

Strong GDP growth for agriculture in the 4th quarter of 2020

 By [Paul Makube](#)

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The latest Statistics South Africa (StatsSA) GDP update shows further strong growth in agriculture of 5.9% (annualised seasonally adjusted quarterly) in the fourth quarter of 2020, bringing the overall 2020 performance to 13.1%.



Scott Goodwill via [Unsplash](#)

The strong fourth-quarter agriculture outcome was underpinned by increased production of animal products which account for over 50% of the country's agriculture gross producer value. The animal products defied the seasonal demand pressures during winter as well as the Covid-19 disruptions and came out stronger as prices were resilient across most categories.

Favourable production conditions, strong export demand, and the favourable rand exchange rate helped boost overall agriculture performance in 2020 despite the Covid-19 challenges as the sector was declared an essential service.

For example, export revenues increased 3% year-on-year to a three-year record of US\$10.2bn with maize exports for the second half of 2020 increasing by over 200% relative to the 2019 levels. The citrus industry also recorded a fantastic year with better prices and strong volumes as demand spiked in major export destinations.

The 2020/21 La Nina weather further favoured agriculture with good rains across the country. We expect another good year for the agriculture sector. The recent harvest estimates of the country's biggest staple, maize, point to a potential crop north of 16 million for 2021. Horticulture and livestock conditions are conducive to further stellar growth in agriculture.

ABOUT PAUL MAKUBE

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