (Q2) in the same year.



**Figure 24 :** Sunflower local seed; import price (Randfontein) and Sunflower retail price  
 Source: Safex; USDA; Sagis; and Own calculations

### 3.1.5 Sorghum



The price of sorghum declined from their highs during the 3rd quarter locally and internationally (Figure 25). The local price declined by 4,7% on a q/q basis, whilst on a year-on-year basis the price declined by 3%. The stronger Rand exchange rate, abundant local supplies as well as international fundamentals resulted in a decline in the local sorghum price.

The rise in the price of Sorghum came as result of sorghum becoming a preferred substitute to the high maize price, but currently it seems like sorghum is being displaced by the cheaper barley price. USDA forecasts barley and other maize substitutes to substitute sorghum in feed rations. Additionally, China has abundant maize held in reserves which are expected to enter the market thus further causing a decline in maize products and substitutes.

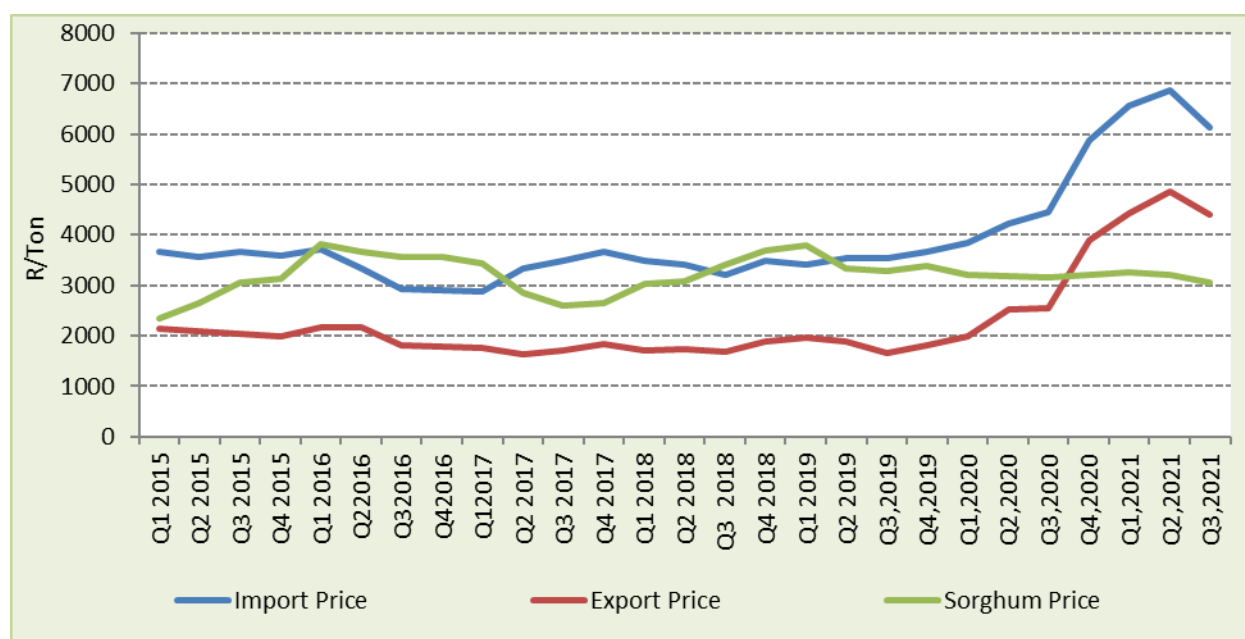


Figure 25: Sorghum Parity Price

Source: Safex, Sagis

Sorghum production has been revised upwards by 4,7% during the 3rd quarter of 2021 from their previous forecasts during the 2nd quarter. The ending stock has also been revised upwards as this will be the second largest sorghum crop since 2014.

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	51 795
Production	147200	265000	114700	70500	152000	115000	127000	158000	213 645
Imports	50033	8725	34316	74957	55824	32500	59253	6 546	5 000
Total Supply	251652	320301	277713	226677	244073	206746	238113	224969	260775
Local demand	182033	172320	165532	178790	176000	166500	170390	167524	154345
Exports	19550	26169	29039	12649	13800	12345	7300	5650	5 600
Total Demand	201583	198489	194571	191439	182783	173700	177690	173 174	159 945
Ending Stock	50069	121812	83142	35238	59246	51860	60423	51 795	110 495

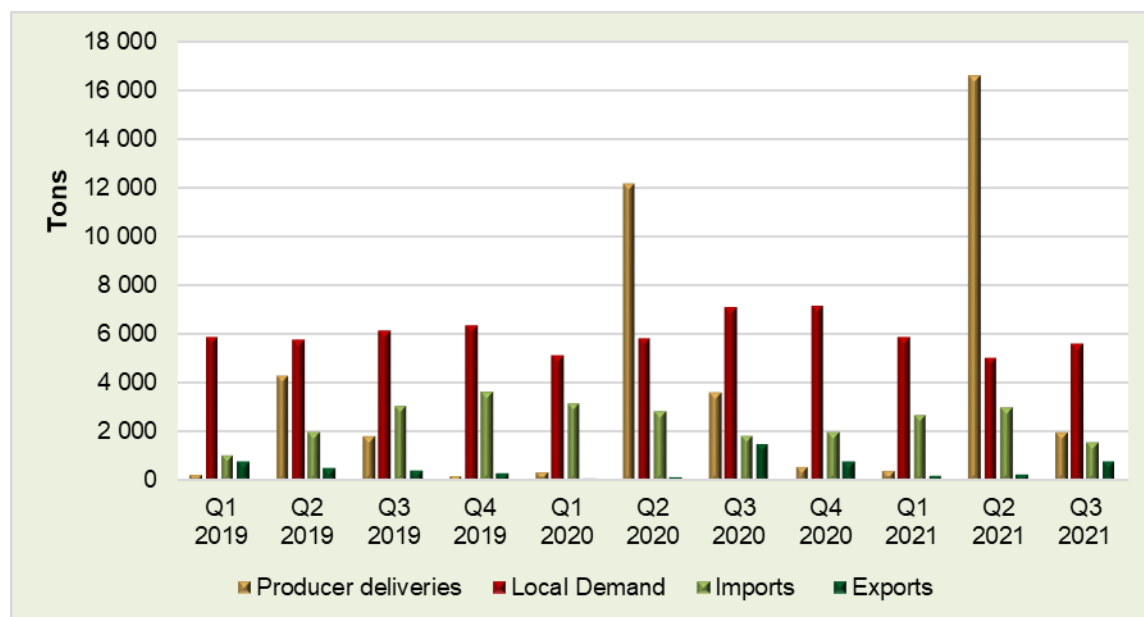
Source: DALRRD/ NAMC/Sagis

### 3.1.6 Groundnuts

The National Crop Estimate Committee (CEC) in its eighth production estimate left the 2020/21 groundnut production unchanged at 58 900 tons from the previous estimate in July and August. Reflecting on the start of the season, the year 2020/21 started on a positive note with increased area planted compared to the previous year, benefiting from the higher rainfall. The overall groundnut harvest for the 2020/21 season proved to be exceptional, with large yields generated compared to the previous year. With harvesting nearing its completion stages, reports from farmers indicate that most farmers received higher yields across the country. The higher groundnut harvest is a reflection of positive demand prospects considering that South Africa's groundnuts are highly sought after on the world market due to their taste and shape.

Over the past couple of months, the weaker domestic currency, a growing demand for South Africa's groundnuts coupled with generally higher global groundnut prices provided support to the domestic groundnut prices. This year's harvest also presents positive export possibilities for farmers since on average, about 25% of South Africa's crop is exported although domestic crop conditions will matter more for price movements in the future than has been the case over the past few months.

Figure 26 shows producer deliveries, local demand of groundnuts as well as imports and exports of groundnuts from Q1: 2019 to Q3: 2021.



**Figure 26:** Producer deliveries, local demand, export and imports of groundnuts

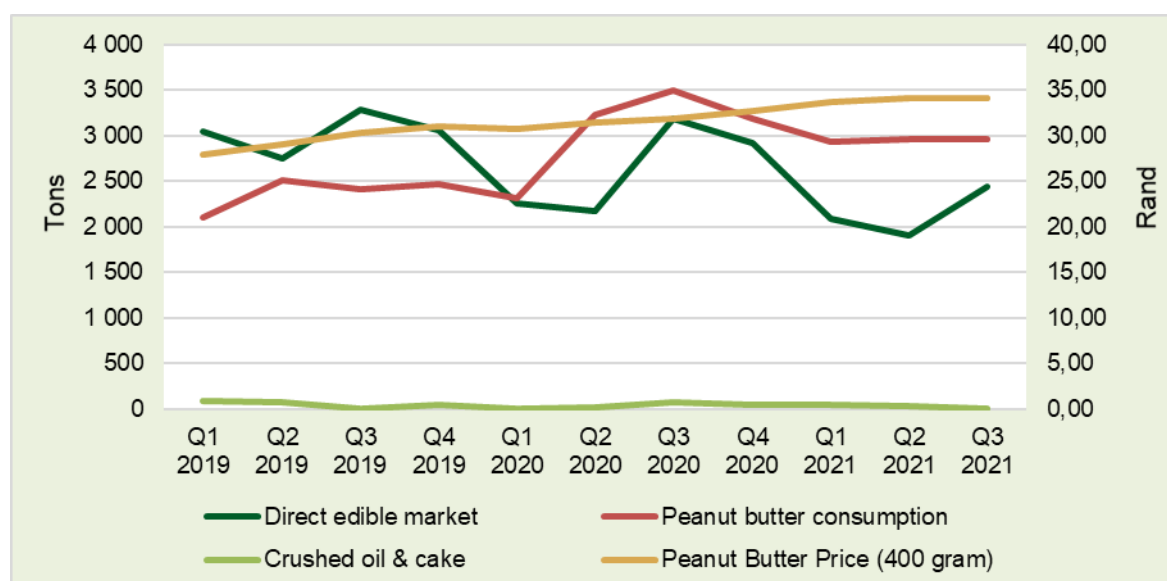
Source: Sagis

Although bumper yields are being reported due to the regular rainfall, producer deliveries of groundnuts decreased by 46% in Q3: 2021 relative to Q3: 2020, to an average of 1 978 tons from an average of 3 641 tons, see figure 29. During the same period, local demand of groundnuts decreased by 21% in Q3: 2021 relative to Q3: 2020, to an average of 5 568 tons from an average of 7 032. Demand prospects are still uncertain as COVID-19 pandemic continues. Essentially, 2021 has been a challenging year and consumption expenditure by households has not fully recovered from the pandemic shock.

Exports of groundnuts decreased by 46% in Q3: 2021 relative to Q3: 2020, to an average of 786 tons from an average of 1 454 tons. South Africa experienced some challenging moments in the third quarter of this year, such as the July 2021 unrests in KwaZulu-Natal and Gauteng, increased theft of rail infrastructure, followed by cyber-attack at Transnet, which briefly affected the movement of goods out of South Africa. Meanwhile, imports of groundnut decreased by 14% in Q3: 2021 relative to Q3: 2020, to an average of 1 598 tons from an average of 1 851 tons. There are unique price-driving factors which may have affected the imports of groundnuts.

South Africa’s consumption of groundnuts occur mainly in two forms, as edible peanuts and as processed peanut butter and is consumed the highest in these two forms. In Q3: 2021, consumption of edible groundnuts decreased by 23% relative to Q3: 2020, to an average of 2 447 tons from an average of 3 193 tons. Consumption of edible peanuts is mostly dependent on price which is dependent on the supply and demand of groundnuts. Consumption of peanut butter decreased by 14% in Q3: 2021 relative to Q3: 2020, to an average of 2 998 tons from an average of 3 495 tons. Meanwhile, consumption of crushed oil & cake decreased significantly in Q3: 2021 relative to Q3: 2020, since there was no consumption of crushed oil and cake in Q3: 2021 while an average of 81 tons of oil and cake was crushed in Q3: 2020. 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 7% in Q3: 2021 relative to Q3: 2020, to an average market price of R34.13/400 gram from an average market price of R 31.86/400 gram. There has been an uptick in consumer spending and the momentum is likely to continue. Furthermore, with low-income households harder hit by the pandemic and job losses, they face higher inflation and therefore, peanut butter has become one of the many reliable staple in households.

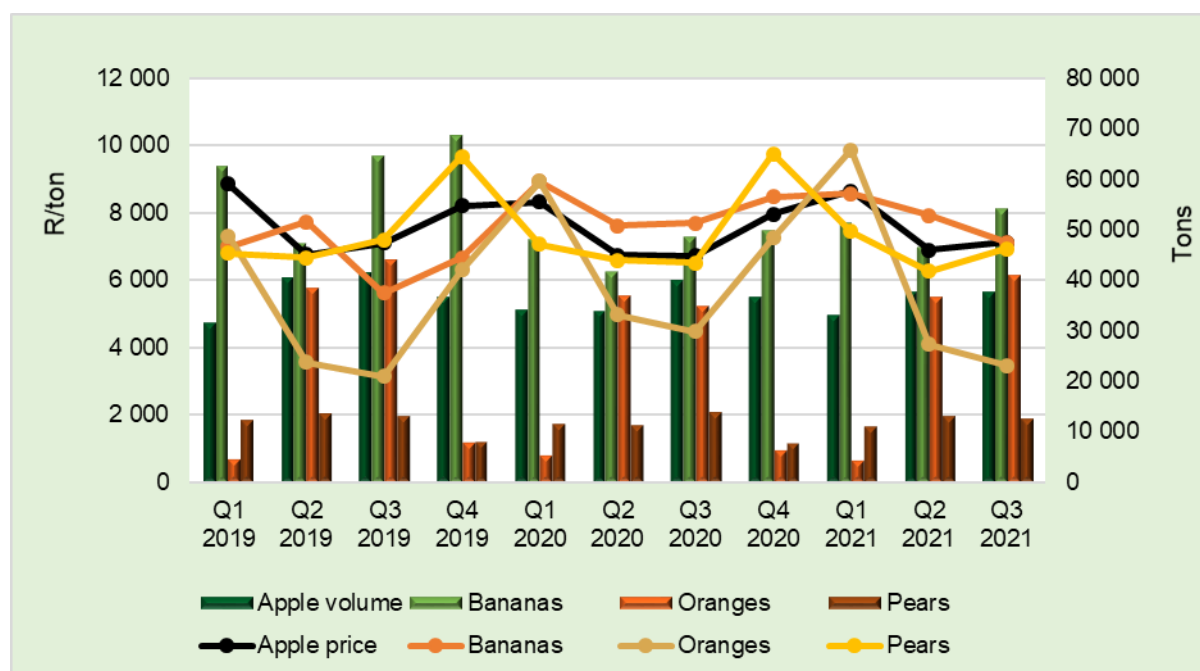


**Figure 27:** Groundnuts consumption

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 Q3: 2021.



**Figure 28:** Average price and quantities of various fruits traded at fresh produce markets (FPMs)

Source: Dalrrd

The yearly trend in fruit prices saw the average price of apples increase by 6.1% in Q3: 2021 relative to Q3: 2020 while quantities decreased by 6.0% year-on-year. Cool temperatures delayed harvesting by 7 to 10 days compared with typical years while some apple production areas are susceptible to hail which can sometimes contribute to low production and yields. Banana average price decreased by 7.4% in Q3: 2021 relative to Q3: 2020 while quantities supplied increased by 11.4% year-on-year. A weak demand for bananas resulted in banana prices to fall while quantities supplied increased significantly.

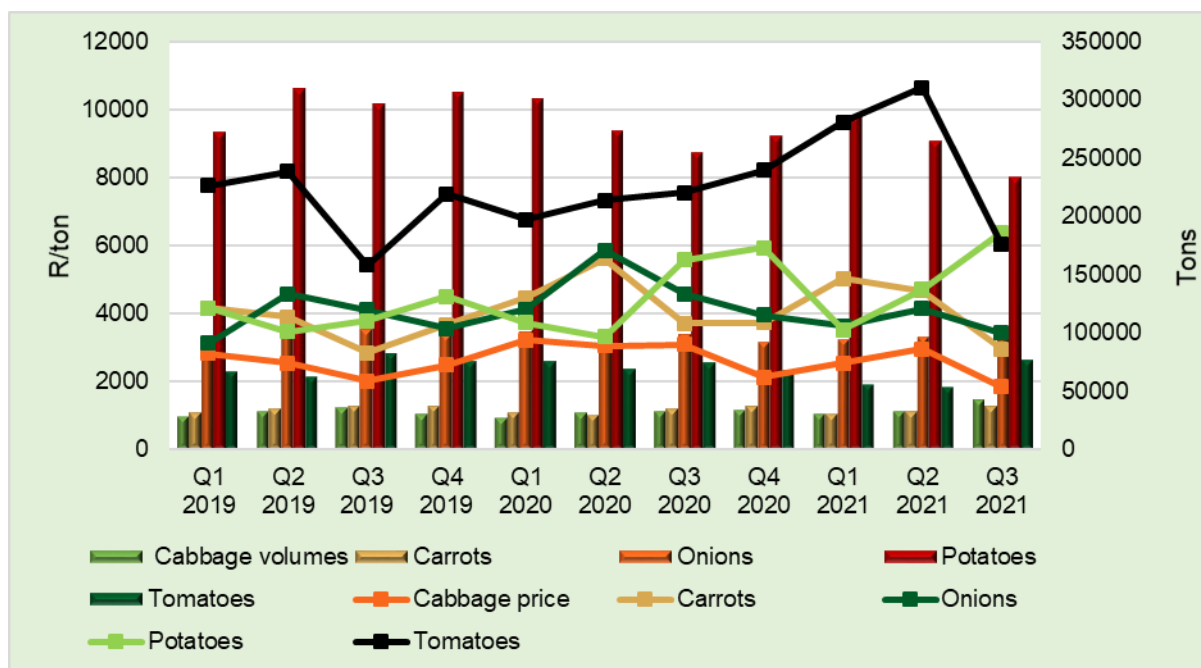
The yearly trend in orange prices saw prices of oranges decrease by 22.5% in Q3: 2021 relative to Q3: 2020 while quantities increased by 17.4% year-on-year. Orange harvests recovered well as a result of the good, beneficial summer rains. Production looked good in some growing areas and good quality oranges were harvested.

Meanwhile, the yearly trend in pear prices saw the average price of pears increase by 6.5% in Q3: 2021 relative to Q3: 2020, while quantities supplied decreased by 10.2% year-on-year. The South African pear season started off slowly and a number of growers have noted how beautiful the fruit is looking this year. However, major hail storm in areas such as Langkloof caused a lot of damage to pear orchards.

On a quarter-on-quarter basis, the average price of apples increased by 3.4% in Q3: 2021 relative to Q2 while quantities supplied decreased by 0.05% quarter-on-quarter.

Although production is projected up by 6000 tons to 997000 tons, greater supplies are expected to nudge exports up. During the same period, the average price of bananas decreased by 10% in Q3: 2021 relative to Q2 while quantities of bananas increased by 16.4% quarter-on-quarter. Banana growers in Mozambique harvested a lot which led to an oversupply on the South African market.

Meanwhile, the average price of oranges decreased by 15.1% in Q3: 2021 relative to Q2 while quantities increased by 25.3% quarter-on-quarter. The sale of oranges was not as strong as last year since the vitamin C-citrus wave is over as the vaccine rollout made consumers feel safer.



**Figure 29:** 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 price of cabbage, carrots, onions and tomatoes decreased by 40.6%, 20%, 25.2% and 20.1% respectively in Q3: 2021 relative to Q3: 2020, due to pressure from increased availability, while volumes increased by 30.0%, 6.9%, 4.7% and 2.0% respectively year-on-year, a symptom of weak demand. Onion prices have been under pressure over the past months due to high volumes with more hectares planted in the North (Freshplaza, 2021).

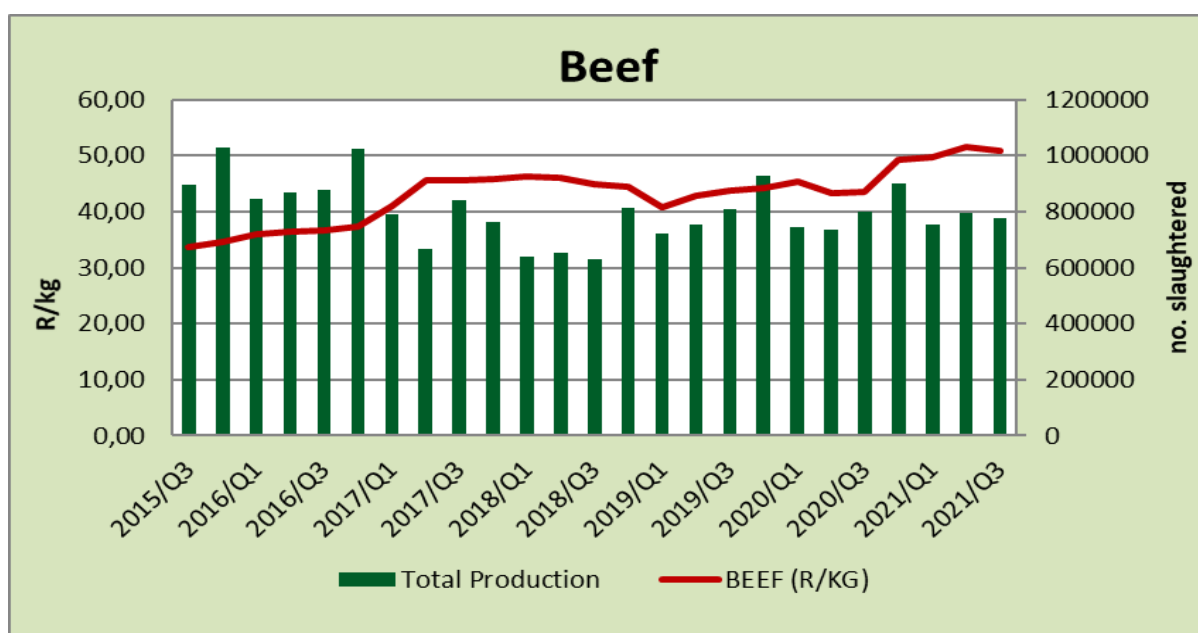
The average price of potatoes increased by 15% in Q3: 2021 relative to Q3: 2020 while volumes decreased by 8.3% year-on-year. The quality of potatoes remained a concern due to seasonal decline in production caused by unfavourable weather conditions earlier during the growing stages of the crop.

On a quarter-on-quarter basis, the average price of cabbage, carrots, onions and tomatoes decreased by 37.8%, 36.5%, 17.3% and 43.5% respectively in Q3: 2021 relative to Q2 while volumes increased by 31.1%, 12.1%, 7.3% and 43.2% respectively quarter-on-quarter. Lower demand and higher volumes resulted in the downward movement in prices quarter-on-quarter. Meanwhile, the average prices of

potatoes increased by 35.9% in Q3: 2021 relative to Q2 while volumes decreased by 11.5% quarter-on-quarter. A combination of solid demand and volume contraction helped maintain the upside in potato prices. The South African potato market is currently enjoying very good prices due to the low volumes available on the market.

### 3.3 Meat industry review

According to the Bureau for Food and Agricultural Policy (BFAP) report on the Perspective on agriculture’s performance in the third Quarter of 2021 indicates that the agricultural sector performed well and this growth in the animal subsector is largely supported by high meat prices. Red meat prices continued to rise in Q3 of 2021, with beef prices increasing by 12% and on the other hand, slaughter numbers continue to drop with cattle slaughters dropping by 3% in the past quarter. Animal products was the sub-sector that showed the largest growth in the third quarter of 2021, with a GVP growth of 4% year-on-year. As illustrated graphically above in figure1, total beef slaughtering decreased by 2.51% in third quarter of 2021 compared to the same quarter of 2020. The price of beef per kg increased by 16.62% in third quarter of 2021 when compared to the same period in 2020, see figure 30.





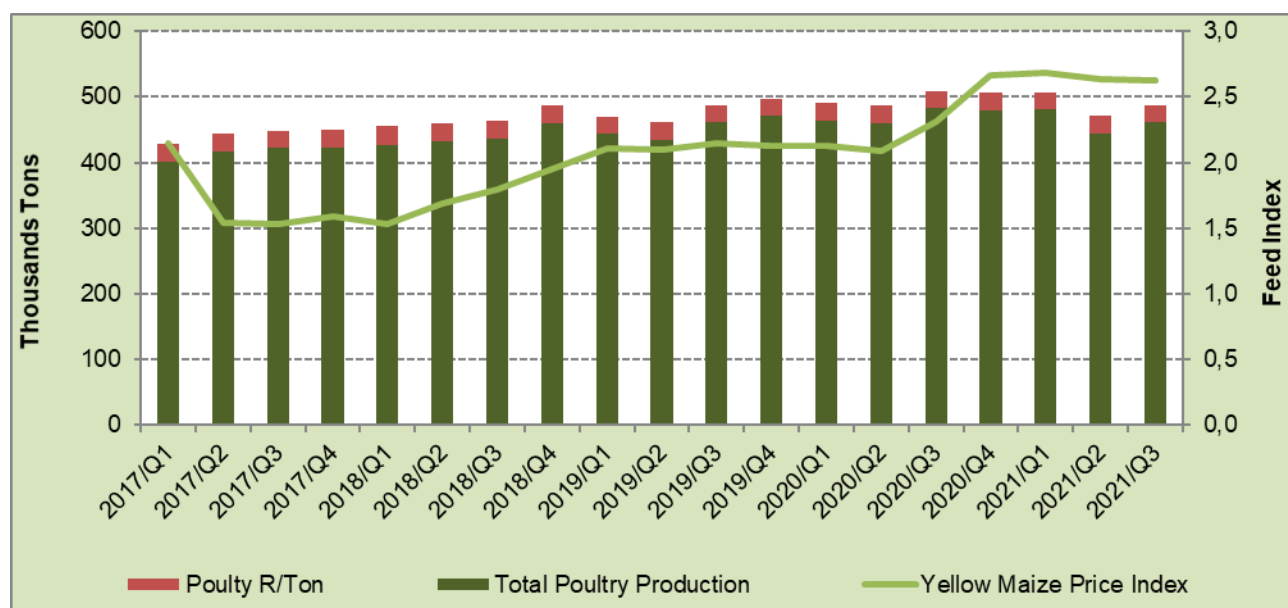
**Figure 30:** Beef production

Source, DALRRD

### 3.4 Poultry industry review

Poultry production rose by 3.6% year-on-year during the 3rd quarter, whilst on a quarter-on-quarter basis production was 4.6% lower. Poultry production is in a rebuilding phase after the destruction resulting from the swine flue outbreak in the previous quarter.

The price of poultry per/ton increased by 2.3% on q/q basis, on a quarter-on-quarter basis the price increased by 1.1%. The price of yellow maize as proxy for feed costs increased by 13.6% on y/y basis, decreasing slightly by 0.5% on a q/q basis.



**Figure 31:** Poultry production and prices

Source:DAFF

The retail price of whole fresh chicken and chicken portions decreased by 4.2% and 0.6% on a year-on-year basis respectively, while on a quarter-on-quarter basis the price of whole fresh chicken decreased by 2.2% (see Figure 35). The price of frozen chicken portions increased by 10.6% on y/y and 4.4% q/q. World chicken meat price p/kg increased by 59% on a year-on-year basis, whilst on a quarter-on-quarter basis prices increased by 1.7%. The rise in poultry prices is due to the poultry shortages

experienced as a result of the swine flue outbreak. FAO projects the World chicken meat production to rebound by 2% as feed production is increasing thus feed costs are expected to come down.

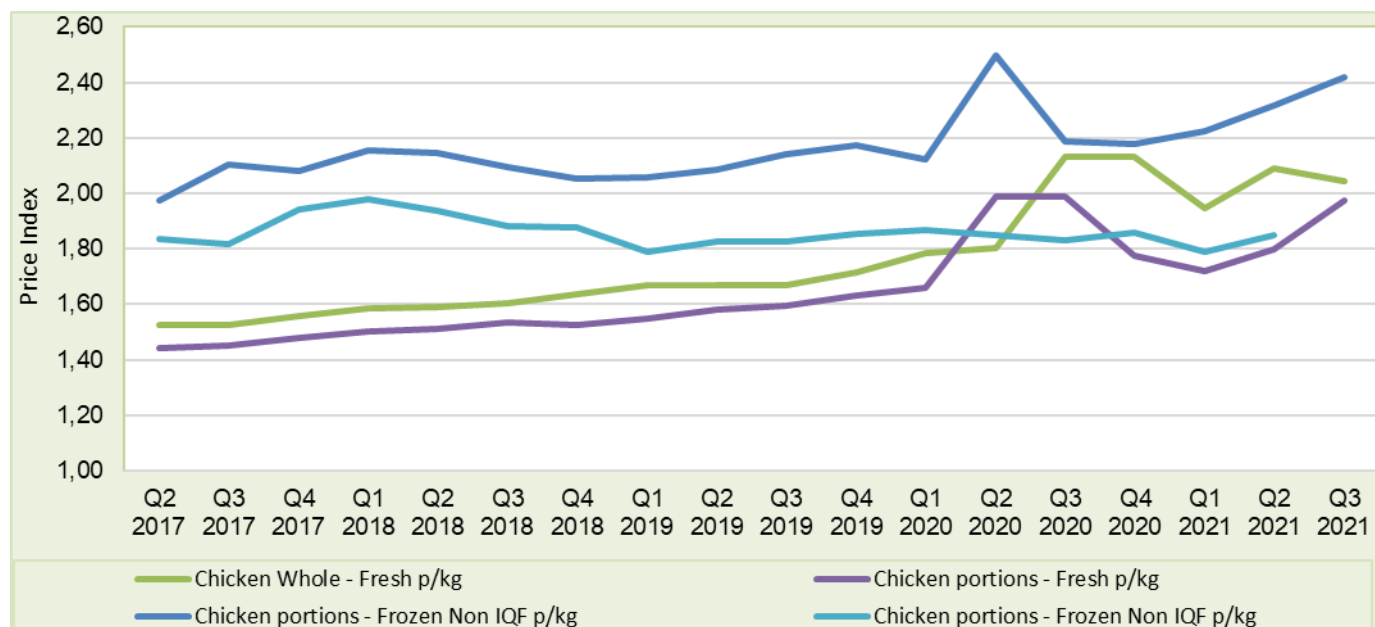


Figure 32: Poultry & Feed Price Indices

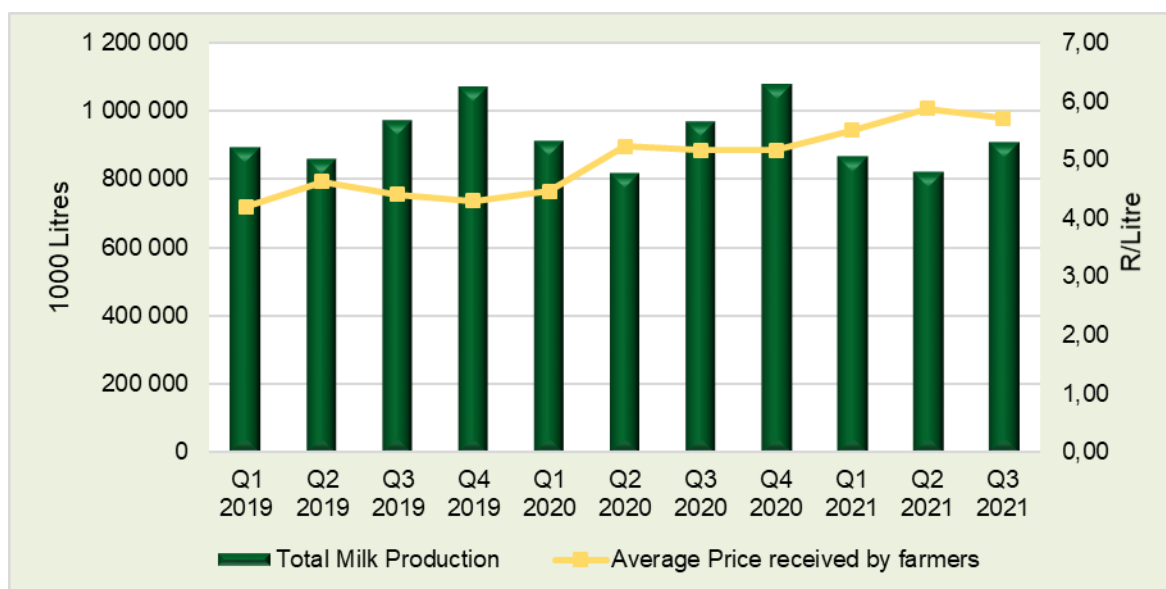
Source: Statistics SA.

### 3.5 Milk industry overview

Total milk production in Q3: 2021 came in 10.7% more than in Q3: 2020, to 907.9 million litres from 967.1 million litres over the period. Dairy farmers in KwaZulu-Natal discarded hundreds of thousands of litres of milk since the civil unrest, severely impacting dairy farmers. According to the acting executive officer of the Milk Producers' Organisation (MPO), Fanie Ferreira, taking into account that approximately 2 million litres of milk are produced daily in KwaZulu-Nata, milk could not be distributed which severely impacted dairy producers in the province. On a quarter-on-quarter basis, total milk production in Q3: 2021 came in 10.7% more than Q2, as milk production at farm level improved due to better climatic conditions.

The average producer price per litre of milk increased by 10.7% in Q3: 2021 relative to Q3:2020, to R5,71/l from R5,16/l. The cost of feed meal (yellow maize and soya combination) and other inputs such as electricity increased over the period.

Meanwhile, the average producer price per litre of milk decreased by 2.7% in Q3: 2021 relative to Q2. There was disruption of travel between farms and milk facilities due to the civil unrest. Numerous dairy factories could not operate due to the inability to receive unprocessed milk due to the closure of major highways and workers were unable to get to work. This impacted the supply chain and disrupted products reaching the market.



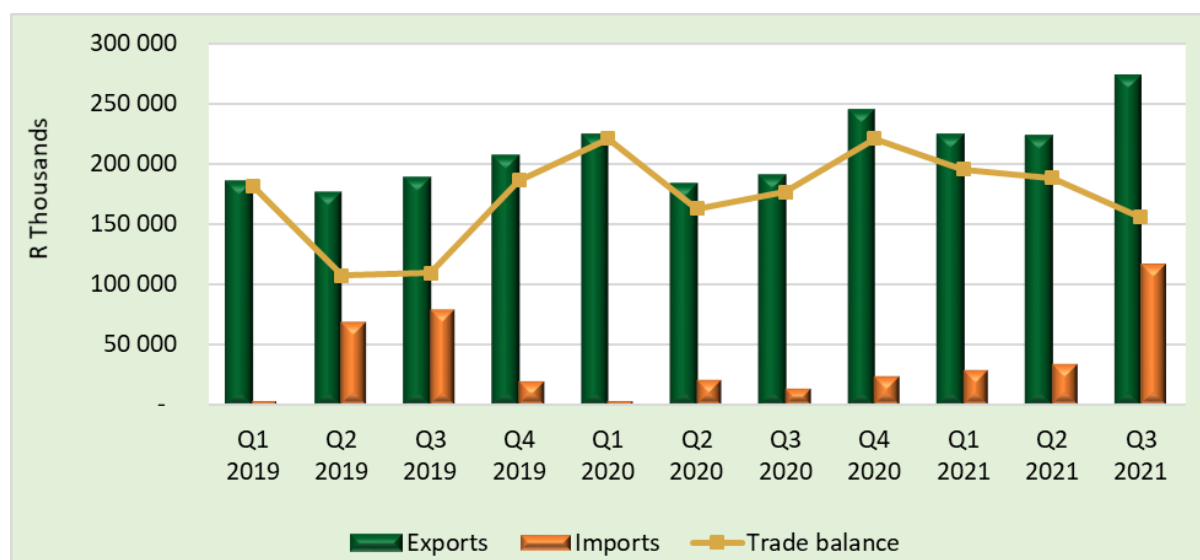
**Figure 33:** Trends in total production and average price of milk

Source: DAFF

Over the period Q1: 2019 to Q3: 2021, South Africa remained a net-exporter of milk and cream (not concentrated nor containing added sugar or other sweetening matter). Nevertheless, SA' trade balance of milk and cream (not concentrated nor containing added sugar or other sweetening matter) contracted by 12% in Q3: 2021 relative to Q3: 2020, to R 155,6 million from R 176,3 million. The uncertainty about the impact of covid-19 on the economy might have contributed to the narrowing of the trade balance of milk and cream (not concentrated nor containing added sugar or other sweetening matter) in Q3:2021 relative to Q3: 2020. The export value of milk and cream (not concentrated nor containing added sugar or other sweetening matter) increased by 43,9% in Q3: 2021 relative to Q3: 2020, to R 272 million from R 189,1 million, while the import value accelerated to R116,5 million in Q3: 2021 from R 12,8 million in Q3: 2020. The extent of the seasonal decrease in the production of milk and cream (not concentrated nor containing added sugar or other sweetening matter) from October 2020 to June 2021 might have had an impact on the export of

milk and cream (not concentrated nor containing added sugar or other sweetening matter) in Q3: 2021 relative to Q3:2020.

On a quarter-on-quarter basis, the trade balance of milk and cream (not concentrated nor containing added sugar or other sweetening matter) contracted by 17.4% in Q3: 2021 relative to Q2. The export value of milk and cream (not concentrated nor containing added sugar or other sweetening matter) increased by 22,5% in Q3: 2021 relative to Q2 while the import value of milk and cream (not concentrated nor containing added sugar or other sweetening matter) increased by 246.3% quarter-on-quarter. There is optimistic views about the future performance of milk and cream (not concentrated nor containing added sugar or other sweetening matter) in the export market and the positive export story is expected to continue throughout 2021.



**Figure 34:** Trends in imports and exports of milk and cream, not concentrated nor containing added sweetening

Source: Trademap, 2021

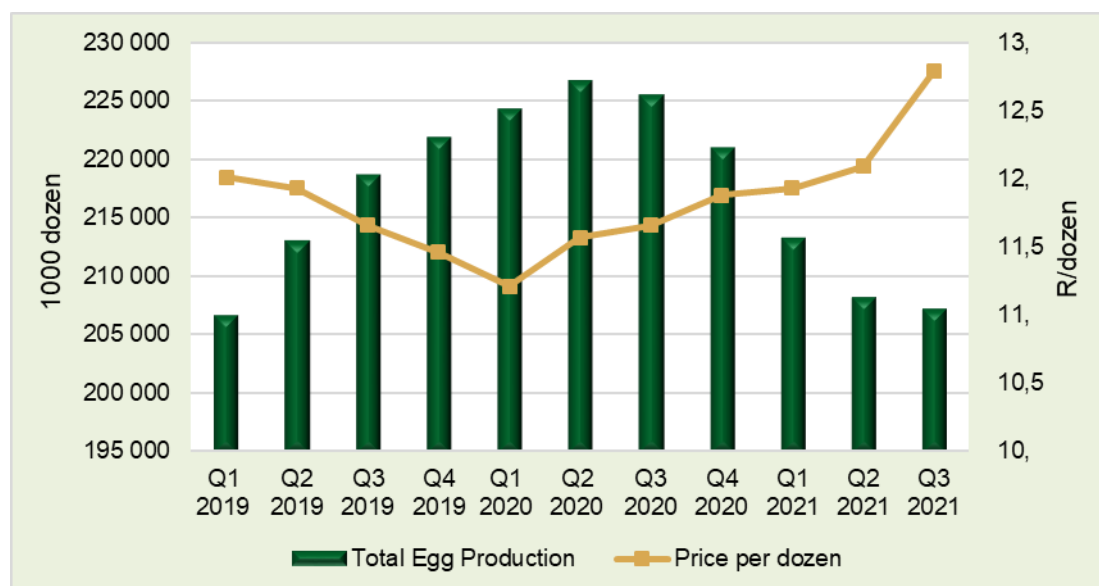
### 3.6 Egg industry review

Figure 35 depicts that while the economy is gradually recovering from the pandemic, South Africa’s egg producers face a number of challenges such as high input costs (particularly animal feed) while the practice of load shedding by Eskom severely

hampered production efficiencies. Water scarcity and poor water sanitation also accentuated the hardships egg producers faced. In Q3: 2021, the total production of eggs totalled 207,1 million dozens, a 8.1% decrease in production relative to 225,3 million dozens produced in Q3: 2020. Several egg producers reported significant drops in their earnings as a result of tough trading conditions while the increased cost of feed and other inputs could not be recovered in the selling prices of eggs.

On a quarter-on-quarter basis, the total production of eggs decreased by 0.5% in Q3: 2021 relative to Q2, from a total of 208,1 million dozens produced in Q2. The civil unrest affected egg producers as farmers experienced shortages of feed and veterinary supplies, among other disruptions.

Meanwhile, the average price per dozen of eggs increased by 9.7% in Q3: 2021 relative to Q3: 2020, to R12.97 per dozen from R 11,93 per dozen. On a quarter-on-quarter basis, the average price per dozen of eggs increased by 5.8% in Q3: 2021 relative to Q2, from R12,09 per dozen in Q2: 2021. The cost of electricity, fuel and wages affects the industry, with the supply and demand of eggs largely determining the price.



**Figure 35:** Trends in total egg production and average price per dozen eggs.

Source: DAFF

Whilst the poultry industry grapples with nationwide lockdowns as a result of the Covid-19 pandemic, as well as the impact of highly pathogenic avian influenza, South Africa remained a net-exporter of bird eggs (in shell, fresh, preserved or cooked) from Q1: 2019 to Q3: 2021. However, in Q3: 2021, South Africa's trade balance of birds' eggs, in shell, preserved or cooked contracted by 68% relative to Q3: 2020, to R 7.5 million from R23.4 million. Supply chains and the transport of poultry products were severely disrupted by the civil unrest while logistic services and distribution centres were forced to close.

On a quarter-on-quarter basis, the trade balance of bird eggs (in shell, fresh, preserved or cooked) contracted by 25.4% in Q3: 2021 relative to Q2. The export value of bird eggs (in shell, fresh, preserved or cooked) also contracted by 25.4% in Q3: 2021 relative to Q2. South Africa did not import bird eggs (in shell, fresh, preserved or cooked) over the period amid fragile domestic economic conditions. Egg producers were beset by mobs of thousands of people invading farms, stealing eggs, poultry, equipment, and destroying infrastructure.



**Figure 36:** Trade balance of birds' eggs, in shell, preserved or cooked

Source: Trademap, 2021

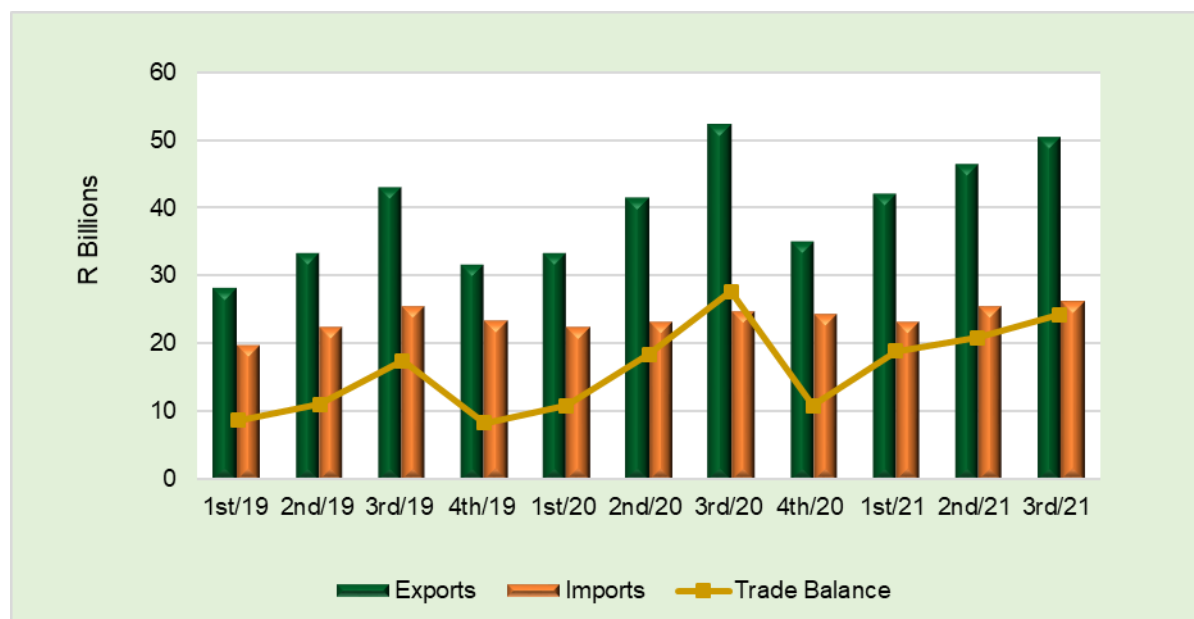
### 3.6 Trade of agricultural, forestry and fisheries

While the pandemic-related uncertainty, lockdown restrictions, economic disruptions related to the social unrest and Transnet cyberattack might have hindered the

ongoing economic recovery, South Africa's agricultural sector remains in a healthy state, boosted by favourable agricultural conditions and higher commodity prices. However, the social unrest in July and the criminality that destroyed Transnet infrastructure, the cyberattack at Transnet and general theft of rail material disrupted agriculture, food and beverage export activity notable in the third quarter trade figures.

During Q3: 2021, South Africa's agricultural trade balance contracted by 12.6% relative to Q3: 2020, to R 24,2 billion from R27,7 billion. If weather conditions remain favourable and the logistics remain fairly operational for export markets, the agricultural sector is poised for another year of positive growth. Farmers are boosting planting and taking advantage of the favourable weather conditions and attractive commodity prices, pointing to another year of solid growth (Agbiz, 2021).

On a quarter-on-quarter basis, agriculture's trade balance grew by 15.9% in Q3: 2021 relative to Q2. Major factors that contributed to the robust export value is the large agricultural harvest in 2020/21 that resulted in large export volumes coupled with solid global demand at higher agricultural commodity prices. In Q3: 2021, the export value of agricultural products grew by 8.7% relative to Q2, to R50,3 billion from R 46.2 billion while the import value of agricultural products grew by 2.8% quarter-on-quarter, from R25,3 billion to R26,0 billion. Imports grew quarter-on-quarter as recovery of domestic demand gathers momentum. However, domestic economic conditions remain fragile with employment lagging, further limiting the extent of recovery in domestic demand.

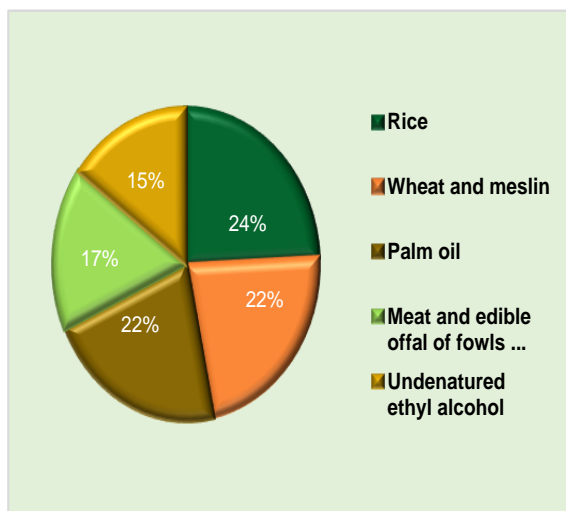


**Figure 37:** Trade balance of agricultural products

Source: Trademap, 2021

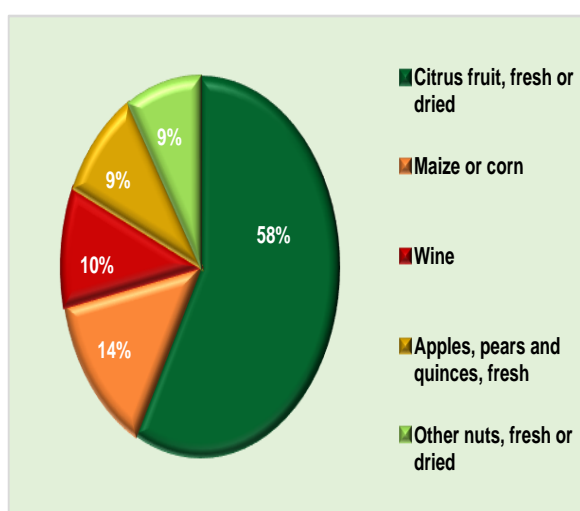
Figure 38 indicates the top five agricultural products imported by SA in Q3: 2021. The top five agricultural products imported by South Africa in Q3: 2021 include rice (24%), wheat and meslin (22%), palm oil (22%), meat and edible offal of fowls (17%) as well as alcohol (15%). These products dominated the food import bill in Q3: 2021. Meanwhile, Figure 39 indicates the top five primary agricultural products exported by SA in Q3: 2021. The top five agricultural products exported by South Africa in Q3: 2021 include fresh or dried citrus fruit (58%), maize or corn (14%), wine (10%), fresh apples, pears and quinces (9%) and other nuts, fresh or dried (9%). While analysts are modestly optimistic about the ongoing economy recovery, the pandemic-related uncertainty is still visible notwithstanding unreliable electricity supply, accelerating prices, the ongoing shortage of critical raw and other input materials as well as the ongoing severe weakness in the labour market.





**Figure 38:** Top five agricultural products imported by SA

Source: Trademap, 2021



**Figure 39:** Top five agricultural products exported by SA

Source: Trademap, 2021

#### 4. CONCLUSION

The global economic recovery is continuing, even as the COVID-19 pandemic resurges Real GDP growth Rates, 2021 (Q3) in the advanced economies of the following countries: Japan, decreased by 0.9%, while Canada, France, Germany, Italy, United Kingdom and United States increased by 1.2%, 3.0%, 1.7%, 2.6%, 1.3% and 0.5% respectively, when compared to the second quarter of 2020 (Q3).

In the emerging markets and developing economies, Real GDP growth Rates, 2021 (Q3) in the advanced economies of the following countries: Japan, decreased by 0.9%, while Canada, France, Germany, Italy, United Kingdom and United States increased by 1.2%, 3.0%, 1.7%, 2.6%, 1.3% and 0.5% respectively, when compared to the second quarter of 2020 (Q3)

The South African economy after recording four consecutive quarters of positive growth, real gross domestic product (GDP) slumped by 1,5%, eroding some of the economic gains the country has made since the severe impact of COVID-19 in the second quarter of 2020. Six of the ten industries recorded a decline in production in the third quarter, with agriculture, trade and manufacturing the hardest hit. The annual average headline CPI for the third quarter 2021 was 4.93%, which shows a decrease of 2.79% when compared to the same period last year. Food inflation for the third quarter of 2021 was 7.21%, which shows an increase of 4.29% from 2.92% of the third quarter of 2020.

South Africa's unemployment rate rose to 34.9% in the third quarter of 2021, up from 34.4% in the previous quarter. It was the highest jobless rate since comparable data began in 2008, on the back of the July unrests and the lockdown.

During Q3: 2021, South Africa's agricultural trade balance contracted by 12.6% relative to Q3: 2020, to R 24,2 billion from R27,7 billion. On a quarter-on-quarter basis, agriculture's trade balance grew by 15.9% in Q3: 2021 relative to Q2. In Q3: 2021, the export value of agricultural products grew by 8.7% relative to Q2, while the import value of agricultural products grew by 2.8% quarter-on-quarter.

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