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Table of contents

Summary of findings for the year 2016	3
Figure 1 – Income by type of product in the agriculture and related services industry, 2015 and 2016.....	3
Table A – Concentration ratio for total income in the agriculture and related services industry, 2015 and 2016	3
Figure 2 – Income by enterprise size (% contribution) in the agriculture and related services industry, 2015 and 2016	4
Figure 3 – Expenditure according to major contributors in the agriculture and related services industry, 2015 and 2016	4
Figure 4 – Distribution of capital expenditure by type of asset.....	5
Detailed results	6
Table 1 – Principal statistics in the agriculture and related services industry, 2015 and 2016, at current prices	6
Table 2 – Total income and expenditure by type of activity in the agriculture and related services industry, 2015 and 2016	7
Table 3 – Total income by type of activity and size group in the agriculture and related services industry, 2016.....	8
Table 4 – Details of income in the agriculture and related services industry, 2015 and 2016	9
Table 5 – Income from sales of goods by type of product in the agriculture and related services industry, 2015 and 2016	10
Table 6 – Details of expenditure in the agriculture and related services industry, 2015 and 2016.....	11
Table 7 – Capital expenditure on new assets in the agriculture and related services industry, 2015 and 2016	13
Table 8 – Book value of assets in the agriculture and related services industry, 2015 and 2016	13
Table 9 – Fair value of biological assets in the agriculture and related services industry, 2015 and 2016	14
Table 10 – Additions to biological assets in the agriculture and related services industry, 2015 and 2016	14
Table 11 – Employment in the agriculture and related services industry for the last pay period ended on or before 30 June, 2016	15
Table 12 – Details of purchases in the agriculture and related services industry, 2015 and 2016	16
Explanatory notes.....	17
Table B – Size groups for the Agricultural Survey, 2015 and 2016	18
Table C – Income in the agricultural industry within 95% confidence limits: Agricultural Survey, 2016	19
Glossary	21
Technical enquiries	23
General information	24

Summary of findings for the year 2016

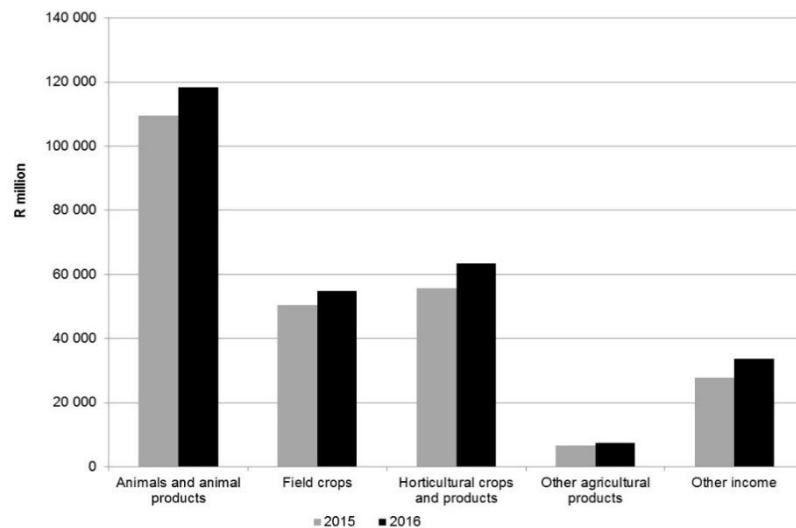
Income by type of product

Total income earned in the agriculture and related services industry was R277,6 billion in 2016 compared with R250,2 billion in 2015. The total income figures reflect an increase of 10,9% between 2015 and 2016. (Figure 1 and Table 1, page 6)

In 2016, ‘animals and animal products’ generated the largest sales (R118,3 billion), followed by ‘horticultural crops and products’ (R63,5 billion) and ‘field crops’ (R54,7 billion).

The highest percentage increase was recorded for income earned from the sale of ‘horticultural crops and products’ (14,0%), followed by ‘field crops’ (8,5%) and ‘animals and animal products’ (8,0%).

Figure 1 – Income by type of product in the agriculture and related services industry, 2015 and 2016



Concentration ratio for total income

In 2016, the 100 largest enterprises (in terms of total income) in the agriculture and related services industry contributed 26,9% to total income. Concentration ratios in the agricultural industry remained relatively the same between 2015 and 2016. The change in concentration ratios (CR) ranged between -0,2 and 0,2 of a percentage point.

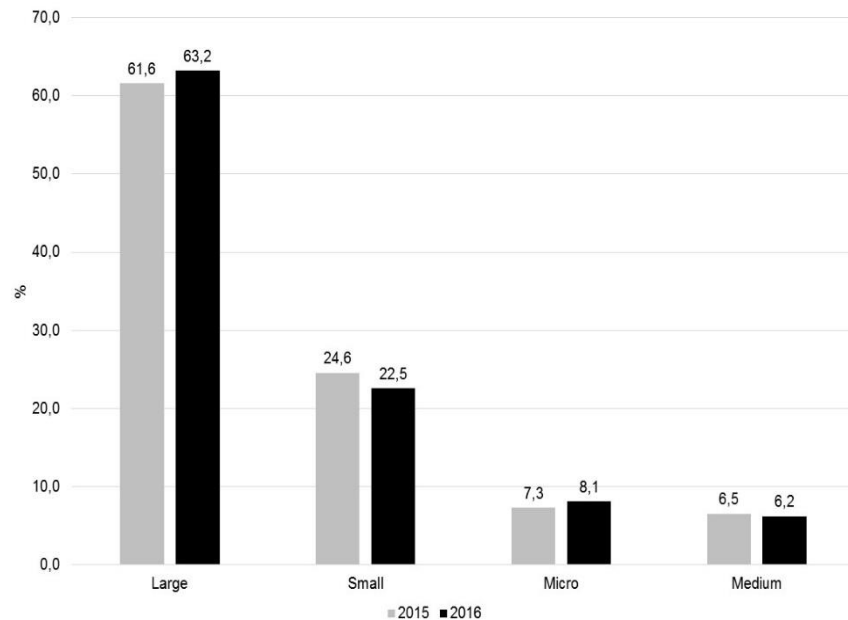
Table A – Concentration ratio for total income in the agriculture and related services industry, 2015 and 2016

Concentration ratio	2015	2016
	%	
CR5	8,3	8,1
CR10	12,4	12,3
CR20	16,7	16,9
CR50	21,9	22,0
CR100	26,8	26,9

Income by enterprise size in the agriculture and related services industry, 2015 and 2016

Large enterprises contributed 63,2% or R175,5 billion of the total income in 2016, followed by small enterprises with a contribution of 22,5% or R62,6 billion. Medium enterprises had the lowest contribution to total income at 6,2% or R17,0 billion (Figure 2 and Table 3, page 8).

Figure 2 – Income by enterprise size (% contribution) in the agriculture and related services industry, 2015 and 2016

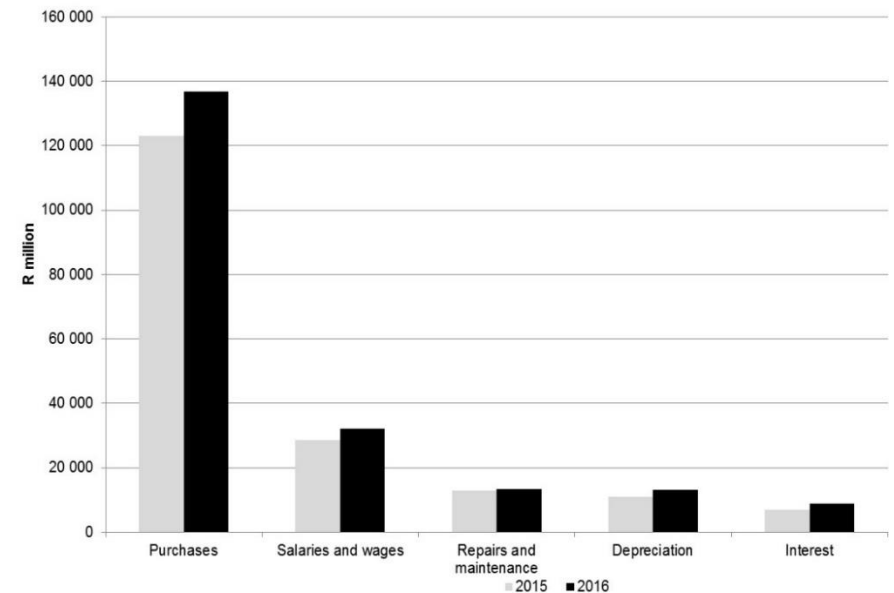


Expenditure

Total expenditure incurred by the farming sector for 2016 was R259,8 billion compared with R231,7 billion in 2015.

Figure 3 and Table 6 on page 11 show the major contributors towards total expenditure. The percentage contributions in 2015 and 2016 were similar. Expenditure on ‘interest’ reported the fastest increase at 25,2%, followed by ‘water and electricity’ (23,0%) and ‘depreciation’ (19,2%).

Figure 3 – Expenditure according to major contributors in the agriculture and related services industry, 2015 and 2016

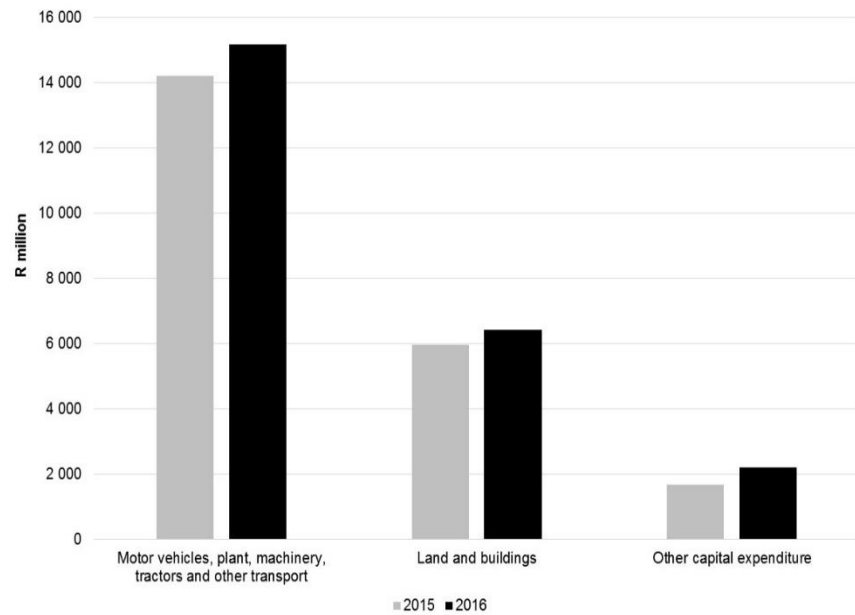


Capital expenditure on new assets in the agriculture and related services industry, 2015 and 2016

The total capital expenditure on new assets in the agriculture and related services industry in 2016 amounted to R23,8 billion compared with R21,9 billion in 2015, an increase of 8,8% (Figure 4 and Table 7, page 13).

In both 2015 and 2016, the largest contributor to total capital expenditure was ‘motor vehicles, plant, machinery, tractors and other transport’, followed by ‘land and buildings’.

Figure 4 – Distribution of capital expenditure by type of asset



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Statistician-General

Detailed results

Table 1 – Principal statistics in the agriculture and related services industry, 2015 and 2016, at current prices

Item	2015 ¹	2016 ²	% change
	R'000		
Total income	250 193 551	277 561 875	10,9
Field crops	50 435 070	54 725 251	8,5
Horticultural crops and products	55 722 945	63 524 676	14,0
Animals and animal products	109 538 531	118 326 010	8,0
Other agricultural products	6 615 456	7 349 239	11,1
Other income	27 881 549	33 636 699	20,6
Total expenditure	231 714 212	259 787 988	12,1
Purchases	123 154 822	136 853 110	11,1
Salaries and wages	28 510 680	32 158 746	12,8
Other current expenditure	80 048 710	90 776 132	13,4
Capital expenditure	21 861 678	23 792 090	8,8
Land and book value of assets	147 410 488	168 654 773	14,4

¹ Revised figures.

² Preliminary figures.

Table 2 – Total income and expenditure by type of activity in the agriculture and related services industry, 2015 and 2016

Activity	Total income			Total expenditure		
	2015 ¹	2016 ²	% change	2015 ¹	2016 ²	% change
	R'000			R'000		
Growing of crops; market gardening; horticulture; production of organic fertiliser	92 216 443	106 215 506	15,2	83 914 166	96 040 218	14,5
Farming of animals	96 758 363	107 713 260	11,3	90 622 180	103 603 707	14,3
Growing of crops combined with farming of animals (mixed farming)	52 736 283	52 808 959	0,1	49 210 980	49 899 870	1,4
Agricultural and animal husbandry services, except veterinary activities	5 077 738	6 436 544	26,8	4 576 437	6 026 193	31,7
Hunting, trapping and game propagation including related services	3 404 724	4 387 606	28,9	3 390 449	4 218 000	24,4
Total	250 193 551	277 561 875	10,9	231 714 212	259 787 988	12,1

¹ Revised figures.² Preliminary figures.

Table 3 – Total income by type of activity and size group in the agriculture and related services industry, 2016

Activity	Large	Medium	Small	Micro	Total
	R'000				
Growing of crops; market gardening; horticulture; production of organic fertiliser	65 182 064	7 291 747	23 827 386	9 914 309	106 215 506
Farming of animals	80 974 554	4 630 678	16 357 447	5 750 581	107 713 260
Growing of crops combined with farming of animals (mixed farming)	23 307 818	3 751 105	19 319 818	6 430 218	52 808 959
Agricultural and animal husbandry services, except veterinary activities	3 796 730	702 477	1 871 334	66 003	6 436 544
Hunting, trapping and game propagation including related services	2 191 908	631 830	1 189 306	374 562	4 387 606
Total	175 453 074	17 007 837	62 565 291	22 535 673	277 561 875

Table 4 – Details of income in the agriculture and related services industry, 2015 and 2016

Type of income	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Income from sales of goods	222 312 002	88,9	243 925 176	87,9	9,7
Income from services rendered	7 509 010	3,0	8 986 505	3,2	19,7
Rental income	2 065 841	0,8	2 710 889	1,0	31,2
Interest received	2 013 117	0,8	2 546 947	0,9	26,5
Profit on financial and other assets, other liabilities and foreign exchange	7 197 735	2,9	9 101 605	3,3	26,5
Other income	9 095 846	3,6	10 290 753	3,7	13,1
Total income	250 193 551	100,0	277 561 875	100,0	10,9

¹ Revised figures.² Preliminary figures.

Table 5 – Income from sales of goods by type of product in the agriculture and related services industry, 2015 and 2016

Type of product	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Field crops	50 435 070	22,7	54 725 251	22,4	8,5
Horticulture crops	52 671 359	23,7	59 933 211	24,6	13,8
Animals	61 183 862	27,5	64 287 474	26,4	5,1
Animal products	48 354 669	21,8	54 038 536	22,2	11,8
Horticulture products sold	3 051 586	1,4	3 591 465	1,5	17,7
Other agricultural products	6 615 456	3,0	7 349 239	3,0	11,1
Total	222 312 002	100,0	243 925 176	100,0	9,7

¹ Revised figures.² Preliminary figures.

Table 6 – Details of expenditure in the agriculture and related services industry, 2015 and 2016

Expenditure items	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Purchases ³	123 154 822	53,1	136 853 110	52,7	11,1
Salaries and wages	28 510 680	12,3	32 158 746	12,4	12,8
Repairs and maintenance	12 993 804	5,6	13 408 586	5,2	3,2
Depreciation	11 054 248	4,8	13 176 613	5,1	19,2
Interest	7 116 303	3,1	8 907 008	3,4	25,2
Railage and transport out	5 192 289	2,2	5 558 444	2,1	7,1
Water and electricity	6 216 552	2,7	7 648 512	2,9	23,0
Rental, usufruct and grazing rights	4 418 499	1,9	5 059 558	1,9	14,5
Services rendered by contractors, co-farmers, etc.	2 950 308	1,3	3 159 819	1,2	7,1
Insurance	3 513 998	1,5	3 926 969	1,5	11,8

³ See Table 12 for details.

Table 6 – Details of expenditure in the agriculture and related services industry, 2015 and 2016 (concluded)

Expenditure items	2015 ¹		2016 ²		% change
	R'000	% contribution		% contribution	
Advertising and marketing expenses	2 386 281	1,0	2 603 317	1,0	9,1
Share farming expenses	2 502 281	1,1	2 761 427	1,1	10,4
Leasing and hiring of plant, machinery, equipment and vehicles	1 491 258	0,6	1 599 438	0,6	7,3
Import and export costs	1 124 048	0,5	1 188 412	0,5	5,7
Bank charges	614 531	0,3	701 392	0,3	14,1
Payment to labour brokers	1 007 295	0,4	1 048 494	0,4	4,1
Security services and maintenance cost of security system	646 019	0,3	705 671	0,3	9,2
Telecommunication services	812 052	0,4	855 446	0,3	5,3
Other expenditure	16 008 944	6,9	18 467 026	7,1	15,4
Total current expenditure	231 714 212	100,0	259 787 988	100,0	12,1

¹ Revised figures.² Preliminary figures.

Table 7 – Capital expenditure on new assets in the agriculture and related services industry, 2015 and 2016

Type of capital expenditure	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Land and buildings	5 977 921	27,3	6 421 515	27,0	7,4
Motor vehicles, plant, machinery, tractors and other transport	14 199 570	65,0	15 170 869	63,8	6,8
Other capital expenditure	1 684 187	7,7	2 199 706	9,2	30,6
Total capital expenditure	21 861 678	100,0	23 792 090	100,0	8,8

¹ Revised figures.² Preliminary figures.**Table 8 – Book value of assets in the agriculture and related services industry, 2015 and 2016**

Type of asset	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Land and buildings	91 747 764	62,2	106 186 158	63,0	15,7
Motor vehicles, plant, machinery, tractors and other transport	46 833 441	31,8	53 187 631	31,5	13,6
Other assets	8 829 283	6,0	9 280 984	5,5	5,1
Total book value of assets	147 410 488	100,0	168 654 773	100,0	14,4

¹ Revised figures.² Preliminary figures.

Table 9 – Fair value of biological assets in the agriculture and related services industry, 2015 and 2016

Type of asset	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Animals	13 834 824	59,9	15 906 525	58,9	15,0
Plantations (forestry, vineyards and orchards)	9 261 758	40,1	11 087 035	41,1	19,7
Total	23 096 582	100,0	26 993 560	100,0	16,9

¹ Revised figures.² Preliminary figures.**Table 10 – Additions to biological assets in the agriculture and related services industry, 2015 and 2016**

Type of asset	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Animals	20 450 353	94,0	22 809 508	94,2	11,5
Plantations (forestry, vineyards and orchards)	1 316 408	6,0	1 392 178	5,8	5,8
Total	21 766 761	100,0	24 201 686	100,0	11,2

¹ Revised figures.² Preliminary figures.

Table 11 – Employment in the agriculture and related services industry for the last pay period ended on or before 30 June, 2016

Activity	Male	Female	Total
	Number		
Growing of crops; market gardening; horticulture; production of organic fertiliser	258 296	183 658	441 953
Farming of animals	87 697	47 372	135 068
Growing of crops combined with farming of animals (mixed farming)	79 531	40 028	119 559
Agricultural and animal husbandry services, except veterinary activities	9 759	9 397	19 156
Hunting, trapping and game propagation including related services	5 605	2 426	8 031
Total	440 888	282 881	723 767

Table 12 – Details of purchases in the agriculture and related services industry, 2015 and 2016

Item	2015 ¹		2016 ²		% change
	R'000	% contribution	R'000	% contribution	
Feed and supplements for livestock, poultry and aquaculture	33 283 000	27,0	39 315 450	28,7	18,1
Animals	27 989 548	22,7	31 210 846	22,8	11,5
Fertilisers, both manure and inorganic fertilisers, and lime	11 510 286	9,3	12 555 122	9,2	9,1
Fuel, lubricants and grease	9 665 521	7,8	9 758 874	7,1	1,0
Seed, seedlings and other plant material	8 511 663	6,9	8 618 335	6,3	1,3
Remedies for forage, field and horticulture	7 748 103	6,3	9 095 997	6,6	17,4
Containers, pallets and packing materials	7 347 003	6,0	8 249 833	6,0	12,3
Field crops	4 283 296	3,5	4 744 771	3,5	10,8
Remedies for combating diseases and pests in livestock and poultry	2 745 219	2,2	2 930 013	2,1	6,7
Animal products	2 095 226	1,7	2 108 382	1,5	0,6
Horticultural products	1 949 473	1,6	2 128 601	1,6	9,2
Other purchases	6 026 484	4,9	6 136 886	4,5	1,8
Total purchases	123 154 822	100,0	136 853 110	100,0	11,1

¹ Revised figures.² Preliminary figures.

Explanatory notes

Background

The results presented in this publication are derived from the 2016 agricultural sample survey. This is an annual survey which measures economic activity in the agriculture and related services industry of the South African economy. The survey is based on a sample of private and public enterprises operating in the agriculture and related services industry.

This publication summarises the financial data of the agriculture and related services industry.

The sample was drawn from Stats SA's business register, based on the units registered for value-added tax (VAT).

All figures exclude value-added tax (VAT).

The last agricultural survey was conducted for the year 2015 (Statistical release P1101 Agricultural survey, 2015).

Reference period

The information was collected from enterprises for their financial year, which ended on any date between 1 July 2015 and 30 June 2016.

Purpose of the survey

The agricultural survey covers the activities of commercial farms in South Africa which are registered for value added tax (VAT).

Uses of the agricultural survey include:

- Policy advisers in government for monitoring the performance of the industry and the contribution to the South African economy, and for evaluating the effectiveness of industry policies.
- Industry associations monitor trends in their own and competing or complementary industries in order to inform their members of market changes.
- Individual businesses use the data to analyse their performance relative to their industry.

Classification by industry

The 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth Edition, Report No. 09-09-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 International Standard Industrial Classification of all Economic Activities (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at SIC major group (3-digit) level. Each enterprise is classified to an industry which reflects its predominant activity.

Statistical unit The statistical units for the collection of the information are enterprises. An enterprise is a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.

Scope and coverage This survey covers enterprises registered in the taxation system that are mainly engaged in agriculture and related services. It includes the following major groups within its scope:

- (i) Growing of crops, market gardening, horticulture and production of organic fertiliser (SIC 111 and SIC 116);
- (ii) Farming of animals (SIC 112);
- (iii) Growing of crops combined with farming of animals (mixed farming) (SIC 113);
- (iv) Agricultural and animal husbandry services, except veterinary activities (SIC 114); and
- (v) Hunting, trapping, and game propagation, including related services (SIC 115).

Including

- South African-based activities of enterprises which operate in multiple countries.

Excluding

- Activities of South African-based companies in other countries.

Size groups The enterprises are divided into four size groups according to the value of turnover as recorded on Stats SA's business register (BR). Large enterprises are those with an annual recorded turnover above R22,5 million. Table B presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points multiplied by 4,5.

Table B – Size groups for the Agricultural Survey, 2015 and 2016

Size group	Turnover
Large	Turnover > R22 500 000
Medium	R13 500 000 < turnover ≤ R22 500 000
Small	R2 250 000 < turnover ≤ R13 500 000
Micro	Turnover ≤ R2 250 000

Survey methodology and design	<p>The survey was conducted by email, fax, telephone, personal visits and post.</p> <p>Enterprises were stratified using three-digit level according to the SIC and by size of enterprise. Business register turnover was used as a measure of size for stratification.</p>
Collection rate	Collection rate = ((collected enterprises + finalised investigations) / sample size)*100. The collection rate was 80,5%.
Turnover collection rate	Turnover collection rate = ((weighted collected enterprises BR turnover + weighted finalised investigations BR turnover) / population turnover)*100. The turnover collection rate was 86,2%.
Weighting methodology	For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated strata to form the total estimates.
Relative standard error	<p>Figures presented in this publication are estimated from a sample and are, therefore, subject to sampling variability; that is, figures may differ from those that would have been produced if all enterprises in the agriculture and related services industry in South Africa had been included.</p> <p>One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of enterprises was used. The relative standard error (RSE) provides an immediate indication of the percentage error likely to have occurred as a result of sampling (Table C).</p>

Table C – Income in the agricultural industry within 95% confidence limits: Agricultural Survey, 2016

Type of product	Lower limit	Income	Upper limit	Relative standard error
	R'000			%
Field crops	50 770 368	54 725 251	58 680 136	3,7
Horticulture crops	56 923 986	59 933 211	62 942 437	2,6
Animals and animal products	114 817 673	118 326 011	121 834 348	1,5

Non-sampling errors Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Non-sampling errors occur in both sample surveys and censuses.

Comparability with previously published information The information in this publication is comparable with the information published from the agricultural survey 2015 (P1101).

Rounding off of figures The figures in the tables have, where necessary, been rounded off to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items and the totals shown.

Revised figures Revised figures are due to respondents reporting revisions or corrections to their figures and late submission of their data to Stats SA. Figures for the last 12 months will be regarded as preliminary.

BR	Business register
DTI	Department of Trade and Industry
GDP	Gross domestic product
IT	Income tax
0	Nil or less than half the final digit shown
SARS	South African Revenue Service
Stats SA	Statistics South Africa
VAT	Value-added tax

Glossary

Fair value of biological assets	The price that a seller of an asset would expect to receive at the end of the financial year.
Other assets	<p>Other assets include:</p> <p>Construction works, roads and parking areas; computers and other IT equipment; intangible fixed assets (computer software, other); intangible non-produced assets (goodwill, patented entities, etc.); and other assets.</p>
Other capital expenditure	<p>Other capital expenditure includes:</p> <p>Construction works, roads and parking areas; computers and other IT equipment; intangible fixed assets (computer software, other); intangible non-produced assets (goodwill, patented entities, etc.); and other assets.</p>
Other expenditure	<p>Other expenditure includes:</p> <p>Accounting and auditing costs; artificial insemination costs; consulting fees; leasing and hiring of livestock; motor vehicle running expenditure including licence fees; losses on financial and other assets: disposal of assets, realisation for cash and revaluation of assets; losses on financial and other liabilities: redemption, liquidation and revaluation of liabilities; losses on foreign exchange as a result of variations in foreign exchange rates; membership or affiliation costs; property rates paid to municipalities; research and development costs; storage costs; and other expenditure.</p>
Other income	<p>Other income includes:</p> <p>Dividends; insurance; rebates; share farming income; tourism accommodation and services; water rights traded; and other income.</p>
Other purchases	<p>Other purchases include:</p> <p>Coal and gas; semen and embryos; consumables (e.g. food and beverages, hand tools, cleaning materials, uniforms and protective clothing); and other purchases.</p>

Total income

Total income, as reported by the farmer, includes income earned from agricultural products sold and other income. In this release, agricultural products are divided into field crops, horticultural crops and products, other agricultural products, animals and animal products.

- Field crops include cereals, oil seeds, legumes, sugar-cane and fodder crops;
- Horticultural crops include vegetables, fruits, aromatic crops and seeds;
- Animals include livestock, poultry, game, aquaculture and all other animals;
- Animal products include milk, eggs, hides and skins, wool and feathers;
- Horticultural products include cellar products, dried fruit, cane fruit, sparkling wine and sherry;
- Other agricultural products include aquaculture products, forestry products, organic fertiliser and forage and silage.

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