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GAIN Report Number:

South Africa - Republic of

Post: Pretoria

Agricultural Economic Fact Sheet

Report Categories:

Agriculture in the Economy

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Report Highlights:

The Agricultural Economic Fact Sheet for South Africa has been updated to include calendar years 2014, 2015 and 2016 (estimate). South Africa is battling one of the worst droughts ever recorded that already started in early 2015, limiting the production of especially summer grains and oilseeds. As a result, farmer's gross income from field crops is expected to drop by eight percent in 2016 to \$3.4 billion, bringing field crops' contribution to South Africa's total agricultural sector down from 28 percent in 2014 to 21 percent in 2016. The drought also turned Africa's largest producer of grains and a major exporter to a net importer of grains. In 2014, South Africa's net export value of coarse grains was \$412 million, while in 2016 South Africa is expected to import \$500 million worth of coarse grains to augment local production and to meet demand. In addition, South Africa will have to import about \$200 million worth of oilseeds in 2016. Food inflation already reached 11.6 percent while farming debt is expected to increase by 12 percent to \$10 billion in 2016.



South Africa

Agricultural Economic Fact Sheet

Foreign Agricultural Service
 United States Embassy in South Africa
 (Updated September 2016)

General

- South Africa has a **highly diversified** agricultural sector which includes the production and value added activities of all the major grains (except rice), oilseeds, deciduous and subtropical fruits, sugar, citrus, wine, most vegetables, cattle, dairy, pigs, sheep, broilers, ostriches and eggs.
- The agricultural sector consists of about **35,000 commercial farmers, 200,000 smallholder farmers** and **two million subsistence farmers**.
- South Africa is the **30th largest agricultural producer in the world** and is not only a **net exporter**, but also **Africa's largest exporter** of agricultural products.
- South Africa has **14 million hectares of arable land** available (13% of total land area) of which about 1.5 million hectares or 10% is under irrigation.
- South Africa is the **biotechnology leader on the Africa continent** and the **ninth largest producer** of Genetically Engineered (GE) crops in the world with 2.7 million hectares. About 87 percent of corn, 92 percent of soybeans and all cotton is grown from GE seeds.

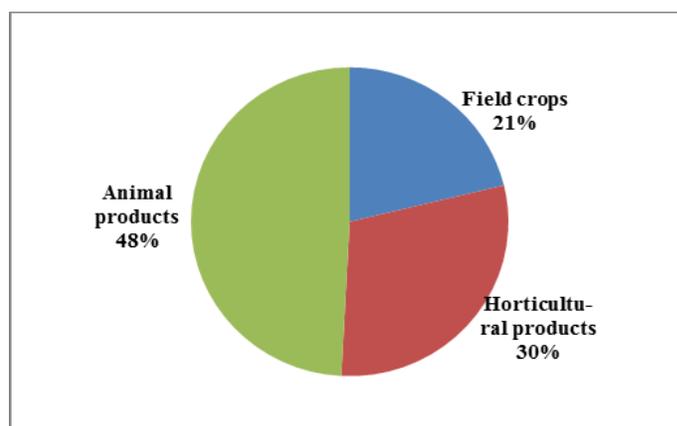
Economic Facts

	<u>2014</u>	<u>2015</u>	
2016*			
Population (millions)	54	55	56
SA total real GDP (billions)	\$201	\$204	\$204
Real GDP/capita	\$6,608	\$5,994	
			\$5,750
Real GDP growth	1.6%	1.3%	
			1.0%
Ag % of GDP	2.5%	2.3%	
			2.2%
CPI inflation	6.1%	4.6%	
			6.3%

Agricultural Economic Facts

(US\$ billions)	<u>2014</u>	<u>2015</u>	
2016*			
Gross value of Ag production	\$14.0	\$15.1	\$15.8
Value of capital assets	\$24.3	\$26.2	
			\$26.0
Farming debt	\$7.7	\$8.9	\$10.0
Gross income from field crops	\$4.0	\$3.7	\$3.4
Gross income from horticulture	\$3.6	\$4.1	\$4.7
Gross income from animals	\$6.4	\$7.3	\$7.8
Net income of producers	\$4.3	\$5.2	\$5.3
Expenditure on inputs	\$7.5	\$8.0	\$8.6

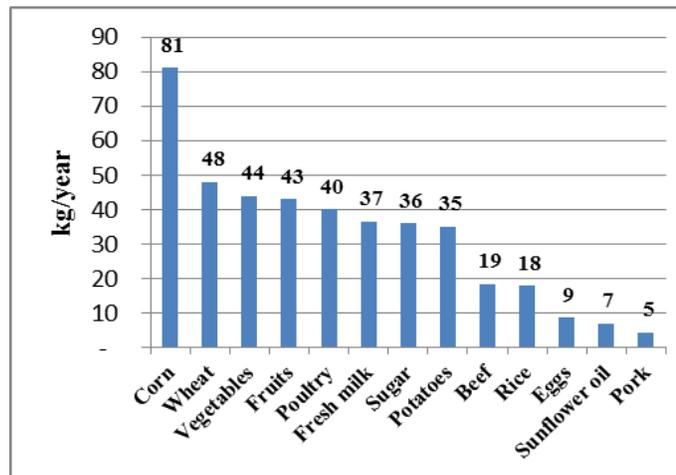
Sector Distribution of SA Agricultural Production:



Gross Value by Commodities:

Food inflation	7.8%	5.1%	
10.2%			
Unemployment rate	25.1%	25.4%	
26.6%			
Ag employment ('000)	772	870	825
% of total employment	5.1%	5.5%	
5.3%			
Average exchange rate	R10.85/\$1	R12.76/\$1	
R15.03/\$1			
Prime overdraft rate	9.25%	9.75%	
10.5%			

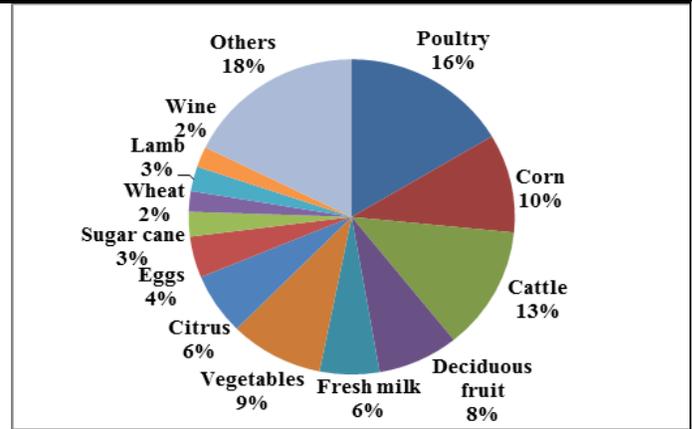
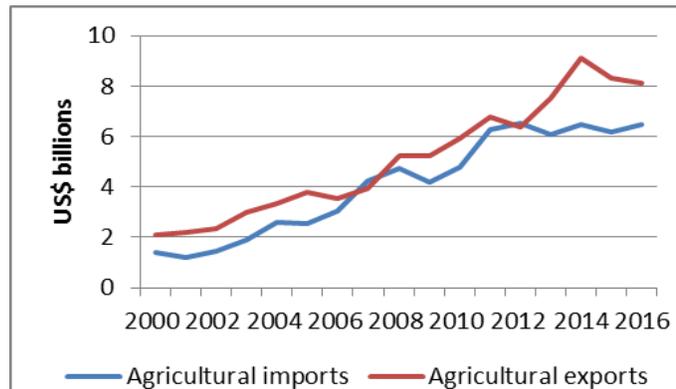
Per Capita Consumption of Major Commodities



Agricultural Trade

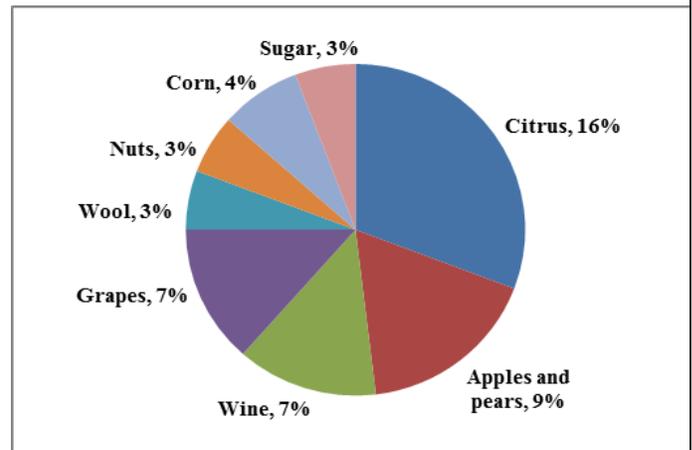
(US\$ billions)	2014	2015	2016*
Agricultural exports	\$9.1	\$8.3	\$8.1
% of total SA exports	10.0%	10.2%	10.9%
Agricultural imports	\$6.5	\$6.2	\$6.5
% of total SA imports	6.5%	7.2%	9.0%

Trends in South Africa's Agricultural Trade:

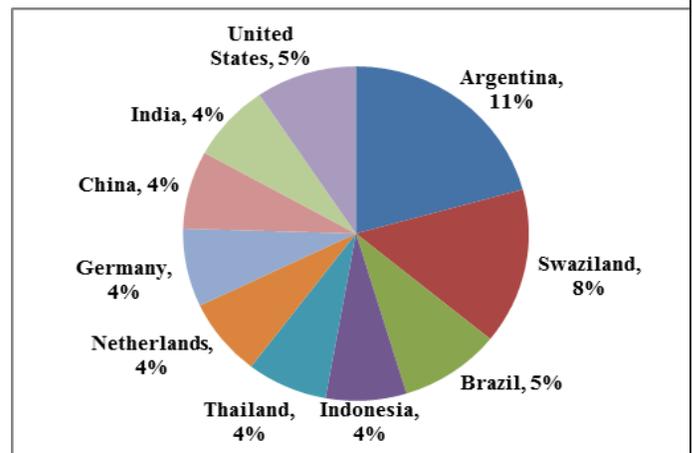


*Estimates

Major Agricultural Products Exported (2016):

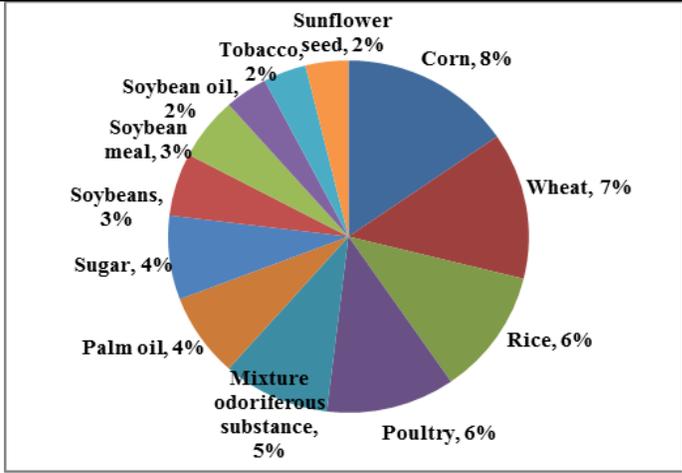
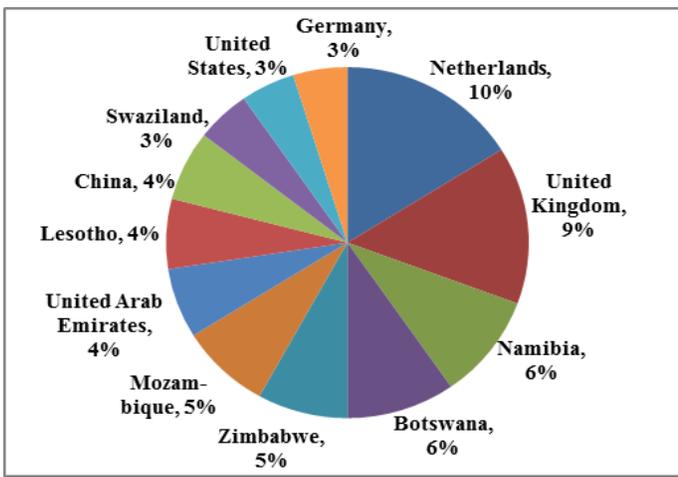


Major Agricultural Import Countries (2016):

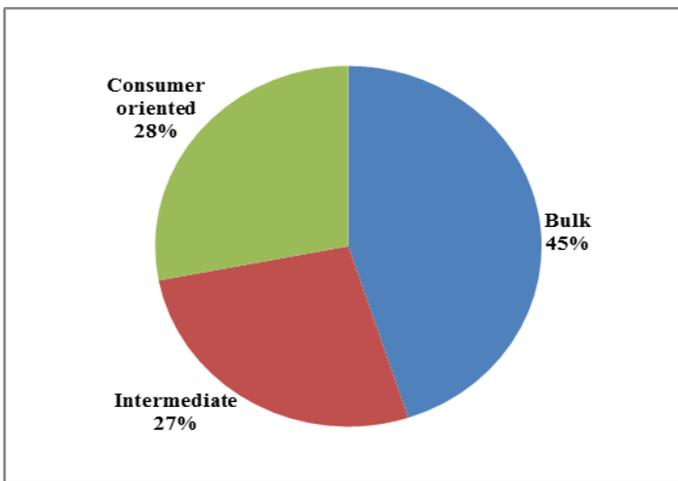


Major Agricultural Products Imported (2016):

Major Export Destinations (2016):



Categories of Ag Products Imported from the US:

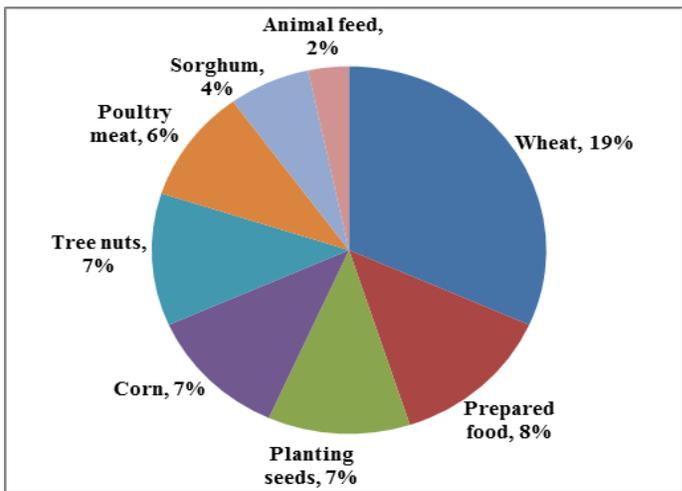


US – SA Agricultural Trade

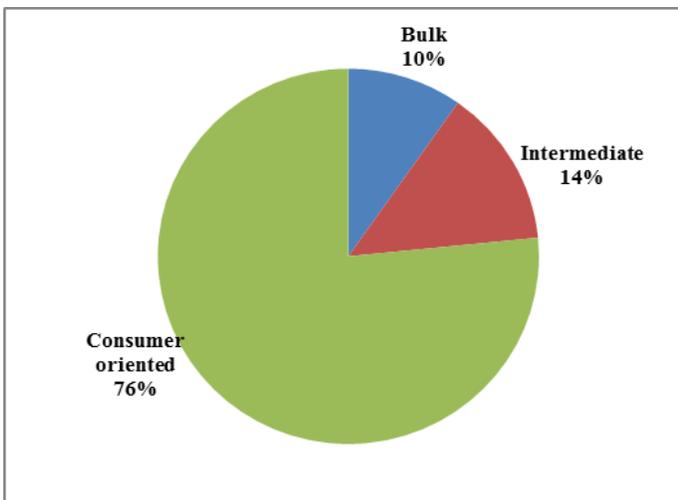
(US\$ millions)	2014	2015	2016*
SA ag exports to US	\$234	\$245	\$247
% of total exports to US	3.6%	4.0%	4.5%
SA ag imports from US	\$261	\$216	\$298
% of total imports from US	4.0%	3.6%	6.1%

*Estimates

Major Ag Products Imported from the US:



Categories of Ag Products Exported to the US :



Major Agricultural Products Exported to the US:

Agricultural Production Areas in South Africa:

