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# Statistical release

## P1101

# Agricultural Survey 2013

## (Preliminary)

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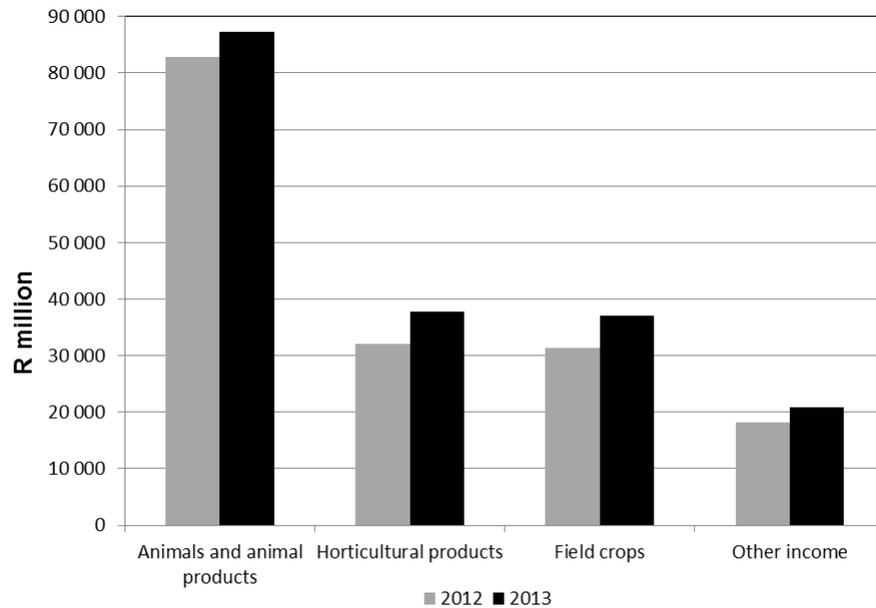
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**Summary of findings for the year 2013**

**Total income**

Total income earned by the commercial farming sector was R182 980 million in 2013 compared with R164 363 million in 2012. The total income figures reflect growth of 11,3% between 2012 and 2013. 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 (R87 291 million), followed by horticultural products (R37 693 million) and field crops (R37 148 million). Table 1 shows that the highest percentage increase was recorded for income earned from the sale of field crops (18,5%), followed by horticultural products (17,4%) and animals and animal products (5,4%).

**Figure 1 – Total income by type of product**

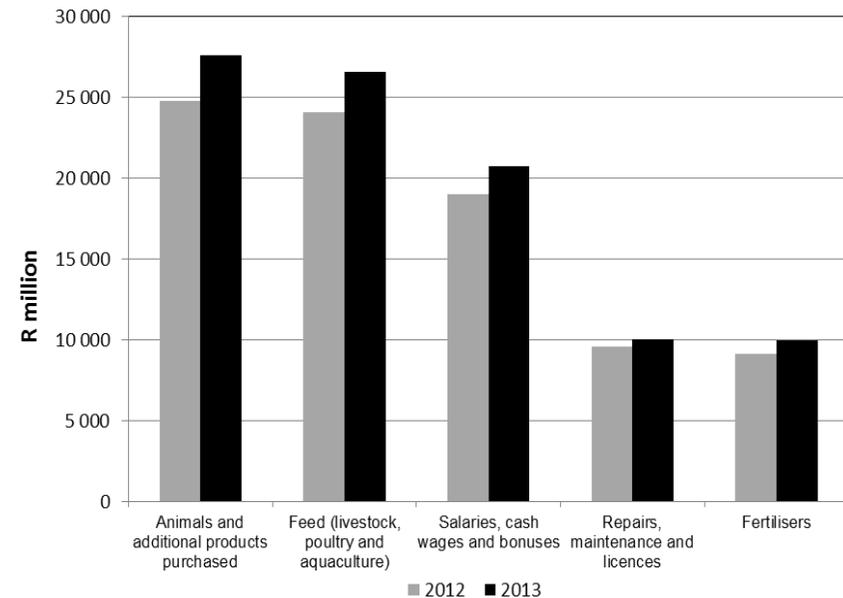


**Current expenditure**

The total current expenditure incurred by the commercial farming sector for the financial year ending 30 June 2013 was R178 474 million compared with R160 824 million in 2012.

Figure 2 shows the major contributors towards the total current expenditure for both years. All major contributors to the total current expenditure increased in 2013. Among the major contributors, the highest percentage increase was recorded for animals and additional products purchased (11,3%), followed by feed (10,2%). Repairs, maintenance and licences registered the lowest increase (4,9%) (see Table 3, pages 6 - 7).

**Figure 2 – Current expenditure according to major contributors**

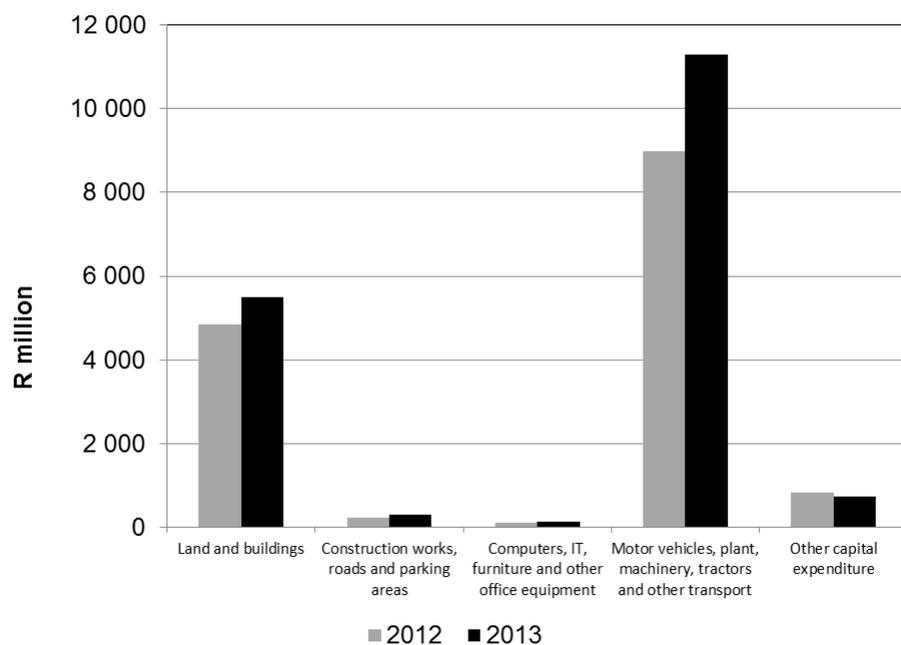


**Capital expenditure**

Total capital expenditure in the commercial farming sector amounted to R17 934 million in 2013 compared with R15 028 million in 2012, an increase of 19,3% (see Table 4, page 8).

The highest percentage increase in capital expenditure was recorded for construction works, roads and parking areas (28,2%), followed by motor vehicles, plant, machinery, tractors and other transport (25,7%) and land and buildings (13,0%).

**Figure 3 – Distribution of capital expenditure**



**PJ Lehohla**  
**Statistician-General**

**Table 1 – Income and expenditure for 2012 and 2013 at current prices**

Item	2012 <sup>1</sup>	2013 <sup>2</sup>	% change
	R'000		
<b>Total income</b>	<b>164 363 379</b>	<b>182 979 543</b>	<b>11,3</b>
Field crops	31 355 576	37 147 591	18,5
Horticultural products	32 097 987	37 693 442	17,4
Animals and animal products	82 794 336	87 291 165	5,4
Other income	18 115 480	20 847 345	15,1
<b>Current expenditure</b>	<b>160 823 597</b>	<b>178 473 775</b>	<b>11,0</b>
Salaries, cash wages and bonuses	19 013 984	20 719 604	9,0
Animals and additional products purchased	24 793 208	27 606 965	11,3
Other current expenditure	117 016 405	130 147 206	11,2
<b>Capital expenditure</b>	<b>15 027 751</b>	<b>17 933 777</b>	<b>19,3</b>

<sup>1</sup> Revised figures

<sup>2</sup> Preliminary figures

**Table 2 – Other income earned by type of income**

Type of income	2012 <sup>1</sup>		2013 <sup>2</sup>		% change
	R'000	% contribution	R'000	% contribution	
Income from services rendered	2 030 986	11,2	2 550 283	12,2	25,6
Processing and small manufacturing enterprises	1 925 036	10,6	1 193 551	5,7	-38,0
Interest received	1 167 374	6,4	1 246 302	6,0	6,8
Dividends received	781 215	4,3	708 573	3,4	-9,3
Rent on land	1 110 304	6,1	1 252 208	6,0	12,8
Salaries and pensions	602 981	3,3	1 140 621	5,5	89,2
Sale or realisation for cash or revaluation of assets	3 164 573	17,5	4 215 320	20,2	33,2
Other sources	7 333 011	40,5	8 540 487	41,0	16,5
<b>Other income</b>	<b>18 115 480</b>	<b>100,0</b>	<b>20 847 345</b>	<b>100,0</b>	<b>15,1</b>

<sup>1</sup> Revised figures

<sup>2</sup> Preliminary figures

**Table 3 – Current expenditure incurred within the farming operation**

Current expenditure items	2012 <sup>1</sup>		2013 <sup>2</sup>		% change
	R'000	% contribution	R'000	% contribution	
<b>Salaries, cash wages and bonuses</b>	<b>19 013 984</b>	<b>100,0</b>	<b>20 719 604</b>	<b>100,0</b>	<b>9,0</b>
<b>Animals and additional products purchased</b>					
Field crops	1 361 569	5,5	1 498 510	5,4	10,1
Horticultural products	1 327 204	5,4	1 998 032	7,2	50,5
Animals and animal products	22 104 435	89,2	24 110 423	87,3	9,1
<b>Animals and additional products purchased</b>	<b>24 793 208</b>	<b>100,0</b>	<b>27 606 965</b>	<b>100,0</b>	<b>11,3</b>

<sup>1</sup> Revised figures

<sup>2</sup> Preliminary figures

**Table 3 – Current expenditure incurred within the farming operation (concluded)**

Current expenditure items	2012 <sup>1</sup>		2013 <sup>2</sup>		% change
	R'000	% contribution	R'000	% contribution	
<b>Other current expenditure</b>					
Accounting fees	490 765	0,4	529 958	0,4	8,0
Advertising and marketing expenses	1 417 460	1,2	1 591 770	1,2	12,3
Bank charges	455 859	0,4	468 789	0,4	2,8
Depreciation	7 789 622	6,7	8 428 876	6,5	8,2
Electricity	4 708 261	4,0	5 032 487	3,9	6,9
Feed (livestock, poultry and aquaculture)	24 103 613	20,6	26 558 443	20,4	10,2
Fertilisers	9 131 496	7,8	9 951 392	7,6	9,0
Fuel	7 577 199	6,5	8 338 543	6,4	10,0
Import and export costs	854 347	0,7	799 641	0,6	-6,4
Insurance	2 329 921	2,0	2 534 938	1,9	8,8
Interest paid	5 023 724	4,3	4 974 400	3,8	-1,0
Operating leasing and hiring of plant, machinery, equipment and vehicles	745 921	0,6	966 519	0,7	29,6
Packing materials	5 074 957	4,3	5 371 005	4,1	5,8
Remedies for animals and crops (including veterinary services and plant pathologists)	5 705 227	4,9	6 286 858	4,8	10,2
Repairs, maintenance and licences	9 594 545	8,2	10 063 852	7,7	4,9
Rental, usufruct and grazing rights	3 010 121	2,6	2 945 054	2,3	-2,2
Share farming expenses	1 614 261	1,4	1 828 803	1,4	13,3
Seed and plant material	4 459 674	3,8	5 581 732	4,3	25,2
Storage costs	365 697	0,3	388 853	0,3	6,3
Telecommunication services	653 709	0,6	609 430	0,5	-6,8
Services rendered by contractors, co-farmers, etc.	6 742 896	5,8	7 226 757	5,6	7,2
Transport	4 303 764	3,7	4 270 518	3,3	-0,8
Water	562 719	0,5	697 812	0,5	24,0
Other farming expenses	10 300 647	8,8	14 700 776	11,3	42,7
<b>Other current expenditure</b>	<b>117 016 405</b>	<b>100,0</b>	<b>130 147 206</b>	<b>100,0</b>	<b>11,2</b>

<sup>1</sup> Revised figures<sup>2</sup> Preliminary figures

**Table 4 – Capital expenditure incurred within the commercial farming sector**

Type of capital expenditure	2012 <sup>1</sup>		2013 <sup>2</sup>		% change
	R'000	% contribution	R'000	% contribution	
Land and buildings	4 853 935	32,3	5 487 283	30,6	13,0
Construction works, roads and parking areas	230 329	1,5	295 228	1,6	28,2
Computers, IT, furniture and other office equipment	124 011	0,8	130 068	0,7	4,9
Motor vehicles, plant, machinery, tractors and other transport	8 979 513	59,8	11 287 366	62,9	25,7
Other capital expenditure	839 963	5,6	733 832	4,1	-12,6
<b>Total capital expenditure</b>	<b>15 027 751</b>	<b>100,0</b>	<b>17 933 777</b>	<b>100,0</b>	<b>19,3</b>

<sup>1</sup> Revised figures

<sup>2</sup> Preliminary figures

**Table 5 – Land and book value of assets**

Type of asset	2012 <sup>1</sup>		2013 <sup>2</sup>		% change
	R'000	% contribution	R'000	% contribution	
Land and buildings	80 632 026	69,3	83 605 450	68,0	3,7
Construction works, roads and parking areas	1 717 526	1,5	1 707 506	1,4	-0,6
Computers, IT, furniture and other office equipment	542 384	0,5	339 943	0,3	-37,3
Motor vehicles, plant, machinery, tractors and other transport	28 963 114	24,9	34 132 243	27,7	17,8
Other assets	4 446 574	3,8	3 238 424	2,6	-27,2
<b>Total land and book value of assets</b>	<b>116 301 624</b>	<b>100,0</b>	<b>123 023 566</b>	<b>100,0</b>	<b>5,8</b>

<sup>1</sup> Revised figures

<sup>2</sup> Preliminary figures

**Explanatory notes**

<b>Introduction</b>	<p>Statistics South Africa (Stats SA) conducted an agricultural survey in South Africa on farming units in 2013. A sample of approximately 11 000 enterprises was drawn from Stats SA's business register (BR). The BR is based on the income tax (IT) and value added tax (VAT) databases of the South African Revenue Service (SARS). All enterprises are legally bound to register for IT and/or VAT. Enterprises registered for tax are included on the BR, and hence were given a chance of selection in the sample for the survey.</p> <p>This statistical release contains information regarding:</p> <ul style="list-style-type: none"><li>• Income and expenditure items for the financial year;</li><li>• Employees' remuneration for the financial year; and</li><li>• Book value of assets at the end of the financial year.</li></ul>
<b>Reference period</b>	<p>The questionnaires for the Agricultural Survey 2013 were completed for the financial year which ended on any date between 1 July 2012 and 30 June 2013.</p>
<b>Purpose of the survey</b>	<p>The Agricultural Survey covers the activities of commercial farms in South Africa which are registered for income tax (IT) and value added tax (VAT). Results are mainly used to monitor trends in the agricultural industry. Individual farmers use the results to position themselves relative to the industry as a whole.</p> <p>Users of the agricultural survey include:</p> <ul style="list-style-type: none"><li>• 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;</li><li>• Industry associations monitoring trends on their own and competing or complementary industries in order to inform their members of market changes; and</li><li>• Individual businesses using the data to analyse their performance relative to their industry.</li></ul>
<b>Scope and coverage</b>	<p>The Agricultural Survey 2013 covers statistics of enterprises mainly engaged in:</p> <ul style="list-style-type: none"><li>• Growing of crops, market gardening and horticulture (SIC 111);</li><li>• Farming of animals (SIC 112);</li><li>• A combination of the above (mixed farming) (SIC 113);</li><li>• Hunting, trapping, and game propagation including related services (SIC 115); and</li><li>• Production of organic fertiliser (SIC 116).</li></ul>
<b>Classification by industry</b>	<p>The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (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 <i>International Standard Industrial Classification of all Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Each enterprise is classified to an industry which reflects its predominant activity.</p>

**Statistical unit** The survey's data were collected at an enterprise level. 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.

**Size groups** The enterprises are divided into four size groups according to turnover as recorded on Stats SA's BR. The size group stratification used in the survey was adopted from the Department of Trade and Industry's 2003 cut-off points; the cut-off points were then adjusted by a factor of 1,5 to compensate for growth over the years. The size groups are indicated in Table A.

**Table A – Cut-off points by size groups for the Agricultural Survey 2013**

Size group	Turnover
1	Turnover $\geq$ R7,5 million
2	R4,5 million $\leq$ turnover $<$ R7,5 million
3	R750 000 $\leq$ turnover $<$ R4,5 million
4	Turnover $<$ R750 000

**Survey methodology and design** The survey was conducted by post, fax, telephone, email and personal visits. A sample of approximately 11 000 enterprises was drawn using stratified simple random sampling for both years. The enterprises were first stratified at three-digit level according to the SIC and then by size of enterprise. All large enterprises (size groups 1 and 2) were completely enumerated. Turnover as recorded on the BR was used as the measure of size for stratification.

**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 size groups 1 and 2 to form the total estimates. These procedures are in line with international best practice.

**Relative standard error** Data presented in this publication are based on information obtained from a sample and are, therefore, subject to sampling variability; that is, they might differ from the figures that would have been produced if the data had been obtained from all enterprises in the agricultural industry in South Africa.

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 as only a sample of enterprises was used. The relative standard error (RSE) provides an immediate indication of the percentage error likely to have occurred due to sampling, and thus avoids the need to refer to the size of the estimate.

**Table B – Income in the agricultural industry within 95% confidence limits: Agricultural Survey 2012**

	Lower limit	Estimation	Upper limit	Relative standard error
Income	R'000			%
Field crops	30 450 172	31 355 576	32 260 980	1,5
Horticulture products	31 492 167	32 097 987	32 703 807	1,0
Animal and animal products	81 051 771	82 794 336	84 536 901	1,1

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

	Lower limit	Estimation	Upper limit	Relative standard error
Income	R'000			%
Field crops	36 018 221	37 147 591	38 276 961	1,6
Horticulture products	36 716 779	37 693 442	38 670 105	1,3
Animals and animal products	85 238 374	87 291 165	89 343 954	1,2

**Collection rate** The collection rate for the Agricultural Survey 2013 was 75,9%.

Collection rate = ((collected units + finalised investigations) / sample size) x 100

**Abbreviations and symbols**

BR	=	Business register
DTI	=	Department of Trade and Industry
GDP	=	Gross domestic product
GFI	=	Gross farming income
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
-	=	Figures not available

## Glossary

<b>Farmer</b>	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.
<b>Farming debt</b>	Includes all financial obligations incurred in respect of normal farming activities, such as mortgages, loans and credits received from organisations such as banks, cooperative societies and private persons. Debt in respect of other business enterprises is excluded. Particulars regarding farming debt are based on data submitted by the respondents.
<b>Farming unit</b>	Any unit on which one or more of the following farming operations are carried out for commercial purposes: <ul style="list-style-type: none"><li>• Cultivation in the open air or under cover of field crops, vegetable plants, fruit or flowers;</li><li>• Operation of a tea, coffee or sugar plantation;</li><li>• Breeding of livestock, poultry, game or other animals, including freshwater fish, furred animals and trade in livestock; and</li><li>• Production of milk, wool, mohair, eggs or honey.</li></ul>
<b>Gross farming income</b>	Gross farming income, as reported by the farmer, includes income earned from agricultural products sold, but excludes other income. In this release, agricultural products are divided into field crops, horticultural products, animals and animal products. <ul style="list-style-type: none"><li>• <b>Field crops</b> include cereals, oil seeds, legumes, sugar-cane and fodder crops;</li><li>• <b>Horticultural products</b> include vegetables, fruits and nuts;</li><li>• <b>Animals</b> include livestock, poultry, game, aquaculture and all other animals; and</li><li>• <b>Animal products</b> include milk, eggs, hides and skins, wool and feathers.</li></ul>
<b>Other farming income</b>	Income generated from the sale of forestry and bee farming products and any form of income generated from primary farming (excludes income from crops, animals and animal products).

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