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AGRICULTURAL ECONOMIC SUMMARY: 2ND QUARTER 2025

1. Introduction

Economic growth is important for improving the socio-economic condition of the population and advancing the country's development. South Africa's agricultural sector remains the backbone of the economy. Following the release of national and sub-national economic performance statistics for the second quarter of 2025 (Q2_2025) by Statistics South Africa (Stats SA), this report provides an overview of the economic performance in the Western Cape (WC), with emphasis on the agricultural sector.

Agriculture is an important sector in the economy of WC due to its direct and indirect impact on livelihoods. It plays a crucial role in generating employment, absorbing a significant portion of the labour force in rural areas and creating additional jobs through the expansion of its value chains beyond the farmgate, which contribute to agri-processing jobs. Furthermore, the agricultural sector also contributes to economic growth through export earnings. Therefore, this sector plays a central role contributing towards the province's Growth for Jobs Strategy (G4J) to ensure economic growth of 4-6% per annum and to generate at least 6000 new jobs by 2035.

The next sections present an overview of the provincial economy, followed by a discussion of the agricultural sub-sector's national gross income, and a breakdown of the performance of the horticultural industries. This will be followed by a discussion of the labour market performance of selected agricultural products in the second quarter of 2025.

2. Western Cape Economic Overview

In the second quarter of 2025 (Q1_2025), the WC economy experienced a growth of 0.7% quarter-on-quarter (Q2_2025 vs Q1_2025) (q/q) and 1.3% on a year-on-year (Q1_2025 vs Q1_2024) (y/y) basis. Table 1 below illustrates the value of each sector, their relative share of the provincial economy, and their respective growth rates. In the second quarter of 2025 (Q2_2025), the seven major economic sectors among the ten in the province, based on their relative share of total economy, are as follows; financial services accounted for 34.2%, manufacturing contributed 13.8%, Wholesale & retail made up 13.5%, community and private services constituted 11.9%, transport and communication represented 10.8%, general government services contributed 5.8% and agriculture accounted for 4.7%. In terms of growth rates, only five of the ten sectors experienced growth on a q/q and y/y basis. Agriculture's performance was positive in both instances.

Table 2.1: Western Cape sectors' economic performance in Q2 _ 2025

Industry	2025Q2 (R'Million)	Relative share of total provincial economy (Q2_2025)	q/q % change (Q1_2025 vs Q2_2025)	y/y % change (Q2: 2025 vs 2024)
Financial services	208 929	34.2%	0.2%	2.2%
Manufacturing	84 439	13.8%	1.9%	-1.1%
Wholesale & retail	82 109	13.5%	1.6%	2.3%
Community & social services	72 468	11.9%	0.4%	0.1%
Transport and communication	65 620	10.8%	-0.8%	0.1%
General government services	35 618	5.8%	0.7%	-0.1%
Agriculture	28 397	4.7%	2.5%	14.0%
Construction	20 165	3.3%	-0.3%	-3.8%
Utilities	11 597	1.9%	0.2%	-2.3%
Mining	964	0.2%	4.7%	2.9%
Total industry	**610 306**	**100%**	**0.7%**	**1.3%**

Source: (StatsSA & Quantec, 2025)

3. Agricultural sector performance

Figure 3.1 below highlights trends in South Africa's agricultural quarter-on-quarter seasonally adjusted agricultural gross value added (GVA) and the WC percentage contribution during the period Q2_2020 to Q2_2025. This period shows fluctuations in agriculture's GVA with a notable contraction in the third quarter of 2021, followed by a rebound in the same quarter of 2022, with further fluctuation leading to steady growth from Q2_2024 to Q2_2025. However, throughout this period, the WC contribution to national GVA remained steady at 20%, driven by strong growth in the horticultural sector. Agriculture is sensitive to both domestic and international shocks, and the period under review shows volatility of the global economy, which many sectors are currently experiencing due to ongoing geopolitical tensions affecting agricultural input prices, market access, and overall market uncertainty. Additionally, the sector faces challenges of extreme environmental conditions, including phytosanitary and biosecurity concerns.

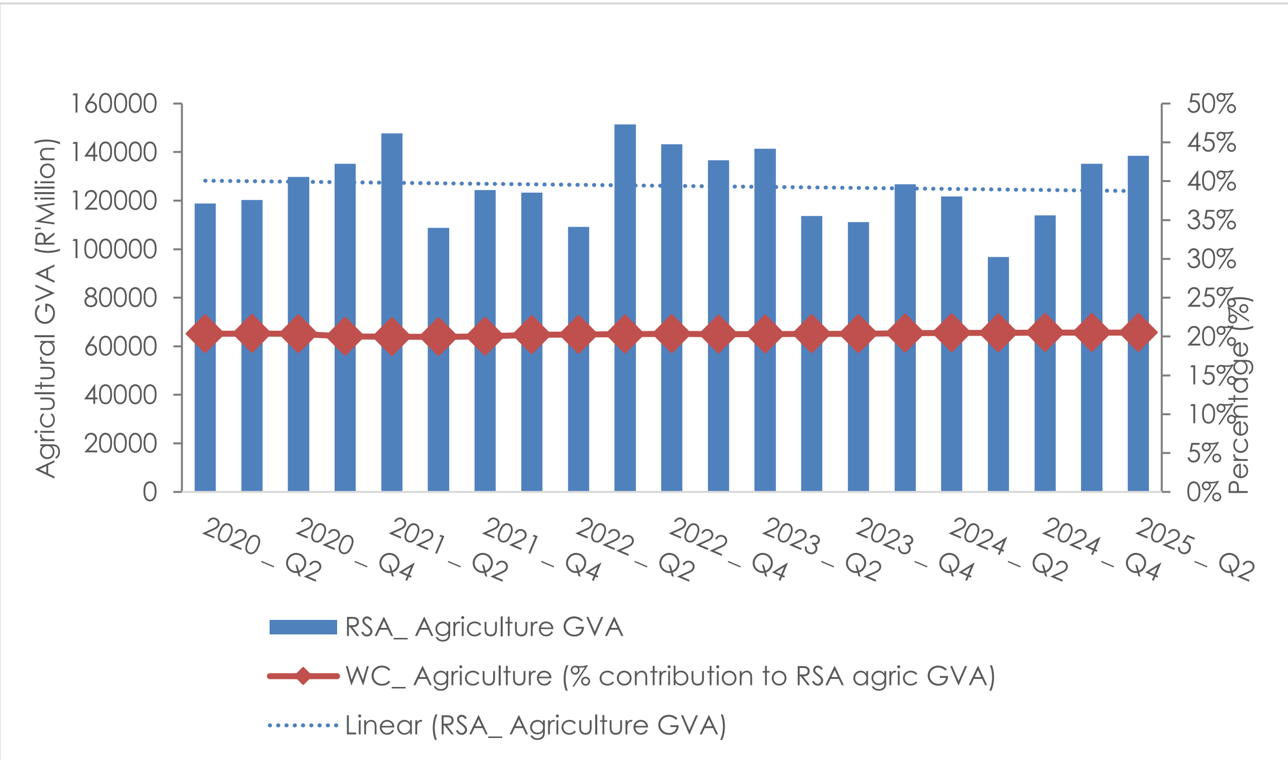

Figure 3.1: RSA's agricultural GVA and WC percentage contribution
Source: (StatsSA & Quantec, 2025)

Figure 3.2 illustrates South Africa's quarterly nominal gross farm income from three major agricultural sub-sectors (field crops, horticulture and animal products) for the period Q3_2023 to Q2_2025 (nominal terms) (DALRRD, 2025). As illustrated in the figure, at the national level, the livestock sector accounts for a large share of the total gross income from agriculture, followed by horticulture and field crops. Whereas, in the Western Cape, the horticulture sub-sector is the most dominant in value terms.

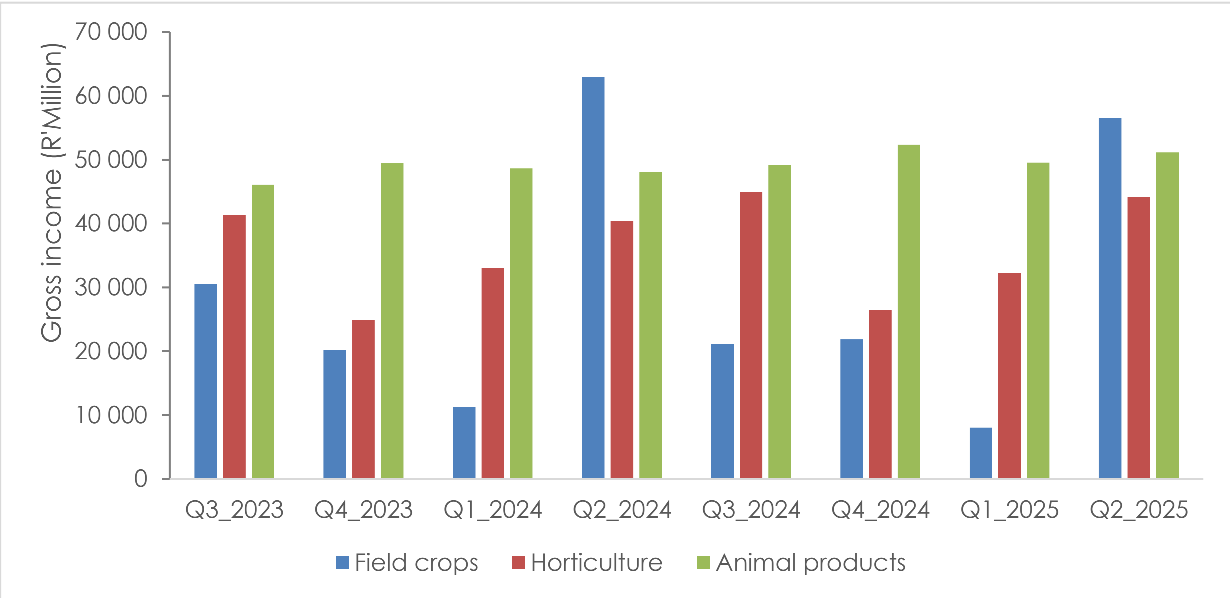

Figure 3.2: RSA gross income from agricultural Products, Q3_2023-Q1_2025

Source: (DALRRD, 2025)

Figure 3.3 provides a breakdown of South Africa's horticultural industries' performance in Q2_2025 in value terms and based on year-on-year (y/y) growth rates. Overall, the horticultural products grew by 9% (y/y), generating gross farm income of R44 billion in Q2_2025, and of that total, citrus fruit accounted for 37%, followed by vegetables at 21%, deciduous and other fruits at 19%, viticulture at 11% and sub-tropical fruits at 6% to name a few

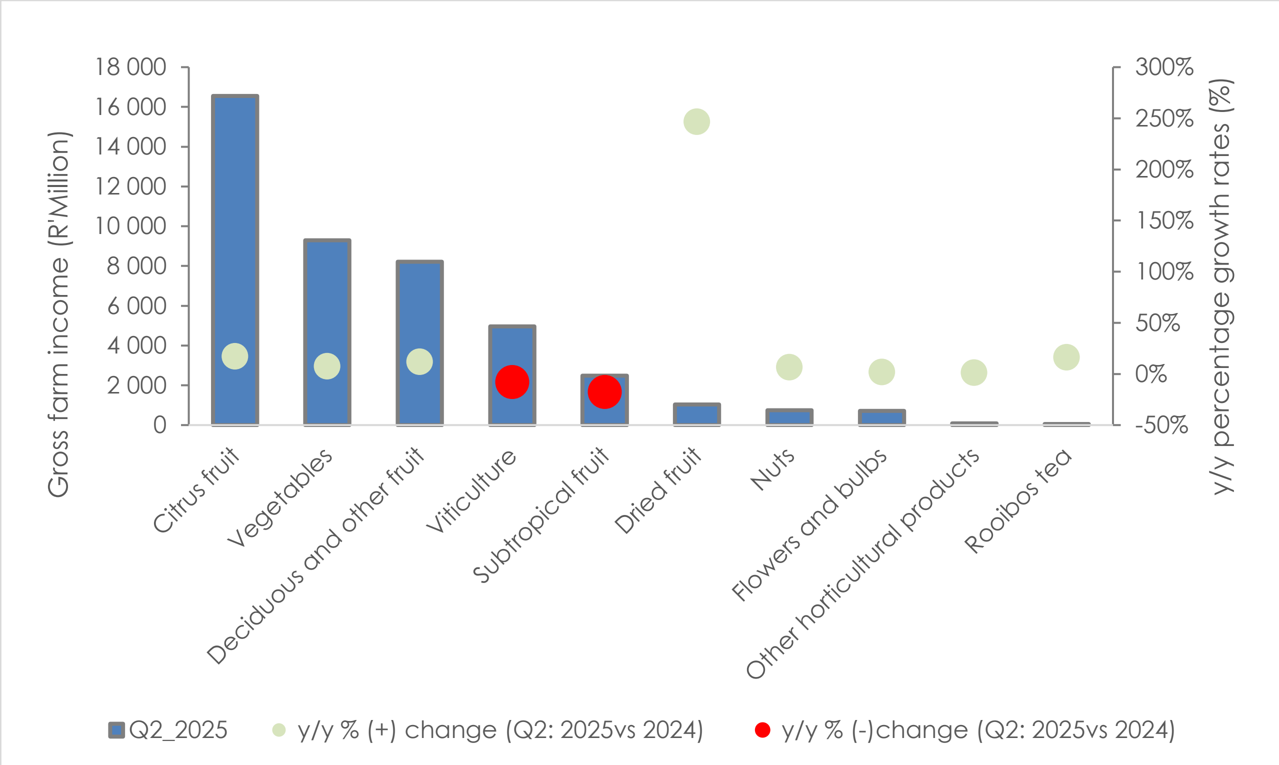

Figure 3.3: RSA nominal gross income from horticultural products, Q2-2025

Source: (DALRRD, 2025)

4. Agricultural labour market performance

Overall, both agricultural and agri-processing jobs combined recorded 302 604 jobs in Q2_2025, contributing 11% to total provincial employment. Table 4.1 illustrates a disaggregation of the primary agriculture and agri-processing employment by agricultural industries in the Western Cape based on Statistics South Africa data (Stats SA, 2025a).

It can be noted that a significant share of agricultural employment in the province is in the growing of crops at 81% (163 007), followed by farming of animals at 11% (22 125) and the remaining 8% (16 989) distributed in other primary agriculture sub-sectors. The agricultural sector is important to the economy of the province and creates jobs in the rural areas, absorbing a low, semi-skilled and skilled labour force. Furthermore, a total of 100 484 additional jobs are in the agri-processing sector. It can be observed in the table that a significant share of jobs in agri-processing are in the manufacture of other food products 38% (38 030 jobs), followed by production, processing and preservation of meat, fish, fruit, vegetables, oils and fats which account for 37% (36 755 jobs), manufacture of beverage 17% (16 930 jobs) and the remaining 8.7% in other related agri-processing sectors.

Table 4.1: Western Cape agriculture & agri-processing employment, Q2_2025

Agriculture (incl. Forestry & Fisheries)	Jobs (Q2_ 2025)	Relative % share (Q2_2025)	q/q % (Q2vsQ1: 2025)	y/y % change (Q2: 2025 vs 2024)
Growing of crops	163 007	81	-19	27
Farming of animals	22 125	11	-16	29
Growing of crops combined with farming of animals (mixed farming)	8 904	4.4	82	73
Agricultural and animal husbandry services, except veterinary activities	847	0.4	-	-
Game hunting, trapping and game propagation, including related services	970	0.5	-	17
Forestry and related services	1 185	0.6	-70	-67
Logging and related services	.	-	-	-
Ocean and coastal fishing	5 084	2.5	-11	136
Total for agriculture	**202 120**	**100**	**-17**	**25**
Agri processing				
Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats	36 755	36.6	10	-25
Manufacture of dairy products	4 603	4.6	-15	-20
Manufacture of grain mill products, starches, starch products and prepared animal feeds	4 163	4.1	45	40
Manufacture of other food products	38 030	37.8	-22	-16
Manufacture of beverages	16 933	16.9	-24	-22
Total for agri-processing	**100 484**	**100**	**13**	**19**
Combined Agric + Agri-processing	**302 604**		**-16**	**6**

Source: Own compilation based on Stats SA data

5. Reference

DALRRD, 2025. *Agricultural Production Account.* Pretoria: Department of Agriculture, Land Reform and Rural Development.

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