

Economic Review
of the
South African
Agriculture

2024

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

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FOREWORD

The total value of primary agricultural production in South Africa is estimated to be R460 184 million in 2024, while its contribution to the GDP was approximately R182 181 million. The primary agricultural sector has shown an average nominal growth of 8,8% per year since 2013. This has resulted to an increase in agriculture's value-added share to GDP from 1,8% in 2013 to 2,8% in 2024.

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 2025

ECONOMIC REVIEW OF SOUTH AFRICAN AGRICULTURE FOR THE YEAR ENDED 31 DECEMBER 2024

Summary

Total gross farming income generated from all agricultural products increased by 3,4% and was estimated at R460 208 million in 2024. This can be attributed to the increase in income from horticultural and animal products by 8,4% and 6,2%, respectively.

The prices received by farmers for their products increased by 4,8%, due to the increase in prices of field crops by 9,1%, animal products by 4,4% and horticultural products by 2,2%.

The increase in weighted average price of field crops was the result of the increase in prices of summer grains by 21,2%, tobacco by 12,1%, sugar cane by 11,9% and hay by 5,2%. The prices of winter grains decreased drastically by 11,3%, dry beans (5,2%), oilseeds (2,0%) and cotton slightly (0,6%).

The weighted average price of horticultural products increased by 2,2%, mainly because of the increases in prices of viticulture and fruit by 16,1% and 7,1%, respectively. The price of vegetables decreased by 6,2%.

The weighted average price of animal products increased by 4,4% and was driven by the increase in the price of poultry meat by 9,8%. The prices of slaughtered stock, milk and pastoral products remained unchanged.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods, decreased by 3,9%, as opposed to a decrease of 3,6% the previous period. This was mainly due to the decrease in prices of animal health and crop protection by 13,7%, fertilisers (3,4%), feed (2,1%) and fuel (1,9%).

The terms of trade increased by 8,8% from 1,13 in 2023 to 1,23 in 2024, as the result of the increase of 4,8% in prices received from agricultural productions against the 3,9% decrease in production costs.

The net farming income was 13,9% higher in 2024 and amounted to R130 712 million as compared to R114 729 million in 2023.

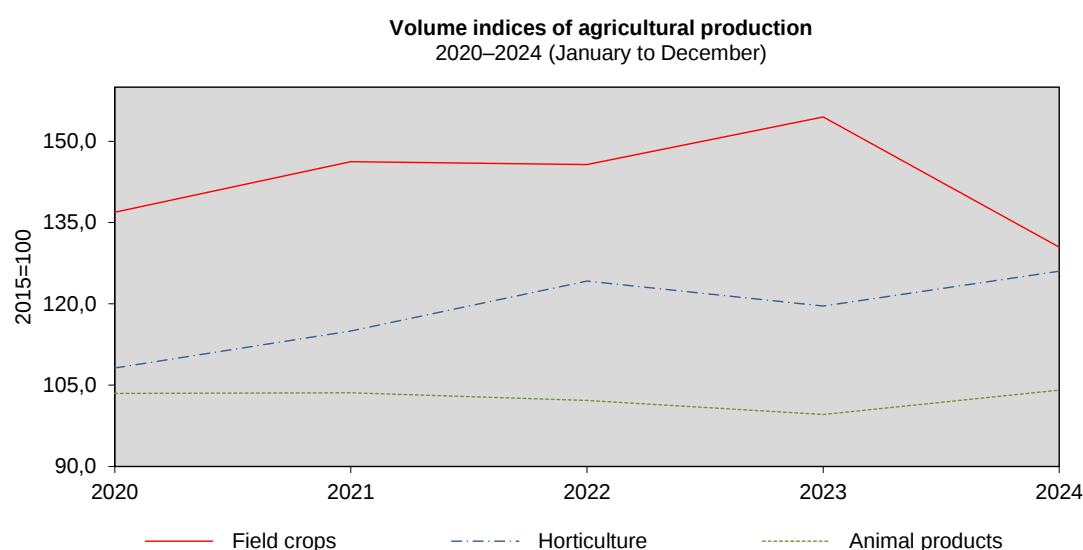
Volume of agricultural production

The estimated volume of agricultural production during 2024 was 1,5% less than in 2023.

The volume of field crop production decreased by 15,6% during 2024, mainly as a result of a decrease in the production of summer grains (maize) and oilseeds (sunflower seed, soya beans and groundnuts), as well as the winter grains (wheat).

Horticultural production increased by 5,4% for the above-mentioned period, which can mainly be attributed to increase in the production of vegetables (cauliflower, lettuce, cucumbers, potatoes onions, pumpkins and carrots), subtropical fruits (mangoes, avocados, paw-paws and bananas), citrus fruits (nartjies, soft citrus and oranges), and deciduous fruits (apricots, table grapes, apples and wine grapes). The production of dried fruits and nuts also increased for the above-mentioned period.

The production of animal products increased by 4,5%, mainly because of an increase in the production of pastoral animal products (ostrich feathers, wool and mohair), the number of stock slaughtered (sheep and lambs, cattle, pork and goats) and poultry meat, as well as fresh milk during 2024.

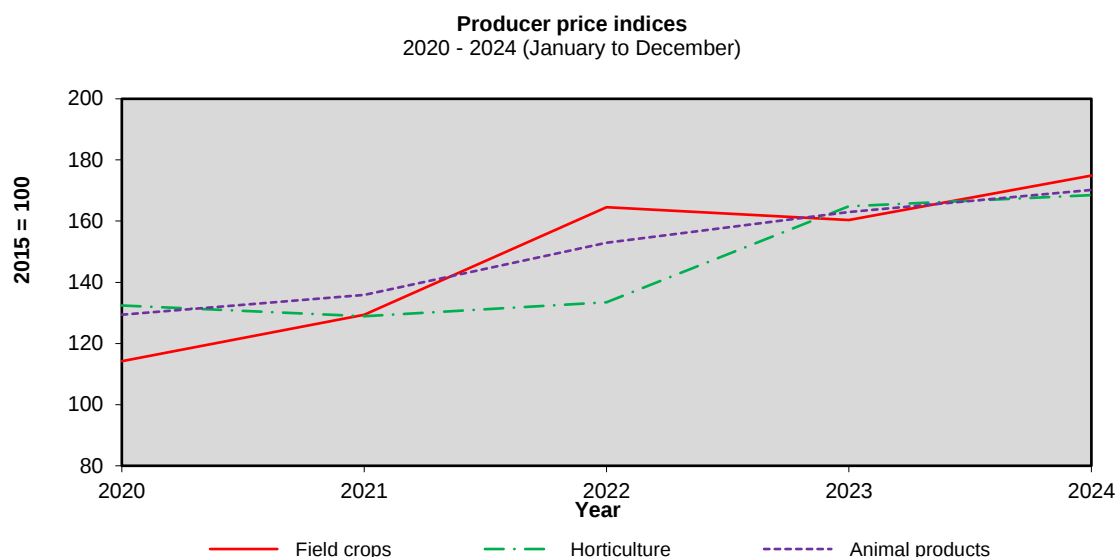


Producer prices of agricultural products

The prices received by farmers for their products increased by 4,8%, due to the increase in prices of field crops by 9,1%, animal products by 4,4% and horticultural products by 2,2%.

The increase in weighted average price of field crops was the result of the increase in prices of summer grains by 21,2%, tobacco by 12,1%, sugar cane by 11,9% and hay by 5,2%. The prices of winter grains decreased drastically by 11,3%, dry beans (5,2%), oilseeds (2,0%) and cotton slightly (0,6%).

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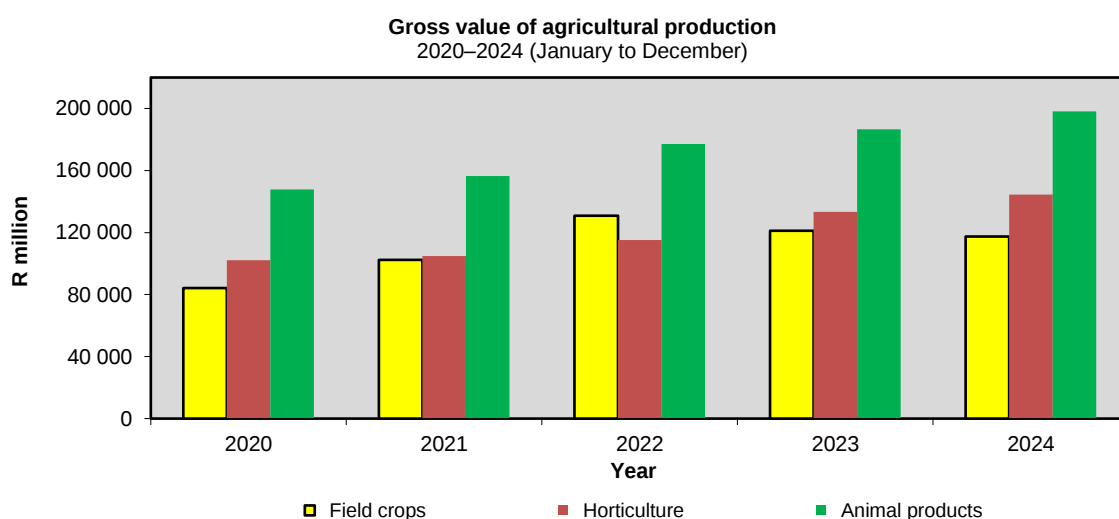


The weighted average price of animal products increased by 4,4% and was driven by the increase in the price of poultry meat by 9,8%. The prices of slaughtered stock, milk and pastoral products remained unchanged.

Gross value of agricultural production

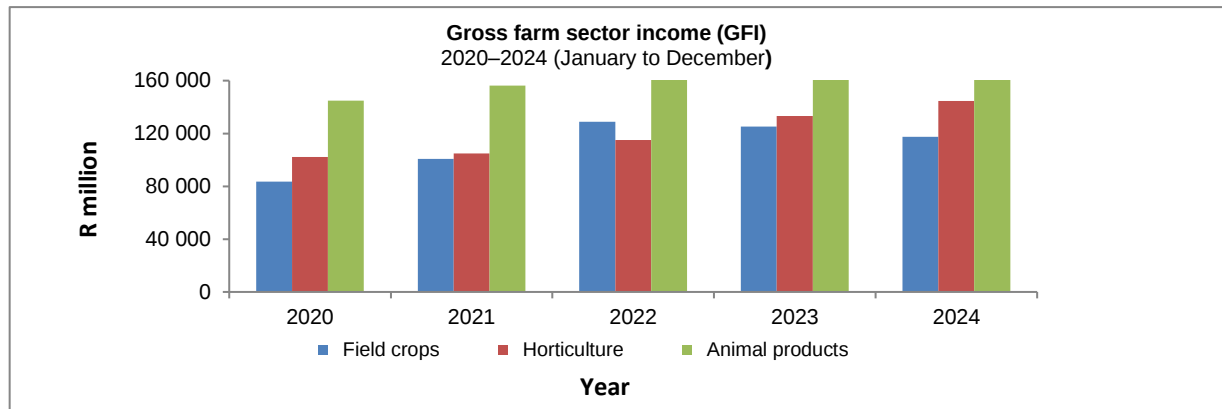
The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2024 is estimated at R460 184 million, compared to R441 168 million the previous year—an increase of 4,4%. This increase can mainly be attributed to an increase in the value of horticulture and animal products.

The gross value of animal products contributed 43,1% to the total gross value of agricultural production, while horticultural products and field crops contributed 31,4% and 25,5%, respectively. Poultry meat made the largest contribution with 15,7%, followed by maize with 12,7% and cattle and calves slaughtered with 10,3%.



Farming income

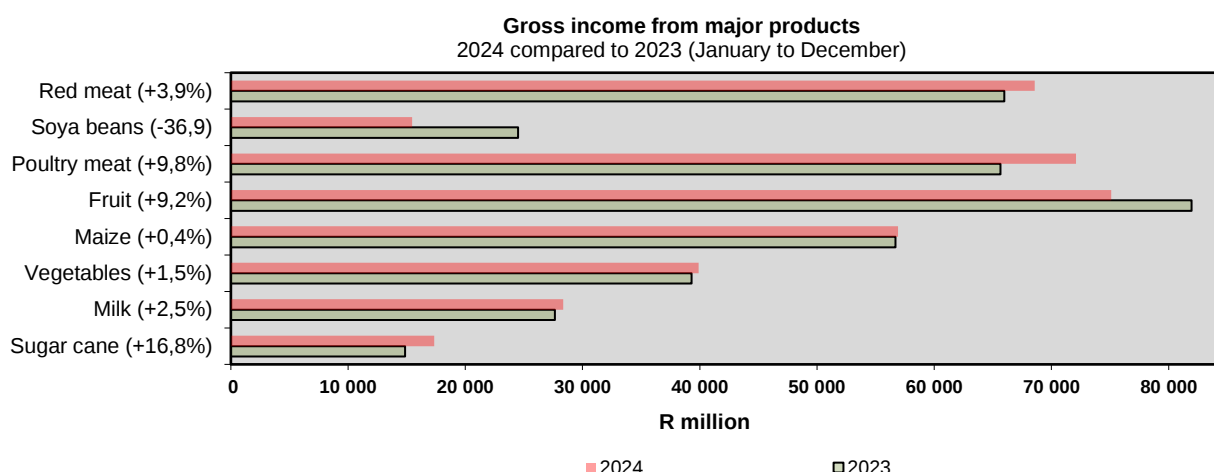
The *gross income of producers* (the value of sales and production for other uses, plus the value of changes in inventories) for the year ended 31 December 2024 increased by 3,4% and amounted to R460 208 million, compared to R445 238 million the previous year. This can be attributed to the increases in income obtained from animal and horticultural products.



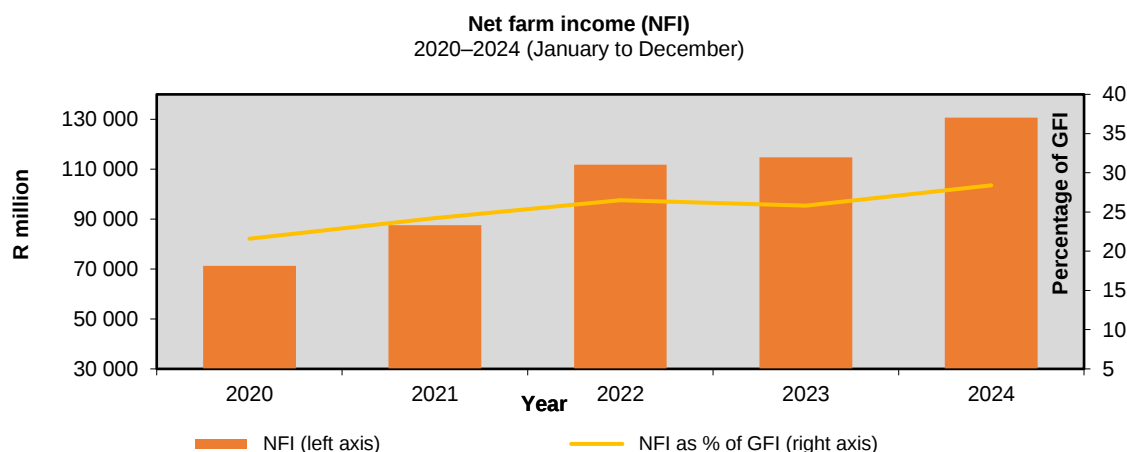
The *gross income from field crops* decreased by 6,2% from R125 285 million in 2023 to R117 521 million for the year ended 31 December 2024. This was due to the decrease in income from soya beans, grain sorghum, wheat, cotton, sunflower seed and groundnuts by 36,9%, 13,5%, 13,3%, 13,1%, 7,9% and 1,4%, respectively. The income from dry bean increased by 25,2%, canola by 21,0%, sugar cane by 16,8% and maize by 0,4%.

The *gross income from animal products* was 6,2% higher in 2024 and estimated at R198 189 million, compared to R186 647 million of the previous year. The increase was attributed to income earned by the producers from eggs production by 13,7%, poultry meat by 9,8%, slaughtered stock by 3,9% and milk production by 2,5%.

The *gross income from horticultural products* increased by 8,4% to R144 497 million in 2024 from R133 306 million in 2023. The income earned by farmers from fruit increased by 9,2%, which amounted to R81 955 million. The income from vegetables was 1,5%, an increase from R39 304 million in 2023 to R39 905 million in 2024.



The *net farm income* (after the deduction of all production expenditure, excluding expenditure on fixed assets and capital goods) showed an increase of 13,9% and amounted to R130 712 for the period ended 31 December 2024, as opposed to R114 729 million the previous corresponding period. Payments for salaries and wages, which represented 16,8% of the total farming costs, amounted to

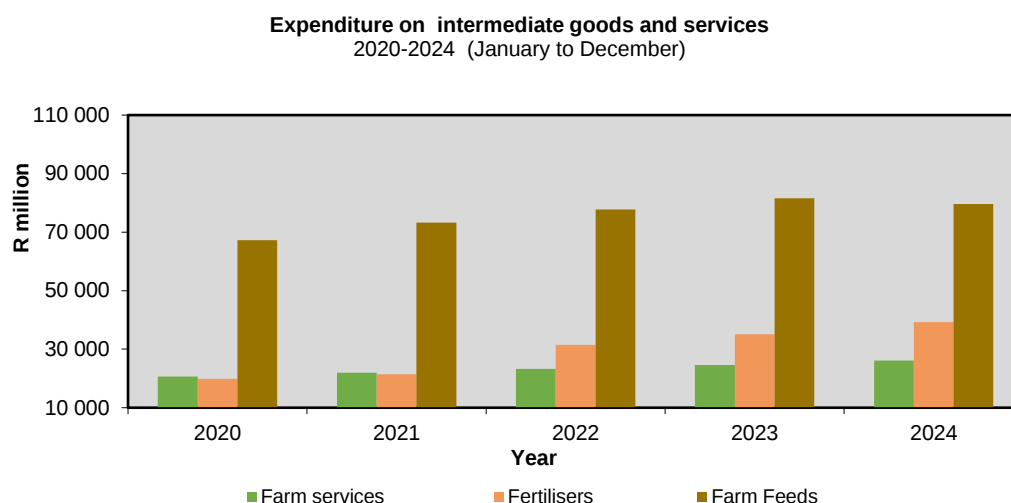


R56 659 million. Interest paid by farmers to banks and other financiers in 2024 was estimated at R17 379 million, or 5,1% of the total farming costs.

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 showed an increase of 1,6% and was estimated to be R251 255 million in 2024, as compared to R247 191 million in 2023. This was mainly driven by the increase in expenditure on fertilisers by 11,7%, building and fencing material by 10,0%, packing material by 7,9%, farm services by 6,0%, maintenance and repairs of machinery and implements by 5,5%, and fuel by 4,5%. The expenditure on animal health and crop protection decreased by 17,7%, seed and plants by 14,4% and farm feed by 2,4%.

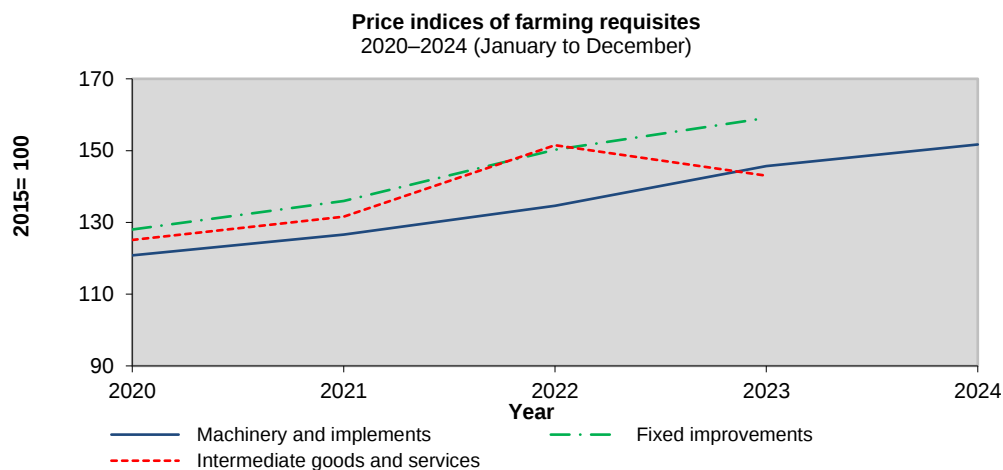
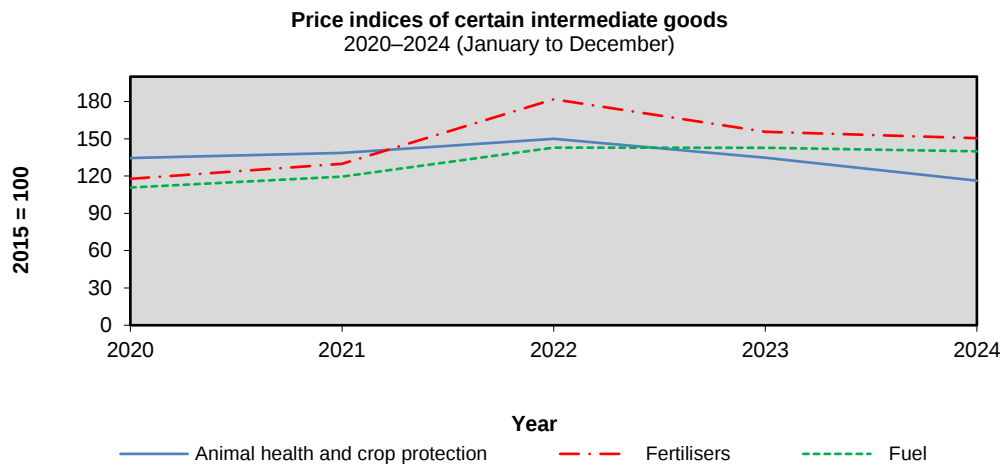


Farm feeds remained the main expenditure item, accounting 31,7% to the total expenditure, followed by fertilisers (15,6%), farm services (10,4%), fuel (8,6%), maintenance and repairs of machinery and implements (7,1%), seed and plants (5,7%), building and fencing material (4,5%), packing material (4,2%) and animal health and crop protection (3,8%).

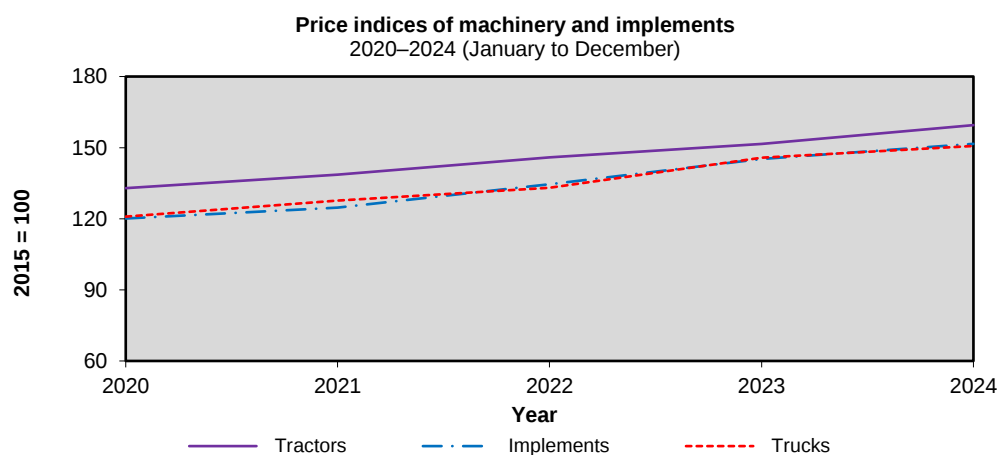
Prices of farming requisites

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods, decreased by 3,9%, as opposed to a decrease of 3,6% the previous period. This was mainly due to the decrease in prices paid for the intermediate goods.

The prices paid for material for fixed improvements increased by 4,9% and machinery and implements by 4,2%, while the prices paid for the intermediate goods decreased by 5,6%.



The prices paid for intermediate goods and services decreased by 5,6%, mainly due to the decrease in prices paid for animal health and crop protection by 13,7%, fertilisers by 3,4%, feeds by 2,1% and fuel by 1,9%. The prices paid for seeds increased by 4,4% and packaging material and maintenance and repairs of machinery and implements by 3,3% each.

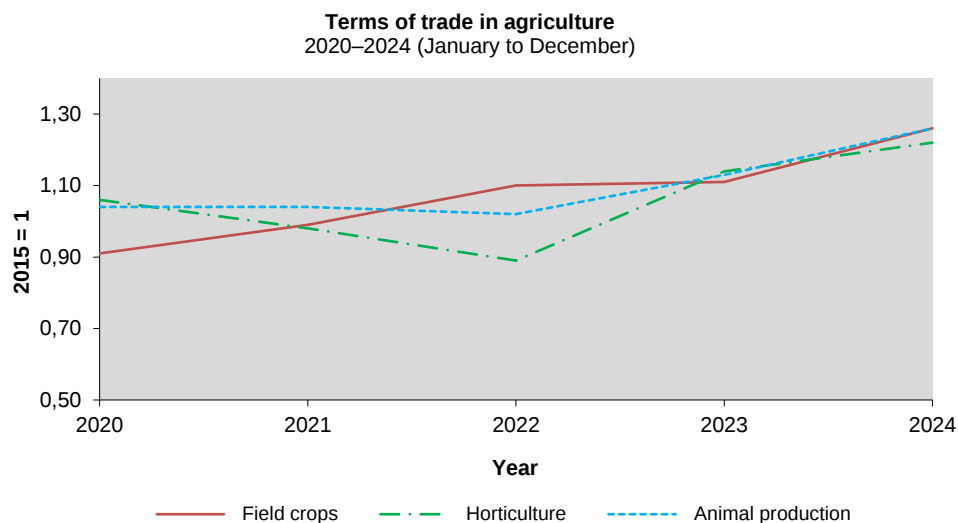


Domestic terms of trade in agriculture (2015 = 1)

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

The terms of trade increased by 8,8% from 1,13 in 2023 to 1,23 in 2024, as the result of the increase of 4,8% in prices received from agricultural productions against the 3,9% decrease in production costs.

The terms of trade for field crops increased by 13,5% (from 1,11 in 2023 to 1,26 in 2024), animal products by 8,8% (from 1,13 in 2023 to 1,23 in 2024), and horticultural products by 7,0% (from 1,13 in 2023 to 1,22 in 2024).



Contribution of agriculture to value added at basic prices

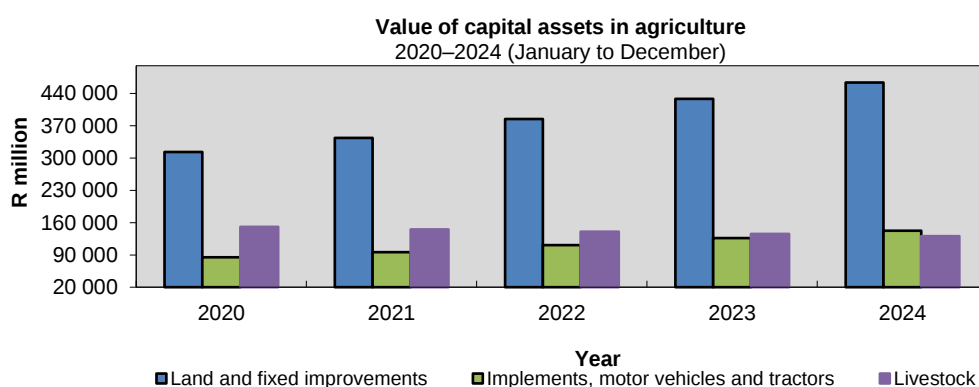
Value added is the value of total output less the value of intermediate consumption during the production period.

The summary below shows the overall contribution of the agricultural sector to the South African economy. The contribution of agriculture's value added for the year ended 31 December 2024 is estimated at R182 181 million in nominal terms and represented 2,8% of the total value added to the economy.

	Total value added	Contribution of agriculture to value added	Contribution of agriculture as percentage of total value added
Year	R million	R million	%
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	5 035 875	121 928	2,4
2021	5 603 770	131 548	2,3
2022	5 983 460	153 305	2,6
2023	6 310 829	156 234	2,5
2024	6 602 972	182 181	2,8

Capital assets and investment in agriculture

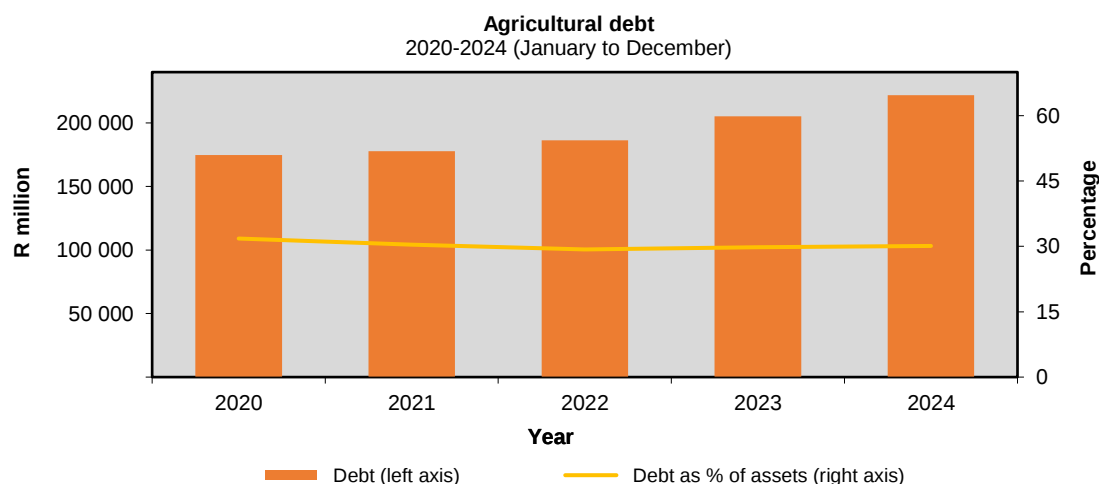
The value of capital assets in agriculture increased by 6,7% for the period ended 31 December 2024 and was estimated to be R736 388 million, compared to R689 909 million at the end of December 2023. Land and fixed improvements constituted the largest share of 63,0% of the total value of capital assets, followed by implements, motor vehicles and tractors (19,3%) and livestock (17,7%).



The gross investment in respect of fixed improvements for the year ended 31 December 2024 was 5,0% higher than in 2023 and was estimated at R10 678 million. In the case of machinery, implements and vehicles, investment decreased by 15,4% and was estimated at R16 779 million. The livestock inventory was estimated at 28,7% (R240 million) more than the previous year.

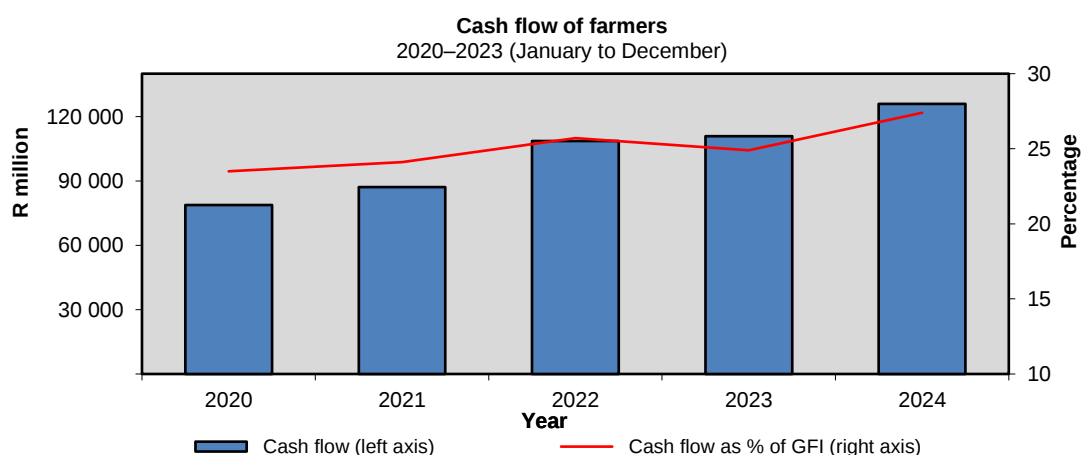
Farming debt

The total farming debt increased by 8,1% for the year ended 31 December 2024 and was estimated at R221 823 million, compared to R205 297 million at the end of 2023.



Cash flow of farmers

The farmers' cash flow increased by 13,5% and was estimated at R125 901 million in 2024, compared to R110 879 million in 2023, due to improved net farming income.



Consumer prices

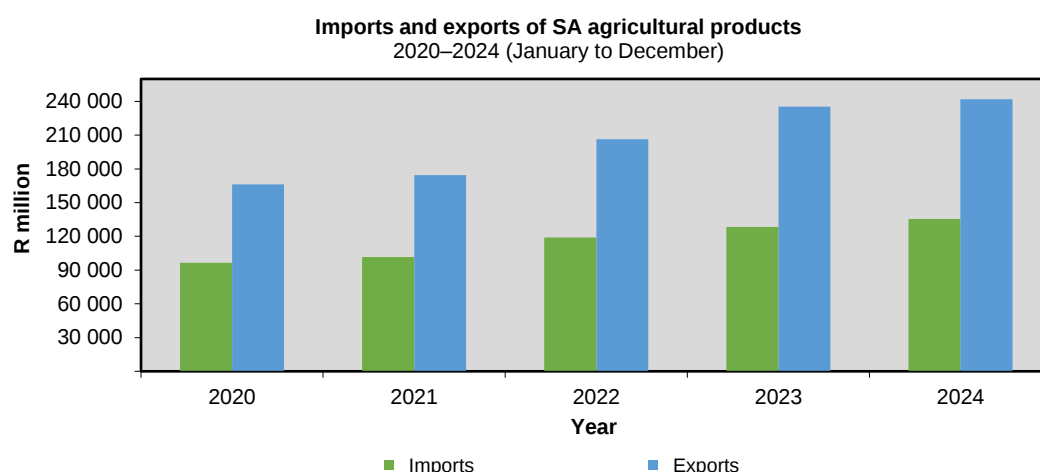
The consumer prices of all agricultural items increased by 4,4% in 2024, compared to an increase of 5,9% in 2023.

The prices of milk, eggs, and cheese increased by 7,2%, grain products by 5,0%, food by 4,1% and meat slightly by 0,8%. The prices coffee increased by 13,9%, sugar by 11,3%, “other food items” by 6,1%, vegetables by 5,1%, fish by 4,6% and fruit by 3,9%. The prices of fats and oil decreased by 1,8%.

Imports and exports of SA agricultural products

The estimated value of imports during 2024 came to approximately R135 627 million, from R128 374 million in 2023—an increase of 5,6%.

The estimated value of exports showed an increase of 2,8%, from R235 492million in 2023 to about R242 059 million in 2024.



According to the 2024 agricultural export figures, oranges (R13 520 million), grapes (R12 863 million), maize (R12 691 million), apples (R10 573 million) and soft citrus (R10 349 million) were the five most important export products in terms of value.

With regard to agricultural imports during 2024, milled rice (R11 740 million), wheat (R9 852 million), palm oil (R9 127 million), sugar cane (R3 762 million) and food preparations (R3 288 million) were the five major products in terms of value.

In terms of exports of agricultural products by South Africa during 2024, the five largest trading partners were the Netherlands, with exports to the value of R26 068 million, Zimbabwe (R19 856 million), United Kingdom (R18 299 million), Botswana (R14 225 million) and Namibia (R14 102 million).