



State of Food and Agriculture in South Africa

August 2025



Introduction

Agriculture is the heartbeat of our nation. The agricultural sector sustains livelihoods, feeds millions, and holds the key to unlocking inclusive growth in South Africa. It has also been a consistently resilient sector over the last 30 years. Its share of the economy was 2.7% in 2023, just higher than its share in 1993, despite having fallen in the late 2000s (Meyer et al, 2024).

However, the sector is currently facing significant challenges. Climate shocks disrupt harvests, infrastructure gaps limit market reach, soil degradation threatens productivity and systemic barriers stifle small-scale farmers' access to inputs and markets.

These challenges provide an opportunity to rethink, reimagine and reshape our approach to agriculture through shared knowledge, collaboration and innovation. There needs to be urgent action in climate adaptation, infrastructure investment, policy reform and technology adoption. Forums that can bring together diverse voices in the agro-economy will help to create platforms for active dialogue that enable the co-creation of practical, inclusive and scalable solutions for all in the agri-economy.

We need to work together towards a new deal for inclusive growth across the agricultural sector, to ensure that the agri-economy is just, green and competitive.



Key Challenges



South Africa’s agricultural sector is full of contradictions and faces complex challenges.

On the one hand, we are a net food exporter with maize, citrus and wine forming our biggest exports. On the other, almost 20% of households struggle with inadequate access to food (Stats SA, 2021), especially in rural areas.

Our goal should be to ensure access to affordable food for everyone. Section 27 of the South African Constitution states everyone should be able to access adequate food and water, and goes on to recognise that every child should have the right to sufficient nutrition (SAHRC, 2001). Yet 21.4% of children under 5 years old in South Africa are affected by stunting (Global Nutrition Report, 2024).



Food insecurity trends:

The proportion of South African households experiencing moderate to severe food insecurity rose from 15.8% in 2019 to 16.2% in 2022, and further to 19.7% in 2023. (Stats SA, 2021)



Children’s nutritional status:

South Africa has made no progress towards achieving the target for stunting, with 21.4% of children under 5 years of age affected. This figure is lower than the average for the Africa region (30.7%). (Global Nutrition Report, 2024)



We have highly industrialised farms that operate at a commercial level and millions of smallholder farmers that struggle because of limited livelihood opportunities, a lack of resources and inadequate market access, which drives food insecurity in the country. The sector also faces complex challenges because agriculture is linked to land, and in South Africa land is an emotionally-charged topic.

Interestingly, there is a misconception abroad that our agricultural sector only consists of large-scale farming operations and that we do not have any smallholder farmers. In reality, there are more than 2 million smallholder farmers operating across South Africa, compared to 35,000 commercial farming units (Born et al, 2021). Smallholder farmers typically manage small-scale land areas of less than 10 hectares, and tend to focus on their own household, selling only a portion of their produce (FAO, 2013).

**Smallholder farmers:**

There are more than 2 million smallholder farmers operating across South Africa and 35,000 commercial farming units (*Born et al, 2021*).



We need to grow the agricultural sector and at the same time we need to protect our environment. South Africa's landscape includes a range of agro-ecological zones, enabling the production of diverse agricultural commodities (FAO, 2021). However, climate events, such as droughts and flooding can cause significant production losses. For example, 2024's summer drought negatively affected summer grain and oilseed harvests (AgBiz, 2024a). Despite setbacks, over the past decade, the sector has shown consistent growth (Bureau for Food and Agricultural Policy (2025)). We must therefore nurture and support resilience so that farmers and agri-businesses can continue to adapt, ensuring the sector continues to grow and provide employment in rural areas.



Climate change and production losses: in 2024, a mid-summer drought and heatwave caused a 23% decline in summer grains and oilseed harvests resulting in a limited grain supply and higher commodity prices (AgBiz, 2024b).

Emerging Solutions and Innovations

To address these challenges, we need to consider:

How do we address market inequity?

How do we bridge the skills gap?

What does true collaboration look like?

How do we transform our food systems to build resilience for future generations?

Practical solutions and levers for change should work to ensure the successful adoption of policies that address these challenges and to transform rural livelihoods, ecosystems and agri-enterprises.

Creating resilient value chains and end-to-end ecosystems

It is important to think beyond farm-level improvements and consider the need for end-to-end ecosystem development in the agricultural sector.

Currently, South Africa's formal food markets are highly concentrated with over 60% of formal food markets being controlled by five retailers (USDA, 2024). A similarly strong concentration is seen in the market for inputs. Meanwhile, small-scale farmers continue to face limited market access and a lack of infrastructure and resources.

Investing in agri-business development is important to build sustainable value chains for everyone in the agricultural sector. Modern technologies deployed across the value chain (including business

development, off-take, processing and logistics) can enhance agricultural productivity. This could include developing rural agri-processing hubs, cold-chain infrastructure, storage solutions, cooperative input sourcing and distribution models, and new digital platforms and physical marketplaces.

It can be useful to move away from a project-to-project approach and rather adopt an area-based approach that promotes agri-transformation zones or agri-development corridors. This approach integrates infrastructure, financing, education and market linkages and can be tailored to regional strengths. There have been good examples of area-based implementation models being used successfully in horticulture in Limpopo and livestock farming in the Eastern Cape.

Supporting innovation and agri-technology

There are several digital agricultural services that have been adopted by South African farmers. For example, precision agriculture uses aerial or satellite imagery to improve the efficient use of resources, or crowd farming that allows investors to finance agricultural ventures.

For small-scale farmers, digital innovations are being developed for all elements of the value chain, enhancing agricultural productivity, market access, financial management, supply chain management and post-harvest handling (FAO, 2021). The development of digital platforms has helped to improve access by pooling and aggregating small-scale farmers and connecting them directly to their markets and suppliers. In addition, low-cost technologies such as mobile advisory services or messenger apps help farmers to exchange knowledge and expertise, and coordinate cooperation, all of which further enhances market access.

Innovative technology can be expensive and, in some areas, infrastructure shortcomings, such as a lack of internet coverage, the cost of data and low levels of digital literacy, may impede the deployment of such technologies. To overcome the affordability issue, following an aggregator model in which small-scale farmers pool their resources may be a viable option to source technology as a collective. Government-backed or blended-funded innovation sandboxes and technology accelerators that focus on agri-innovation can also help small-scale farmers access agri-tech.

Climate-smart innovations are enabling farmers to adapt to a more uncertain climate. Advancements in seed technology, for example, have led to improved yields and have resulted in seeds that are more suitable for changing climatic conditions. The use of genetically modified organisms (GMO) crops can enable smallholder farmers to compete with large-scale farmers. Similarly, the mechanisation of the sector can help small-scale farmers to

increase productivity.

Investing in South Africa's agricultural sector is a regional opportunity too. South Africa is well-positioned to become a hub for high-value agricultural products, seeds and inputs manufacturing, and climate-smart solutions. These can all be exported to the rest of Africa - aided by South Africa's participation in the African Continental Free Trade Area (AfCFTA). AfCFTA established a single market for goods and services in Africa, with trading beginning in 2021 (AU, 2024). 55 countries are involved, connecting 1.3 billion people across the African continent (World Bank, 2020).

Providing livelihood opportunities and supporting skills development

The agricultural workforce is facing a skills gap and elements of the workforce can be better supported to promote growth and development in the sector.

Significantly, too few young people opt for a career in agriculture despite government-led schemes and policies that were established to encourage youth involvement - most recently, the National Policy for Beneficiary Selection and Land Allocation of 2020 (Giwu et al., 2024). Early exposure to the agricultural sector could help to build a talent pipeline and show young individuals that farming can be a viable career option. Agricultural education should be reintroduced into the school curriculum and agricultural colleges need to be revitalised. South Africa spends a lot of money on training, however, these efforts do not always match the needs on the ground. It is critical that agricultural education is revitalised, and training is done purposefully. This should include better collaboration with the private sector to ensure that the right skills are developed to grow the sector, taking on current and future challenges (e.g. funding, access to land), and ensure that agriculture is recognised as a business and not considered as a grant-based sector.



Women are central to agriculture in South Africa and are involved as small-scale and commercial farmers, workers and entrepreneurs. Despite this, they are limited by gender disparities in land ownership, security of tenure and access to resources such as training, finance and agri-technology (Commission for Gender Equality, 2024). In some cases, new innovations are improving efficiencies through climate-smart agriculture and providing opportunities for upskilling that mean women are able to work more effectively in the agri-economy (UN, 2024).

Focusing on better collaboration can develop a new paradigm of partnership that brings together stakeholders from across the private and public sector. Government can be a powerful tool to drive growth in the sector and it needs to be able to unlock funding for investment in agriculture. This is only possible if the private and public sectors plan together and execute together.

The South African Agriculture and Agro-processing Master Plan (AAMP) (DALRRD, 2022) is a step in the right direction, providing a framework for growth in the sector. Cross-sector coordination platforms or multi-stakeholder councils should be accountable for executing the AAMP and tracking its progress against measurable outcomes. Combined with other plans, South Africa can achieve real sustainability in the sector. Implementing a national agri-transformation dashboard with key performance indicators would help to ensure transparency, monitor impact and build public trust.

Enabling sustainable farming practices

The impacts of climate change have made the move towards sustainable farming practices more urgent and are compounding the challenges to the sector. It is predicted that South Africa will face frequent droughts and intense rainfall events that could expose the region to flooding in the future (Johnston et al, 2024). While

droughts and floods are not new phenomena to South Africa's farmers, they do require an ongoing focus on climate adaptation efforts.

Adaptation can involve a combination of utilising modern technologies, applying alternative farming techniques and incorporating Indigenous knowledge systems. Small-scale farmers are often more vulnerable to climate impacts than commercial farmers due to structural barriers, such as limited access to finance, insurance and infrastructure. However, they also typically manage diverse farming systems and have an intimate knowledge of the biodiversity on their land, and that understanding is a valuable resource. There are finance models that can help to catalyse investments in smallholder farming that include climate finance mechanisms (AgBiz, 2024c) and development finance instruments, as well as public-private funding partnerships. A combination of these can help to finance transformation at scale. Blended finance, innovative funding instruments and risk mitigation mechanisms can all help to crowd-in private finance.

Some large-scale agricultural projects focus on the restoration of soil health as a form of regenerative farming. This is an effective way to reduce the amount of inputs required and increase the sustainability of farming land. Similarly crop rotation, agroforestry and the use of Indigenous drought-resistant cultivars are helping to reduce the need for inputs (water, fertilisers and pesticides), improve soil health and increase harvests. Two examples of nature-smart strategies where farmers have adapted successfully to changing weather patterns are the introduction of precision irrigation to several projects in the Western Cape that have seen a resultant 30% reduction in water usage, and the planting of drought-resistant crop variants in Limp



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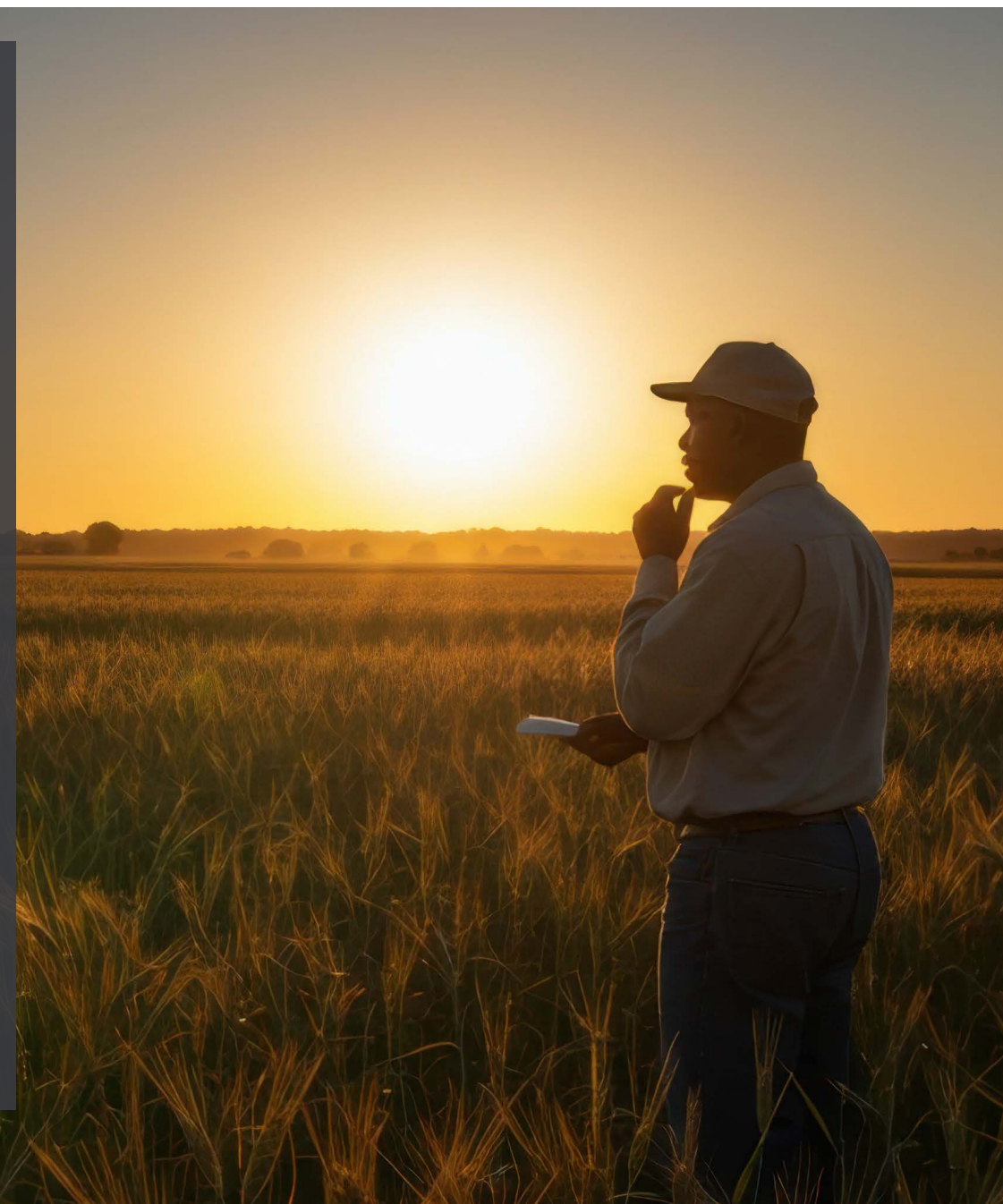
South Africa has a growing population and we need to double food production by 2050 to meet increasing demand and changing preferences (WWF, 2019). Investment in the agricultural sector is therefore fundamental to food security while also contributing to further job creation, economic growth and trade diversification.

There is considerable **economic potential** in transforming the rural agri-economy, ensuring it remains a driver of South Africa's GDP growth, job creation and export competitiveness. This should include unlocking the potential in small-scale farming productivity and rural agri-businesses, which can contribute to national economic development and diversifying our regional exports within AfCFTA and beyond. Implementing a range of financial mechanisms, partnerships and instruments will help to finance transformation at scale.

Transforming the agricultural sector is an opportunity to focus on **social justice**. It requires us to adopt an inclusive approach that supports small-scale farmers, improving access to infrastructure, markets, inputs and

innovations, and developing business and farming skills. The AAMP can provide the framework to support the inclusive growth of South Africa's agriculture. Women and youth also have a central role to play in agricultural transformation, and it is critical to find ways to provide support programmes that offer training, funding and access to land for these groups to realise their full participation in growing the sector.

Transformation also requires a **focus on sustainability**. The challenge of a changing climate and the subsequent impacts require investment to ensure that the various elements of the agricultural sector can afford to adapt when and how they need to. Small-scale farmers often employ local and Indigenous farming practices that benefit biodiversity because of their understanding and dependence on the continued productivity of the land they farm. It is important that we listen to the lived experience of smallholders and consider adopting sustainable farming practices that can improve resilience at all scales.



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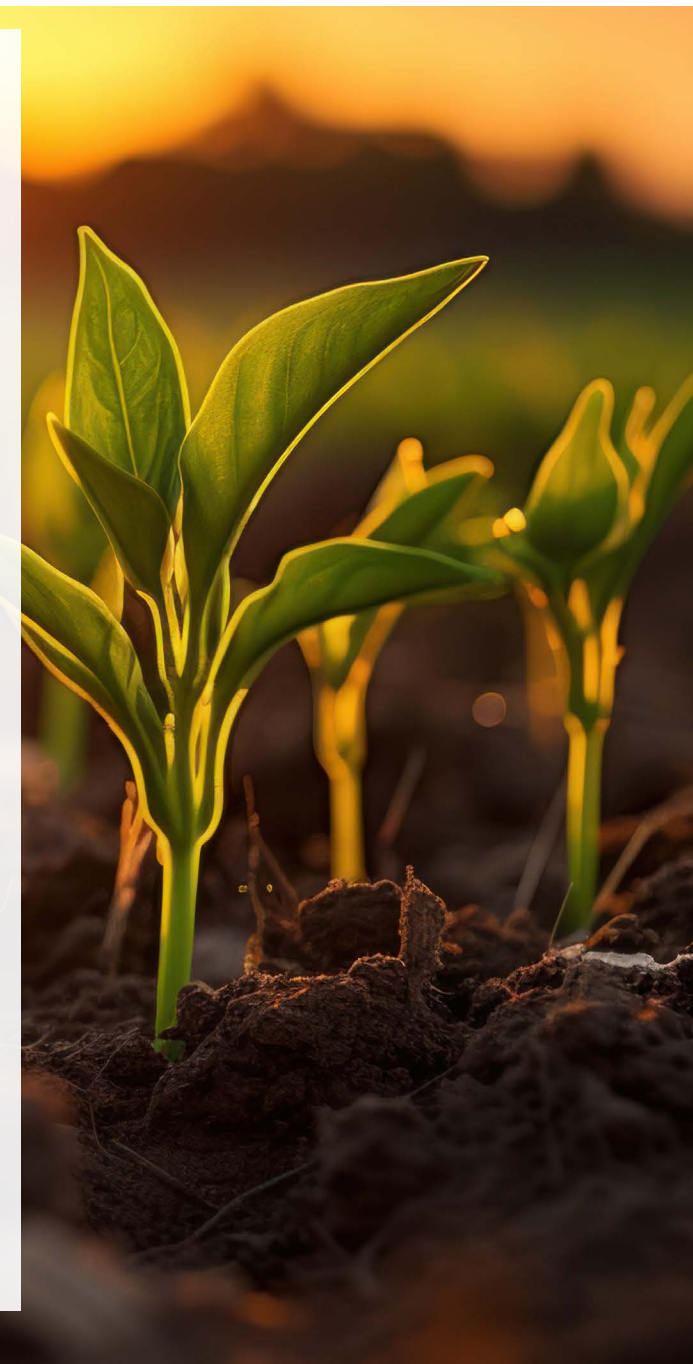
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