



## Agro-processing Quarterly Brief: No. 2, 2024

Directorate: Agro-processing Support

### Highlights of 2024: Q2 (April to June)

In 2024: Q2, the quarter-to-quarter producer price index for all manufactured goods moderated by 1,4% following a 0,2% growth recorded in the last quarter. However, it rose by 4,8% year-on-year.

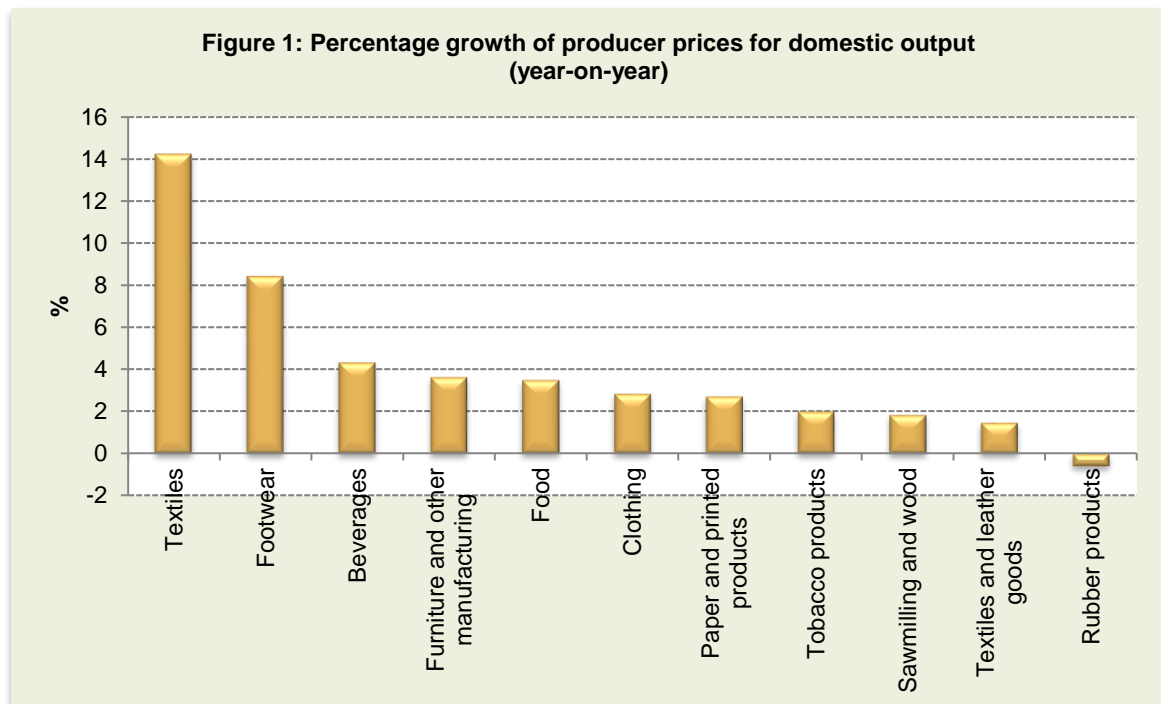
Having contracted by 0,5% in 2024: Q1, the volume of production for the sector rebounded by 0,2% in 2024: Q2. Similarly, the seasonally adjusted physical volume of production rebounded by 0,2% year-on-year.

In 2024: Q2, the value of sales in the agro-processing sector contracted by 2,3% as compared to a growth of 4,3% in the preceding quarter, however, the seasonally adjusted value of sales moderated by 1,4% year-on-year.

In 2024: Q2, the trade surplus for the agro-processing sector contracted quarter-to-quarter by 33,8%, however, it decelerated by 18,7% year-on-year. As a result, the trade surplus narrowed from R13 126,8 million in the last quarter to R8 683,8 million in the current quarter.

In 2024: Q2, the agro-processing sector recorded about 504 560 jobs from 513 936 jobs in 2024: Q1, representing a total of 9 376 jobs shed.

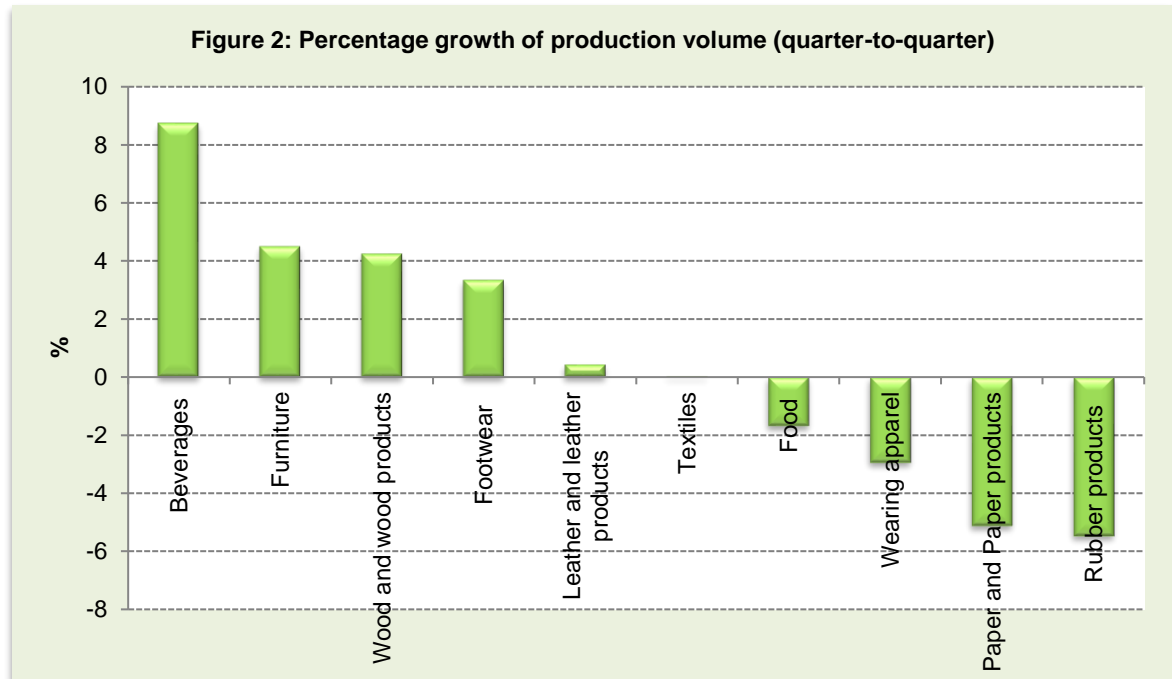
## Producer prices



Source: Statistics SA, 2024

In 2024: Q2, the quarter-to-quarter producer price index for all manufactured goods moderated by 1,4% following a 0,2% growth recorded in the last quarter. However, it rose by 4,8% year-on-year. The producer price inflation for the following agro-processing divisions moderated during the period under review, i.e., textiles (14,2%), footwear (8,4%), beverages (4,3), food (3,5%), wearing apparel (2,8%), paper and paper products (2,7%), tobacco products (2,0%), sawmilling and wood (1,8%) and textiles and leather goods (1,5%). However, furniture and other manufacturing rose by 3,6%, while rubber products receded further by 0,6% (see Figure 1).

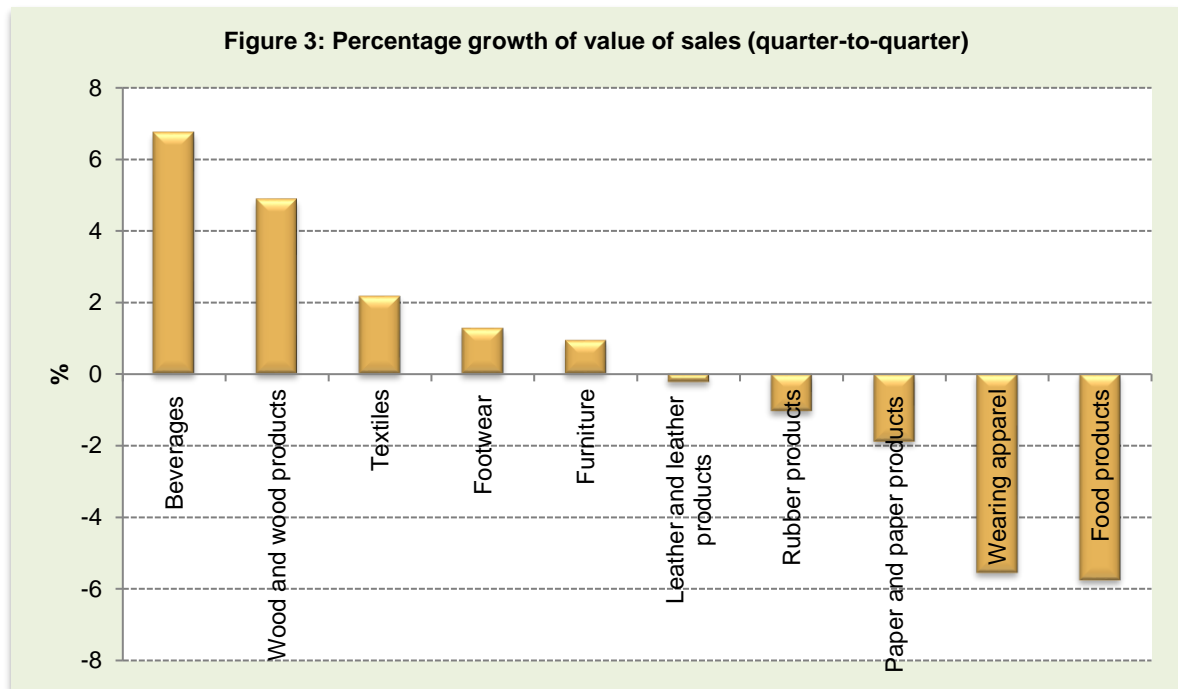
## Volume of production



Source: Quantec, 2024

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2022: Q4. Having contracted by 0,5% in 2024: Q1, the volume of production for the sector rebounded by 0,2% in 2024: Q2. Similarly, the seasonally adjusted physical volume of production rebounded by 0,2% year-on-year. The divisions that rebounded during the period were beverages (8,7%), furniture (4,5%), wood and wood products (4,3%) and footwear (3,3%). Food products (1,7%), wearing apparel (2,9%), paper and paper products (5,1%) and rubber products (5,5%) contracted during the period under review. The leather and leather products division moderated by 0,4%, while the textiles division stagnated as compared to a contraction of 6,2% in the preceding quarter.

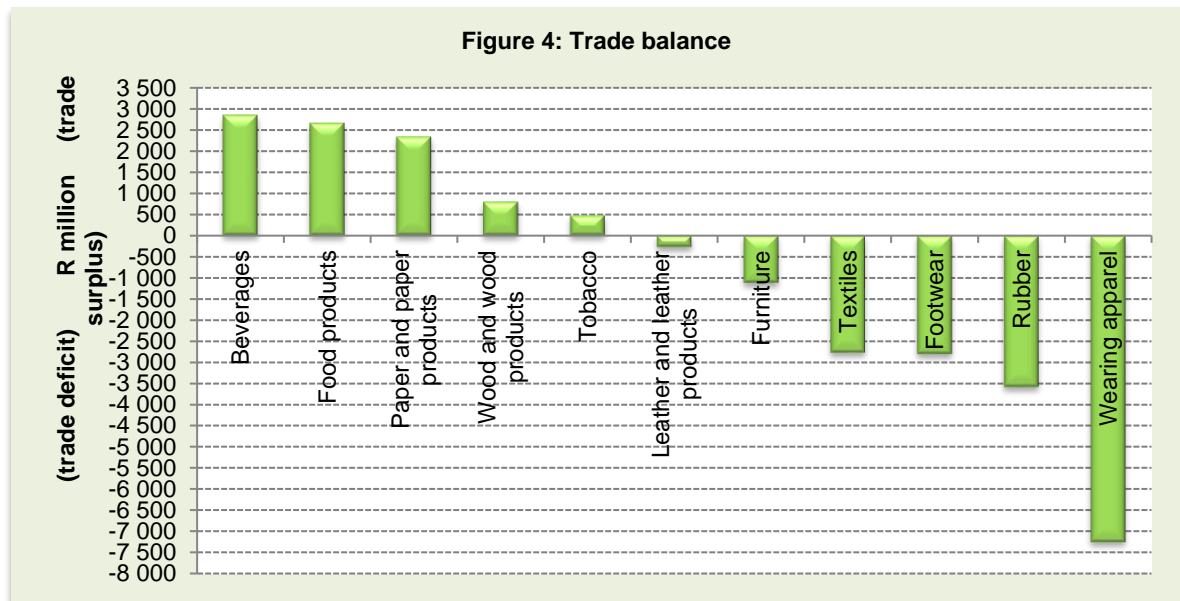
## Value of sales



Source: Quantec, 2024

In 2024: Q2, the value of sales in the agro-processing sector contracted by 2,3% as compared to a growth of 4,3% in the preceding quarter, however, the seasonally adjusted value of sales moderated by 1,4% year-on-year. During the period under review, sales for wood and wood products (4,9%) and textiles (2,2%) divisions rebounded; the leather and leather products (0,2%), rubber products (1,0%), wearing apparel (5,6%) and food products divisions (5,8%) contracted; beverages (6,7%) and footwear (1,3%) divisions expanded and furniture division moderated by 0,9%, while the paper and paper products division receded further by 1,9% (see Figure 3).

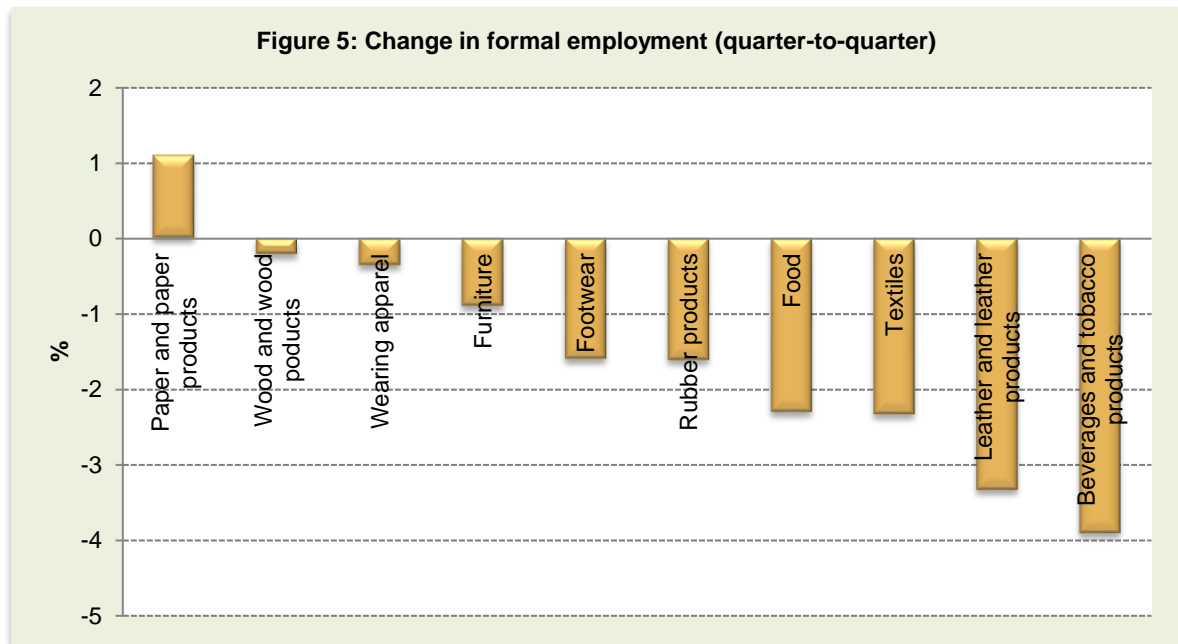
## Trade



Source: Quantec, 2024

In 2024: Q2, the trade surplus for the agro-processing sector contracted quarter-to-quarter by 33,8%, however, it decelerated by 18,7% year-on-year. As a result, the trade surplus narrowed from R13 126,8 million in the last quarter to R8 683,8 million in the current quarter. The divisions that had a positive trade balance during the period under review were beverages (R2 853,7 million), food products (R2 666,5 million), paper and paper products (R2 338,9 million), wood and wood products (R805,3 million) and tobacco (R472,5 million). However, the divisions that registered a negative trade balance were wearing apparel (R7 257,3 million), rubber products (R3 589,5 million), footwear (R2 802,3 million), textiles (R2 776,5 million), furniture (R1 120,8 million) and leather and leather products (R274,3 million) (see Figure 4).

## Formal employment



Source: Stats SA, 2024

In 2024: Q2, the agro-processing sector recorded about 504 560 jobs from 513 936 jobs in 2024: Q1, representing 9 376 jobs shed. Most divisions shed jobs during the period under review. These divisions were food products (5 361), beverages (1 812), textiles (1 601), furniture (281), rubber products (204), leather and leather products (173), wearing apparel (131), wood and wood products (91) and footwear (84). However, the paper and paper products division gained 362 jobs as presented in Figure 5.

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