

# Impressive rebound in agriculture GDP in the 4Q of 2021

By  Paul Makube

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Statistic South Africa's latest update on the country's agriculture real GDP for 4Q21 shows an impressive rebound of 12.2% quarter-on-quarter seasonally-adjusted after surprising on the downside by 1.5% quarter-on-quarter in the 3Q21.



The country's overall real GDP grew by 1.2% in the 4thQ21 underpinned by gains in trade (+2.9% quarter-on-quarter), manufacturing (+2.8% quarter-on-quarter), personal services (+2.7% quarter-on-quarter), and agriculture.

The upbeat outcomes for agriculture were not surprising given the already positive indications of good seasonal rains that boosted activity with heavy lifting in the wheat harvest which rose by 6% year-on-year to a record high of 2.26 million tonnes amid strong prices averaging R5941/ ton (up 6.6% quarter-on-quarter and 19.5% year-on-year).



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The animal product category also came to the party, making an immense contribution to the agriculture GDP outcomes on the back of higher livestock slaughtering, robust domestic demand, and strong meat prices. Livestock slaughtering increased sharply by 17% quarter-on-quarter in 4Q21 which increased the availability of animal products for the local markets and exports.

On international trade, fourth-quarter export revenues for agriculture, food, and beverages rose 18% year-on-year to US\$2.8bn which brought the overall 2021 earnings to a record high of US\$12.4bn. This was underpinned by the increased availability of exportable products, robust external demand, and higher commodity prices in a challenging international market that is yet to recover fully from the Covid-19 scourge. The increased collaboration by agricultural industry players, Transnet, and logistics companies played a pivotal role in ensuring limited hurdles to the movement of produce destined for various markets across the globe.

Although a marginally lower summer crop harvest is expected according to the Crop Estimates Committee's first forecast for 2022, the generally strong commodity prices, strong demand, and higher horticulture output on the back of excellent seasonal conditions should help sustain the current sector performance in 2022.

## ABOUT PAUL MAKUBE

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