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Statistical release

P1101

Agricultural survey 2014

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Contents

Summary of findings for the year 2014 2

Figure 1 – Total income by type of product 2

Figure 2 – Current expenditure according to major contributors 2

Figure 3 – Distribution of capital expenditure 3

Table 1 – Principal statistics, 2013 and 2014 at current prices 4

Table 2 – Total income and expenditure by type of industry, 2013 and 2014..... 5

Table 3 – Total income by type of industry and size group, 2013 6

Table 4 – Total income by type of industry and size group, 2014 7

Table 5 – Current expenditure incurred within the farming operation, 2013 and 2014 8

Table 6 – Capital expenditure on new assets, 2013 and 2014 9

Table 7 – Land and book value of assets, 2013 and 2014..... 10

Explanatory notes..... 11

Glossary..... 15

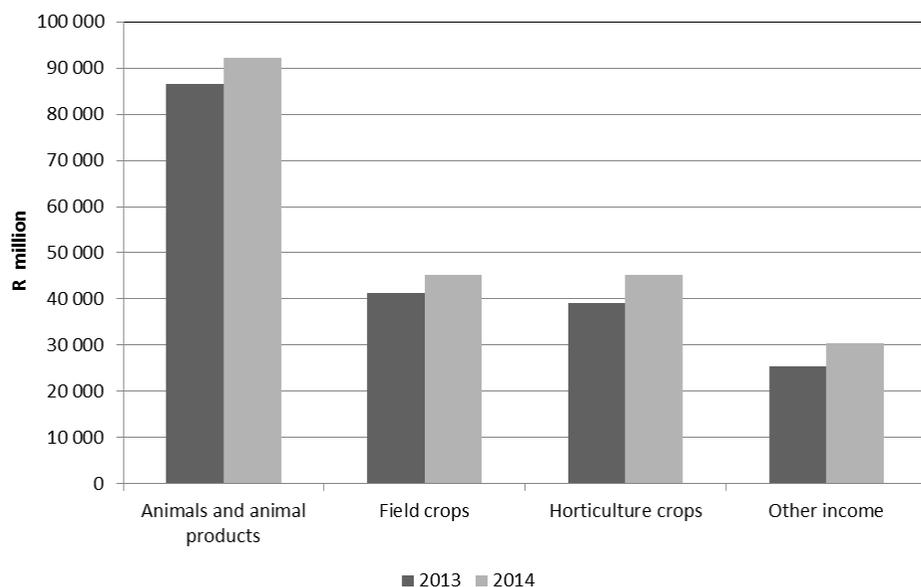
General information..... 18

Summary of findings for the year 2014

Total income by type of product

Total income earned by the farming sector was R212 998 million in 2014 compared with R192 162 million in 2013. The total income figures reflect growth of 10,8% between 2013 and 2014. A detailed composition of total income by farming activity for the two years is provided in Table 1, page 4. Animals and animal products generated the largest sales (R92 291 million), followed by field crops (R45 190 million) and horticulture crops (R45 114 million). Table 1 shows that the highest percentage increase was recorded for income earned from the sale of horticulture crops (15,5%), followed by field crops (9,4%) and animals and animal products (6,7%).

Figure 1 – Total income by type of product

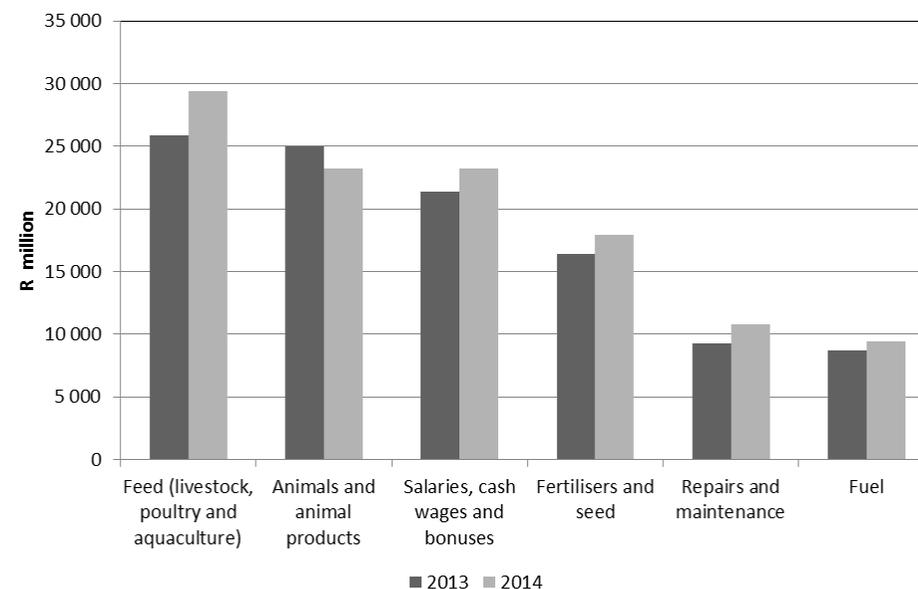


Current expenditure

The total current expenditure incurred by the farming sector for 2014 was R201 539 million compared with R186 145 million in 2013.

Figure 2 shows the major contributors towards the total current expenditure for both years. All major contributors to the total current expenditure increased in 2014 except for animals and animal products purchased. Among the major contributors, the highest percentage increases were recorded for 'repairs and maintenance' (16,5%) and 'feed (livestock, poultry and aquaculture)' (13,6%). Animals and animal products purchased recorded a drop of 6,9% (see Table 5, page 8).

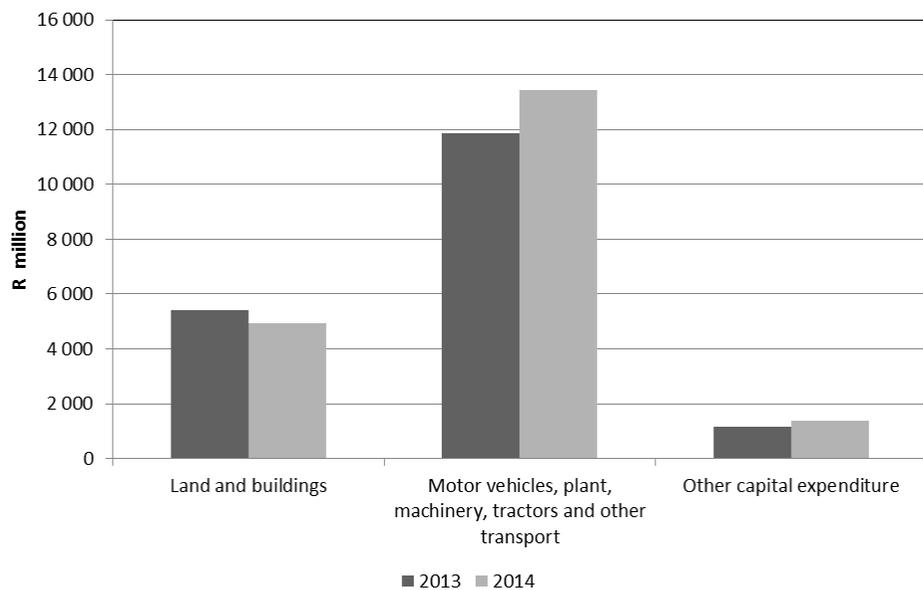
Figure 2 – Current expenditure according to major contributors



Capital expenditure

Total capital expenditure in the farming sector amounted to R19 734 million in 2014 compared with R18 421 million in 2013, an increase of 7,1% (see Table 6, page 9).

Figure 3 – Distribution of capital expenditure



PJ Lehohla
Statistician-General

Table 1 – Principal statistics, 2013 and 2014 at current prices

Item	2013 ¹	2014 ²	% change
	R'000		
Total income	192 162 153	212 997 613	10,8
Field crops	41 291 478	45 190 159	9,4
Horticulture crops	39 046 685	45 114 438	15,5
Animals and animal products	86 479 414	92 291 161	6,7
Other income	25 344 582	30 401 854	20,0
Current expenditure	186 145 383	201 539 402	8,3
Salaries, cash wages and bonuses	21 376 264	23 191 283	8,5
Other current expenditure	164 769 120	178 348 116	8,2
Capital expenditure	18 421 470	19 733 535	7,1
Land and book value of assets	123 279 336	126 015 216	2,2

¹ Revised figures.

² Preliminary figures.

Table 2 – Total income and expenditure by type of industry, 2013 and 2014

Industry	Total income			Current expenditure		
	2013 ¹	2014 ²	% change	2013 ¹	2014 ²	% change
	R'000			R 000		
Growing of crops; market gardening; horticulture ³	71 610 936	84 287 779	17,7	68 347 415	77 525 146	13,4
Farming of animals	69 506 477	78 362 990	12,7	68 669 491	76 179 578	10,9
Growing of crops combined with farming of animals (mixed farming)	47 210 207	44 896 152	-4,9	45 278 273	42 842 684	-5,4
Agricultural and animal husbandry services, except veterinary activities	2 196 027	2 800 129	27,5	2 083 906	2 564 212	23,0
Hunting; trapping and game propagation including related services	1 638 506	2 650 563	61,8	1 766 298	2 427 782	37,5
Total	192 162 153	212 997 613	10,8	186 145 383	201 539 402	8,3

¹ Revised figures.

² Preliminary figures.

³ Growing of crops; market gardening; horticulture includes production of organic fertiliser.

Table 3 – Total income by type of industry and size group, 2013

Industry	Large	Medium	Small	Micro	Total
Growing of crops; market gardening; horticulture ³	52 068 675	7 171 124	9 428 965	2 942 172	71 610 936
Farming of animals	58 199 267	3 748 453	5 362 782	2 195 976	69 506 478
Growing of crops combined with farming of animals (mixed farming)	31 401 251	6 010 680	6 788 321	3 009 954	47 210 206
Agricultural and animal husbandry services, except veterinary activities	1 722 764	176 819	261 493	34 951	2 196 027
Hunting; trapping and game propagation including related services	1 045 477	142 998	315 597	134 434	1 638 506
Total	144 437 434	17 250 074	22 157 158	8 317 487	192 162 153

¹ Revised figures.

² Preliminary figures.

³ Growing of crops; market gardening; horticulture includes production of organic fertiliser.

Table 4 – Total income by type of industry and size group, 2014

Industry	Large	Medium	Small	Micro	Total
Growing of crops; market gardening; horticulture ³	66 809 102	4 734 811	10 142 521	2 601 342	84 287 776
Farming of animals	67 320 487	3 253 749	6 531 920	1 256 833	78 362 989
Growing of crops combined with farming of animals (mixed farming)	30 213 317	2 937 297	10 002 308	1 743 229	44 896 151
Agricultural and animal husbandry services, except veterinary activities	1 866 488	496 282	437 359	0	2 800 129
Hunting; trapping and game propagation including related services	1 943 960	138 951	436 551	131 106	2 650 568
Total	168 153 354	11 561 090	27 550 659	5 732 510	212 997 613

¹ Revised figures.

² Preliminary figures.

³ Growing of crops; market gardening; horticulture includes production of organic fertiliser.

Table 5 – Current expenditure incurred within the farming operation, 2013 and 2014

Current expenditure items	2013 ¹		2014 ²		% change
	R'000	% contribution	R'000	% contribution	
Salaries, cash wages and bonuses	21 376 264	11,5	23 191 283	11,5	8,5
Feed (livestock, poultry and aquaculture)	25 894 276	13,9	29 410 822	14,6	13,6
Animals and animal products	24 947 915	13,4	23 237 733	11,5	-6,9
Fertilisers and seed	16 406 240	8,8	17 947 227	8,9	9,4
Repairs and maintenance	9 300 771	5,0	10 830 941	5,4	16,5
Fuel	8 718 163	4,7	9 398 925	4,7	7,8
Depreciation	8 878 042	4,8	10 018 941	5,0	12,9
Electricity, water, property rates, coal and gas	5 994 170	3,2	6 341 609	3,1	5,8
Field crops	1 802 686	1,0	2 052 084	1,0	13,8
Interest paid	5 141 774	2,8	5 711 924	2,8	11,1
Operating, leasing and hiring of plant, machinery, equipment and vehicles	1 144 326	0,6	1 414 229	0,7	23,6
Packing materials	5 654 536	3,0	6 738 478	3,3	19,2
Remedies for animals and crops (including veterinary services and plant pathologists)	6 612 686	3,6	6 865 332	3,4	3,8
Rental, usufruct and grazing rights	3 219 008	1,7	3 595 770	1,8	11,7
Share farming expenses	2 011 104	1,1	2 150 922	1,1	7,0
Transport	4 565 994	2,5	4 862 905	2,4	6,5
Other current expenditure	34 477 428	18,4	37 770 277	18,8	9,6
Total current expenditure	186 145 383	100,0	201 539 402	100,0	8,3

¹ Revised figures.

² Preliminary figures.

Table 6 – Capital expenditure on new assets, 2013 and 2014

Type of capital expenditure	2013 ¹		2014 ²		% change
	R'000	% contribution	R'000	% contribution	
Land and buildings	5 395 148	29,3	4 923 427	24,9	-8,7
Motor vehicles, plant, machinery, tractors and other transport	11 850 829	64,3	13 428 282	68,1	13,3
Other capital expenditure	1 175 493	6,4	1 381 826	7,0	17,6
Total capital expenditure	18 421 470	100,0	19 733 535	100,0	7,1

¹ Revised figures.

² Preliminary figures.

Table 7 – Land and book value of assets, 2013 and 2014

Type of asset	2013 ¹		2014 ²		% change
	R'000	% contribution	R'000	% contribution	
Land and buildings	81 777 165	66,4	82 265 016	65,3	0,6
Motor vehicles, plant, machinery, tractors and other transport	35 783 552	29,0	38 110 974	30,3	6,5
Other assets	5 718 619	4,6	5 639 226	4,4	-1,4
Total book value of assets	123 279 336	100,0	126 015 216	100,0	2,2

¹ Revised figures.

² Preliminary figures.

Explanatory notes

Background

The results presented in this publication are derived from the 2014 agriculture and related services survey. This is an annual survey which measures economic activity in the farming sector 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 and production 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 agriculture and related services survey was conducted for the year 2013 (Statistical release P1101 Agricultural survey 2013).

Reference period

The information was collected from enterprises for their financial year, which ended on any date between 1 July 2013 and 30 June 2014.

Purpose of the survey

The agriculture and related services survey covers the activities of commercial farms in South Africa which are registered for value-added tax (VAT). The collected information is used by government for policy formulation, decision making and to monitor performance of the industry. Individual farmers use the results to position themselves relative to the industry as a whole.

Uses of the agricultural survey include:

- Policy advisers in government for monitoring the performance of industry and the contribution to the South African economy, and for evaluating the effectiveness of industry policies.
- Industry associations monitor trends on 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.

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 and horticulture (SIC 111);
- (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);
- (v) Hunting, trapping, and game propagation including related services (SIC 115); and
- (vi) Production of organic fertiliser (SIC 116).

Including

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

Excluding

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

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 productions activities.

Size groups

The enterprises are divided into four size groups according to the value of turnover as recorded on Stats SA business register (BR). Large enterprises are those with an annual recorded turnover above R7,5 million. Table A presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points multiplied by 1,5.

Table A – Size groups for the Agricultural Survey 2014

Size group	Turnover
Large	Turnover > R7,5 million
Medium	R4,5 million < turnover ≤ R7,5 million
Small	R750 000 < turnover ≤ R4,5 million
Micro	Turnover ≤ R750 000

Survey methodology and design

The survey was conducted by post, email, fax, telephone and personal visits.

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.

Collection rate	Collection rate = ((collected enterprises + finalised investigations)/ sample size)*100. The collection rate was 75,4%.																				
Turnover collection rate	Turnover collection rate = ((weighted collected enterprises BR turnover + weighted finalised investigations BR turnover)/ population turnover)*100. The turnover collection rate was 79,7%.																				
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.																				
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 2013 (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 twelve months will be regarded as preliminary.																				
Symbols and abbreviations	<table border="0"> <tr> <td>BR</td> <td>Business register</td> </tr> <tr> <td>DTI</td> <td>Department of Trade and Industry</td> </tr> <tr> <td>GDP</td> <td>Gross domestic product</td> </tr> <tr> <td>IT</td> <td>Income tax</td> </tr> <tr> <td>0</td> <td>Nil or less than half the final digit shown</td> </tr> <tr> <td>SARS</td> <td>South African Revenue Service</td> </tr> <tr> <td>Stats</td> <td>Statistics South Africa</td> </tr> <tr> <td>SA</td> <td>Value added tax</td> </tr> <tr> <td>VAT</td> <td>Figures not available</td> </tr> <tr> <td>—</td> <td></td> </tr> </table>	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	Statistics South Africa	SA	Value added tax	VAT	Figures not available	—	
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SARS	South African Revenue Service																				
Stats	Statistics South Africa																				
SA	Value added tax																				
VAT	Figures not available																				
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Relative standard error

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.

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 B and Table C).

Table B – Income in the agricultural industry within 95% confidence limits: Agricultural Survey, 2013

Type of product	Lower limit	Income	Upper limit	Relative standard error
	R'000			%
Field crops	40 125 155	41 291 478	42 457 798	1,4
Horticulture crops	38 024 864	39 046 685	40 068 505	1,3
Animals and animal products	84 984 743	86 479 414	87 974 081	0,9

Table C – Income in the agricultural industry within 95% confidence limits: Agricultural Survey, 2014

Type of product	Lower limit	Income	Upper limit	Relative standard error
	R'000			%
Field crops	43 030 632	45 190 159	47 349 686	2,4
Horticulture crops	43 532 847	45 114 438	46 696 029	1,8
Animals and animal products	89 952 746	92 291 161	94 629 573	1,3

Glossary

Farmer	Individuals, partnerships, close corporations, companies or other enterprises that operate a farming unit for their own account; or managers, foremen or other persons to whom the control of a farming unit was entrusted.
Farming unit	Any unit on which one or more of the following farming operations are carried out for commercial purposes: <ul style="list-style-type: none">• Cultivation in the open air or under cover of field crops, vegetable plants, fruit or flowers• Operation of a tea, coffee or sugar plantation• Breeding of livestock, poultry, game or other animals, including freshwater fish, furred animals and trade in livestock• Production of milk, wool, mohair, eggs or honey
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, horticulture crops, animals and animal products. <ul style="list-style-type: none">• Field crops include cereals, oil seeds, legumes, sugar-cane and fodder crops• Horticulture crops include vegetables, fruits and nuts• Animals include livestock, poultry, game, aquaculture and all other animals• Animal products include milk, eggs, hides and skins, wool and feathers
Other income	Other income includes: <ul style="list-style-type: none">• services rendered• leasing, hiring of equipment and rent from hiring livestock• processing and small manufacturing enterprises• production of fertiliser• farm-based retail store sales• interest received• dividends received• rebates• rent of land• salaries and pensions• Sales or realisation for cash or revaluation of assets• profit on foreign exchange as a result of variations in foreign exchange rates• profit on financial and other liabilities• water rights traded• tourism services• other horticulture products (e.g. alcoholic beverages, unfortified wines)• other agricultural products• other sources

Other current expenditure

Other current expenditure includes:

- accounting fees
- advertising and marketing expenses
- bank charges
- dividends
- artificial insemination
- leasing and hiring of livestock
- levies
- losses on sale of assets
- losses on financial liabilities
- losses as a result of variations in foreign exchange rates
- membership fees
- property rates paid to municipalities
- protective clothing
- research costs
- services rendered by contractors, co-farmers, etc.
- other farming expenses
- other purchases
- excise and custom duties
- paper
- postal and courier
- printing
- stationery
- royalties
- security
- severance
- travel
- payment to labour brokers
- spare parts
- storage cost
- telecommunication services

Other assets

Other assets includes:

- 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.)
- other assets

Other capital expenditure

Other capital expenditure includes

- 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.)
- other assets

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