



Quartely Economic Overview

AGRICULTURE SECTOR

Volume 18, Number 3, Third Quarter 2020



**agriculture, land reform
& rural development**

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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 2020: 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: Real GDP growth Rates, 2020 (Q3) in the advanced economies of the following countries: Canada, France, Germany, Italy, Japan, United Kingdom and United States decreased by 8.9%, 18.7%, 8.5%, 15.9%, 5.3%, 15.5% and 7.4% respectively, when compared to 2019 (Q3)

in the emerging markets and developing economies, 2020 (Q3) Real GDP growth rates decreased in the following countries: Brazil, China, Philippines and South Africa decreased by 7.7%, 4.9%, 8.0% and 66.1%, respectively, whilst India, Indonesia, Malaysia, Nigeria and Russia merely increased by 7.5%, 3.49%, 2.7%, 3.62% and 3.4% when compared to the fourth quarter of 2019 (Q3)

Global grain supply forecast: Global supply projections for 2020 (Q3) of wheat, coarse grains, rice milled, cotton, oilseeds, oil meals and vegetable oils increased by 2.3%, 2.8%, 2.2%, 5.7%, 0.9%, 2.1%, and 0.8% respectively, when compared to the second quarter of 2019.

South Africa's GDP: South Africa's GDP figures shows that the economy performed better in the third quarter compared to the previous quarter. Real gross domestic product (measured by production) increased at an annualised rate of 66,1% in the third quarter of 2020, largely as a result of the easing of COVID-19 lockdown restrictions.

Inflation: The annual average headline CPI for the third quarter 2020 was 2.11% which shows a decrease of 2.64% when compared to the same period last year. Food inflation for the third quarter of 2020 was 2.92% which shows a decrease of 1.11% from 4.03% of the third quarter of 2019.

Employment: the unemployment rate rose to 30.8% in the third quarter from 23.3% in the second quarter, South Africans returned to the labour market as COVID-19 restrictions were relaxed further. In the third quarter, the labour force expanded by 2.8 million, signalling a return to some normality, however the labour force is still 8.2% smaller than the same time a year ago. The number of employed increased by 543 000 in the third quarter (up 3.8% q-o-q) but was down 1.7 million on a y-o-y

basis. Increase in employment does not signal employment creation, but a recouping of jobs lost over the strict lockdown period.

The grain market review section: It 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: South Africa's agricultural trade balance grew by 54.5% in Q3: 2020 compared to Q3: 2019, to R28,2 billion from R 18,3 billion. On a quarter-on-quarter basis, agriculture's trade balance grew by 52% in Q3: 2020 compared to Q2, with the export value increasing by 26% quarter-on-quarter. Meanwhile, the import value increased by 6% quarter-on-quarter.

1 GLOBAL OVERVIEW OF THE AGRICULTURE, FORESTRY AND FISHERIES ECONOMY

1.1 Global Real GDP Growth Rates

According International Monetary Fund (IMF) latest report on World Economic Outlook (WEO) Update, April 2020, It indicates that While the threat from COVID-19 persists, many key economies fared better than expected in the third quarter as households stepped up spending in the U.S. and Europe, and the Chinese government ramped up infrastructure investment. The majority of advanced economies surprised on the upside, while developments in emerging markets were mixed. But the good news only goes so far: The big bounce is largely mechanical and the next leg of the recovery will be more difficult. Indeed, momentum is already beginning to fade. Challenges are mostly fiscal include protecting those hardest hit, keeping viable firms afloat, and facilitating necessary structural changes.

The global GDP forecast for full-year 2020 remains broadly unchanged, with a contraction of around 4%. Upward revisions for the U.S., Eurozone, and China were offset by downward revisions to India and the U.K. The balance of risks remains on the downside, reflecting insufficient support for the nexus of small and medium enterprises and the labor market, premature fiscal tightening, and increasing economic damage to EMs. Progress toward a vaccine provides a modest upside. Real GDP growth Rates, 2020 (Q3) in the advanced economies of the following countries: Canada, France, Germany, Italy, Japan, United Kingdom and United States decreased by 8.9%, 18.7%, 8.5%, 15.9%, 5.3%, 15.5% and 7.4% respectively, when compared to 2019 (Q3). See figure 1 below.

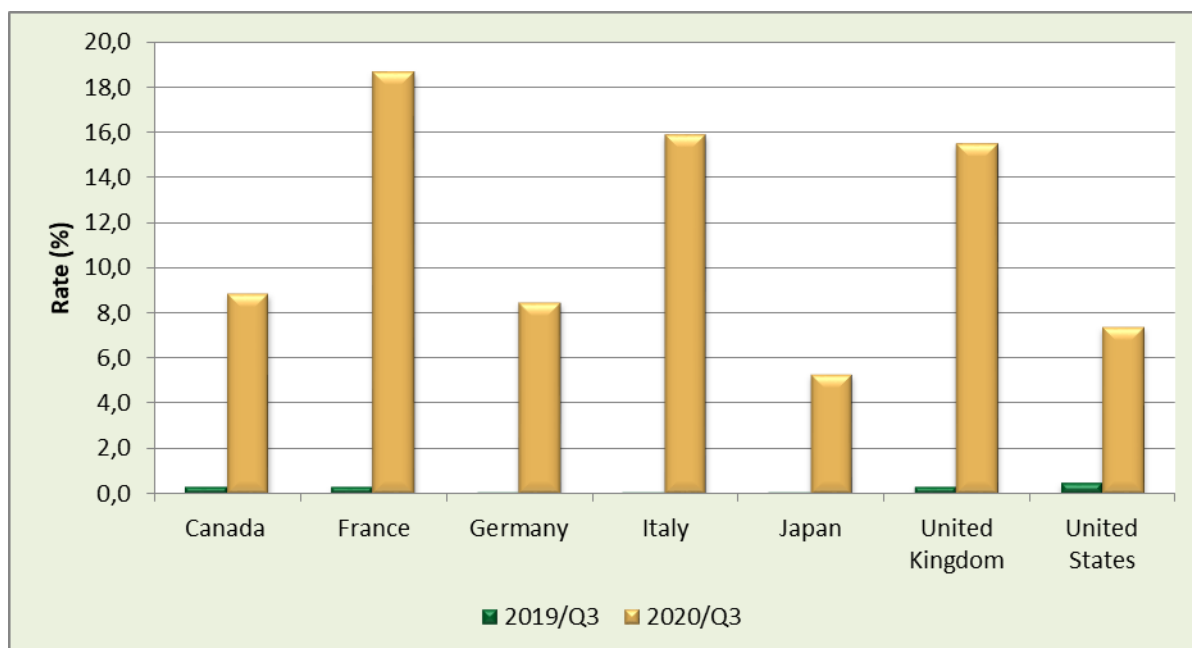


Figure 1: Advanced economies quarterly GDP growth rates

Source: Various Sources

Figure 2 indicates that in the emerging markets and developing economies, 2020 (Q3) Real GDP growth rates decreased in the following countries: Brazil, China, Philippines and South Africa decreased by 7.7%, 4.9%, 8.0% and 66.1%, respectively, whilst India, Indonesia, Malaysia, Nigeria and Russia merely increased by 7.5%, 3.49%, 2.7%, 3.62% and 3.4% when compared to the fourth quarter of 2019 (Q3) figures.

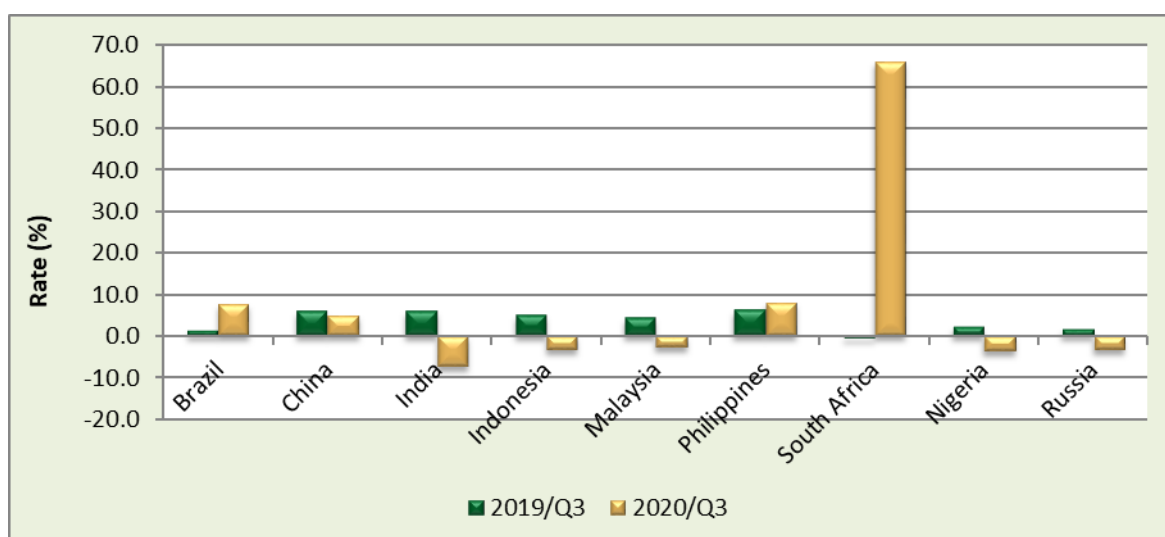


Figure 2: Emerging markets and developing economies quarterly GDP growth rates

Source: Various Sources

1.2 Global Grain Forecast

The global grain supply forecast indicates a total grain increase of 2.5%, from 3.459 million metric tons in 2019 (Q3) to 3.551 million metric tons in 2020 (Q3). Global supply projections for 2020 (Q3) of wheat, coarse grains, rice milled, cotton, oilseeds, oil meals and vegetable oils increased by 2.3%, 2.8%, 2.2%, 5.7%, 0.9%, 2.1%, and 0.8% respectively, when compared to the second quarter of 2019, see figure 3 below.

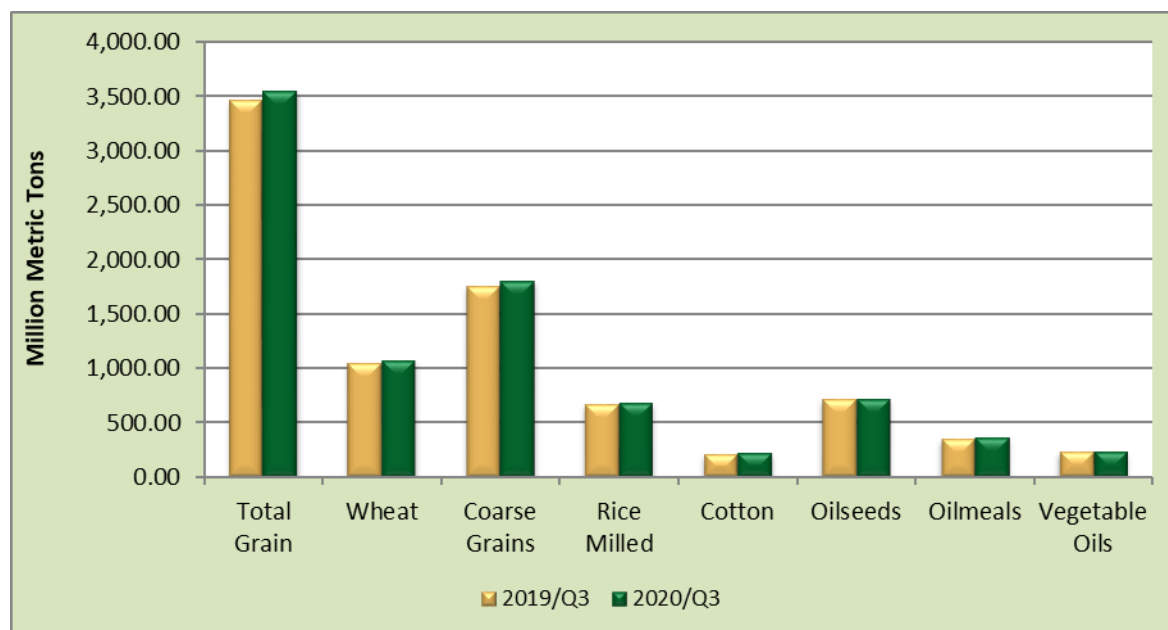


Figure 3: Quarterly global grain supply forecast
Source: USDA

1.3 Global Food Prices

Globally in 2020 (Q3) some major countries were paying significantly less by 43.7% on food purchases compared to 2019 (Q3). The following global food products price indices in 2020 (Q3), meat, dairy, cereals, oil and sugar indices reflect a steady decrease by 48.9%, 47.3%, 38.0%, 25.2% and 55.1% respectively, when compared to (Q3) of 2019, see figure 4.

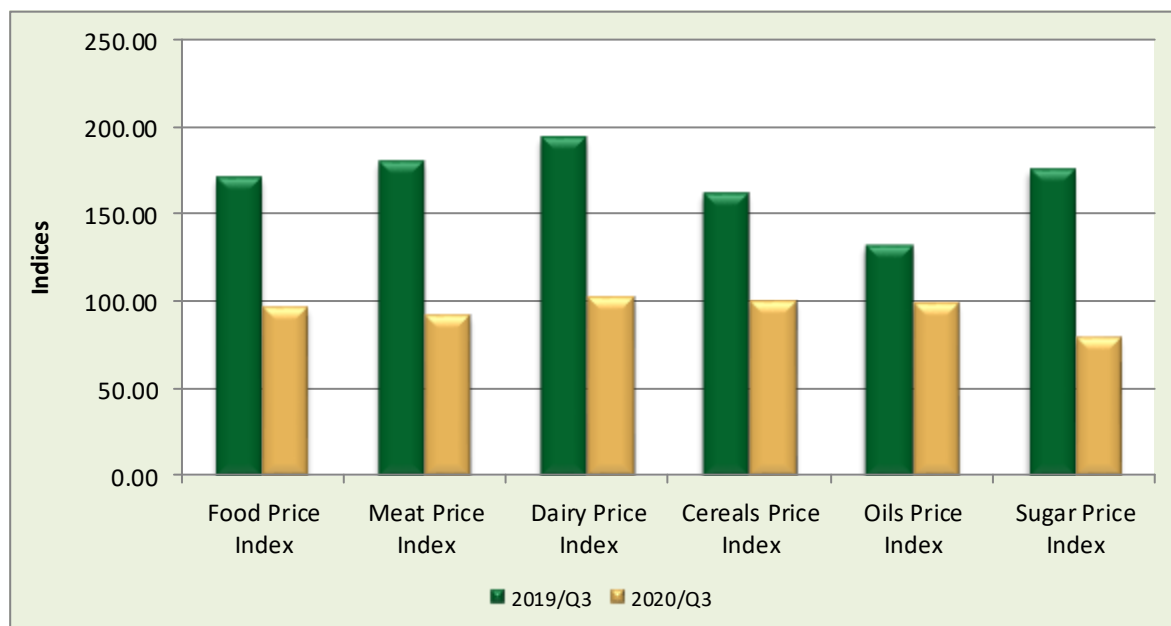


Figure 4: Quarterly global food price indices
Data Source: FAO

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

2.1 Growth

The latest data by Statistics South Africa for the third quarter of 2020 shows that the economy performed better in the third quarter of 2020 compared to the previous quarter. Real gross domestic product (measured by production) increased at an annualised rate of 66,1% in the third quarter of 2020, largely as a result of the easing of COVID-19 lockdown restrictions. Economic activity reported positive growth over a wide range of sectors between the second quarter and third quarter of 2020. The manufacturing industry and the trade catering and accomodation industries were the largest positive contributors to GDP during the third quarter of 2020. The manufacturing industry; and the trade, catering and accommodation industry increased at a rate of 210.2% and 137.0% and contributed 16.2, and 14.6 percentage points respectively to the GDP in 2020: Q3. According to Stats SA, all industries recovered in the third quarter largely due to easing of local and global lockdown restrictions. The mining and quarrying industry increased at a rate of

288.3% and contributed 11.8 percentage points to the GDP in 2020:Q3. Increased production mainly due to increased activities in the production of platinum group metals played a positive role to the sector growth.

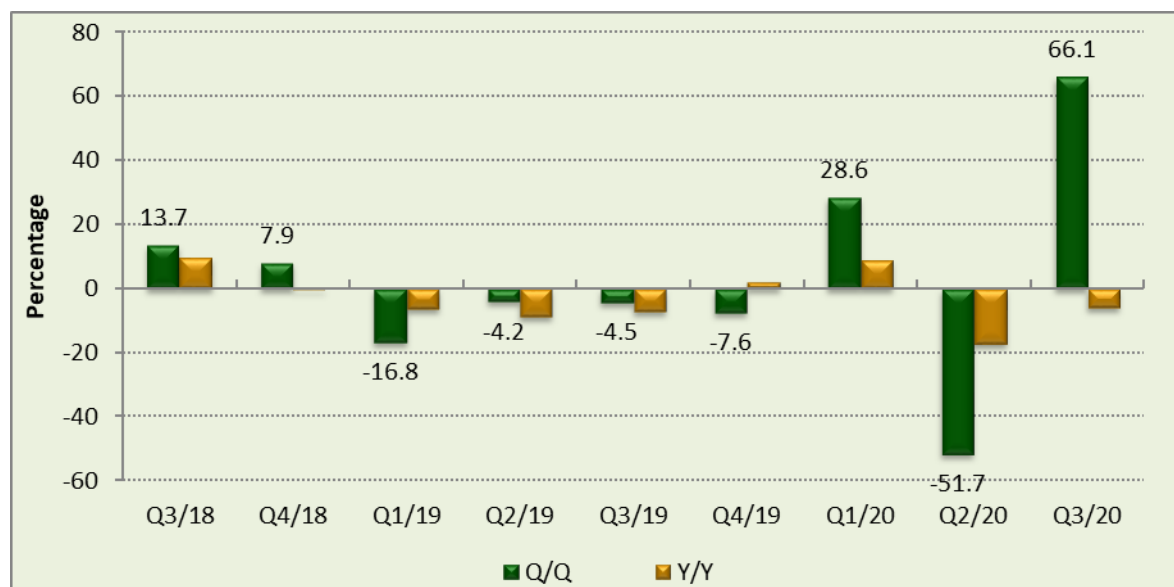


Figure 5: Domestic real GDP growth

Source: Stats SA

The agriculture, forestry and fisheries industry contributed positively to the GDP in 2020: Q3 with all three sectors showing growth (see figure 6). The agriculture, forestry and fishing industry increased at a rate of 18,5%, and contributed 0,6 of a percentage point (Stats SA). According to BFAP quarterly report, disaggregated data shows that field crops made the biggest positive contribution to the total agricultural Gross Value of Production (GPV), with a 34% increase compared to Q3 of 2019. Maize is the largest contributor to the GPV of field crops and increased by 44% year on year. The GPV from horticulture also improved by 10% year-on-year for Q3, with almost all industries showing a increases, except for the black tea industry. GPV from animal products increased by 7% year on year. The beef industry reflected an increase of 9% in the GPV.

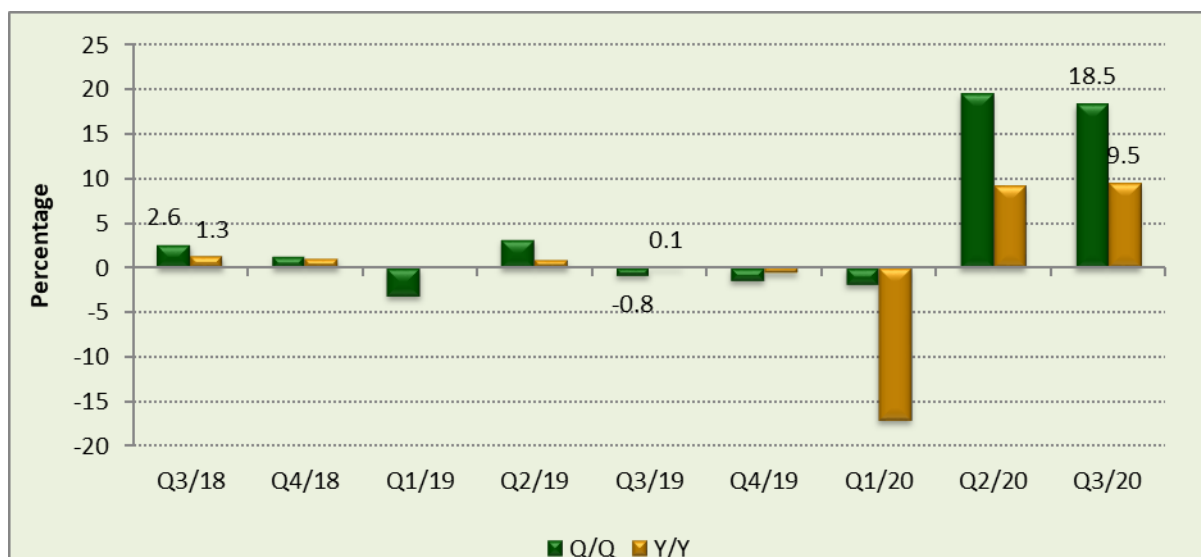


Figure 6: Agriculture, forestry and fisheries sector growth rates
Source: Stats SA

2.2 Inflation

South Africa’s annual headline CPI and the food inflation from the third quarter of 2020 as illustrated in figure 7. The annual average headline CPI for the third quarter 2020 was 2.11% which shows a decrease of 2.64% when compared to the same period last year. Food inflation for the third quarter of 2020 was 2.92% which shows a decrease of 1.11% from 4.03% of the third quarter of 2019.

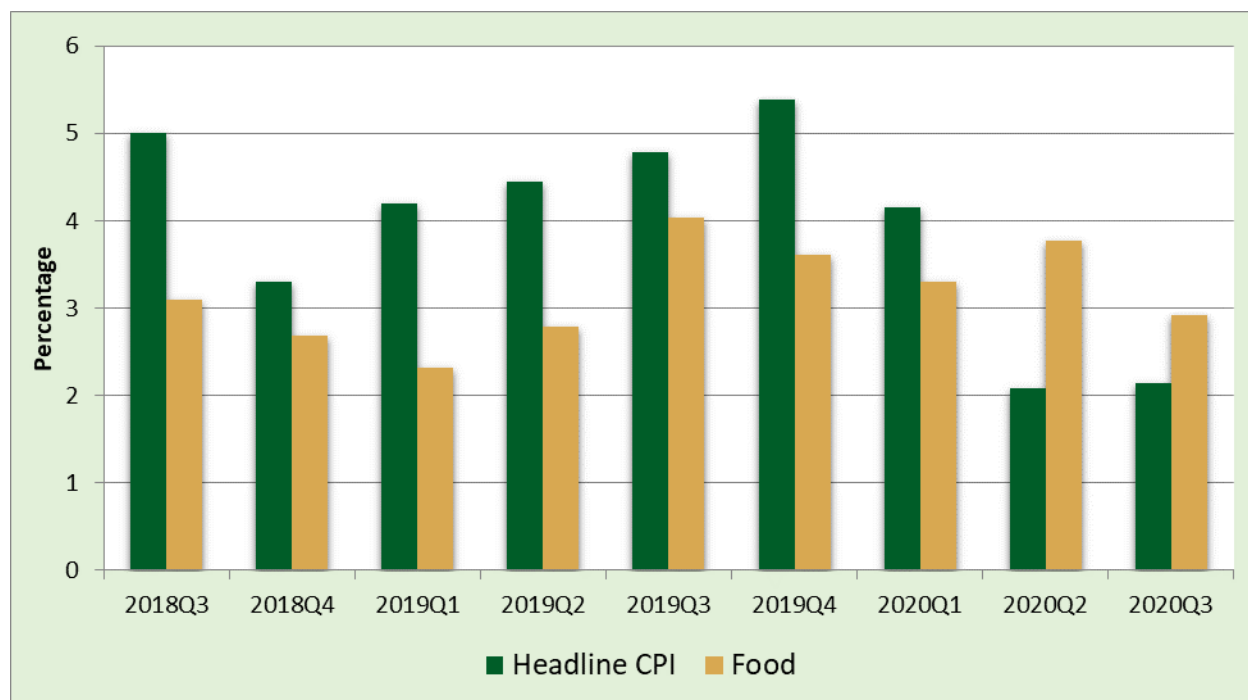


Figure 7: SA headline CPI and CPI for food

Source: Stats SA

Figure 8 illustrates consumer trends of selected food items for the third quarter of 2020. Food inflation for Quarter three of 2020, shows that milk, egg & cheese, bread & cereals, meat, fish, and vegetables were generally less expensive with a CPI of 4.93%, 0.005%, 3.91%, 3.61% and 1.23% respectively when compared to other food items. On a quarterly basis, the CPI for fruit was the most expensive with a CPI of 9.89% which is lower from 11.29% in the previous quarter, which is a decrease of 1.4%. CPI for oils & fats was the second largest food item with a CPI of 7.79% when compared to the same period last year the CPI for fruit has gone up by 4.62%.

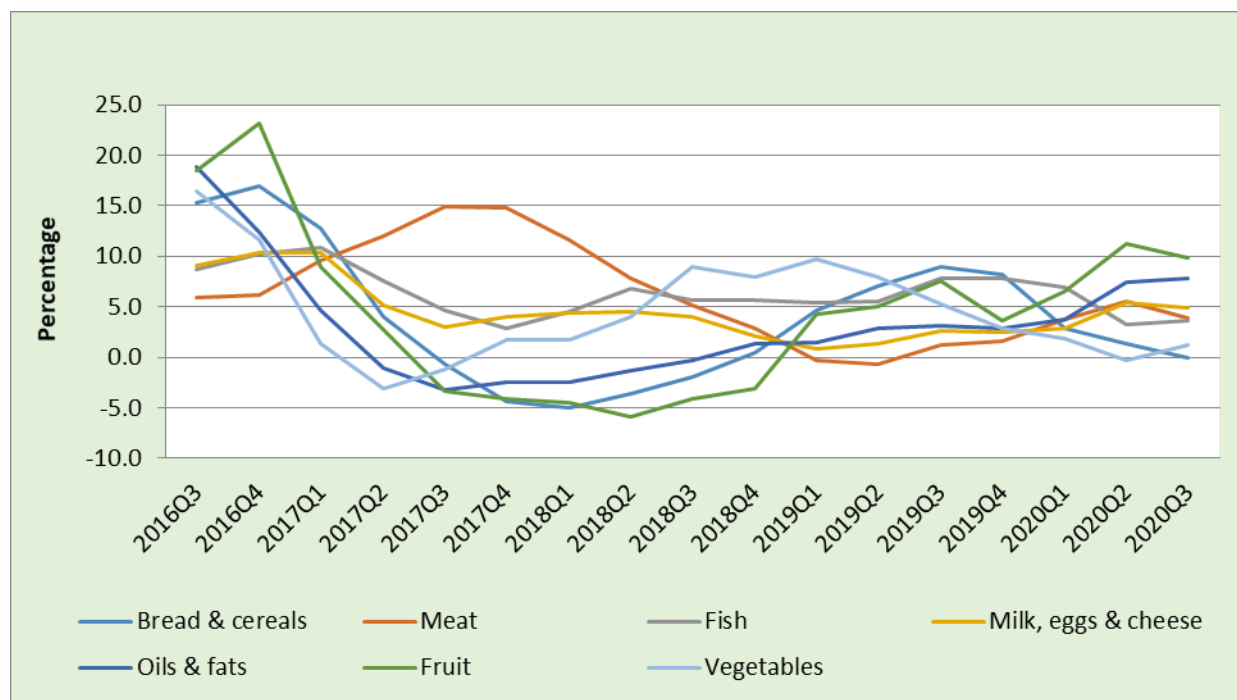


Figure 8: CPI for selected food items

Source: Stats SA

2.3 Employment

As expected, the unemployment rate rose to 30.8% in the third quarter from 23.3% in the second as South Africans returned to the labour market as COVID-19 restrictions were relaxed further. In the third quarter, the labour force expanded by 2.8 million, signalling a return to some normality, however the labour force is still 8.2% smaller than the same time a year ago. The number of employed increased by 543 000 in the third quarter (up 3.8% q-o-q) but was down 1.7 million on a y-o-y basis. The increase in employment in the third quarter does not signal employment creation, but a recouping of jobs lost over the strict lockdown period.

The annual numbers tell the true story and every category of employment – formal (-8.3% y-o-y), informal (-18.0%), agricultural (-8.2%) and private households (-12.9%) – has fewer people in employ than this time a year ago. The sector that regained the most jobs in the third quarter was finance, which recouped 200 000 jobs, followed by community and social services as well as private households, which recouped 137 000 and 116 000 jobs respectively over the quarter. The utilities (23 000) and transport (7 000) sectors are the only ones still losing jobs. The number of unemployed increased by 2.2 million to 6.5 million in the third quarter from 4.3 million in the second. This was expected as many could not be classified as unemployed in the second quarter as they were not looking for a job because of

COVID restrictions and also did not fall into the definition of discouraged work-seekers but were said to have exited the labour force.

Stats SA continued to use telephone interviews instead of face-to-face for this quarter and were faced with the same challenges experienced in the second quarter and have warned against strictly comparing these QLFS numbers to previous years. The unemployment rate is likely to stay at current levels for some time, as South African unemployment is structurally sticky above the 25% mark. The only thing that can change the structurally high unemployment rate would be a concerted push to fix the country’s structural challenges regarding skills as well as other policy issues and this will be a long-term endeavour, hence unemployment will remain sticky at high levels over the medium term.

Figure 9 shows that between the third quarter of 2019 and the same quarter of 2020, the number of employed persons decreased in all of the ten industries, this is the second consecutive decrease due to Covid 19. The largest decrease recorded in Utilities, Construction, Manufacturing, Private households, and Trade which decreased by 32.2%, 19.4%, 17.8%, 12.9% and 11.7% respectively. During the same period Transport, Agriculture as well as Community and social services decreased by 9.9%, 8.2% and 8.1% respectively. While Finance and Mining decreased slightly by 2.3% and 0.1% respectively, it must be noted that these two industries can contribute positive figures in the last quarter of 2020.

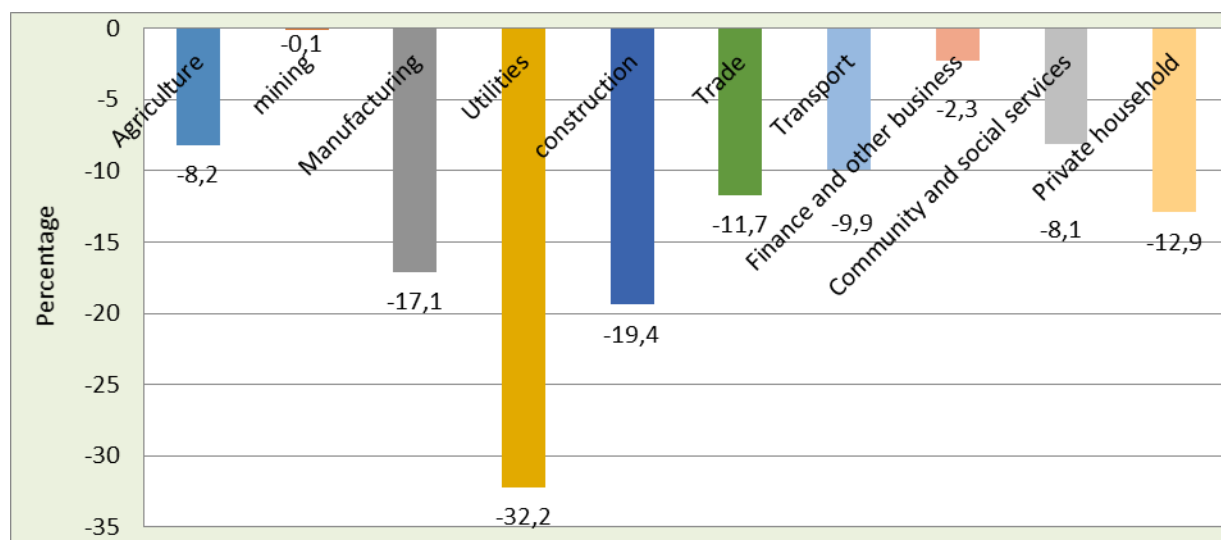


Figure 9: Total number of people employed by industries between 2019: Q3 and 2020: Q3

Source: Stats SA

Figure 10 illustrate that below illustrate that the number of people employed in agricultural sector decreased by 8.2% in the third quarter of 2020, from 880 000 persons in the third quarter of 2019 to 808 000 persons in the same quarter of 2020. In the 72 000 jobs lost 40 000 jobs were lost by men, while woman lost 32 000 jobs between the two quarters. During the same period in total, the agricultural sector comprised of 230 000 women and 578 000 man compared to 262 000 women and 618 000 men.

In the third quarter of 2020, South Africa's agriculture employment improved by 1% from the previous quarter to 807,882. This slight quarterly recovery corresponds with the reopening of the economy and certain agricultural commodities during that period. This is important because while the majority of agriculture remained operational since the start of the lockdown period, the sector could not entirely avoid job losses as demand for some products in the sector was somewhat disrupted.



Figure 10: Total number of people employed in the agriculture sector between 2019: Q3 and 2020: Q3 Source: Stats SA

Figure 11 shows that between the third quarter of 2019 and same quarter of 2020, provincial agriculture employment increased in Eastern Cape, North West, Gauteng, Mpumalanga and Limpopo. The increased employment in these provinces can be attributed to increased activity in the fields as 2020 was a boom agriculture year in terms of output in almost all subsectors (field crops, horticulture and animal product).

While provincial agriculture employment decreased in Western Cape, Northern Cape, Free State and KwaZulu-Natal. During the same period (QLFS) publication, also indicate that 2.96 million people were involved in subsistence farming compared to 1.91 million people, an increase of 55.7 %. KwaZulu-Natal and Eastern Cape remained with the highest number of people involved in subsistence farming. Looking ahead, the agricultural sector is poised for another good year on the back of an expected La Niña. Reports that this means that there will be increased activity in the sector, which would sustain employment, at least at levels above 750,000.

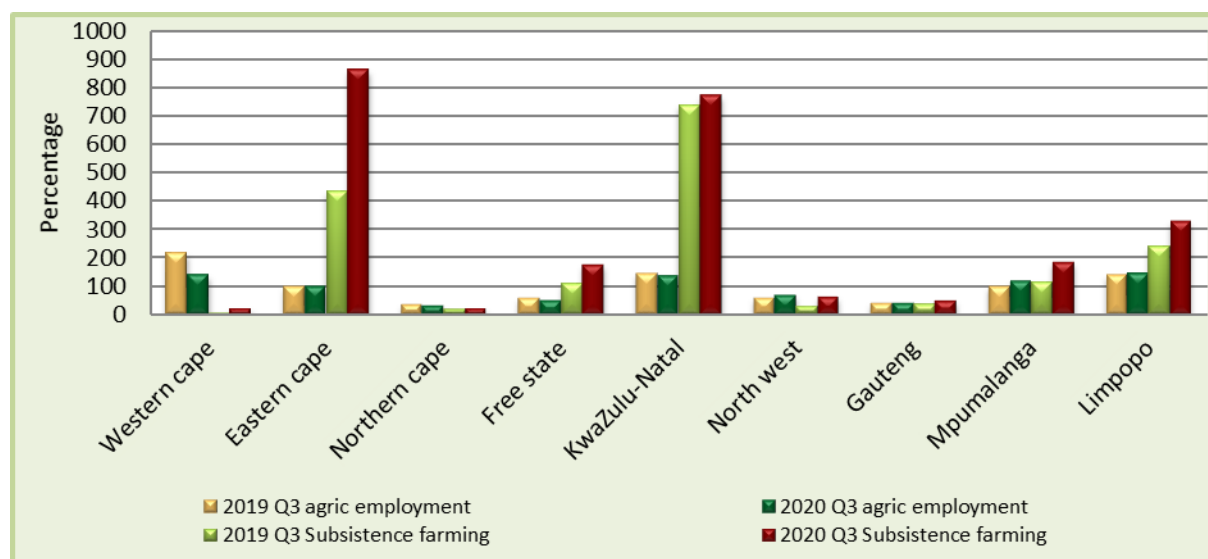


Figure 11: Provincial number of people involved in subsistence farming between 2019: Q3 and 2020: Q3

Source: Stats SA

2.4 Expenditure on intermediate goods and services by the agricultural sector

The total expenditure on intermediate goods and services was reported at R45.0 billion in the third quarter of 2020 compared to R42.3 billion in the previous quarter, an increase of 6.3%. Compared to a year ago the total expenditure on intermediate goods and services increased by 6.7% from R42.2 billion in the third quarter of 2019 to R45.0 billion in the third quarter of 2020.

The total expenditure on intermediate goods and services increased by 6.7% from a year (2019 Q3) ago to Q3 2020. The increase was due to increases in Farm Services (16.7%), Fuel (3.1%), Fertiliser (3.0%), Farm Services (6.0%), Seed and plants (10.0%) and Farm Feeds (3.7%).

Figure 12 shows comparison of the total expenditure on Farm Services, Farm Fuel, Fertilizers, Seeds and Plants as well as Farm Feeds in the second quarter of 2020 compared to the previous quarter. The increase of 6.3% was due to increases in Fuel (5.42%), Fertilisers (18.18%), Seed and Plants (50.0%). These increases offset decreases in Farm Services (16.67%) and Farm feeds (4.0%).

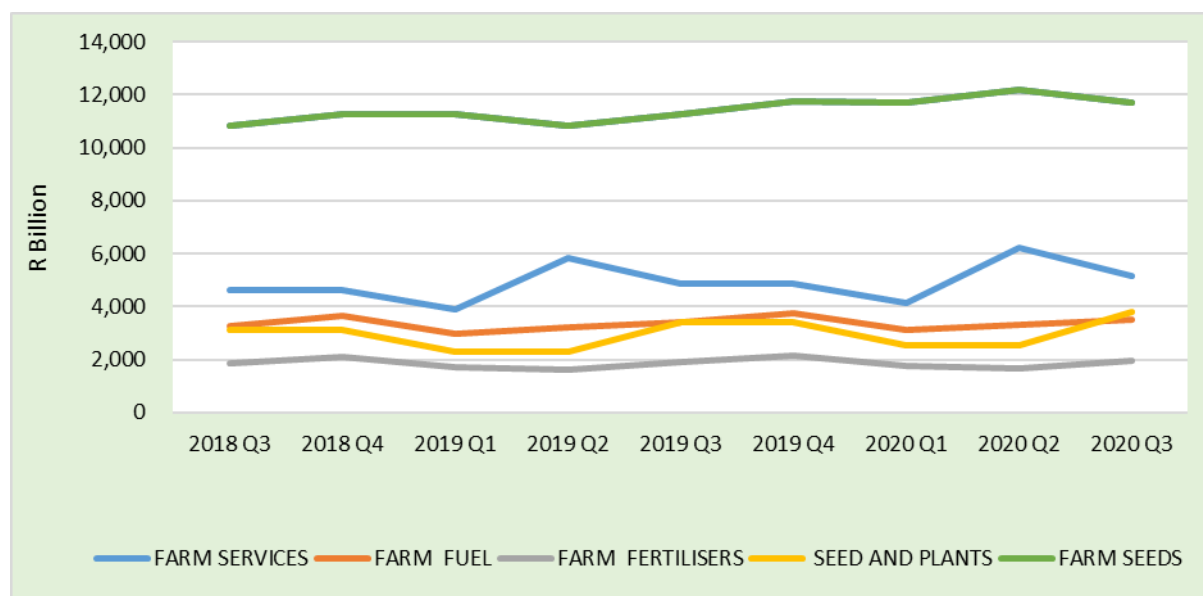


Figure 12: Trends in the expenditure on fuel, farm feeds, fertilisers, seeds and plants and farm services between 2018: Q1 and 2020: Q1
Source: DAFF

2.5 fertilizer market review

2.5.1 South African fertiliser expenditure

The expenditure on fertilizer in third quarter of 2020 was R 1,978.00 compared to R 1,920.229 in the same quarter in 2019, 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.

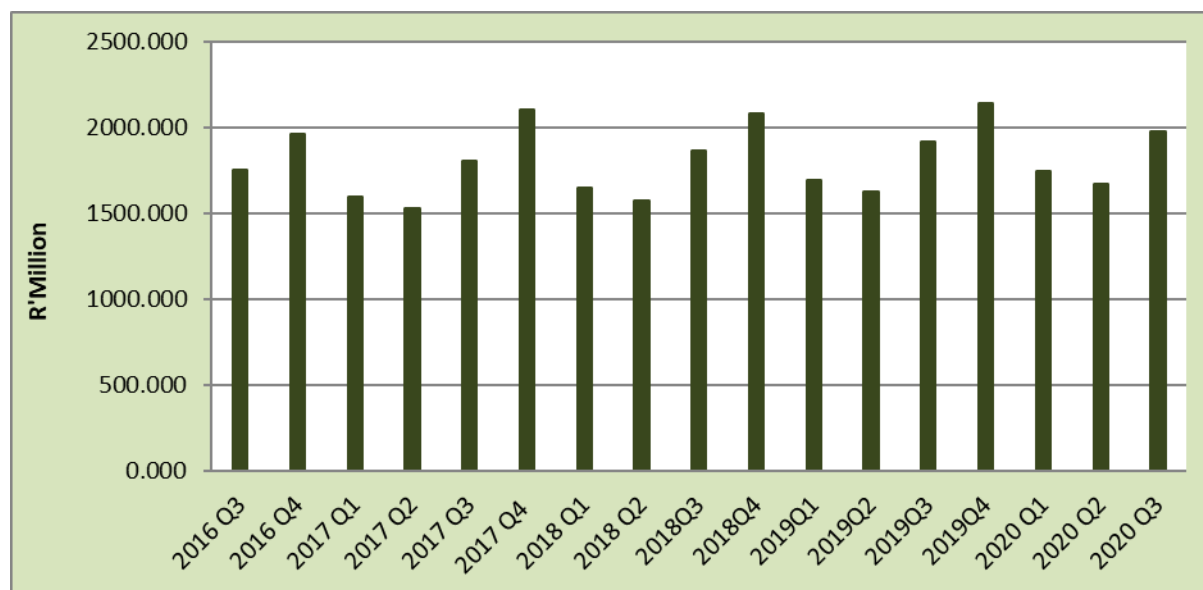


Figure: 13 South Africa fertiliser expenditure

Source: Grain SA

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

Figure 14 illustrate that the nominal real gross income from all agricultural products increased by 14.5% from R81.1 billion in the third quarter of 2019 to R92.8 billion in the same quarter of 2020. During the same period, the net farm income is estimated at R39.1 billion compared to R30.4 billion, a significant increase of 28.7%. The increase in net farm income was largely supported by an increase in income from field crops, horticulture and animal product that increased by 34.0%, 10.2% and 6.5% respectively.

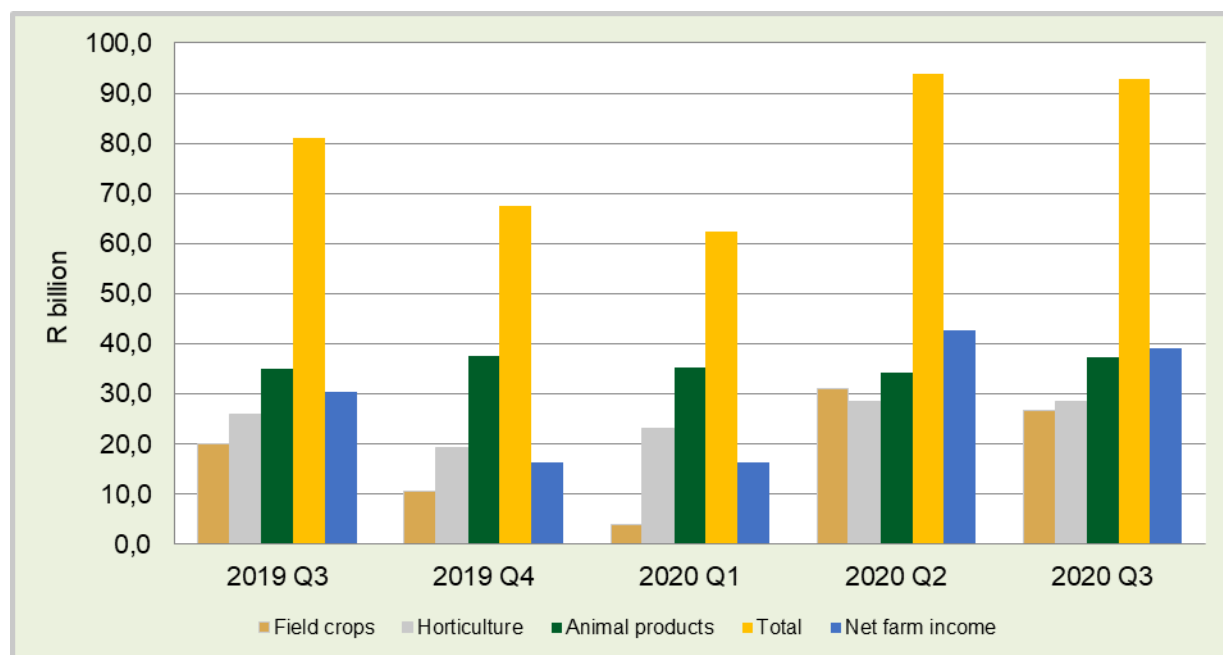


Figure 14: Trends in nominal gross farm income and Net farm income between Q3:2019 and Q3:2020

Source: DAFF

2.9 Reviews of South Africa’s water dam levels

Following the Presidential address on the Risk-adjusted strategy downwards to level 2, there is an anticipated increase in water use. Hence, South Africa’s national dam levels dropped by 2.6% in Q3: 2020 compared to Q3: 2019, to an average of 67.2% from an average of 69.1%, due to an increase in water usage as economic activities opened. Meanwhile, the Department of Water and Sanitation announced that since the beginning of August, temperatures in most provinces have soared to an average of 23 degree Celsius, causing water reservoirs to drop due to evaporation. Therefore, water users are urged to continue with water-saving initiatives.

On a quarter-on-quarter basis, South Africa’s national dam levels dropped by 3.2% in Q3: 2020 compared to Q2, due to rising temperatures causing the country’s dam levels to drop week-on-week until the first summer rain expected at the end of October this year. Water users are therefore reminded to rethink their day to day water consumption patterns, inculcate behavioural change and value water more.

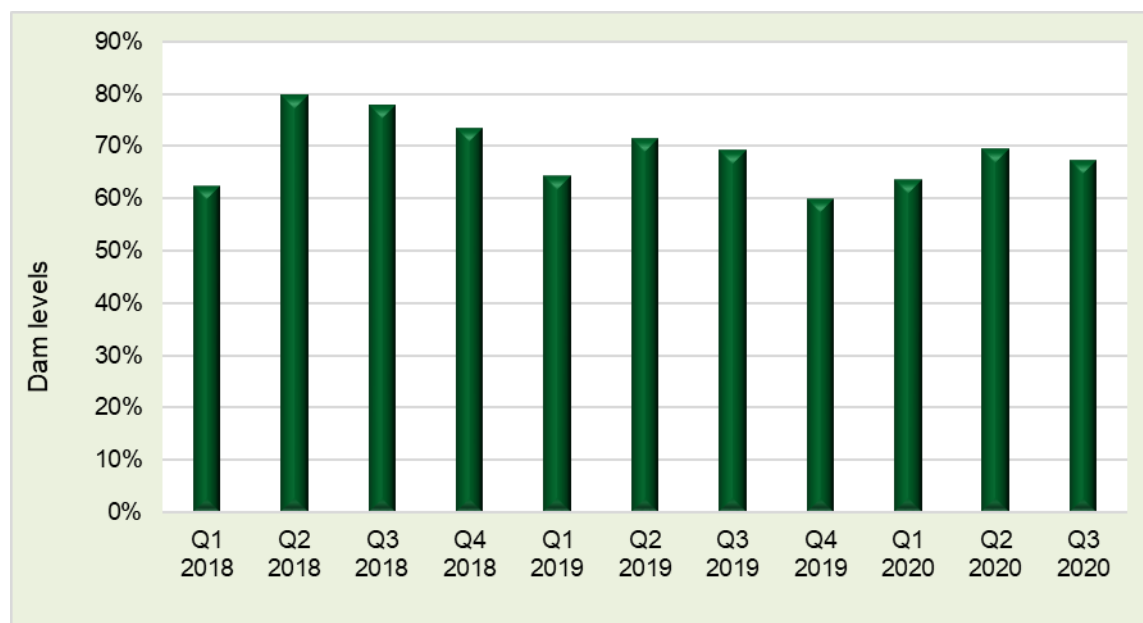


Figure 15: Total dam levels in Q2: 2020
 Source: Department of Water & Sanitation (DWS)

1. Provincial average dam levels

South Africans breathed a sigh of relief as dam levels in large parts of the country improved significantly in Q3: 2020 compared to Q3: 2019, except for dam levels in the Eastern Cape, Free State Province and KwaZulu-Natal. Eastern Cape dam levels dropped by 8.9% in Q3: 2020 compared to Q3: 2019, as the Eastern Cape Province has been facing acute water challenges for some time. Average dam levels in the Eastern Cape dropped from 56% in Q3: 2019 to 51% in Q3: 2020. Eastern Cape is the only province whose dam levels threatened to plunge closer to half in Q3: 2020 as they teetered closer to 50%. Dam levels in KwaZulu-Natal declined by 3.6% in Q3: 2020 compared to Q3: 2019. Dam levels in KwaZulu-Natal were stable even though slightly lower at an average of 58% in Q3: 2020 compared to an average of 60% in Q3: 2019. Unless the province receives heavy downpours in the next months, KwaZulu-Natal is likely to join Eastern Cape as one of the regions whose dam levels have plummeted closer to 50%. Meanwhile, dam levels in the Free State Province declined by 4.6% in Q3: 2020 compared to Q3: 2019, to an average of 79% from an average of 83% in Q3: 2019. Free State is amongst those provinces affected by evaporation and the province continues to store large volumes

of water in various dams across the province. Heavy rains in the coming months will likely change the dams' trajectory.

Nevertheless, dam levels in the Gauteng province increased by 7.8% in Q3: 2020, to an average of 98% from an average of 91% in Q3: 2019. Dam levels in Limpopo received substantial amounts of rains and increased by 9.9% in Q3: 2020, to an average of 62% from an average of 57% in Q3: 2019. Dam levels in Mpumalanga increased by 4.0% in Q3: 2020, to an average of 70%, from an average of 67% in Q3: 2019. Dam levels in the Northern Cape increased by 9.6% in Q3: 2020, to an average of 92% from an average of 84% in Q3: 2019. Dam levels in the North West Province increased by 7.5% in Q3: 2020, to an average of 67%, from an average of 63% in Q3: 2019. The Western Cape received substantial amounts of rain as dam levels increased by 12% in Q3: 2020 to an average of 66%, from an average of 63% in Q3: 2019. However, in order to ease the pressure placed on the water supply in the Western Cape, municipalities across the province continue to implement level 1 to 6 water restrictions for the foreseeable future. These restrictions place higher tariffs on water consumption to encourage users to only use what is needed. The province's dam levels are expected to increase exponentially as more rains are expected to drench major parts of the provinces in the next few months before the end of the hydrological wet season in November 2020.

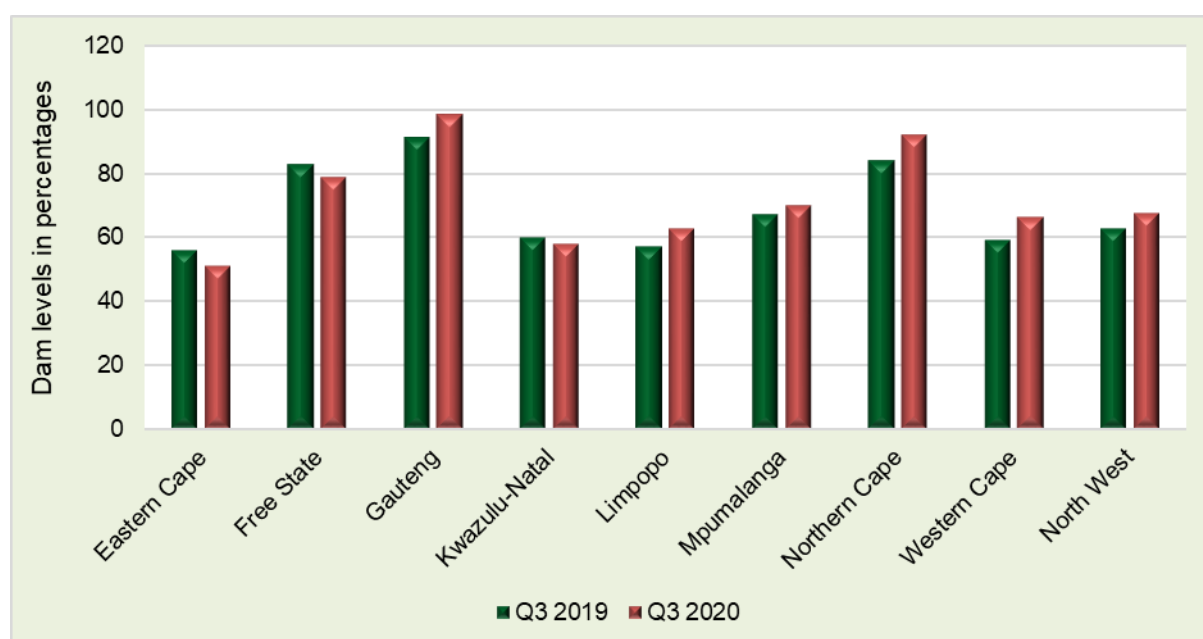


Figure 16: Provincial dam levels

Source: Department of Human Settlements, Water and Sanitation

Figure 17 shows Provincial dam levels from Q3: 2019 to Q3: 2020. On a quarter-on-quarter basis, comparing dam levels in Q3: 2020 with Q2, almost all provincial dam levels declined significantly in Q3: 2020 compared to Q2 except for dam levels in the Western Cape Province, which increased by a substantial 71.1% in Q3: 2020 compared to Q2. Nevertheless, water saving measures are needed throughout the Western Cape Province. The demand for water has steadily increased every year due to the province’s rapidly growing population and economy. The unpredictable climate has also added significant pressure on water supply.

Meanwhile, average dam levels in the Eastern Cape Province, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape and North West Province decreased by 8.2%, 3.8%, 1.6%, 7.0%, 7.2%, 7.0% 0.4% and 4.6% respectively in Q3: 2020 compared to Q2. The Department of Water and Sanitation warned South Africans against complacency as the current rain does not mark an end to water challenges. Water users are therefore encouraged to double their efforts to save and harvest as much water as possible.

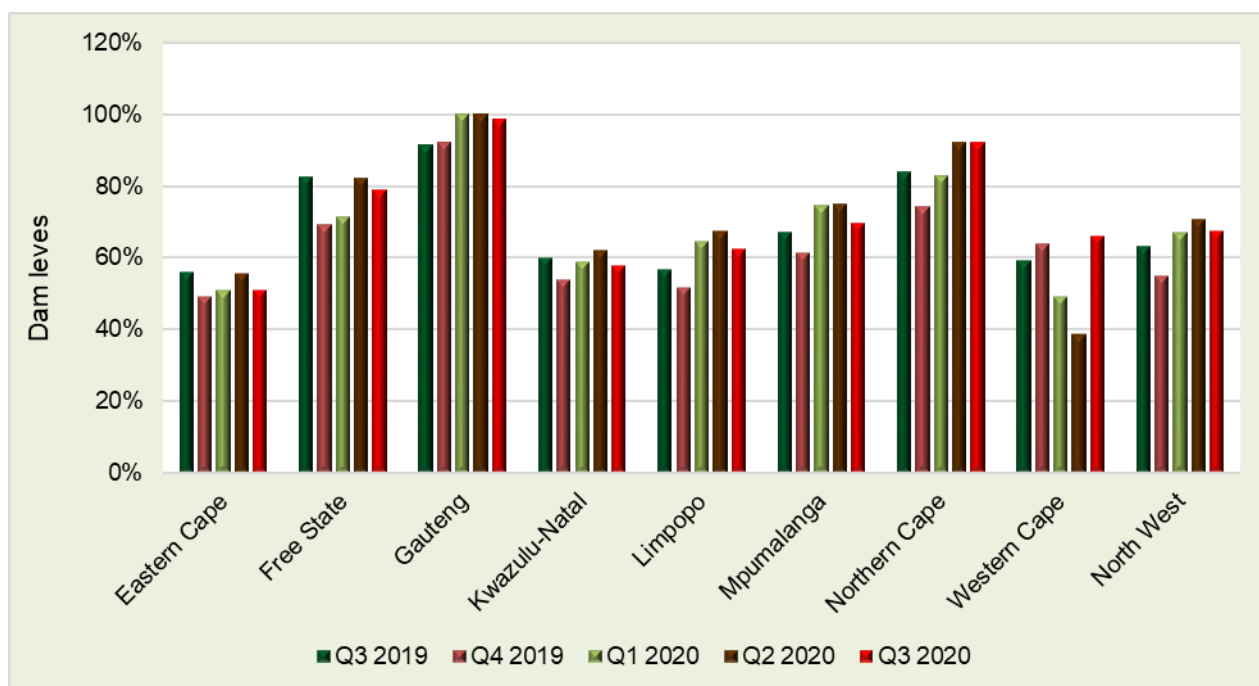


Figure 17: Average dam levels in Q3: 2019 and 2020: Q3
 Source: Department of Water and Sanitation (DWS)

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 2018: Q3 to 2020: Q3. South African local white maize for the third quarter of 2020 traded at R2935/ton while the international import parity price of white maize traded at R4168/ton in the same period. The domestic price of yellow maize traded at R2935/ton in 2020: Q3 which is 9.63% higher than the previous price. The international export parity price increased by 7.21% from R2209/ton in 2020: Q2 to R2309/ton in Q3 2020. Import parity price increased by 7.94% while the domestic white maize price decreased by 2.16% in 2020:Q3. The domestic price for white maize and yellow maize were consistent with economic theory. They both traded within the export and import parity prices as expected.

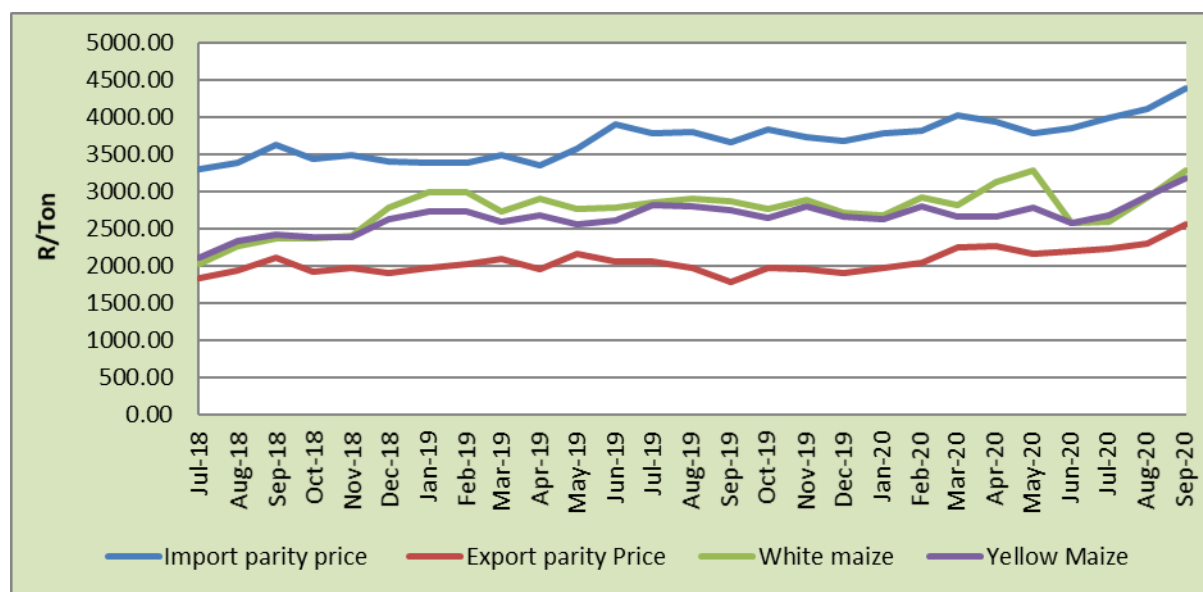


Figure 18: Price trends of white and yellow maize
Source: Sagis

Figure 19 shows Quarter-to-quarter maize seed price increased by 5.54% in 2020: Q3 from -6.04% reported in 2020: Q2. Even though quarter on quarter maize seed price have increased, super maize 1kg and (super maize) mealie meal/maize flour 5kg have decreased by 3.76% and 6.01% respectively in 2020:Q3. Super maize

2.5kg, (special maize) mealie meal/maize flour 1kg and (special maize) mealie meal/maize flour 2,5kg increased by 2.79%, 7.80% and 1.40% respectively end of 2020:Q3. An increase in prices for maize by-products implies that consumers paid more for this food items compared to the previous period.

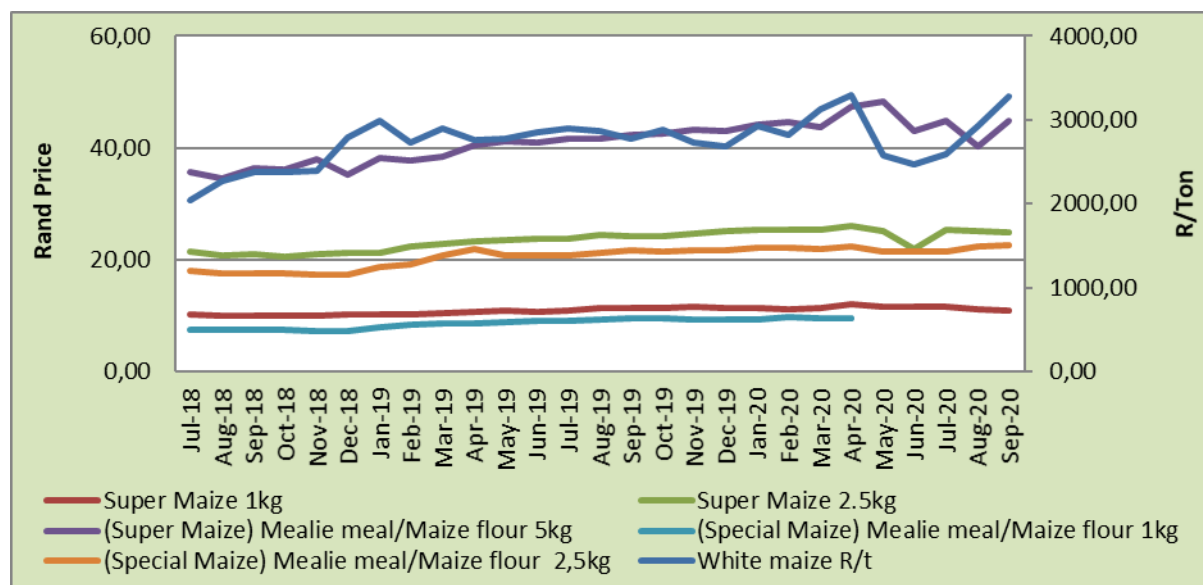


Figure 19: Retail prices vs white maize seed prices

Source: Safex/Stats SA

Figure 20 depicts depicts the supply and demand of white maize from 2019: Q3 to 2020: Q3. Quarter-on-quarter data shows that white maize producer deliveries and local demand for white maize increased by 128.55% and 27.48% respectively in 2020: Q3. Year-on-year data paints a gloomy picture. Producer deliveries, exports and local demand of white maize increased by 51.37%,46.37% and 14.29% respectively in 2020: Q3. The increase in prices is interalia attributed to increased economic activity slowly becomes to normal.

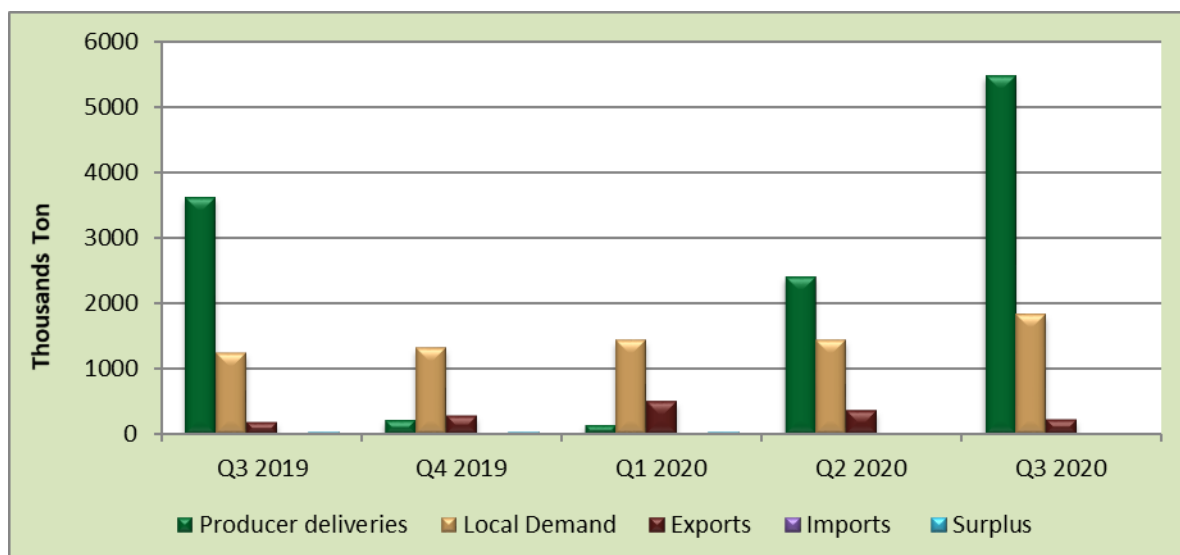


Figure 20: Supply and demand of white maize

Source: Sagis

Figure 21 illustrates the supply and demand of yellow maize from 2019: Q3 to 2020: Q3. Producer deliveries of white maize decrease by 16.4% while local demand and exports increased by 18.9% and 67.9% respectively in 2020: Q3 compared to 2020:Q2. Year-on-year local demand of yellow maize decreased by 22.11% whilst producer deliveries increased by 42.25% in 2020: Q3.

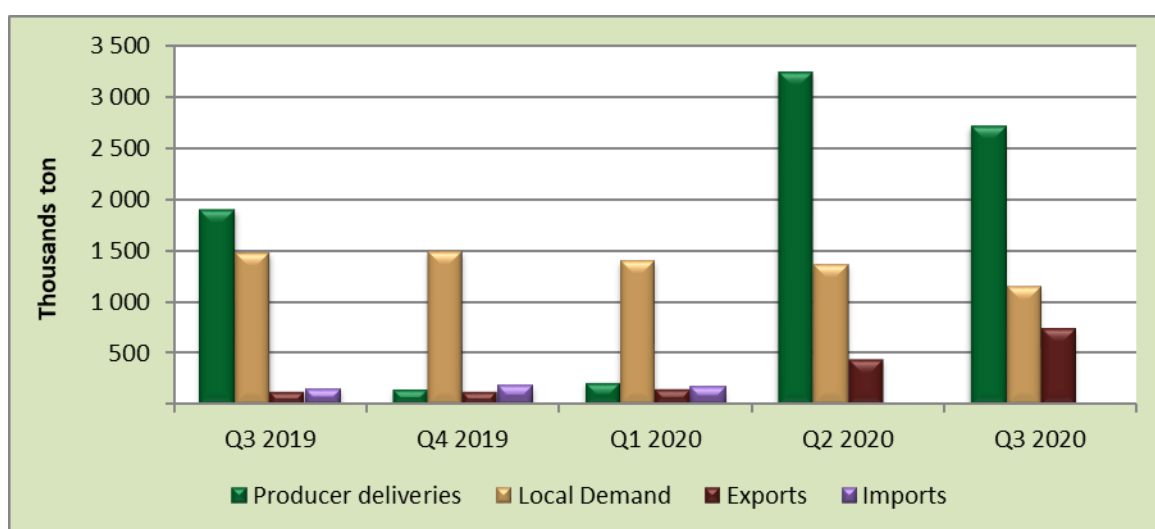


Figure 21: Supply and demand of yellow maize

Source: Sagis

3.1.2 Wheat

Figure 22 illustrates the price trends of domestic wheat price and international parity prices for the period 2016: Q3 to 2020: Q3. The domestic wheat price in 2020: Q3 was estimated at R5299/ton above the import parity price. Wheat import parity price for the third quarter of 2020 traded at R5203/ton. Domestic wheat price decreased by 1.93% while import parity price increased by 1.68% in 2020: Q3. The export price traded at R3133/ton in 2020: Q3 which is 3.98% lower when compared to R3262/ton reported in 2020: Q2. Since South Africa is a net importer of wheat, the domestic wheat price is expected to trade just within the import parity price.

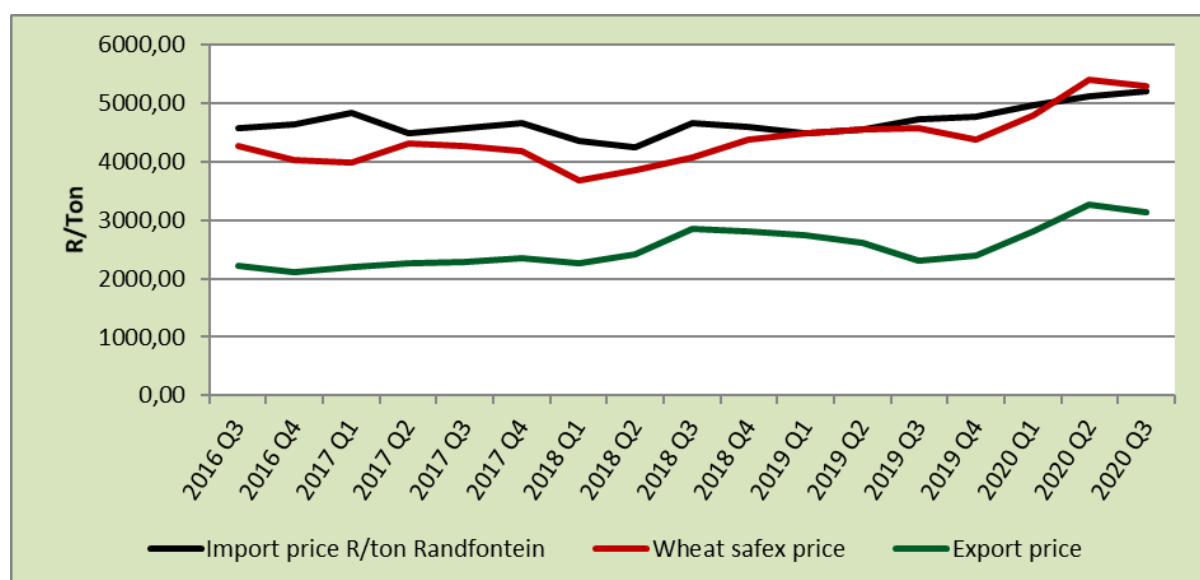


Figure 22: Wheat SAFEX price, export price and import price

Source: Sagis/Safex

Figure 23 depicts retail bread prices versus wheat safex price from 2016: Q1 to 2020: Q3. The domestic wheat safex price moderated by 1.79% in 2020: Q3 compared to 2020: Q2. Consumers of wheat by-products paid more than double in 2020:Q3 compared to 2020:Q2. Quarter on quarter wheat by-products for white bread 700gr, brown bread 700gr, flour cake 2.5kg and flour bread 2.5kg increased significantly by 10.92%, 16.90%, 14.63% and 19.72% respectively in 2020:Q3.

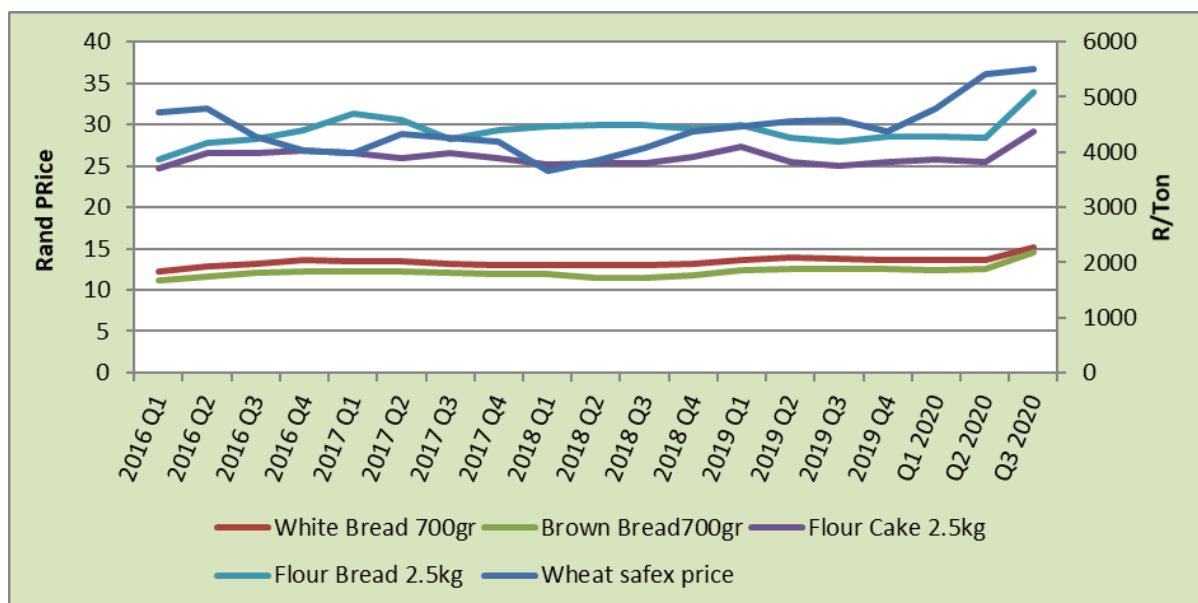


Figure 23: Retail bread price vs wheat import price
Source: Stats SA & Safex

Figure 24 shows the supply and demand of wheat from 2019: Q3 to 2020: Q3. South Africa’s local demand for wheat decreased by 34.91% in 2020: Q3 from 10.62% reported in the second quarter of 2020. Similarly, imports of wheat to the country decreased by 60.11% in 2020: Q3 from an increase of 153.22% in the previous quarter. Year-on-year data for wheat revealed that local demand of wheat decreased by 30.86% in 2020: Q3. As the country continue to ease lockdown, economic activities are expected to increase which will benefit wheat producers.

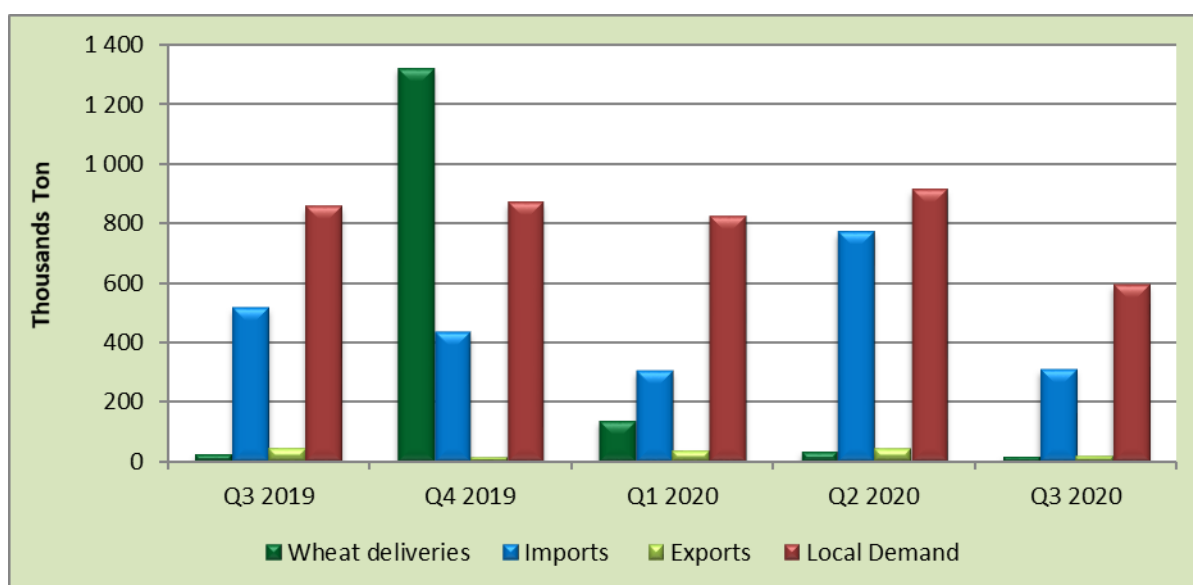


Figure 24: Wheat deliveries, Imports, Exports and local demand
Source: Stats SA & Safex

3.1.3 Soya beans

The price of soybeans increased by 34% compared to the previous year(y/y) ,on a quarter-on-quarter(q/q) basis, prices increased by 11.2% . The price of soybeans traded at 9.9% below the import price but traded at 26.6% above the export price.

Local pices increased due to high local demand and lower inventories globally. Global oilseeds production is expected to decline by 8 million tons in 2020 compared to 2019. Soybeans, the most produced oilseed in the World is expected to be lower in the USA, Argentina and India as a result of the dry weather.,see Figure 25.

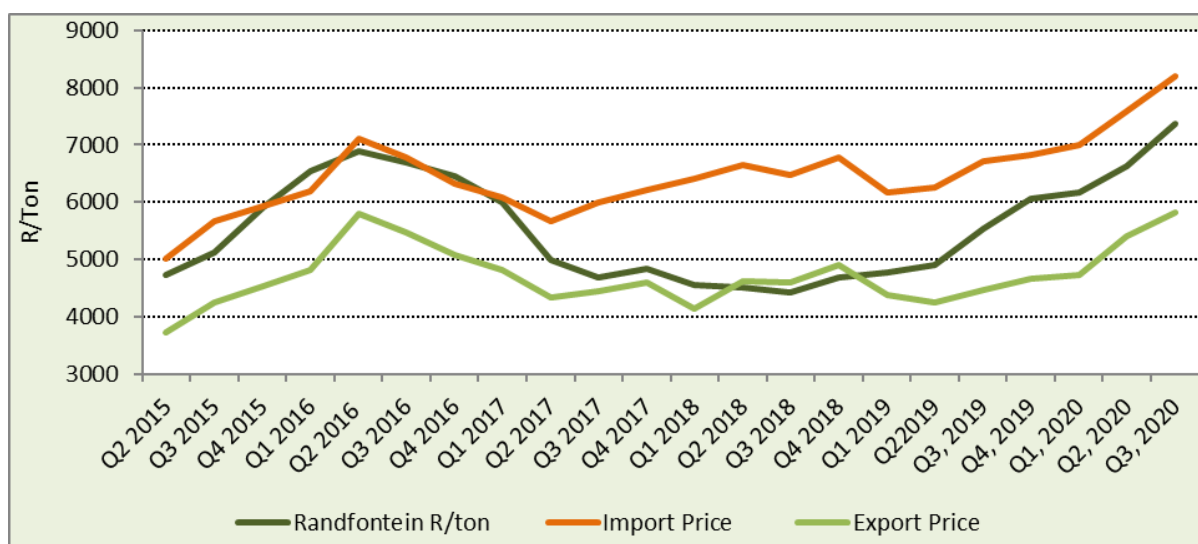


Figure 25: Soya beans local price vs import price
Source: Safex/Sagis/USDA/World Bank

Table 1 Soybeans production estimates indicates that production is expected to be 6,4% higher than it was in 2019. Imports are expected to be up by over a thousand percent compared to the previous year(year-on-year) as result of lower soybeans inventories. The lower soybeans inventories are as a result of lower production in 2019 as shown on Table 1.

Table 1: South African Soybeans Production & Use Table

	2013	2 014	2015	2016	2017	2018	2019	2020
Beginning Stock	68639	61806,00	63704	89128	84792	330535	502241	138455
Production	784500	948000	1070000	742000	1316000	1540000	1170345	1245500
Imports	4489	103704	124981	271098	28000	6000	9500	150 000
Total Supply	857628	1113510	1258685	1102226	1428792	1876535	1682086	1533955
Local Consumption	780432	1049230	1164880	1010689	1063783	1349294	1420700	1405600
Exports	15390	576	4677	6745	414	25000	4000	2 500
Total Demand	795822	1049806	1169557	1017434	1098257	1374294	1424700	1 408 100
Closing Stocks	61806	63 704	89128	84792	330535	502241	257386	125 855

Source: DAFF/ NAMC/Sagis

3.1.4 Sunflower

Figure 26 shows the supply and demand of sunflower seed up to the third quarter of 2020. Producer deliveries in the third quarter of 2020 increased by 147% as compared to the previous quarter of 2020 (Q2). Producer deliveries in the third quarter of 2020 is expected to be 580.3% higher than it was in the same quarter of 2019 (Q3). South African sunflower seed imports decreased by 91% in the third quarter of 2020 as compared to the same quarter in 2019 (Q3). Sunflower seed exports decreased by 20.5% in the third quarter of 2020 when compared to the previous quarter of 2020 (Q2). Local sunflower seed consumption in the third quarter of 2020 was 23.5% higher than it was in the previous quarter of 2020 (Q2). Local consumption in the third quarter of 2020 is expected to be 4.4% higher than it was in the same quarter of 2019 (Q3),, see figure 26.

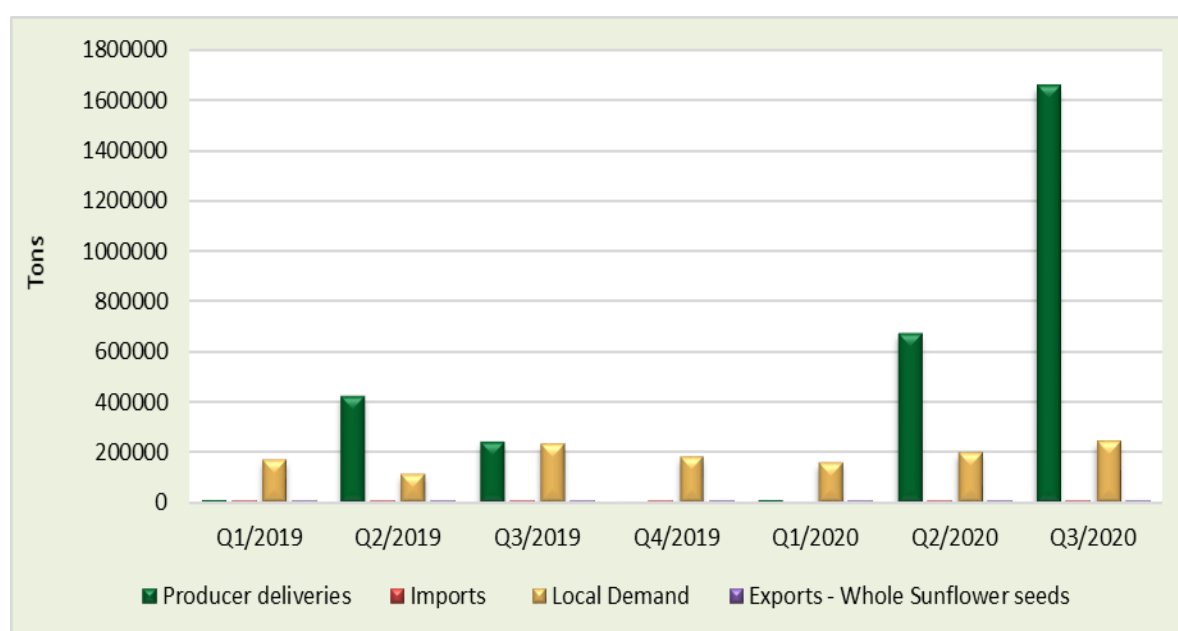


Figure 26: Sunflower seed deliveries, local demand and trade
Source: Sagis

Figure 27 shows South Africa sunflower seed prices traded below the import parity price at R6 725.08/ton compared to R7 963.39/ton in the third quarter of 2020, which is a total increase of 14.6% compared to the previous quarter of 2020 (Q2). The price of sunflower seed has increased by 26.6% during the third quarter of 2020 as compared to the same period last year, which is 5.5% higher than it was in the previous quarter of 2020 (Q2). The local sunflower seed price in the third quarter of 2020 traded at 15.6% lower than the import price, compared to trading at 30.6% below the import price in the second quarter of 2020. The prices of sunflower oil 2L and 750ml in the third quarter of 2020 traded higher by 34.3% and 4.8% respectively, when as compared to the same period in 2019 (Q3). The price of sunflower oil 2L and 750ml in the third quarter of 2020 increased by 17.2% and 7.7% respectively, when compared to the previous quarter in the same year.

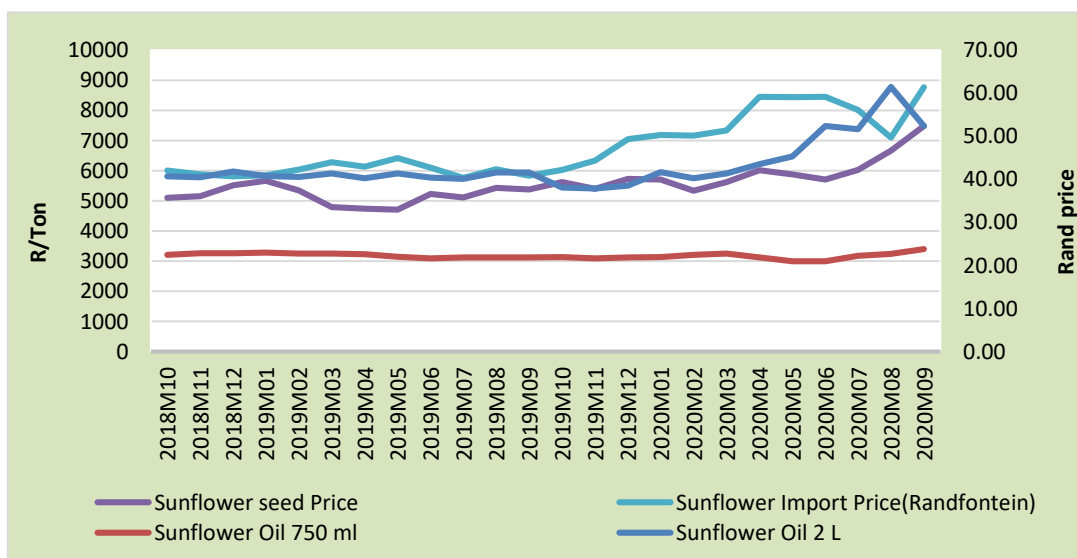


Figure 27: Sunflower local seed; import price (Randfontein) and Sunflower retail price
 Source: Safex; USDA; Sagis; and Own calculations

3.1.5 Sorghum

Local sorghum production is expected to be 22.5% higher than it was in 2019, an upward revision from the 2nd quarter estimate. Imports are expected to remain 94% lower as per the previous estimates than they were in 2019, whilst a slight increase in exports is expected. Sorghum prices traded at 4.5% lower on a year-on-year basis, whilst prices increased by 5.1 % on a quarter-on-quarter basis (Figure 28).

The rise in prices during the quarter compared to the previous quarter is due to a rise in coarse grains demand in China as feed in the swine herd rebuilding face. The high

prices in 2019 was due to uncertainties towards planting with the delayed rains amid lower 2018 and 2019 stocks.



Figure 28: Sorghum Parity Price
Source: Safex, Sagis

The price of sorghum traded at 29.2% below the import parity price whilst trading at 26.3% above the export price. Still highlighting the uncompetitiveness of the SA sorghum industry on the World stage.

Table 2: Sorghum Demand & Use Table

	2013	2014	2015	2016	2017	2018	2019	2020
Opening stock	56015	50069	121812	83142	35238	59246	51860	60 423
Production	147200	265000	114700	70500	152000	115000	127000	155 560
Imports	50033	8725	34316	74957	55824	32500	59253	4 000
Total Supply	251652	320301	277713	226677	244073	206746	238113	219983
Local demand	182033	172320	165532	178790	176000	166500	170390	163465
Exports	19550	26169	29039	12649	13800	12345	7300	7 000
Total Demand	201583	198489	194571	191439	182783	173700	177690	170 465
Ending Stock	50069	121812	83142	35238	59246	51860	60423	42 518

Source: DAFF/ NAMC/Sagis

3.1.6 Groundnuts

Projections for 2019/20 released by the National Crop Estimate Committee now suggests that South Africa’s groundnut production could rise to 50 080 tons in 2019/20 compared to the initial forecast of 52 140 tons. This is against the backdrop of the COVID-19 pandemic, which has had a significant impact on various economies. With the existing challenges faced by this specialised industry, it is not yet known of how 50 080 tons will have on the local groundnut industry for the

2019/20 production season. It is however worth noting that this year’s crop estimate is more than double that of last year’s crop that only amounted to 19 400 tons.

Although farmers are keen to plant groundnuts, various factors such as drought, high yielding competitive crops and the absence of pricing mechanisms have pushed producers to opt for other alternatives. Annual plantings for groundnuts for the 2019/20 production season is forecast at 37 500 hectares, which is 87% higher than 20 050 hectares planted the previous season. Due to late rainfall during the past few summer grain planting seasons, an increasing number of producers opted for other crops such as maize and sunflower. Therefore, variations in the annual plantings of groundnuts is an indication of the existing challenges faced by the local groundnut industry. Figure 29 shows producer deliveries, local demand of groundnuts as well as imports and exports of groundnuts from Q1:2019 to Q3:2020.

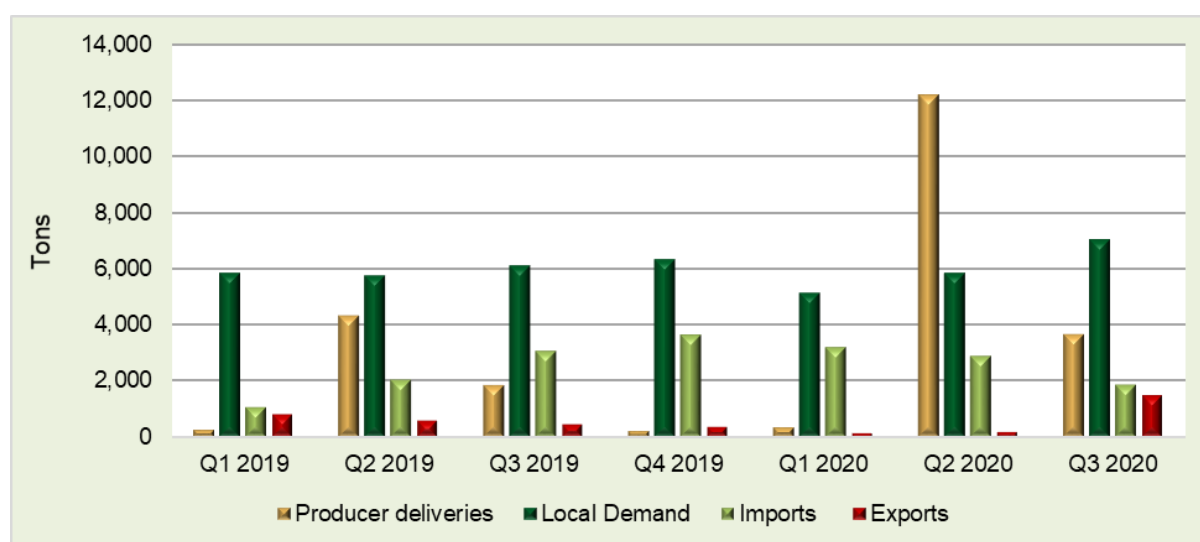


Figure 29: Supply and demand of Groundnuts
Source: Sagis

Improved production prospects led producer deliveries of groundnuts to increase significantly in Q3: 2020 compared to Q3: 2019. However, the increase in producer deliveries will have a minimal impact on prices since figure 29 indicates that South Africa has been a net importer of groundnuts over the period depicted above. In Q3: 2020, producer deliveries of groundnuts reached an average of 3 641 tons compared to an average of 1 856 tons delivered in Q3: 2019. Meanwhile, local demand of groundnuts increased significantly, by 15% in Q3: 2020 compared to Q3: 2019, to an average of 7 032 tons in Q3: 2020 from an average of 3 047 tons in Q3: 2019. South

Africa has maintained demand for its product due to varietal choices that have created niche market opportunities.

In recent years, due to a shortage of the local groundnut supply as a result of the severe and persistent droughts in the main groundnut producing regions, South Africa is now a net importer of groundnuts. Therefore in Q3: 2020, although exports of grounds increased significantly compared to Q3: 2019, the South African export market remains under pressure due to the instability of supply over recent years. In Q3: 2020, exports of groundnuts increased significantly, to an average of 1 454 tons from an average of 445 tons in Q3: 2019. Meanwhile, imports of groundnuts decreased by 39% in Q3: 2020 compared to Q3: 2019, to an average of 1 851 tons from an average of 3 047 tons. Imports of groundnuts occur mainly due to local groundnut production seasonality and from a shortage of local supply.

South Africa's consumption of peanut butter occurs mainly in two forms, as edible peanuts and as processed peanut butter. In Q3: 2020, consumption of edible groundnuts decreased by 3%, to an average of 3 193 tons from an average of 3 293 tons in Q3: 2019. Consumption of edible peanuts is mostly dependent on price which is dependent on the supply and demand of groundnuts. During the same period, peanut butter consumption levels increased by 45%, to an average of 3 495 tons in Q3: 2020, from an average of 2 417 tons in Q3: 2019. The Bureau for Food and Agricultural Policy in its groundnut value chain study found that it is 10% more expensive to produce peanut butter locally than to import pre-packed peanut butter. Therefore, as peanut butter imports continue to rise, the processing demand for locally produced sundry-quality and split grade groundnuts will eventually decrease which is discouraging for farmers who continue to make a living out of the various branches of the groundnut industry. Meanwhile, consumption of crushed oil & cake increased significantly in Q3: 2020 compared to Q3: 2019, to an average of 81 tons from an average of 4 tons in Q3: 2019. Groundnut crushing and groundnut oil production constitute a very small part of the South African market.

Meanwhile, the average market price for peanut butter (400 gram) increased by 5% in Q3: 2020 compared to Q3: 2019, to an average market price of R31.86/400 gram from an average market price of R 30.30 (400 gram) in Q3: 2019. The Bureau for

Food and Agricultural Policy (BFAP) in its groundnut value chain study indicated that uncertainty still surrounds the determination of prices, especially with pre-seasonal contracts that inform farmers’ decision to plant. Innovative research is needed to establish a transparent price determination mechanism.

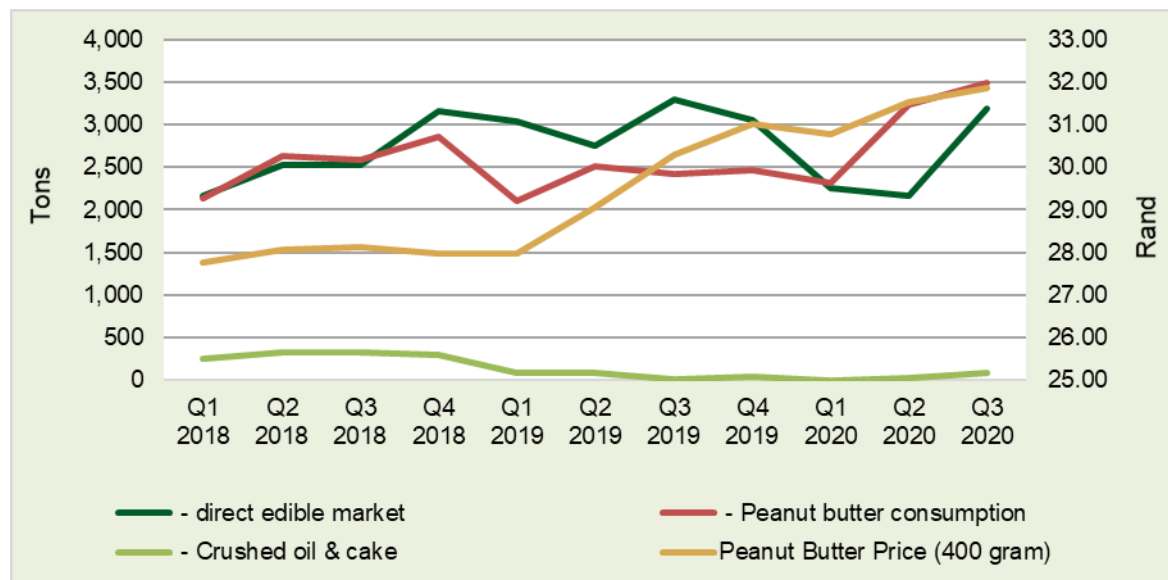


Figure 30: Groundnuts consumption

Source: Sagjis

3.2 Fruit and vegetable market review

The following section looks at the average prices and quantities of fruits and The yearly trend in fruit prices saw the price of apples decrease by 5.3% in Q3: 2020 compared to Q3: 2019. Apple orchards are in bloom and growers are already working in thinning of what appears to be a very good harvest. During the same period, the quantities of apples decreased by 3.1% in Q3: 2020 compared to Q3: 2019. Banana average prices increased by 37.1% in Q3: 2020 compared to Q3: 2019 while quantities of bananas decreased by 24.8% during the same period. The prospect is that prices will rise further towards the end of the year because fewer bananas were grown because of shortage of workers due to the coronavirus.

The yearly trend in orange prices saw prices increase by 43.2% in Q3: 2020 compared to Q3: 2019 due to strong demand, while quantities of oranges decreased by 20.7% during the same period. The northern Senwes region saw a reduction in

the Navel production due to hail, poor coloring and possibly the impact of exhaustion after the previous season. Current estimates point to a 27% drop in production. Furthermore, in the Eastern Cape, growers struggled with the coloring on the late Navels while in the Western Cape, growers had to deal with some wind damage. Meanwhile, the yearly trend in pear prices saw prices of pears decrease by 9.7% in Q3: 2020 compared to Q3: 2019. In the producing regions of South Africa, this winter season was one of the best winter season for pears in 7-8 years. Hail and ice in the Ceres region (Western Cape) have led to more class 2 pears available for sale on the local market or for processing into juices. Therefore, quantities of pears increased by 5.5% in Q3: 2020 compared to Q3: 2019.

On a quarter-on-quarter basis, the average price of apples decreased by 0.2% in Q3: 2020 compared to Q2 while quantities of apples increased by 18.7% during the same period. The first apples for the new season are locally grown varieties from Limpopo which usually hit the market a week before Christmas and are mainly intended to be sold domestically.

The average price of bananas increased by 1.0% in Q3: 2020 compared to Q2 while quantities of bananas increased by 16.6% quarter-on-quarter. Although banana volumes rose in Q3: 2020 compared to Q2, the rise in volume is not at a level that one would consider overproduction. Meanwhile, the average price of oranges decreased by 9.7% in Q3: 2020 compared to Q2 while quantities of oranges decreased by 5.4% during the same period. There were some delays in logistics which could present a situation whereby large volumes of oranges could arrive at their destination at the same time. The average price of pears decreased by 1.2% in Q3: 2020 compared to Q2 while quantities of pears increased by 21.8% respectively in Q3: 2020 compared to Q2. There are good prospects for the new season.

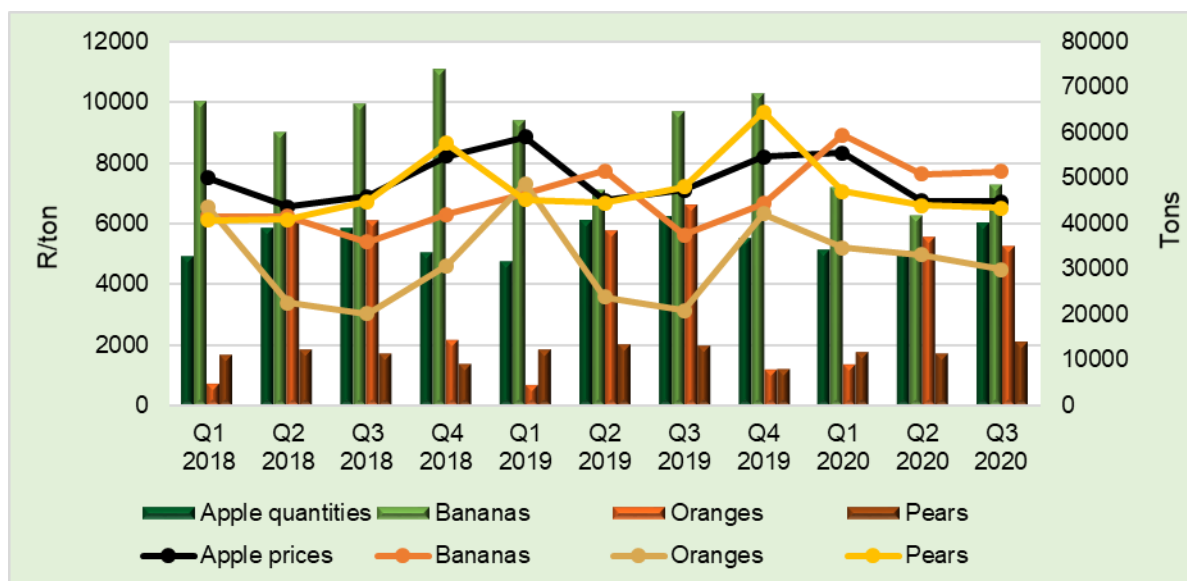


Figure 31: Average price and quantities trends of various fruits traded at fresh produce markets (FPMs)
Source: Daff

Figure 32 indicates the most vegetables sold at Fresh Produce Markets decreased in Q1: 2018 compared to Q3: 2020, driven by local demand. Prices of vegetables sold at the Fresh Produce Markets are mainly driven by domestic supply and demand dynamics. The average prices of cabbage, carrots, onions, potatoes and tomatoes increased by 53,6%, 30,3%, 11,6%, 47,1% and 39,2% respectively in Q3: 2020 compared to Q3: 2019 while quantities of cabbage, carrots, onions, potatoes and tomatoes decreased by 7.8%, 7,0%, 4,6%, 14,3% and 9,8% respectively, due to sharp reduction in supplies on markets. Vegetable prices in Q3: 2020 were higher than what they were a year ago due to the strong demand that supported prices. Analysts expect seasonal conditions to be positive and encourage expansion of output as the new crop season begins for both irrigated and dryland production systems. The South African Weather forecast expects a 75% chance of a LaNina weather pattern which is characterised by higher rainfall in the Southern Africa region (FNB, 2020).

On a quarter-on-quarter basis, the average prices of cabbage and tomatoes increased by 1.3% and 3.2% respectively in Q3: 2020 compared to Q2 while quantities of cabbage and tomatoes increased by 2.5% and 7.8% respectively during the same period, due to strong demand and strong uptake. However, the average prices of carrots decreased by 34.1% quarter-on-quarter with an increase in

quantities supplied by 18.1% in Q3: 2020 compared to Q2. During the same period, the average price of onions decreased by 21.8% in Q3: 2020 compared to Q2 while quantities of onions also decreased by 1.0% quarter-on-quarter. Meanwhile, the average prices of potatoes increased by 68.7% in Q3: 2020 compared to Q2 while quantities of potatoes decreased by 7.8% during the same period. The South African potato sector is currently enjoying very good prices due to lower volumes available on the market. Given the fragile state of the economy, local markets are cautioned against possible consumer rejection to prices, but for the time being, the demand for potatoes appears to be strong.

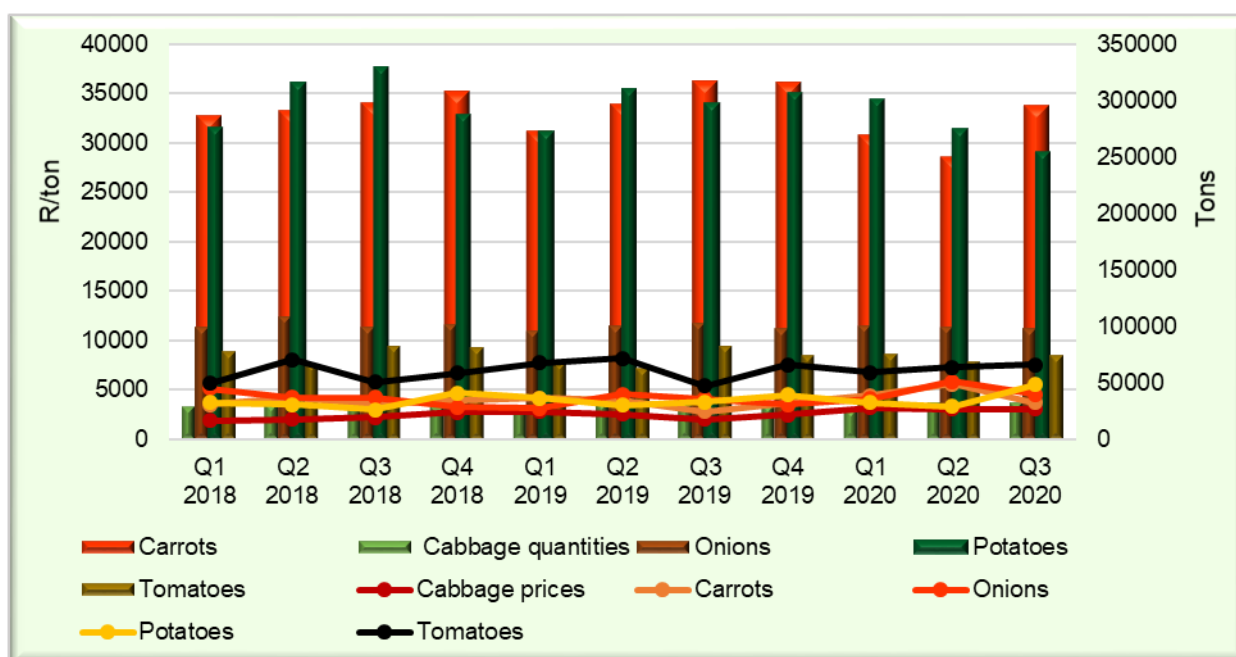


Figure 32: Average price and quantities of various vegetables traded at Fresh Produce Markets (FPMs)

Source: Daff

3.3 Meat industry review

According to BFAP report on the Perspective on agriculture’s performance in Quarter 3 of 2020, it indicates that Q3 agricultural gross production value (GPV) from animal products increased by 7% year on year. The beef industry reflected an increase of 9% in the GPV. Lower slaughter numbers due to rebuilding of the national herd following the drought were more than offset by higher carcass weights. While carcass prices decreased marginally, beef export volumes, as well as export prices increased significantly. As illustrated graphically above in Figure 33, total beef slaughtering decreased by 3.04% in third quarter of 2020 compared to the same

quarter of 2019. The price of beef per kg decreased by 0.27% in third quarter of 2020 when compared to the same period in 2019., see figure 33.

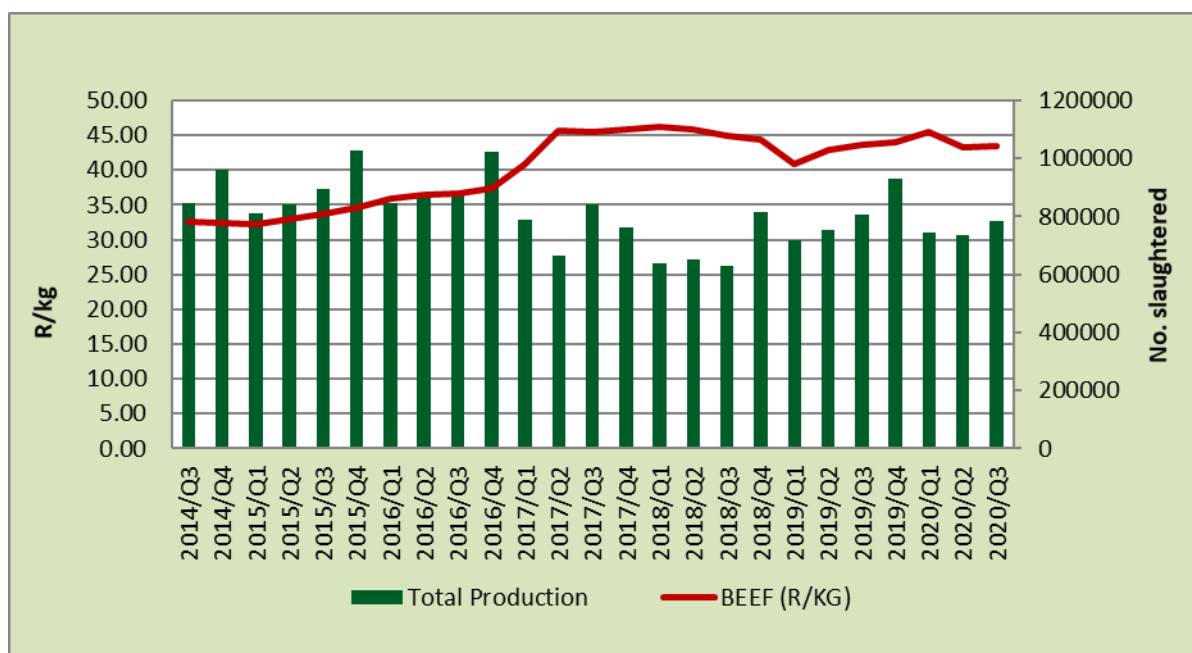


Figure 33: Beef production Source: SA feedlot

Source, Daff 2020

3.4 Poultry industry review

Poultry production increased by 4.2% on a year-on-year basis whilst on a quarter-on-quarter basis prices increased by 4.6%. Poultry prices increased by 0.03% on a year basis whilst on a quarter-on-quarter prices decreased by 1.0%. The poultry sector is still battling with the impact of the covid.

Poultry prices declined as a result of the over-supply existing resulting from the closure of restaurants and the hospitality industry during the hard lockdown imposed during the second quarter. Various producers channelled the excess stock into various frozen categories leading to price cuts as a way of clearing the surplus stocks .

Additionally, the herd rebuilding phase in China, the weaker rand and bad weather in major producing countries led to a rise in feed costs internationally. Locally; yellow maize as a proxy for poultry feed increased by 7.48% y/y and 10.8% q/q., see figure 34.

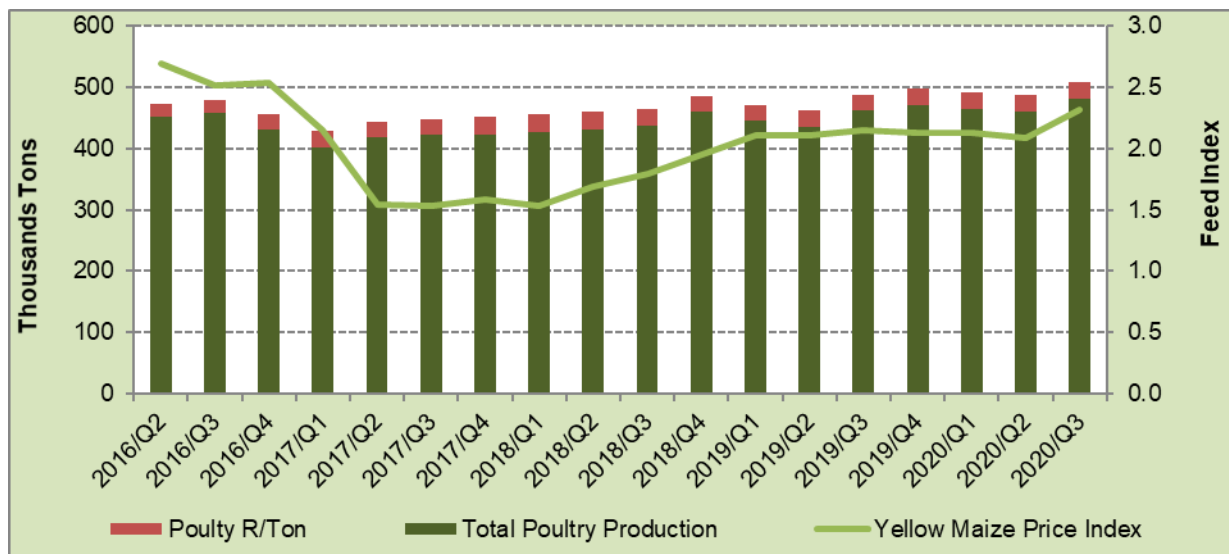


Figure 34: Poultry production

Source: DAFF

Retail prices for fresh whole chicken and fresh chicken portions increased by 4% and 1.7% on a quarter on quarter basis respectively. On a year-on-year basis prices increased by 6.9% and 7.3%. The Price of frozen chicken portions decreased by 2.3% whilst increasing by 3.1% on a year-on-year basis.

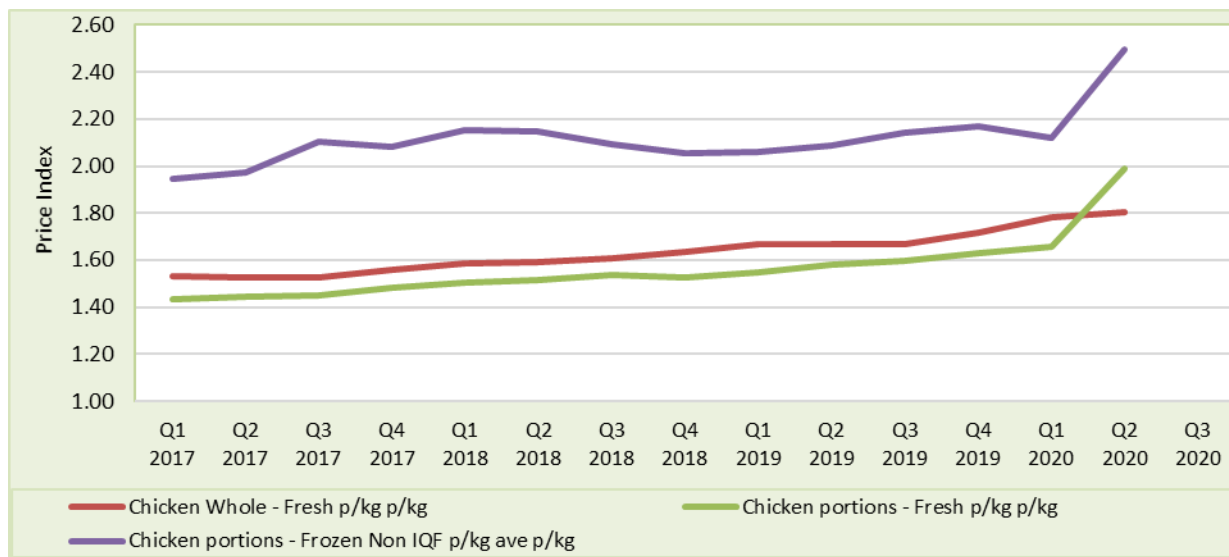


Figure 35: Poultry feed vs Retail prices

Source: SAPA, STATTSA & Safex

3.5 Milk industry overview

South African total milk production is depicted in figure 36 for the period 2017: Q3 to 2020: Q3. Year-on-year milk data for 2020:Q3 shows that total milk production decreased by 0.38% when compared to the same period in 2019: Q3 from 971 million litres in 2019: Q3 to 967 million litres in 2020: Q3. On a quarter-on-quarter basis, total milk production increased by 18.73% during the third quarter of 2020, from 815 million liters in 2020:Q2 to 967 million liters in 2020:Q3.

The average producer price per litre of milk increased by 16.96% in 2020: Q3 when compared to the same period a year ago 2019:Q3, from R4,41/l to R5.16/l. On a quarter-on-quarter basis, the average price per litre of milk decreased by 1.25% between 2020: Q2 and 2020:Q3, from R5.23/l in 2020: Q2 to R5.16/l in 2020:Q3.

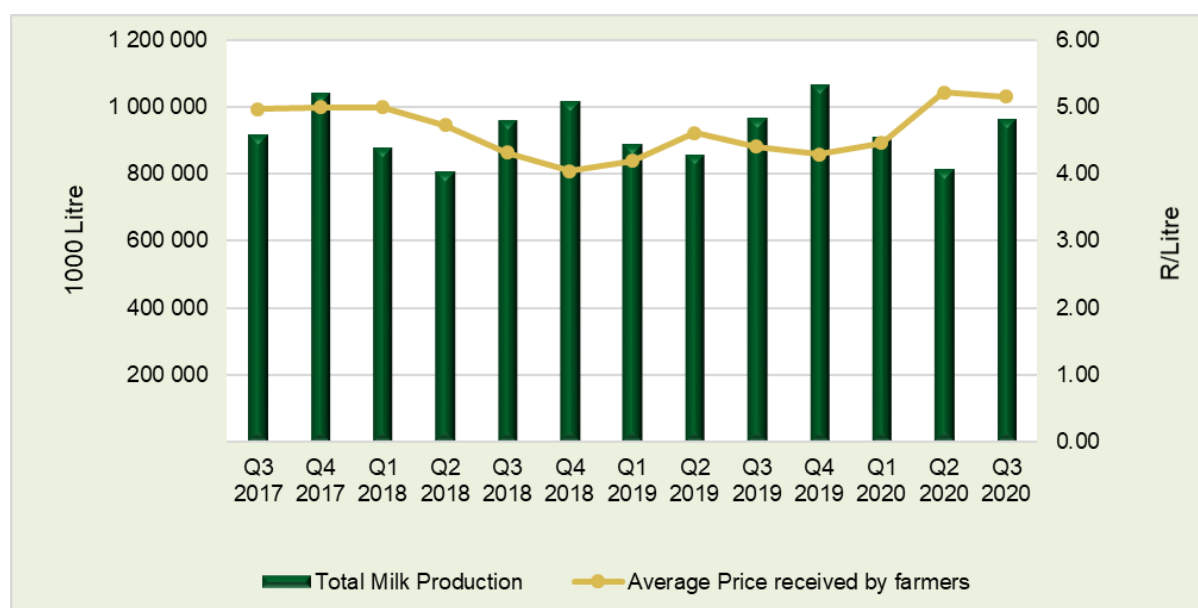


Figure 36: Trends in total production and average price of milk

Source: DAFF

South African exports of milk and cream (neither concentrated nor containing added sweetening) for 2020: Q3 decreased by 0.48% when compared to the same period in a year ago in 2019, from an estimated 19,6 million litres in 2019: Q3, to a total 19,5 million litres of milk and cream in 2020: Q3. On quarterly basis, exports of milk and cream (not concentrated or containing added sweetening) rebound by 1.93%, from 19.2 million litres in 2020: Q2 to 19,5 million litres in 2020: Q3.

Quarterly data for imports of milk and cream (not concentrated or containing added sweetening) shows that milk decreased by 32.7%, from 1.9 million litres in 2020:Q2 to 1.3 million litres of milk and cream in 2020:Q3.

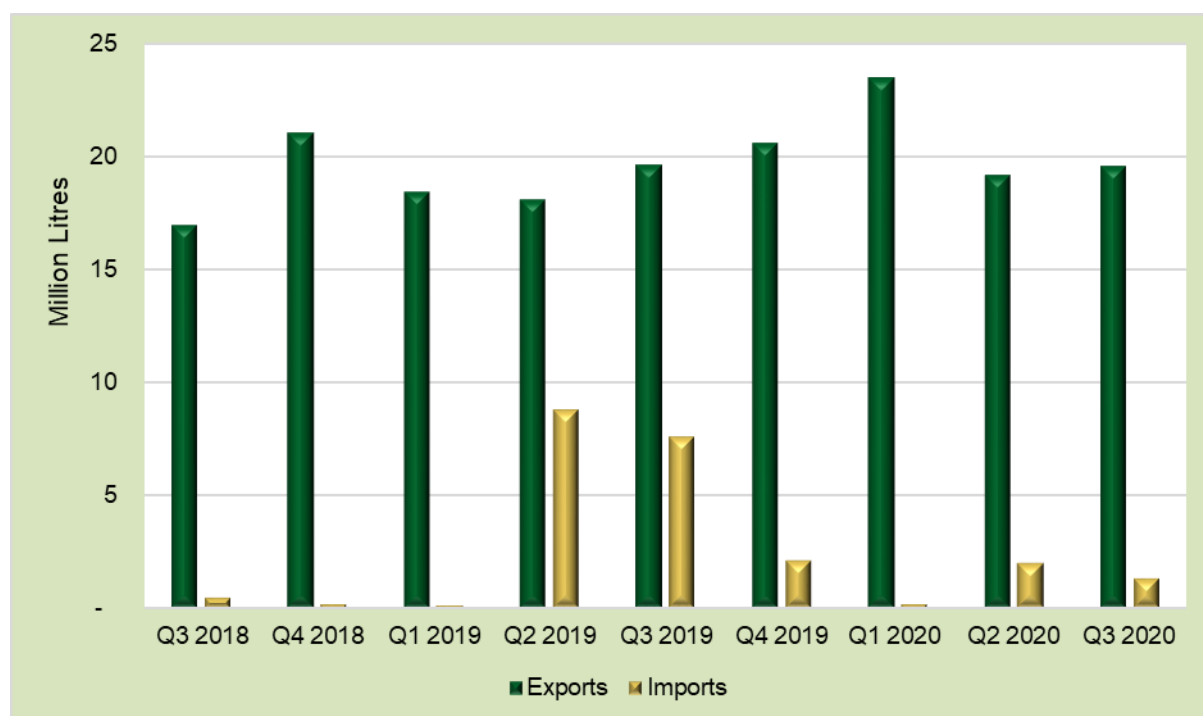


Figure 37: Trends in imports and exports of milk and cream, not concentrated nor containing added sweetening

Source: GTA, 2020

3.6 Egg industry review

Figure 38 depicts South Africa total egg production and price per dozen from 2017: Q3 to 2020:Q3. In 2020: Q3, the total production of eggs in the country was estimated at 225,3 million dozen, a decrease of 4.69% when compared to 218.5 million dozen eggs produced in same period in 2019: Q3. Between 2020: Q2 and 2020: Q3 the total production of eggs decreased by 0.54%, from 226.5 million dozen to 225.3 million dozen. The average price per dozen of eggs decreased by 3.95% in 2020: Q3, from R11.57 per dozen in 2020: Q2 to R11.11 per dozen in 2020:Q3.

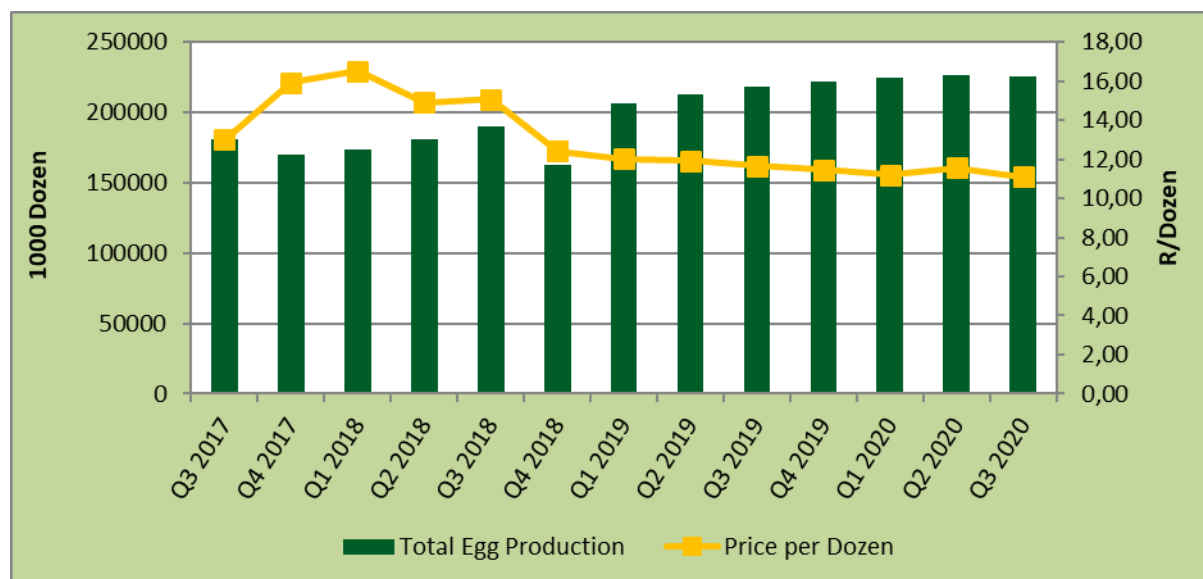


Figure 38: Trends in total egg production and average price per dozen eggs.

Source: DAFF

3.6 Trade of agricultural, forestry and fisheries

Although various economies around the world continue to battle with the COVID-19 pandemic, the South African agricultural sector, which is export orientated has been one of those sectors that recorded positive growth. Furthermore, weather-related data continue to paint a positive outlook for South Africa’s agricultural sector.

South Africa's agricultural trade balance grew by 54.5% in Q3: 2020 compared to Q3: 2019, to R28,2 billion from R 18,3 billion. Favourable rainfall, which resulted in increased production and a large harvest, coupled with joint efforts between government and private sector to keep the agricultural sector operational since beginning of lockdown, continue to pay off for the domestic agricultural sector (Agbiz, 2020).

On a quarter-on-quarter basis, agriculture’s trade balance grew by 52% in Q3: 2020 compared to Q2, with the export value increasing by 26% quarter-on-quarter to R53,7 billion from R 42,6 billion. Meanwhile, the import value increased by 6% quarter-on-quarter, from R24,0 billion to R25,5 billion. There is however, general uncertainties regarding global trade and the disruptions caused by the pandemic,

which affected global supply chains and demand due to the debilitating effects of the lockdown.

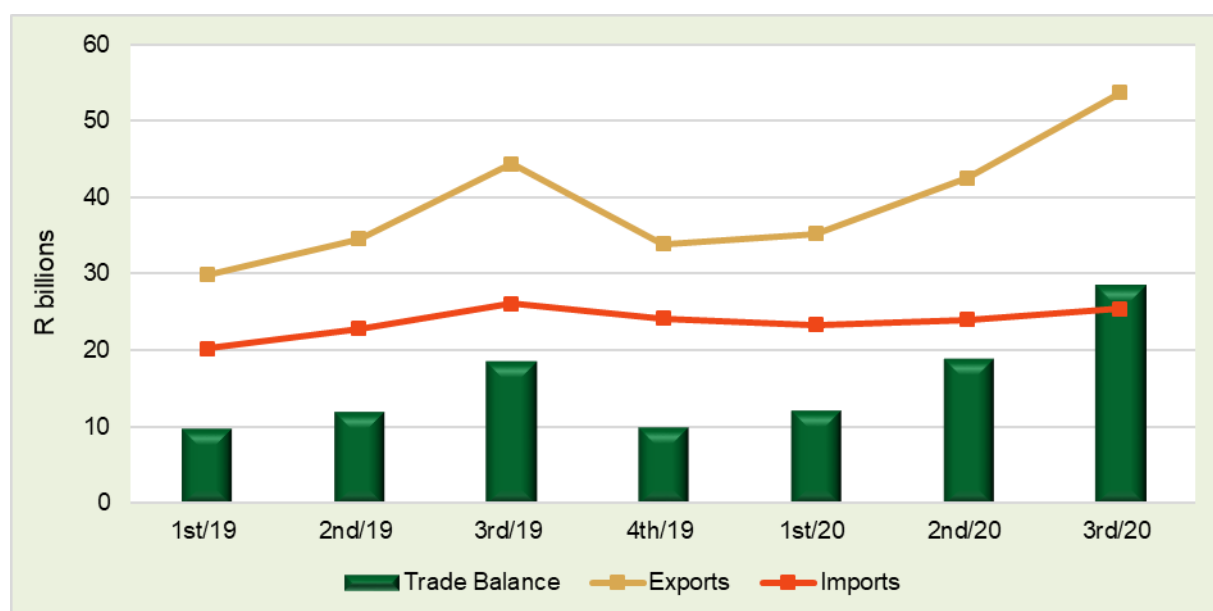


Figure 39: Trade balance of agricultural products
Source: GTA, 2020

Table 3 indicates that South Africa gained most of its agricultural export revenue from products exported to Netherlands, which was the leading export destination followed by United Kingdom and China. SA's top three suppliers of agricultural products in Q3: 2020 include Thailand, India and Swaziland.

Table 3: SA's top three largest export and import destinations of agricultural products in the Third Quarter of 2021.

Top three markets of primary agricultural products exported by SA	Value (Billion Rands) 3 rd Quarter 2020	% Share of total primary agricultural exports in 3 rd Quarter 2020	Top three suppliers of primary agricultural products to SA	Value (Billion Rands) 3 rd Quarter 2020	% Share of total primary agricultural imports in 3 rd Quarter 2020
Total	R 53,69	100	Total	R 25,45	100
Netherlands	R 5,42	10.1	Thailand	R 1,99	7.8
United Kingdom	R 4,21	7.8	India	R 1,61	6.3
China	R 3,61	6.7	Swaziland	R 1,55	6.1

Source: GTA, 2020

Figure 40 indicates the top five agricultural products imported by SA in Q3: 2020. Of the top five agricultural products imported by South Africa, the products include rice (32%), wheat and meslin (27%), cane or beet sugar (14%), palm oil (14%) as well as meat and edible offal (13%).

Figure 41 indicates the top five primary agricultural products exported by SA in Q3: 2020. Of the top five agricultural products exported by South Africa, the products include citrus fruits (59%), wine (12%), maize or corn (10%), nuts (10%) as well as apples, pears and quinces (9%).

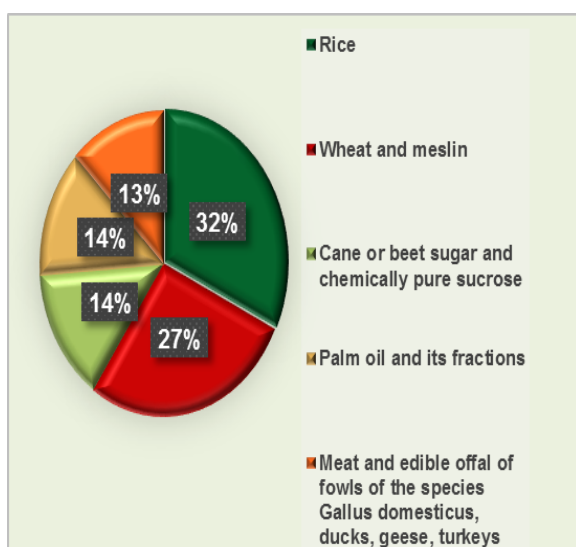


Figure 40: Top five agricultural products imported by SA products
Source: GTA, 2020

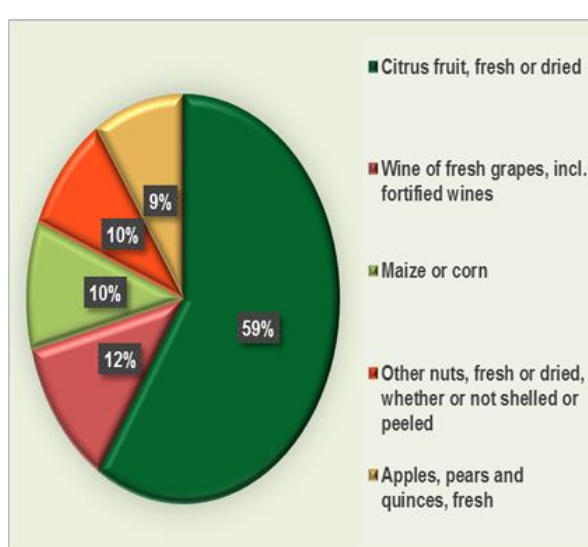


Figure 41: Top five agricultural exported products, Source: GTA, 2020

4. CONCLUSION

While the threat from COVID-19 persists, many key economies fared better than expected in the third quarter as households stepped up spending in the U.S. and Europe, and the Chinese government ramped up infrastructure investment. The majority of advanced economies surprised on the upside, while developments in emerging markets were mixed. The global GDP forecast for full-year 2020 remains broadly unchanged, with a contraction of around 4%. Upward revisions for the U.S., Eurozone, and China were offset by downward revisions to India and the U.K.

Real GDP growth rates decreased in the following countries: Brazil, China, Philippines and South Africa decreased by 7.7%, 4.9%, 8.0% and 66.1%, respectively, whilst India, Indonesia, Malaysia, Nigeria and Russia merely increased by 7.5%, 3.49%, 2.7%, 3.62% and 3.4%

South Africa's unemployment rate rose to 30.8% in the third quarter from 23.3% in the second quarter as South Africans returned to the labour market as COVID-19 restrictions were relaxed further. In the third quarter, the labour force expanded by 2.8 million, signalling a return to some normality, however the labour force is still 8.2% smaller than the same time a year ago.

South Africa's recent GDP figures shows that the economy increased at an annualised rate of 66,1% in the third quarter of 2020, largely as a result of the easing of COVID-19 lockdown restrictions.

The annual average headline CPI for the third quarter 2020 was 2.11% which shows a decrease of 2.64% when compared to the same period last year. Food inflation for the third quarter of 2020 was 2.92% which shows a decrease of 1.11% from 4.03% of the third quarter of 2019.

South Africa's agricultural trade balance grew by 52% in Q3: 2020 compared to Q2:2020, with the export value increasing by 26% quarter-on-quarter, as the import value increased by 6% quarter-on-quarter.

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