

SA agricultural employment down 8% year-on-year in Q4

By [Wandile Sihlobo](#)

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Although South Africa's agricultural economy performed robustly in 2020, possibly grew by between 10-13%, according to our and Bureau for Food and Agricultural Policy estimates, employment numbers remain disappointing.



Image source: [Gallo/Getty](#)

The data released by Statistics South Africa shows that South Africa's primary agricultural jobs were down 8% year-on-year in the fourth quarter of 2020, with 810,209 people employed.

There was a decline in employment across most provinces except for the Eastern Cape, Gauteng and Mpumalanga, which registered job gains from the last quarter of 2019. The most considerable headcount losses were in the Western Cape, amounting to about 51,000 below 2019. KwaZulu-Natal followed this, with jobs down by 21,000 compared to the last quarter of 2019.



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Except for the Western and Northern Cape, we suspect that social distancing measures that were enforced to limit the virus' spread might have contributed to the decline in employment. Some farmers that would have typically employed seasonal workers around this period of the year were discouraged.

We say this because the Free State, North West, KwaZulu-Natal and Limpopo are amongst provinces with a good field crop and horticulture harvest in 2020. In the Western and Northern Cape case, the constrained cash flow following the ban of wine and alcohol sales at various intervals of the lockdown has possibly contributed to the decline in employment. The producers in the provinces expressed a similar view.

From a subsector perspective, only the forestry and fisheries industries recorded an overall increase in employment in the fourth quarter of 2020, compared with the previous year. All other subsectors recorded a decline in employment.



SA agricultural employment held up in Q3, but there are disparities across provinces

13 Nov 2020

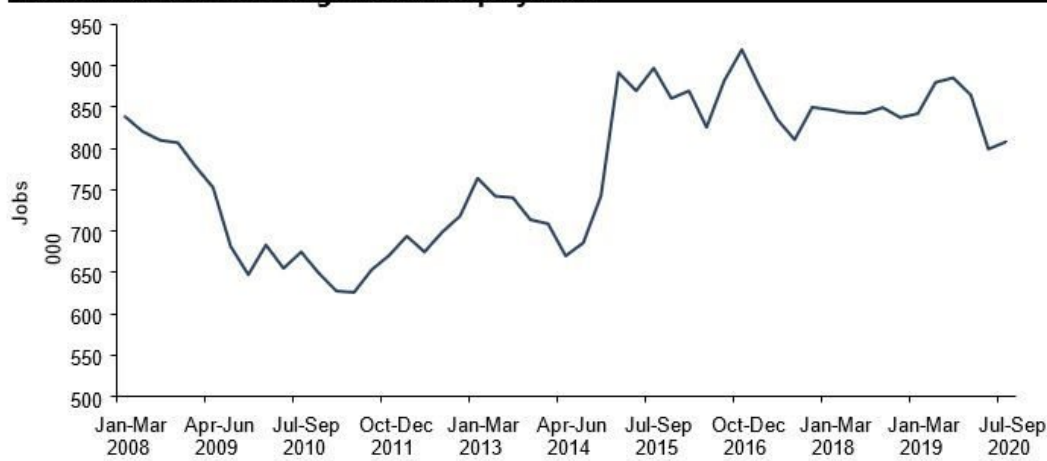


Worth noting, however, is that the dynamics from the provincial level differ, as evidenced by the Eastern Cape, Gauteng and Mpumalanga where primary agricultural employment increased in the fourth quarter of 2020 compared with the same period 2019.

Notably, the employment data will be of interest in the coming months following the 16,1% increase in the farm minimum wage to R21,69 per hour with effect on 1 March. Various commodity groups, especially those heavily affected by the lockdown regulations, have indicated that the recent increase in the minimum wage could cause a further squeeze on cash flow and negatively influence hiring decisions.

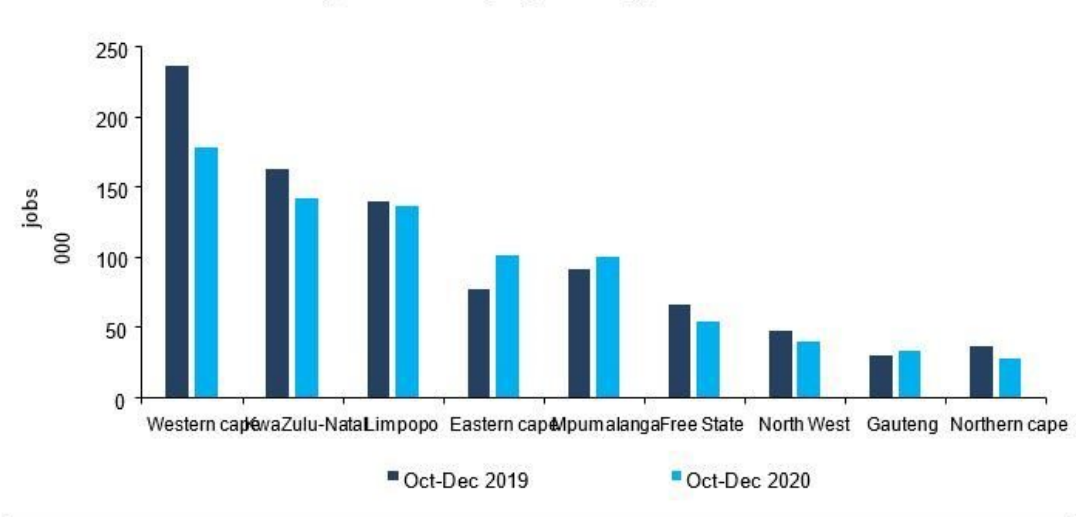
Nevertheless, the actual effects of the current minimum wage increase on jobs will be apparent later this year. From an agricultural conditions perspective, the outlook for 2021 is positive, with prospects of higher yields in horticulture and field crops and good performance in the livestock industry.

Exhibit 1: South Africa's agriculture employment



Source: Stats SA and Agbiz Research

Exhibit 2: South Africa's agriculture employment by province



Source: Stats SA and Agbiz Research

ABOUT THE AUTHOR

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