



# AGRICULTURAL EMPLOYMENT BRIEF

BFAP's Agricultural Employment Brief interprets and contextualises the latest quarterly labour force survey from StatsSA and provides insights on the major factors driving agricultural employment.

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DATA  
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INSIGHT

## SOUTH AFRICAN FARMS ARE EMPLOYING MORE PEOPLE, DESPITE SOME DATA SUGGESTING THE OPPOSITE. THIS BRIEF HIGHLIGHTS SOME INTERESTING TRENDS IN AGRICULTURAL EMPLOYMENT, DISAGGREGATED BY PROVINCE.

This quarterly brief contextualises Statistics South Africa’s (StatsSA) Quarterly Labour Force Survey results with specific emphasis on the agricultural sector. The published third quarter employment numbers released on 29 November 2022 continued to benefit from improved survey response rates. It is likely that any trend inferences made from the QLFS since the onset of the pandemic has been affected by first the sudden 30% drop in responses in the 2<sup>nd</sup> quarter of 2020, followed by a continued lower than normal response rate until the 2<sup>nd</sup> quarter of 2022. While there was a noticeable improvement in the past year with total survey responses of around 62 700 in the past quarter, this is still 7% lower than the average number of responses recorded in 2019. To date there has been no clear methodology tabled by StatsSA on how survey weights were adjusted to get to the published employment figures.

With this in mind, **Figure 1** shows the trends for the broad and narrow definition of unemployment since 2008. According to StatsSA, the country managed to continue to record growth in the number of employed persons by adding around 204 000 jobs to the economy. The narrow unemployment rate now sits at 33%, whilst the broad definition for unemployment is 43%. Although improving on a trend basis from the previous quarter, the fact that 7.7 million South Africans are unemployed and another 3.5 million able persons have stopped looking for work remains a serious cause of concern.

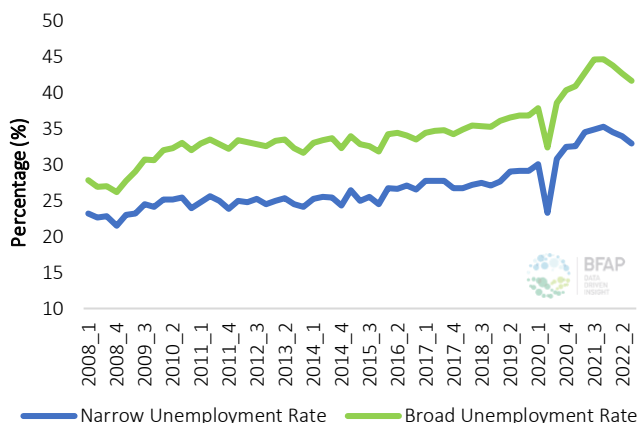


Figure 1: South African unemployment

The employment performance of the agricultural sector is presented in **Figure 2** below. Compared to quarter 3 in 2021, those employed in the agriculture, forestry and fisheries sector increased by 5.2% for the current quarter. The 873 000 agricultural workers are marginally more than the average level of 861 000 employed in 2019 before the additional data challenges emerged. In terms of farm workers, the current total of 738 000 is also around 3% higher than the same quarter last year and 2% higher than the average for 2019. **These numbers support our view that there were no large-scale job losses during the initial stages of the pandemic response, contrary to what was suggested by the data in 2020.**

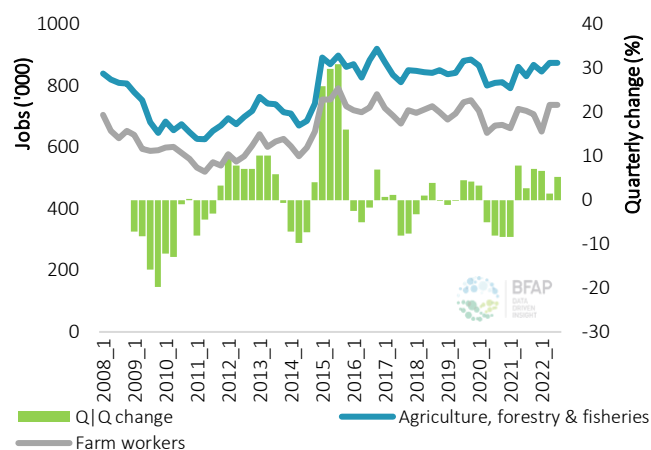


Figure 2: Employment in agriculture

Of note is that StatsSA published their annual Agricultural Survey results for 2021, which is completely unrelated to the QLFS survey. The period covered for employment numbers by the Survey is for the year ending 30 June 2021. Although the QLFS is conducted quarterly, this newly released survey allows for comparison of farm worker totals between the two sources and for the same industries.

**Figure 3** shows these numbers and adds some interesting findings relevant to the agricultural labour market. In 2016 the QLFS and Agricultural Survey had more or less the same level of farm workers, at around 736 000. Since then, the jobs reported between these two sources started to diverge significantly, most notably in 2020, whereby the Annual Survey recoded an employment total that was 15% higher than that of the QLFS. What is more striking about this deviation is that these two sources suggest a contrasting trend over time. The QLFS shows an agricultural labour market in flux, whereas the Agricultural Survey suggests job creation, especially between 2020 and 2021. **Given the known challenges with the QLFS, BFAP’s view is that the Agricultural Survey trend is much more realistic and**

reflects better the economic environment of the sector in the past few years.

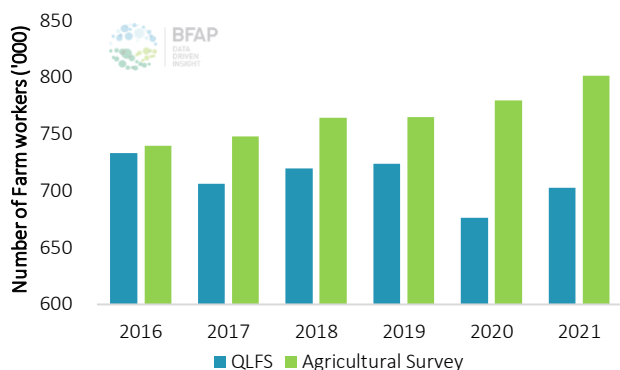


Figure 3: Farm worker employment from different sources

This does not however mean that this trend is set to continue indefinitely due to several factors we highlighted in our previous brief. The healthy employment base suggested by the Agricultural Survey will in all likelihood be smaller by the time the 2022 results are published next year.

Aside from the base level of employment, the Agricultural Survey also published other new findings. The rest of this quarter’s brief will be dedicated to these. **Figure 4** breaks down farm worker employment per province between 2020 and 2021, providing a view on the relative importance of each and whether or not there was growth in job creation. As expected, the Western Cape employs the largest number of farm workers with 186 659 jobs, owing to the relative high concentration of labour-intensive industries, mainly irrigated fruit orchards and vineyards. Western Cape farmers, who produced around 20% of farm income in 2021, employed some 23% of the farm workers in the country in 2021. This level was similar to that recorded in 2020. In 2020, Limpopo was the second biggest employer of farm workers, but due to a recorded 8 200 decline in jobs, fell to third behind KwaZulu-Natal in 2021, which now have a total of 105 076 jobs or 13% share of total farm employment.

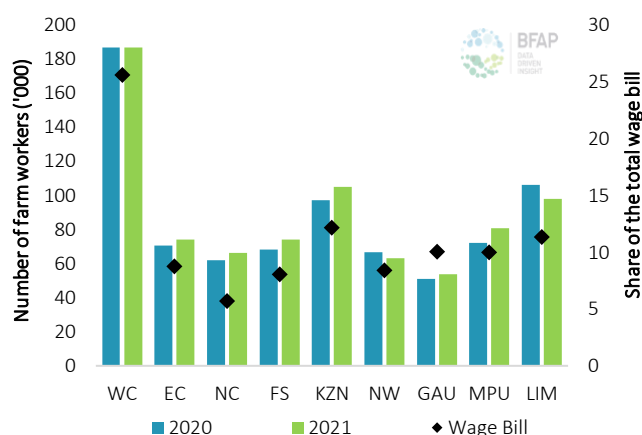


Figure 4: Provincial breakdown of farm worker employment

Besides Limpopo, the only other Province that experienced job losses was North West, whilst all of the others saw decent growth in the number of employed individuals working on farms. Mpumalanga (+8 550), KZN (+7 813) and the Free State (+5 976) were the top performing provinces in terms of employment growth in the past year.

In total, commercial and VAT-registered farms that are covered in the Agricultural Survey spent around R50.3 billion on salaries and wages on farm workers. The Western Cape had a share of 26% of the total wage bill, followed by KZN (12%) and Gauteng (10%). Using a crude calculation (dividing the total wage bill per province with the number of workers) suggests that Gauteng and Western Cape farmers paid the highest average wages to farm workers. The Agricultural Survey also reported that 58% of farm workers are employed as permanent staff and the remaining 42% as temporary or casual workers. Finally, between 2020 and 2021, the employment growth in the agricultural sector came mainly in the form of more female workers employed, pushing the gender share of female workers from 39% to 41% of the total number of jobs.

The results from the Agricultural Survey suggest that the sector has performed well in growing its employment base in most of the provinces. This is in contrast to the view when analysing the QLFS data, which suggest job losses from their 2019 base level. We note with concern how two different sources from South Africa’s official statistical service can paint such strongly opposing views, whilst making no attempt to correct obvious challenges with the QLFS data. Looking ahead, further growth in farm employment seems unlikely, especially given the continued increases in wages, especially as there is little prospect of significant growth in incomes over the next few years.

#### IN CONCLUSION...

- Despite QLFS data suggesting job losses in agriculture, another source points to jobs growth in the sector.
- The Agricultural Survey provides interesting information on the share of workers and of total remuneration per province, where the Western Cape stands out.
- Continued wage adjustments and relatively stable job numbers observed in the past decade will be difficult to sustain in the coming decade.

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