



# Economic Review 2022-23

Directorate: Statistics & Economic Analysis



**agriculture, land reform  
& rural development**

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



Economic Review  
of the  
South African  
Agriculture

2022/23

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

2023

Compiled by:

Directorate: Statistics and Economic Analysis  
Private Bag X246  
PRETORIA 0001

Published in the Republic of South Africa by:

Department of Agriculture, Land Reform and Rural Development

Obtainable from:

Resource Centre  
Directorate: Knowledge and Information Management  
Private Bag X144  
PRETORIA 0001

Tel. 012 319 7141

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## FOREWORD

The agricultural production in South Africa is valued at R408 463 million for the period ended June 2023, compared to R387 275 million in the previous corresponding period, which is an increase of 5,5%. The nominal growth in primary agriculture increased by 8,9% per annum since 2010, while the entire South Africa's economy increased by 6,3% over the same period, resulting in an increase of agriculture's share to the GDP from 2,0% in 2010 to 2,7% in 2022.

Despite its relatively small share of the total GDP, primary agriculture is an important sector in the South African economy. Agriculture remains a significant provider of employment, especially in the rural areas and a major earner of foreign exchange.

Agriculture's prominent, indirect role in the economy is a function of backward and forward linkages to other sectors. Purchases of goods such as fertilisers, chemicals and implements form backward linkages with the manufacturing sector, while forward linkages are established through supplying raw materials to the manufacturing industry. About 70% of the agricultural output is used as intermediate products in the sector. Agriculture is therefore a crucial sector and an important engine of growth for the rest of the economy.

This publication, which appears every six months, offers easy-to-find information to paint a picture of the macroeconomic position of agriculture. The focus areas calculate agriculture's contribution to the national economy and determine trends with regard to the most important agricultural economic indicators.

Whether you are involved directly or only have an interest in agriculture, you will find this publication useful and informative. We welcome your observations on its content and format. If you have comments or questions, please contact the Director: Statistics and Economic Analysis.

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September 2023



## ECONOMIC REVIEW OF THE SOUTH AFRICAN AGRICULTURE FOR THE YEAR ENDED 30 JUNE 2022

### Summary

Gross farming income from all agricultural products increased by 17,3% to R445 450 million for the period ended 30 June 2023, as compared to R379 864 million in the previous period, mainly due to the increase in income from field crops, animal and horticultural products by 39,0%, 9,4% and 8,8%, respectively.

The average prices received by the farmers for their agricultural products increased by 10,7%. This was the result of the increase in prices of field crops by 15,6% and animal and horticultural products by 9,2% each.

The increase of 15,6% in average price of field crops was the result of the increase in prices of summer grains by 21,9%, winter grains (17,9%), dry beans (14,5%), sugar cane (11,3%) and cotton (2,5%). The decrease in the price of oilseeds decreased by 13,1%.

The increase of 9,2% in average price of animal products was driven by the increase in the prices of poultry meat by 16,0%; dairy products by 15,1% and slaughtered stock by 2,5%. The price of pastoral products decreased by 8,9%.

The weighted average price of horticultural products increased by 9,2% as a result of the increase in prices of vegetables by 19,2%, viticulture (4,5%), and fruit (2,7%).

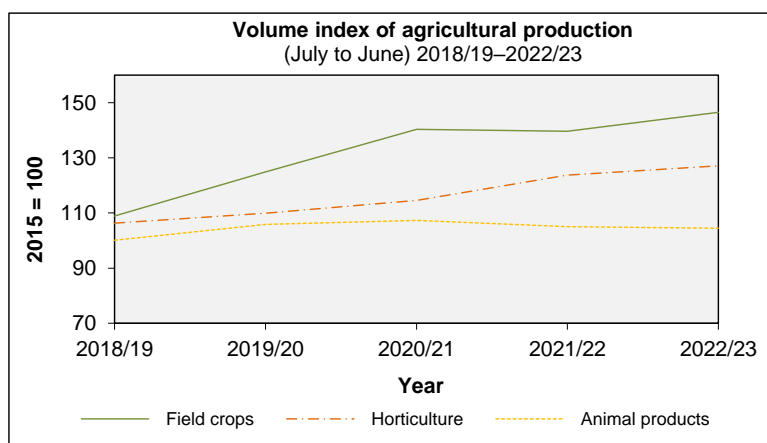
The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services, increased by 7,9% for the period ended June 2023. The reason was mainly the result of the increase in prices of feeds by 18,5%, fuel (10,9%), building material (8,3%), animal health and crop protection (8,2%), fencing material (7,8%), trucks (7,4%), irrigation equipment (7,3%), seeds (6,9%), maintenance and repairs of machinery and implements (6,4%), packaging material (4,7%), tractors (4,5%) and fertilisers (1,9%).

The domestic terms of trade increased by 3,0% from 1,00 to 1,03 due to improved prices received by the farmers for the products.

The net farming income increased substantially by 33,8% to R122 732 million for the period ended June 2023, from R91 752 million in the previous corresponding period.

### Volume of agricultural production

The estimated volume of agricultural production in 2022/23 was 2,0% more than in 2021/22.



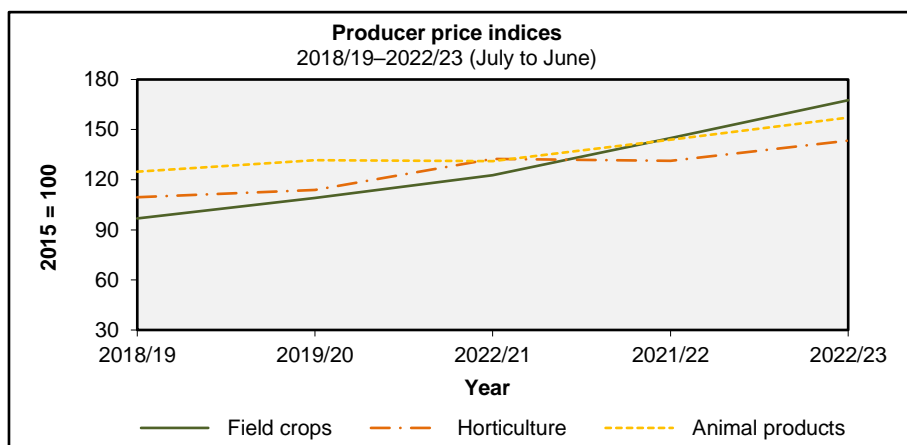
The field crop production volume for 2022/23 increased by 5,0%, mainly as a result of increases in the production of summer crops (maize) and oilseed crops (soya beans and groundnuts), as well as other food crops (sugar cane) and hay. Maize production increased by 881 000 tons (5,5%), soya beans by 525 300 tons (23,6%) and groundnuts by 3 756 tons (7,0%) from 2021/22. Sugar cane production increased by 712 230 tons (4,1%) as compared to the previous season. Furthermore, the production of hay (lucerne, teff and other hay) also increased by 327 000 tons (6,0%) as compared to 2021/22.

Horticultural production for 2022/23 increased by 2,8% from the previous season, which can mainly be attributed to increases in the production of citrus and subtropical fruit. The production of oranges increased by 172 820 tons (10,7%), lemons by 122 808 tons (18,7%) and grapefruit by 71 073 tons (20,2%), which all led to an increase in the production of citrus fruit from the previous season. Furthermore, increases in the production of bananas by 137 777 tons (34,6%) and avocados by 26 450 tons (30,3%) contributed to an increase in the production of subtropical fruit as compared to the previous season.

Animal production decreased by 0,6%, mainly as a result of decreases in the production of eggs, pastoral animal products (wool) and the production of stocks slaughtered for 2022/23. The production of eggs decreased by 2 534 tons (0,4%) and the production of wool decreased by 5 166 tons (20,2%) as compared to 2021/22. Furthermore, the production of stock slaughtered for cattle and calves decreased by 11 541 tons (1,4%), as well as sheep and lambs by 5 479 tons (5,5%) as compared to 2021/22.

### Producer prices of agricultural products

The average prices received by the farmers for their agricultural products increased by 10,7%. This was the result of the increase in prices of field crops by 15,6% and animal and horticultural products by 9,2% each.



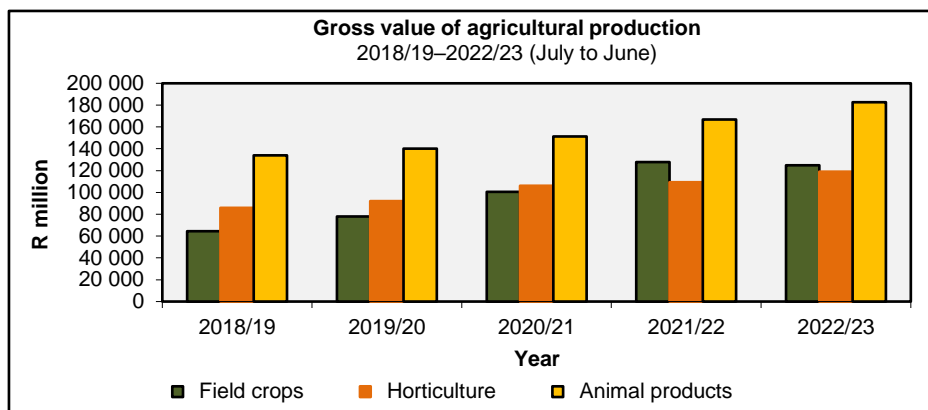
The increase of 15,6% in average price of field crops was the result of the increase in prices of summer grains by 21,9%, winter grains (17,9%), dry beans (14,5%), sugar cane (11,3%) and cotton (2,5%). The price of oilseeds decreased by 13,1%.

The increase of 9,2% in average price of animal products was driven by the increase in prices poultry meat by 16,0%, dairy products by 15,1% and slaughtered stock by 2,5%. The price of pastoral products decreased by 8,9%.

The weighted average price of horticultural products increased by 9,2% as a result of the increase in prices of vegetables by 19,2%, viticulture (4,5%) and fruit (2,7%).

## Gross value of agricultural production

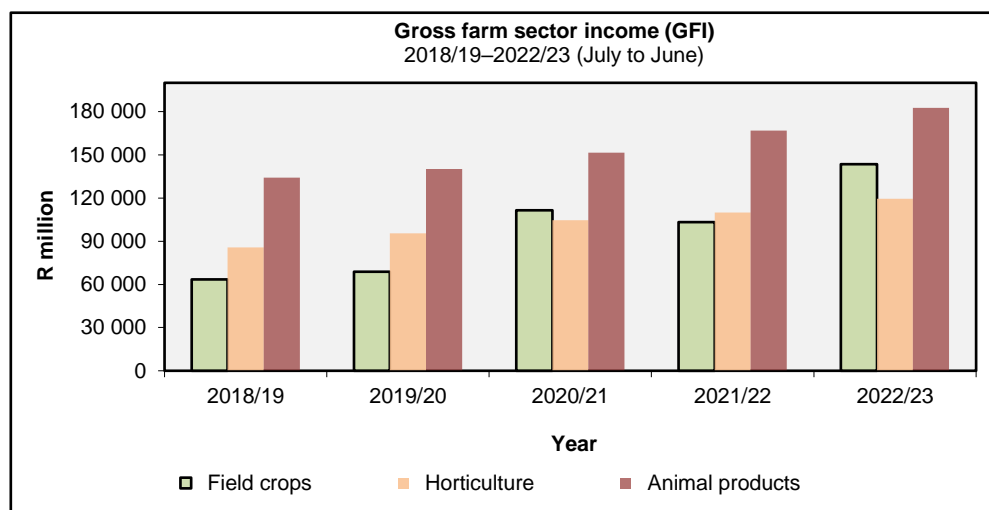
The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2022/23 is estimated at R426 440 million, compared to R404 062 million the previous year—an increase of 5,5%. This increase can mainly be attributed to an increase in the value of animal products and horticulture.



The gross value of animal products, field crops and horticultural products contributed 42,8%, 29,3% and 27,9%, respectively, to the total gross value of agricultural production. The poultry meat industry and maize made the largest contribution with 14,7% and 14,0%, respectively followed by cattle and calves slaughtered with 11,2%.

## Farming income

The *gross income of producers* (the value of sales and production for other uses, plus the value of changes in inventories) increased by 17,3% to R445 450 million for the year ended 30 June 2023, compared to R379 864 million the previous year. This was influenced by the increase in income from field crops, animal and horticultural products by 39,0%, 9,4% and 8,8%, respectively.

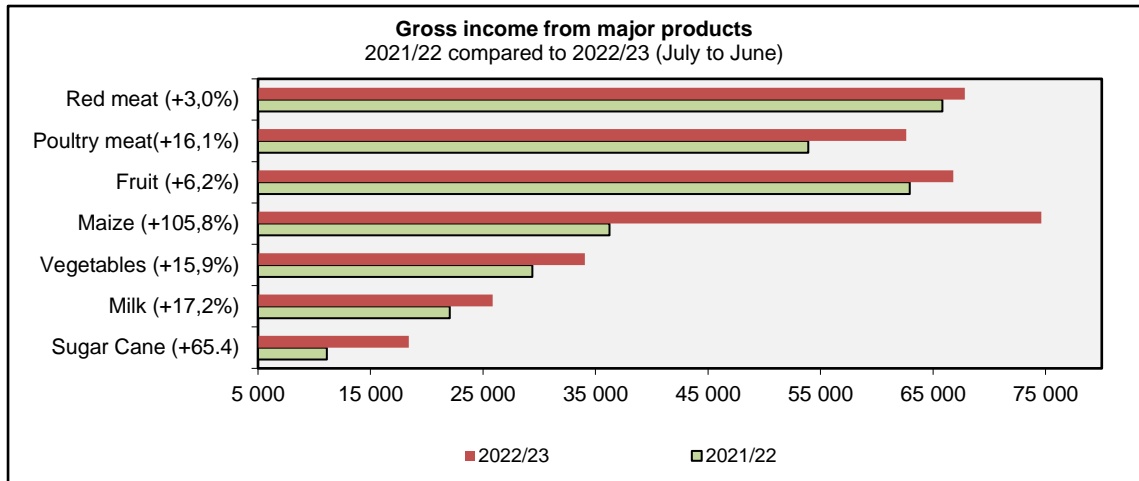


The *gross income from field crops* increased significantly by 39,0% to R143 455 million for the year ended June 2023, compared to R103 208 million of the previous period. This was mainly due to the increase in income from maize (105,8%), sugar cane (65,4%), canola (26,6%), groundnuts (21,2%), soya beans (10,4%) and wheat (10,2%). Income from dry beans and sunflower seed decreased substantially by 84,4% and 16,6%, respectively.

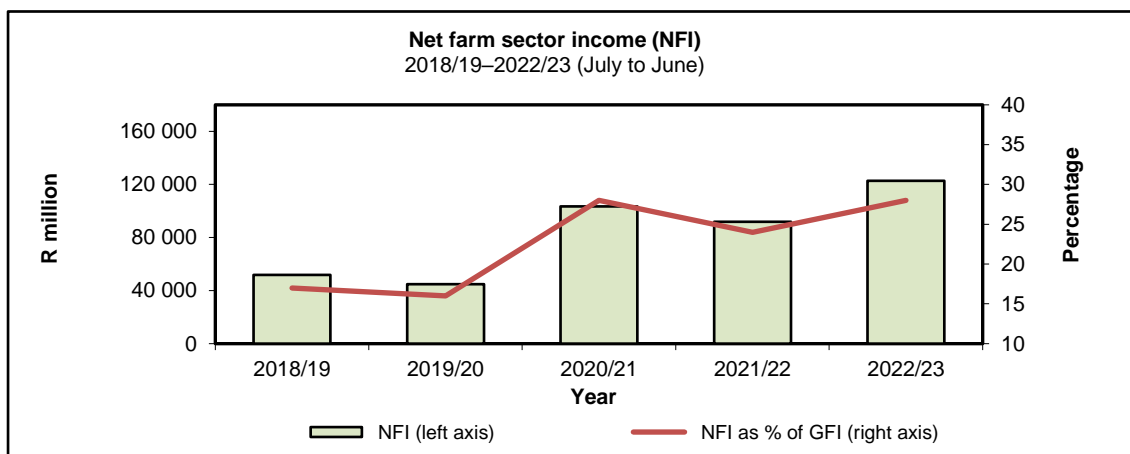


The *gross income from horticultural products* increased by 8,8% to R119 432 million for the year ended June 2023, compared to R109 820 million the previous period. This can be attributed to the increase in income from vegetables by 15,9%, subtropical fruits by 14,3%, deciduous and other fruits by 5,0% and citrus fruit by 5,5%. The income derived from viticulture decreased slightly by 2,3%.

The *gross income from animal products* increased by 9,4% and amounted to R182 563 million for the year ended June 2023, compared to R166 836 million the previous period. This was due to the increase in income from milk by R3 798 million (17,2%), poultry meat by R8 697 million (16,1%), eggs by R1 540 million (13,4%), pigs slaughtered by R898 million (9,5%), cattle and calves slaughtered by R1 331 million (2,9%). The income derived from sheep slaughtered decreased by R305 million (3,4%).



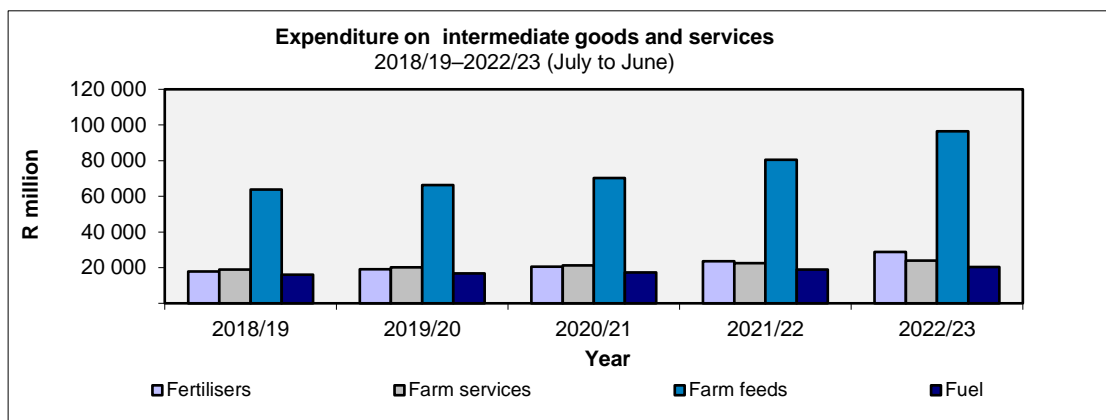
The *net farm income* (after the deduction of all production expenditure, excluding expenditure on fixed assets and capital goods) increased significantly by 33,8% and amounted to R122 732 million for the period ended on 30 June 2023. Payments for salaries and wages, which represented 16,0% of the total farming costs, amounted to R52 850 million. Interest paid by farmers to banks and other financiers during the 12 months up to 30 June 2023 is estimated at R14 763 million, or 4,0% of the total farming costs.



## Expenditure on intermediate goods and services

Intermediate expenditure refers to the value of goods and services that were purchased for consumption as inputs during the production process.

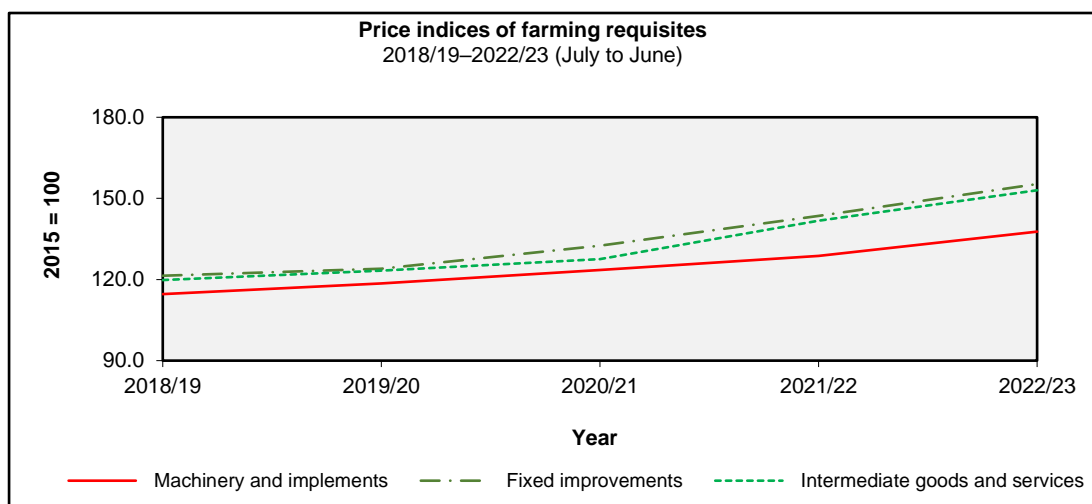
Expenditure on intermediate goods and services increased by 13,5% to R248 726 million. This was due to the increases in expenditure on fertilisers by 22,0%, farm feeds by 20,0%, seed and plants and building and fencing material by 10,0% each, animal health and crop protection by 8,8%, maintenance and repairs of machinery and implements by 8,0%, packing material by 7,8%, fuel by 7,0% and farm services by 6,0%.



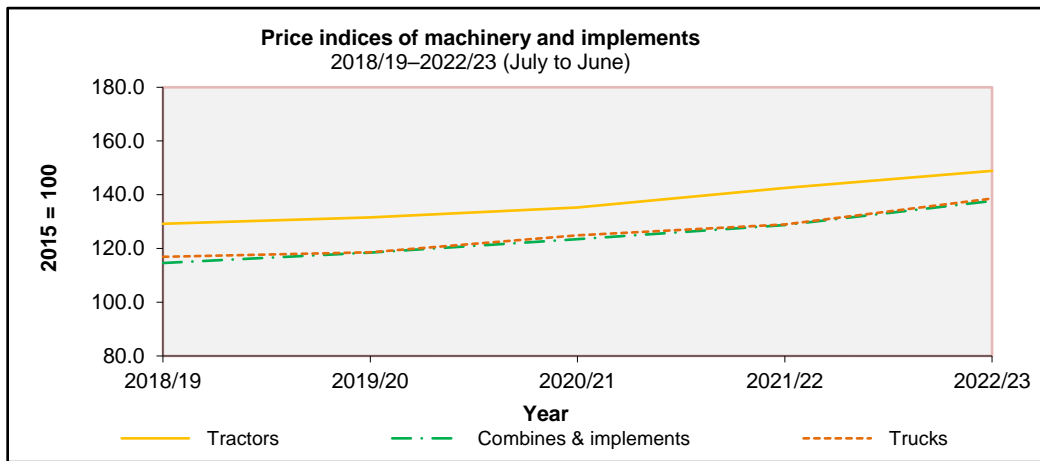
Farm feeds was the largest expenditure item and accounted for 38,8% of the total expenditure, followed by fertilisers (11,6%), farm services (9,6%), fuel (8,1%), maintenance and repairs of machinery and implements (6,5%), seed and plants (6,4%), animal health and crop protection and building and fencing material (3,9%) each and packing material (3,8%).

## Prices of farming requisites

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services increased by 7,9% for the period ended June 2023. This was mainly caused by the increase in prices of feeds (18,5%), fuel (10,9%), building material (8,3%), animal health and crop protection (8,2%), fencing material (7,8%), trucks (7,4%), seeds (6,9%), maintenance and repairs of machinery and implements (6,4%), packaging material (4,7%), tractors (4,5%) and fertilisers (1,9%).



The combined price index of materials for fixed improvements increased by 8,2%, intermediate goods and services increased by 7,9% and machinery and implements by 7,0%.

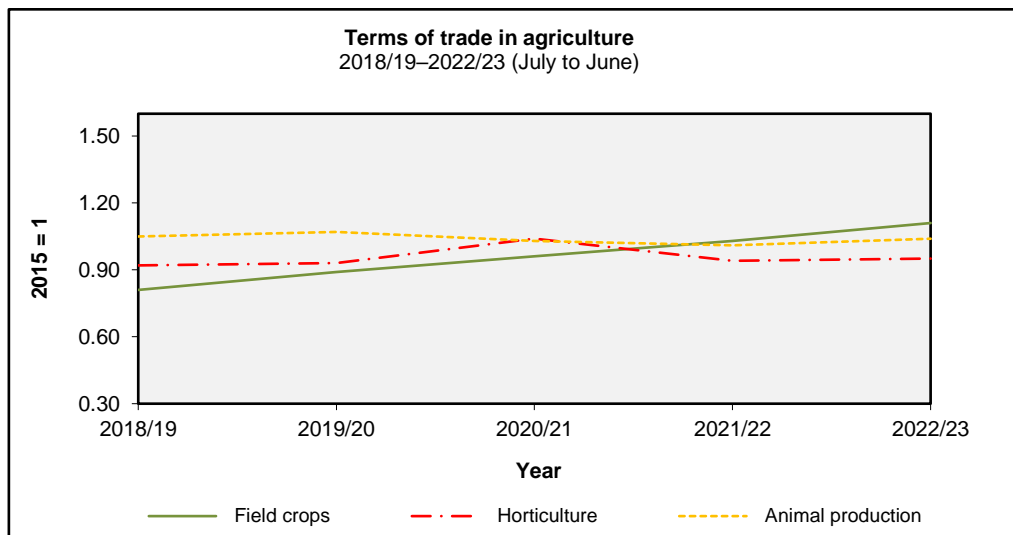


### Domestic terms of trade in agriculture (2015 = 1)

The terms of trade indicate the extent to which producer prices received by farmers kept pace with the prices paid for farming requisites.

The domestic terms of trade increased by 3,0% from 1,00 to 1,03 as a result of improved prices that were received by farmers for their products.

The terms of trade for field crops increased by 8,0 (from 1.03 to 1,11) and horticultural and animal products by 1,0% each from 0,94 to 0,95 and 1,03 to 1,04, respectively.



## Contribution of agriculture to value added at basic prices

*Value added is the value of total output less the value of intermediate consumption during the production period.*

The summary below shows the overall contribution of the agricultural sector to the South Africa's economy. The contribution of agriculture to value added for the year ended 31 December 2022 is estimated at R159 465 million, which presents 2,7% of the total value added to the economy, the highest since 2002.

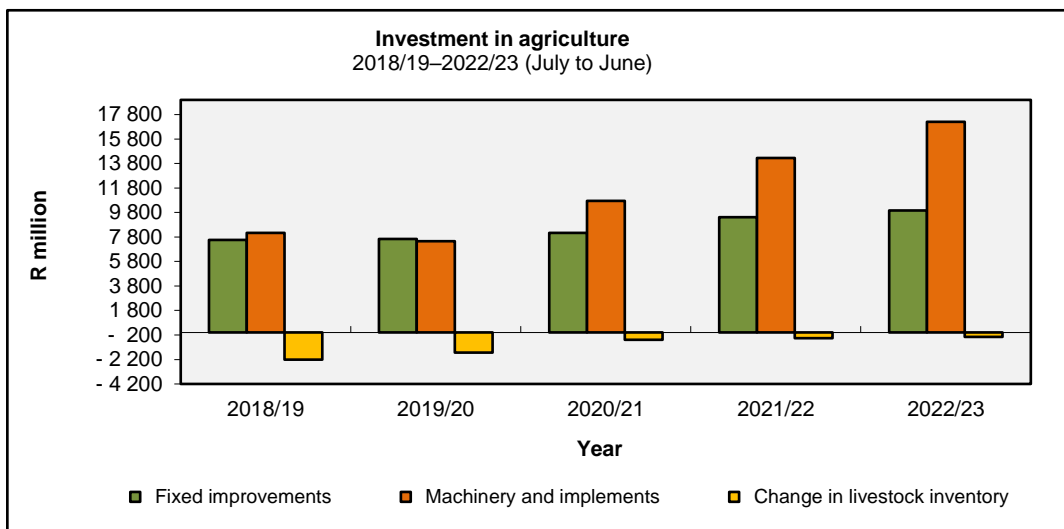
Year	Total value added	Contribution of agriculture to value added	Contribution of agriculture as percentage of total value added
	R million	R million	%
2008	2 377 921	57 106	2,4
2009	2 564 505	56 990	2,2
2010	2 801 585	54 745	2,0
2011	3 035 118	57 801	1,9
2012	3 236 488	59 923	1,9
2013	3 502 361	63 361	1,8
2014	3 738 791	74 694	2,0
2015	3 981 758	83 946	2,1
2016	4 288 841	97 669	2,3
2017	4 592 450	107 644	2,3
2018	4 829 603	103 059	2,1
2019	5 058 166	93 253	1,8
2020	5 042 558	122 220	2,4
2021	5 595 306	134 961	2,4
2022	5 952 708	159 465	2,7

## Capital assets and investment in agriculture

The value of capital assets in agriculture showed an increase of R53 250 million (8,7%) to R662 336 million for the period ended June 2023, compared to R609 087 million the previous corresponding period.

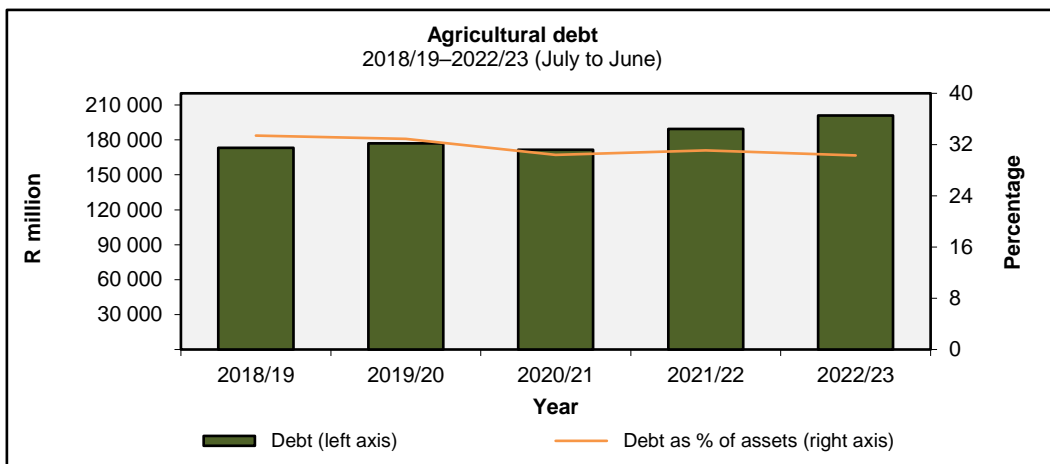
The proportion of land and fixed improvements to the total value of capital assets was R407 603 (61,5%), livestock (R137 623 million or 20,8%) and machinery and implements (R117 111 million or 17,7%).

The gross investment in machinery, implements and vehicles increased by 19,2% (R19 336 million) for the period ended June 2023. Implements increased by 20,6% (R17 205) and transport vehicles by 8,9% (R2 131). Fixed improvements increased by 5,8% (9 967). The livestock inventory was estimated at 22,0% (R101 million) more than in the previous period.



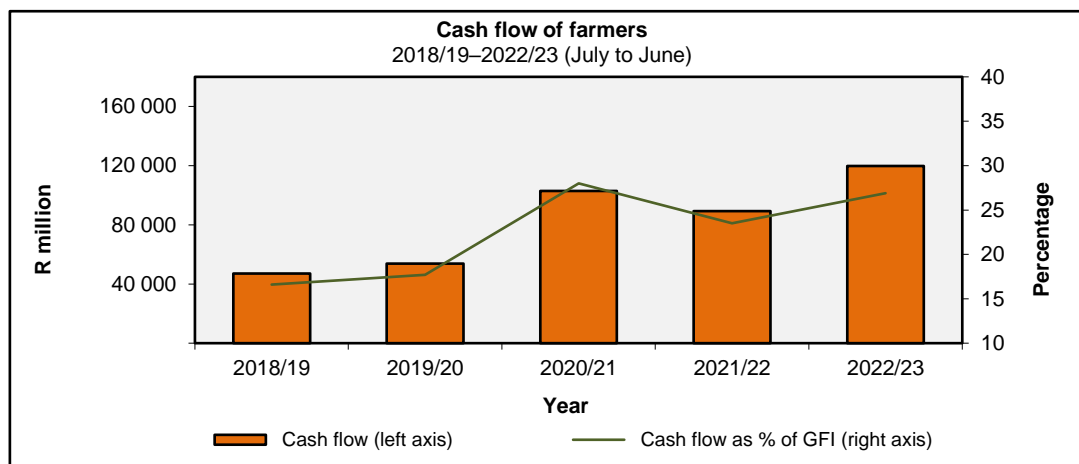
### Farming debt

The total farming debt has increased by 6,1% and is estimated at R200 931 million for the year ended June 2023, compared to R189 331 million at the end of June 2023.



### Cash flow of farmers

The farmers' cash flow also increased significantly by 34,3% to R119 737 million for the period ended June 2023, from R89 187 million in the previous corresponding period due to better prices received by farmers for their products.



### Consumer prices

The consumer prices of all agricultural products showed a slight increase of 0,8% for the period ended June 2023. The consumer prices of milk, eggs and cheese increased by 6,7%, non-food (6,4%), grain products (4,6%), food (2,0%) and meat (1,2%).

The consumer prices of fats and oils increased by 17,4%, coffee and tea (11,8%), fish (10,5%), sugar (10,2%) and fruit (1,3%).

**NB: Imports and exports statistics on agricultural products not available.**