

## AGRICULTURAL BUSINESS INNOVATION SURVEY 2022-2024



For a more innovative South Africa

**\*INCLUDING FARMING, FORESTRY AND FISHERIES**

Your company has been selected to participate in the South African Agricultural Business Innovation Survey (2022-2024). Got questions? We'll try to answer them here. You can also call us, send an email, or post your questions online.

**Your questions matter.**

-  Call Yasser Buchana, Project Lead  
+27 21 422 7840
-  Email us [innovation@hsrc.ac.za](mailto:innovation@hsrc.ac.za)
-  Website <https://hsrc.ac.za/about-cestii/measuring-innovation-capacity/agricultural-business-innovation-survey/>



Science, Technology  
and Innovation  
Statistics South Africa



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## What is the purpose of the Agricultural Business Innovation Survey?

Commissioned by the Department of Science, Technology and Innovation, and performed by the Human Sciences Research Council, the Agricultural Business Innovation Survey **aims to deliver an internationally comparable report on innovation activities in South African agriculture, including farming, forestry and fisheries.** Survey results will play a vital role in policymaking for technology, innovation, and economic development.



Why has my company been selected to participate in this Survey?

Statistics South Africa has drawn a random sample of approximately 2144 agricultural firms from the business register in line with its agreement on official national statistics with the Department of Science, Technology and Innovation (DSTI) – and your firm was selected. The sample consists of a variety of businesses, ranging from very small to very large firms that operate in agricultural sub-sectors. Sub-sectors covered by the survey include: agriculture (crops, wineries, livestock and poultry), forestry, and fisheries.

What will my business gain from participating in the Survey?

A source of business intelligence, the Survey's results can be used to benchmark your company's innovation activities against other agricultural firms in your sector, both nationally and internationally. An added benefit of participation is the opportunity it presents for an internal review of potential business development areas that might not otherwise be explored. The results of previous South African innovation surveys are available online (<https://hsrc.ac.za/about-cestii/measuring-innovation-capacity/>).

What does South Africa gain from my company's participation in the Survey?

National business innovation surveys provide an essential source of data for evidence-informed policymaking towards increased inclusive economic growth and competitiveness.

Is there someone on the Survey's team that can communicate in my mother tongue?

Research assistants are ready to deal with the questions, comments or concerns of Survey respondents. Should you need to speak to one of the research assistants in your mother tongue, they will gladly assist you in South Africa's official national languages.

I would prefer to complete the questionnaire electronically. How can I do that?

The Survey questionnaire is available to be completed and submitted online through the RedCap platform or via telephonic interview, as well as via an Adobe Acrobat form that you can save and email to us. The online tool allows respondents to save progress and return later using a 'Return Code', which will be automatically issued to you when you save. Should you have any problems submitting your firm's response to the survey, please contact [innovation@hsrc.ac.za](mailto:innovation@hsrc.ac.za).

How will my company's data be managed?

Captured data is stored on secure servers at the Human Sciences Research Council premises in Pretoria and Cape Town, South Africa. All staff who work on the survey have signed strict agreements on the confidentiality of the data. Your company's details and firm-level data will not be shared with any third party.



## THE DEFINITION OF INNOVATION

What are the different types of innovation the Survey measures?

The South African Agricultural Business Innovation Survey recognises two types of innovation in firms: **1. Product innovation** (including both goods and/or services); **2. Business process innovation**. This section of the FAQ provides detailed explanations and examples of each, as well as examples of what would not be considered an innovation in each category.

What makes a product or business activity an “innovation”?

Most people picture an invention new to the world when they think of innovation. In fact, two criteria are important in defining an innovation: **1. Does the product or activity represent significant change or improvement? AND/OR 2. Is the activity or product new to the firm?** If the change meets either or both of these criteria, it can be considered an innovation. While a given change could be an innovation for one firm, the same change may not be an innovation for another firm. In answering the Agricultural Business Innovation Survey, each firm has to decide for itself whether a particular change is new to the firm and/or whether the product, process or service has significantly improved.

When does an innovation “belong” to an enterprise?

1. If an enterprise has internally developed and implemented its own significant changes.
2. If the enterprise has significantly improved or modified its existing products, processes, services, methods or delivery processes, either by internal development or by introducing a new idea from external sources.
3. If an enterprise has implemented a new or significantly improved change, which may have originated elsewhere, such as the head office or a subsidiary company, another company, sector or country.

## PRODUCT INNOVATION

What is a product innovation?

Product innovation relates to both goods and services. When a good or service is introduced to the firm and **is new to that firm OR shows significant improvement with respect to the capabilities or planned uses**, then the change represents a product innovation. A product innovation may include significant changes in technical specifications, components and materials, incorporated software, user experience, or other functional characteristics of the good or service.



### Examples of product innovations that relate to goods and services in the agricultural sector

#### GOODS

- Customised business software (e.g. farm management software)
- Inclusion of eco-friendly products in product ranges
- Automated harvesters
- New wood, furniture or paper varieties
- New wine blends
- Drought-resistant seeds
- Products with enhanced shelf-life
- Bio-energy or bio-fuels

#### SERVICES

- New smartphone apps
- New logistics services
- Online sales or direct sales to end-users
- New kinds of product certification services
- Combining solutions, such as technical and consulting services
- Introduction of extended warranties on new or used products
- Remote software maintenance
- New information technology applications for client servicing

### What is NOT considered a product innovation?

- Design changes that do not alter the function or technical characteristics of a good or service.
- Routine upgrades, or minor changes or improvements.
- Customisation for a single client that does not include significantly different attributes compared to products made for other clients.

## PROCESS INNOVATION

### What is a business process innovation?

A process innovation relates to improvements in production methods, delivery methods or distribution methods. For these process improvements to be considered innovations, they **must be new to the firm OR significantly improved**. These significant changes include those that relate to specific techniques, equipment and/or software, changes that are intended to improve the quality, efficiency or flexibility of a production or supply activity or logistics, or changes that reduce environmental or safety hazards.

### Examples of business process innovations

- Predictive data analytics
- Introduction of software to identify optimal farming practices (e.g. smart irrigation)
- New or improved software or routines for purchasing, accounting or maintenance systems
- Robotics and sensors
- Vertical farming, micro farming, hydroponics



- Automated packaging
- Computerised equipment for quality control of production
- Mapping by drone
- Smart boreholes
- Installation of automated trucks and drill rigs
- Radio-frequency identity tags

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What is NOT considered a business process innovation?

- An increase in production or service capabilities through the addition of manufacturing or logistical systems that are similar to those already in use.

If you would like to learn more about innovation measurement in South Africa, or interact with our technical team, visit our website

 <https://hsrc.ac.za/about-cestii/>

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