

What does the impact of the lower contribution to GDP mean for agriculture?

 By [Paul Makube](#)

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Although agriculture's contribution was muted in the first quarter, this is a temporary blip given the generally huge production outlook across most of the agriculture commodities.



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This reflects a normal seasonal trend as activity is relatively low in the agriculture sector with crops already on the lands and in the growth phase. On the animal products side, slower processing due to limited availability as producers hold on to stock to take advantage of good production conditions reduced the sector's contribution. Cattle and sheep slaughter fell by almost 10% and 3% respectively during the first quarter of 2021, relative to the same period in 2020.

The fourth and third quarters of 2020 saw growth of 5.9% and 20.1% but agriculture's overall 2020 performance was an impressive 13.1% rebound after a sluggish 2019.

Rebound expected

We expect a rebound in agriculture GDP numbers in the subsequent quarters given the huge supply outlook, improved economic activity and strong exports. Optimism is quite high in the sector as evidenced by the recent update on agriculture machinery sales with the year-to-date tractor and combine harvester sales both 24% ahead of last year.

Even though the livestock diseases in both the poultry and cloven-hoofed animals in terms of AI and Foot-and-Mouth Disease (FMD) are a bit of a challenge recently, the impact is unlikely to dent the expected overall agriculture GDP output for 2021.

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