



agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

AGRICULTURAL SECTOR MAINTAINS A DOUBLE-DIGIT GROWTH WHILE THE REST OF THE ECONOMY IS ON ITS KNEES

9 SEPTEMBER 2020

Yesterday the Statistician-General, Mr Risenga Maluleke, released the Gross Domestic Product (GDP) numbers for the second quarter (Q2) of 2020. The GDP dropped by 51% in the second quarter of 2020, which is a second successive decline after the 1.8% drop in the first quarter (Q1) of 2020. The heavy fall in Q2 is attributed to the impact of the COVID-19 shutdown that restricted operations and trade in various economic activities except agriculture, health, and other essential services.

Like in Q1, agriculture came out as the strongest performer in Q2, growing by 15.1%, which showed a continuation of the sector's positive run after an impressive 28.6% witnessed in Q1. Agricultural growth is a direct result of adaptive farming systems and good harvest crops obtained in grain, fruit, and animal products. Export-oriented products such as fruit, fibre and processed products boosted sectoral growth in Q2. Between April and June 2020, agriculture and food exports were on average 21% above the corresponding period in 2019 which helped the sector to optimise its foreign earnings.

The double-digit growth in agriculture for two consecutive quarters affirms the critical role agriculture could play in spearheading the country's economic recovery and growth journey post COVID-19 pandemic.

The positive sectoral growth also shows the benefits of strong collaboration between government and industries in formulating and implementing enabling policy frameworks. At the onset of COVID-19, the social partners in the agricultural sector worked hand-in-hand in the development of agricultural-related COVID-19 regulations that help cushion the industry. The social partners also built an end-to-end agro-food chain tracker system that helped us to identify blockages and provide instant support to farmers and agribusinesses during the lockdown.

Taking into account the seasonality of various agricultural products, the sector could still obtain positive growth numbers in the upcoming quarters. This could be achieved by maintaining the close public-private collaboration in instituting reforms and support measures critical for farmers and agribusiness prosperity in the midst in COVID-19 interruptions and subdued global markets.

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