

# Economic Review 2022

Of the

## South African Agriculture

**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

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

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## FOREWORD

The value of primary agricultural production in South Africa was R419 765 million in 2022, while its contribution to the GDP was estimated to be R145 048 million. The primary agricultural sector has grown by an average of 7,5% per year since 2008, while the total economy grew by 6,6% on average per annum over the same period. This has resulted in an increase in agriculture's share of the GDP from 2,2% in 2009 to 2,4% 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 the supply of raw materials to the manufacturing industry. About 70% of 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 give some idea of the macroeconomic position of agriculture. The focus areas are agriculture's contribution to the national economy and 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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March 2023

## **ECONOMIC REVIEW OF SOUTH AFRICAN AGRICULTURE FOR THE YEAR ENDED 31 DECEMBER 2022**

### **Summary**

Total gross income earned from all agricultural products was R417 783 million in 2022 compared with R362 575 million in 2021, which is an increase of 15,2%. This was driven by the increase in income from field crops by 27,8%, animal products by 13,4% and horticultural products by 5,8%.

The prices received by farmers for their products increased by 13,2% because of the increase in prices of field crops by 28,8%, animal products by 12,5% and horticultural products by 2,2%.

The 28,8% increase in the weighted average price of field crops resulted from the increase in prices of summer grains by 45,5%, winter grains by 30,3%, oilseeds by 17,4%, dry beans by 11,0%, sugar cane by 6,5% and hay by 4,3%. The prices of tobacco and cotton decreased by 5,6% and 1,7%, respectively.

The weighted average price of animal products increased by 12,5% due to the increase in prices of poultry meat by 14,6%, dairy products by 13,4%, slaughtered stock by 11,3% and pastoral products slightly by 0,4%.

The weighted average price of horticultural products increased by 2,2%, mainly because of the increase in prices of vegetables and viticulture by 6,8% and 2,7%, respectively. The price of fruit decreased by 1,0%.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods, increased by 13,6%. This was caused by the increases in prices paid for fertilisers by 39,8%, fuel (15,7%), building material (11,4%), feed (11,0%), fencing material (8,7%), animal health and crop protection (8,1%), seeds (7,7%), irrigation equipment (7,3%), maintenance and repairs of machinery and implements (5,7%), packing material (5,0%), and tractors and trucks (4,1%) each.

The terms of trade decreased by 1,0% (from 1,01 in 2021 to 1,00 in 2022) mainly due to the production costs which increased by 13,6% more than the prices received for the agricultural products (13,2%).

Net farming income increased significantly by 26,1% to R110 423 million in 2022, compared to R87 602 million in 2021.

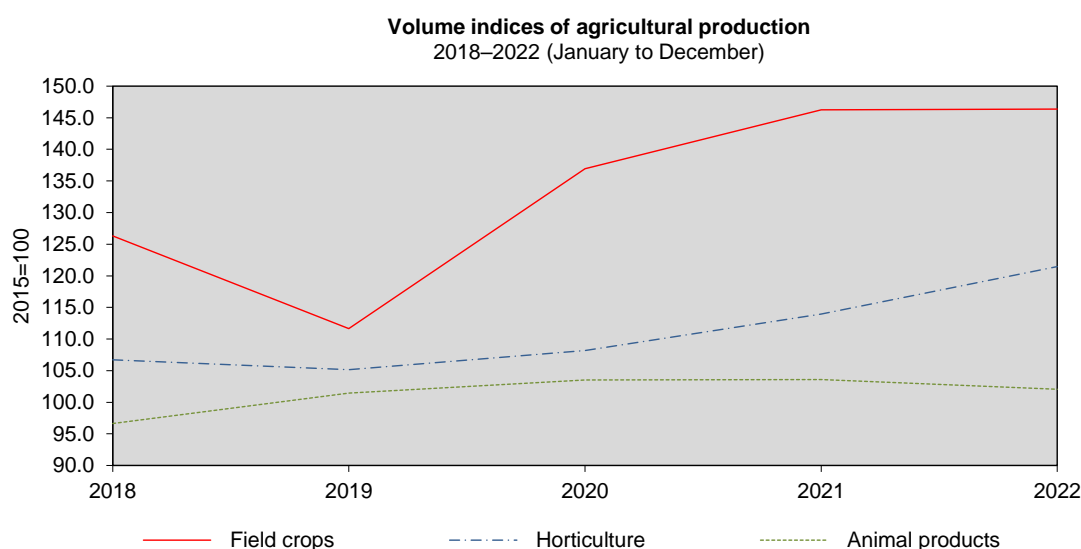
## Volume of agricultural production

The estimated volume of agricultural production during 2022 was 1,2% more than in 2021.

The volume of field crop production increased by 0,1% during 2022, mainly as a result of an increase in the production of oilseeds (sunflower seed and soybeans) and other food crops (sugar cane).

Horticultural production increased by 6,6% for above mentioned period, which can mainly be attributed to an increase in the production of citrus, subtropical fruits (granadillas, bananas, avocados and mangoes) and deciduous fruits (pears, peaches, plums and apples).

The production of animal products decreased by 1,5%, mainly because of a decrease in the production of pastoral animal products (wool, ostrich feathers and mohair), the number of stocks slaughtered (sheep and lambs, as well as cattle and calves) and fresh milk during 2022.



## Producer prices of agricultural products

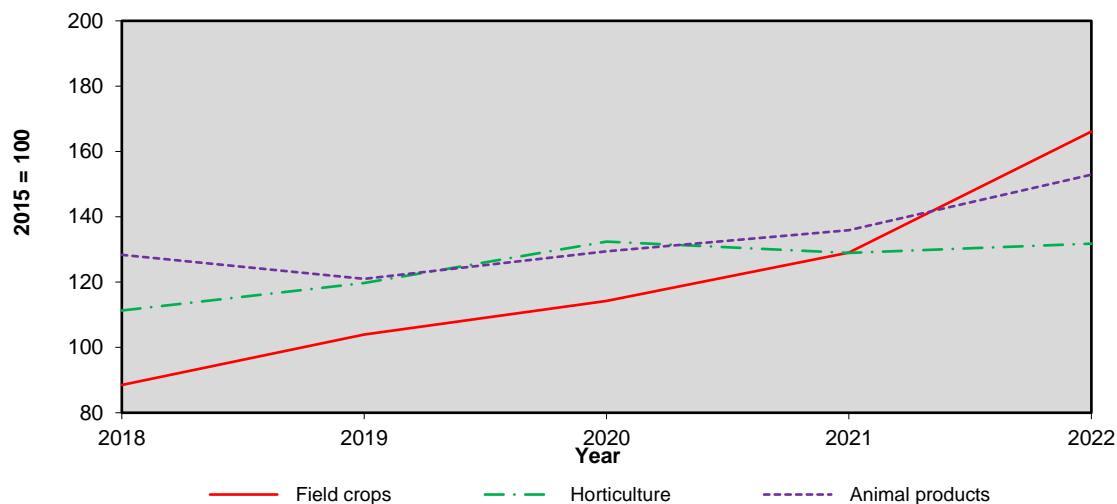
The prices received by farmers for their products increased by 10,4% because of the increase in prices of field crops by 15,2%, animal products by 12,5% and horticultural products by 2,2%.

The 15,2% increase in the price of field crops resulted from the increase in prices of summer grains by 45,5%, winter grains by 30,3%, oilseeds by 17,4%, dry beans by 11,0% and hay by 4,3%. The prices of sugar cane, tobacco and cotton decreased by 27,5%, 16,1% and 1,7%, respectively.

The weighted average price of animal products increased by 12,5% due to the increase in prices of poultry meat by 14,6%, dairy products by 13,4%, slaughtered stock by 11,3% and pastoral products slightly by 0,4%.

The weighted average price of horticultural products increased by 2,2%, mainly because of the increase in prices of vegetables and viticulture by 6,8% and 2,7%, respectively. The price of fruit decreased by 1,0%.

**Producer price indices**  
2018 - 2021 (January to December)

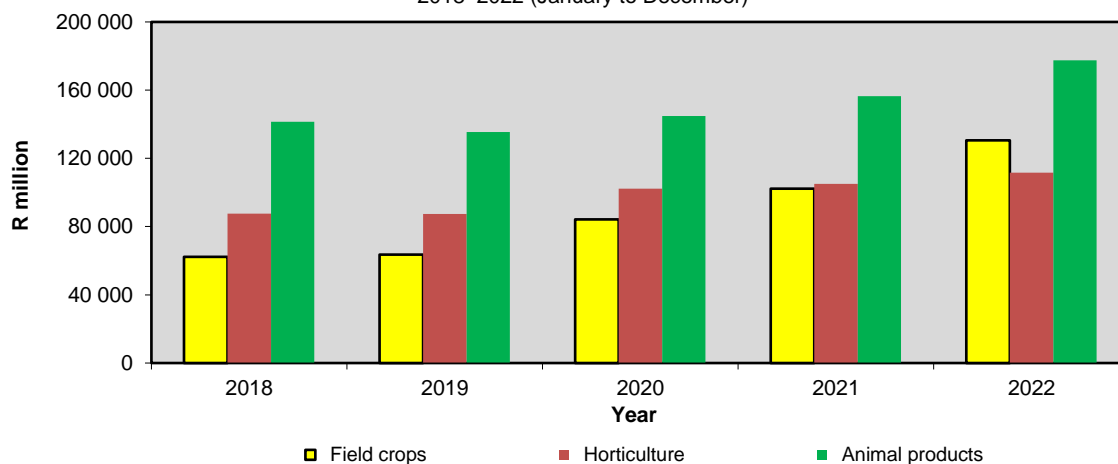


### Gross value of agricultural production

The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2022 is estimated at R419 765 million, compared to R363 774 million the previous year—an increase of 15,4%. This increase can mainly be attributed to a significant increase in the value of field crops.

The gross value of animal products contributed 42,3% to the total gross value of agricultural production, while field crops and horticultural products contributed 31,1% and 26,6%, respectively. The maize industry made the largest contribution with 15,2%, followed by poultry meat with 14,1% and cattle and calves slaughtered with 11,8%.

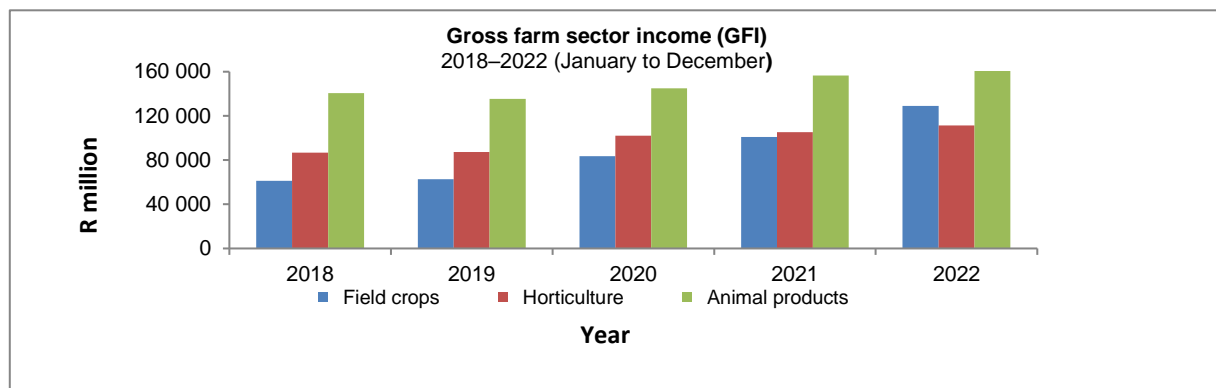
**Gross value of agricultural production**  
2018–2022 (January to December)





## Farming income

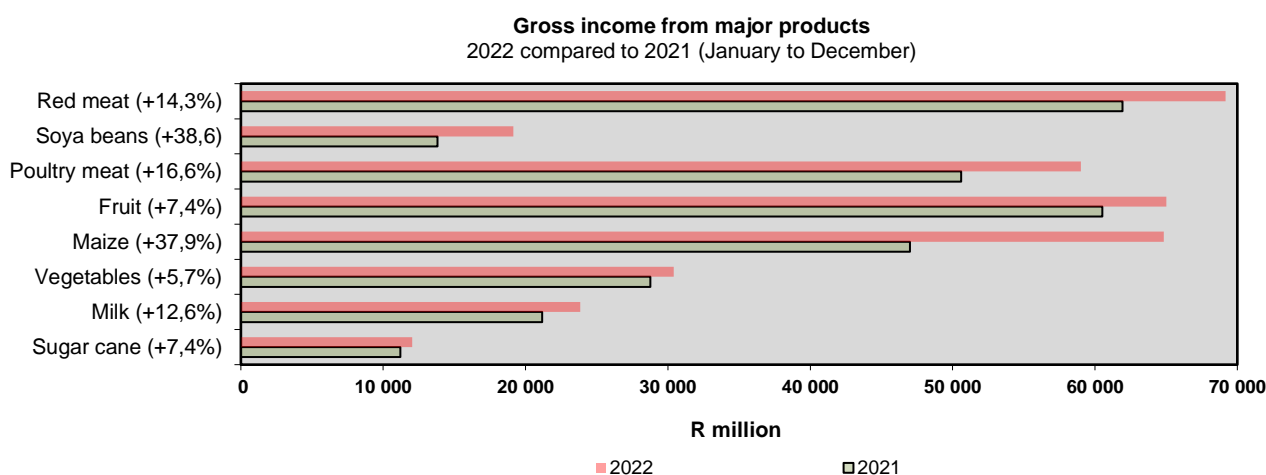
The *gross income of producers* (the value of sales and production for other uses, plus the value of changes in inventories) for the year ended 31 December 2022 increased by 15,2% and amounted to R417 783 million, compared to R362 575 million the previous year. This can be attributed to the increase in income obtained from all agricultural products.



The *gross income from field crops* increased by 27,8% to R129 008 million for the year ended 31 December 2022. Income from maize increased significantly by 37,9% and amounted to R64 826 million, from R46 994 million in 2021. The income from sunflower seed increased by 49,1%, soya beans by 38,6%, canola by 27,9%, dry beans by 26,0%, wheat by 10,0% and sugar cane by 7,4%. The income from grain sorghum, groundnuts, hay and tobacco decreased by 51,2%, 25,6%, 8,3% and 0,7%, respectively.

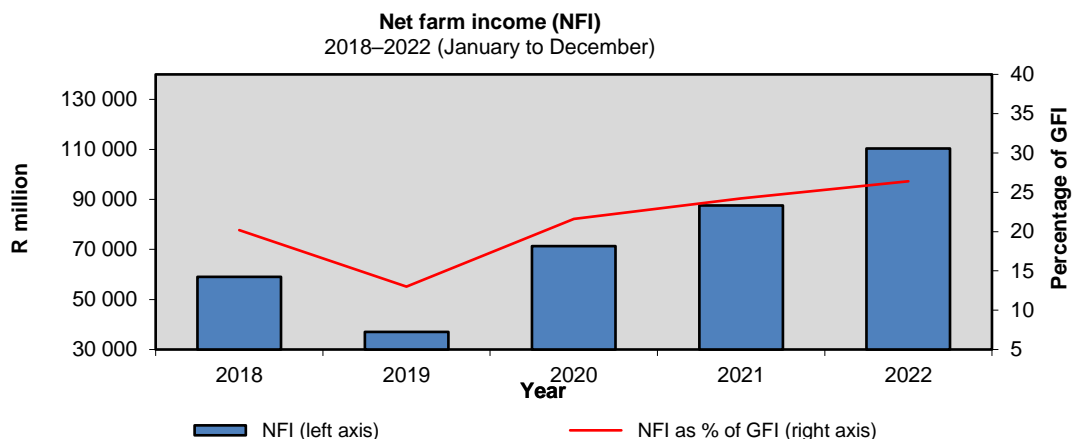
The *gross income from animal products* was 13,4% higher in 2022 and estimated at R177 513 million, compared to R156 469 million of the previous year. The income earned by the producers from slaughtered stock increased by 11,7% to R69 165 million, wool by 24,6%, egg production by 18,7%, poultry meat by 16,6% and milk production by 12,6%.

The *gross income from horticultural products* increased by 5,8% to R111 262 million in 2022 from R105 138 million in 2021. The income earned by farmers from fruit increased by 7,4%, which amounted



to R65 012 million. The income from vegetables was 5,7% or R1 643 million higher in 2022 (from R28 756 million in 2021 to R30 399 million in 2022).

The *net farm income* (after the deduction of all production expenditure, excluding expenditure on fixed assets and capital goods) showed an increase of 26,1% and amounted to R110 423 in 2022 for the period ended 31 December 2022, as opposed to R87 602 million the previous corresponding period. Payments for salaries and wages, which represented 16,4% of the total farming costs, amounted to

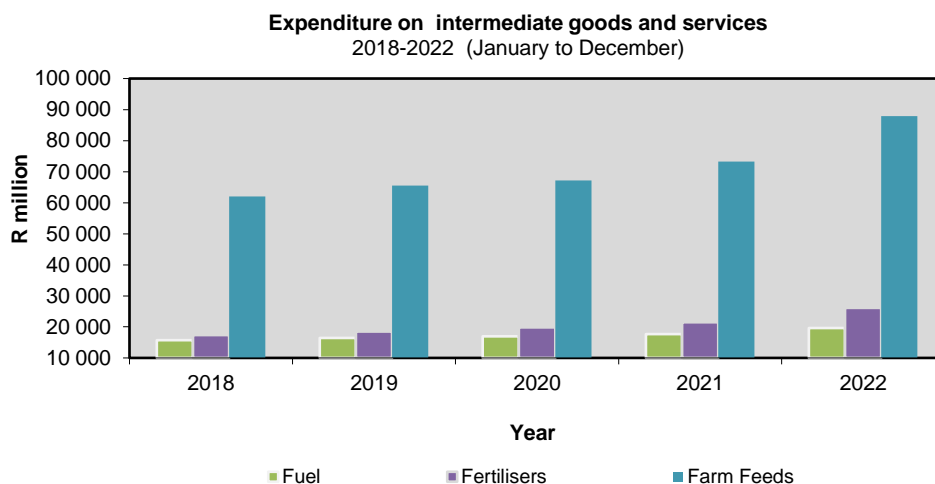


R51 187 million. Interest paid by farmers to banks and other financiers in 2022 was estimated at R14 041 million or 4,5% of the total farming costs.

### 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.*

The expenditure on intermediate goods and services increased by 13,9% to R233 914 million in 2022, from R205 438 million in 2021. This was influenced by the increase in expenditure on fertilisers by 22,0%, farm feeds by 20,0%, fuel by 10,8%, 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%, farm services by 6,0% and packing material by 5,2%.

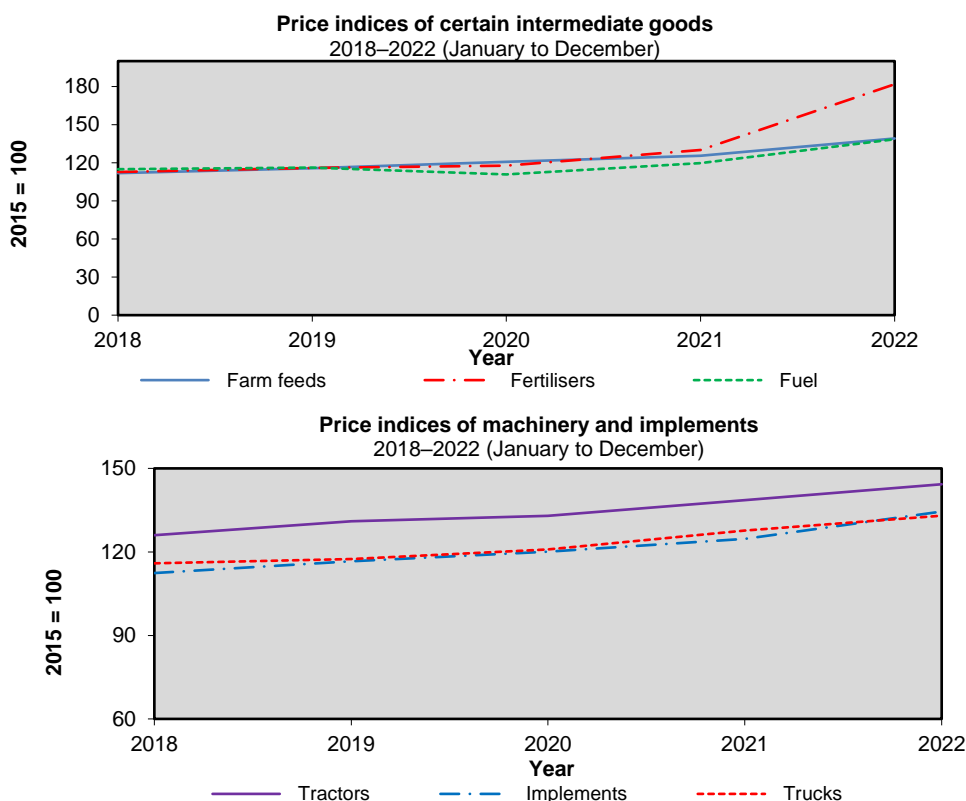
Proportionally, farm feed had the largest share of 37,6% as an expenditure item, followed by fertilisers (11,2%), farm services (9,9%), fuel (8,4%), maintenance and repairs of machinery and implements (6,7%), seed and plants (6,5%), building and fencing material (4,0%), and animal health and crop protection and packing material (3,9%) each.

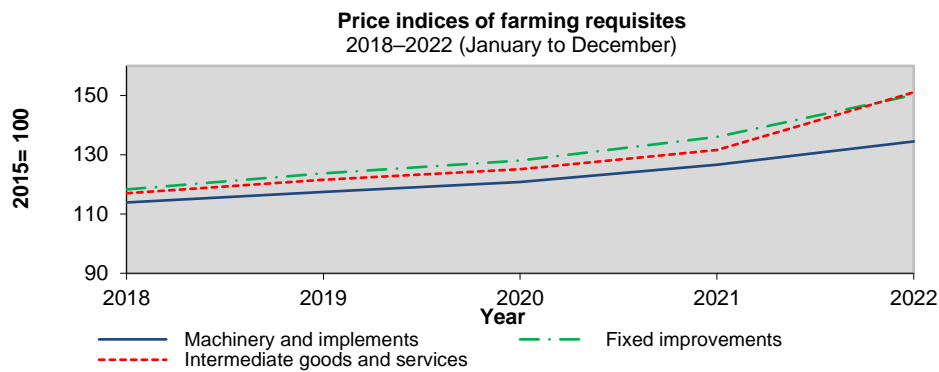
### Prices of farming requisites

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods, increased by 13,6%.

The prices paid for intermediate production inputs, materials for fixed improvements and machinery and implements increased by 14,8%, 10,5% and 6,3%, respectively.

The prices paid for fertilisers increased by 39,8%, fuel (15,7%), building material (11,4%), feeds (11,0%), fencing material (8,7%), animal health and crop protection (8,1%), seeds (7,7%), irrigation equipment (7,3%), maintenance and repairs of machinery and implements (5,7%), packing material (5,0%), and tractors and trucks (4,1%) each.



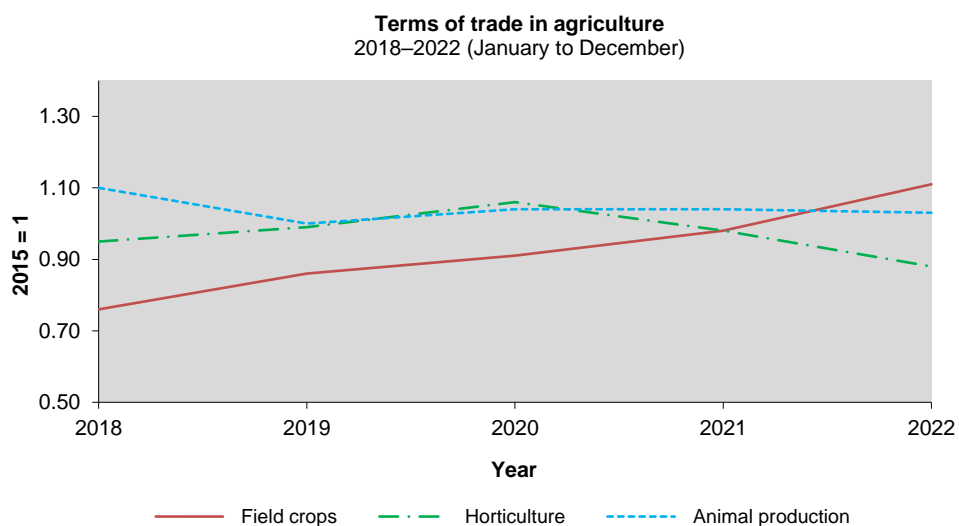


### Domestic terms of trade in agriculture (2015 = 1)

**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 decreased by 1,0% (from 1,01 in 2021 to 1,00 in 2022) mainly due to the production costs which increased by 13,6% more than the prices received for the agricultural products (13,2%).

The terms of trade for field products increased by 13,3% (from 0,98 to 1,11) while those of horticultural and animal products decreased by 10,2% (from 0,98 to 0,88) and 1,0% (from 1,04 to 1,03), respectively.



## Contribution of agriculture to value added at basic prices

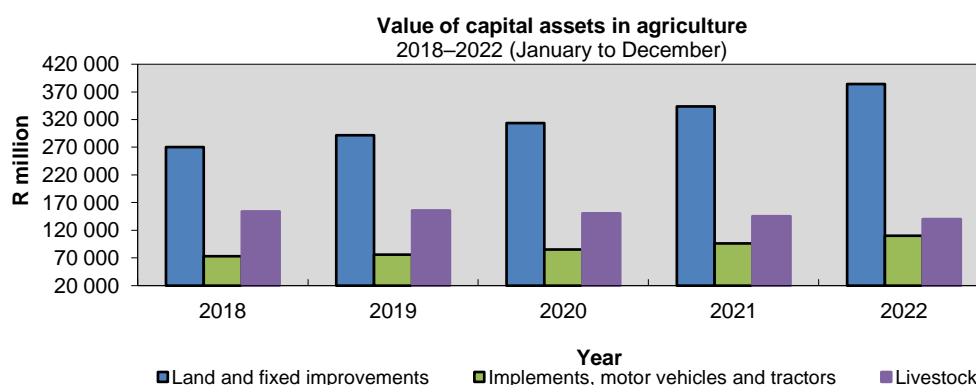
**Value added is the value of total output less the value of intermediate consumption during the production period.**

The summary below shows the overall contribution of the agricultural sector to the South Africa economy. The contribution of agriculture to value added for the year ended 31 December 2022 is estimated at R104 048 million, which presents 2,4% of the total value added to the economy.

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	4 816 888	103 024	2,1
2019	5 044 926	93 626	1,9
2020	5 029 575	119 059	2,4
2021	5 572 608	129 886	2,3
2022	5 949 671	145 048	2,4

## Capital assets and investment in agriculture

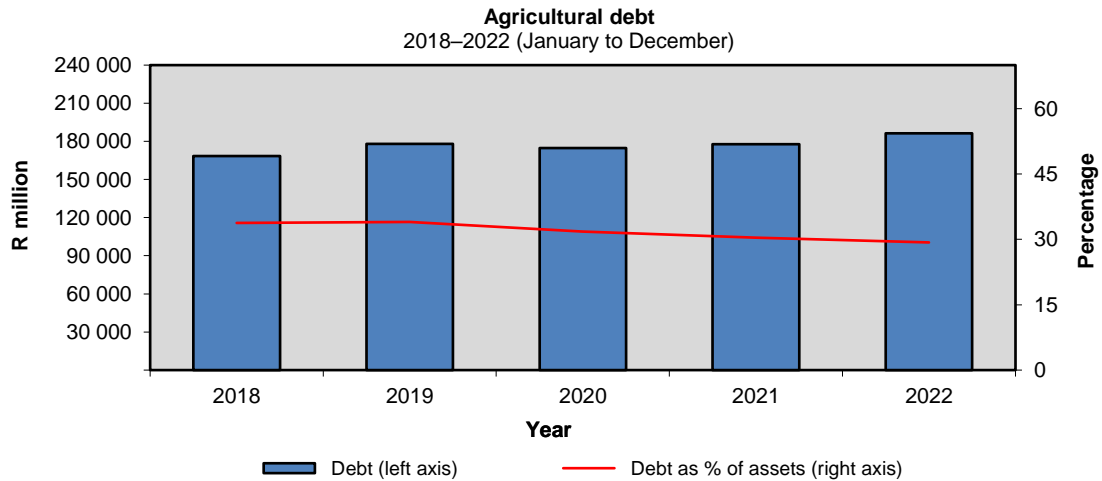
The value of capital assets in agriculture increased by 8,5% for the period ended 31 December 2022 and was estimated to be R634 886 million, compared to R585 030 million at the end of December 2021. Land and fixed improvements constituted the largest share of 60,6% of the total value of capital assets, followed by livestock (22,1%) and implements, motor vehicles and tractors (17,4%).



The gross investment in respect of fixed improvements for the year ended 31 December 2022 was 13,1% higher than in 2021 and was estimated at R9 839 million. In the case of machinery, implements and vehicles, investment increased by 18,6% and was estimated at R17 426 million. The livestock inventory was estimated at 2,2% (R2 751 million) less than the previous year.

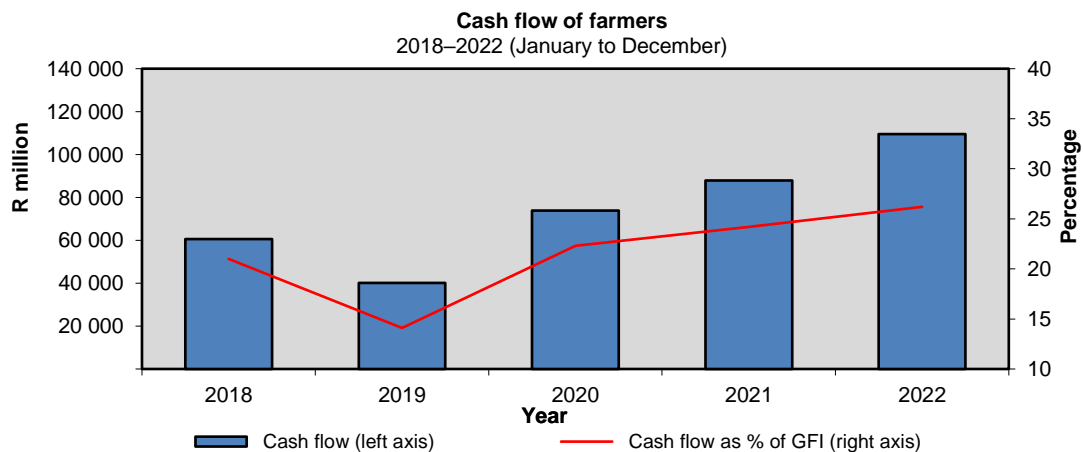
### Farming debt

The total farming debt increased by 7,7% for the year ended 31 December 2022 and was estimated at R220 651 million, compared to R204 841 million at the end of 2021.



### Cash flow of farmers

The cash flow of farmers was R109 567 million in 2022 compared with R87 816 million in 2021. This reflects an increase of 24,8% between 2021 and 2022 due to the higher gross farming income.



## Consumer prices

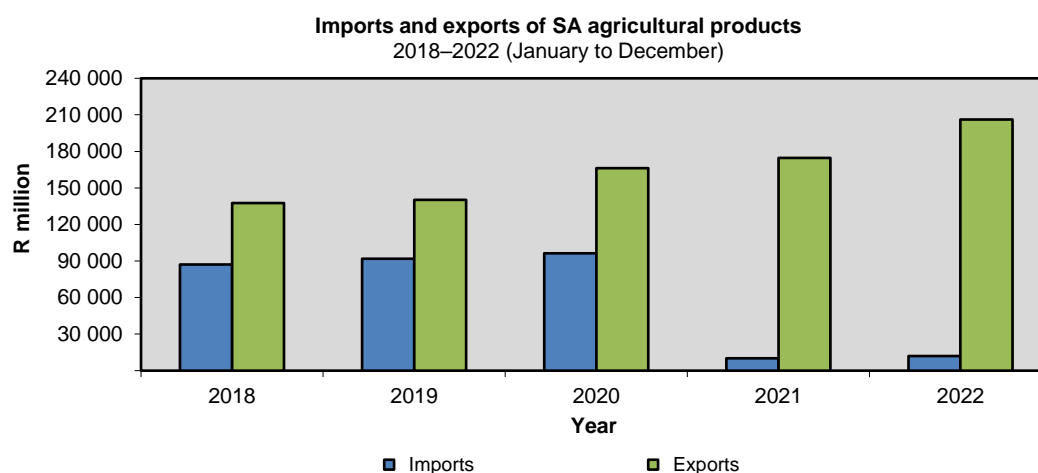
The consumer prices of all agricultural items increased by 6,9% in 2022, compared to an increase of 4,5% in 2021.

The prices of grain products increased by 12,4%, food by 9,6%, meat by 9,4% and milk, eggs and cheese by 6,7%. The prices of fats and oil increased by 26,9%, other food by 9,4%, coffee and tea by 7,9%, fish by 7,6%, vegetables by 6,7% and sugar by 6,2%. The prices of fruit decreased slightly by 0,1%.

## Imports and exports of SA agricultural products

The estimated value of imports during 2022 came to approximately R119 003 million, from R101 511 million in 2021—an increase of 17,2%.

The estimated value of exports showed an increase of 18,2%, from R174 521 million in 2021 to about R206 293 million in 2022.



According to the 2022 agricultural export figures, maize (R15 943 million), grapes (R12 451 million), oranges (R11 772 million), apples (R7 937 million) and wine (R7 329 million) were the five most important export products in terms of value.

With regard to agricultural imports during 2022, palm oil (R10 654 million), wheat (R10 342 million), milled rice (R7 634 million), crude sunflower seed (R4 078 million) and sugar cane (R2 895 million) were the five major products in terms of value.

In terms of exports of agricultural products by South Africa during 2022, the five largest trading partners were the Netherlands, with exports to the value of R21 073 million, the United Kingdom (R13 643 million), Botswana (R11 770 million), China (R11 592 million) and Namibia (R10 832 million).