



Food and beverages Quarterly Brief: No. 2, 2024

Directorate: Agro-processing Support

Highlights of 2024: Q2 (April to June)

In 2024: Q2, the consumer price index for all items rose by 1,2% following a 0,9% growth in the last quarter, however, the CPI moderated by 5,1% year-on-year. The producer price index for all items rose by 1,4% as compared to a 0,2% growth in the preceding quarter. Similarly, it rose by 4,8% year-on-year.

In 2024: Q2, the seasonally adjusted volume of production for the food division contracted quarter-to-quarter by 1,7% as compared to a 3,8% growth in the preceding quarter. However, the volume of production decelerated by 2,6% year-on-year.

The seasonally adjusted volume of production for the beverages division, rebounded by 8,7% quarter-to-quarter following a 2,6% growth in the last quarter. Similarly, the volume of production rebounded by 8,7% year-on-year.

The nominal value of sales for the food division decreased from R161 449,7 million in the previous quarter to R152 150,5 million in the current quarter, translating to a 5,8% contraction in 2024: Q2.

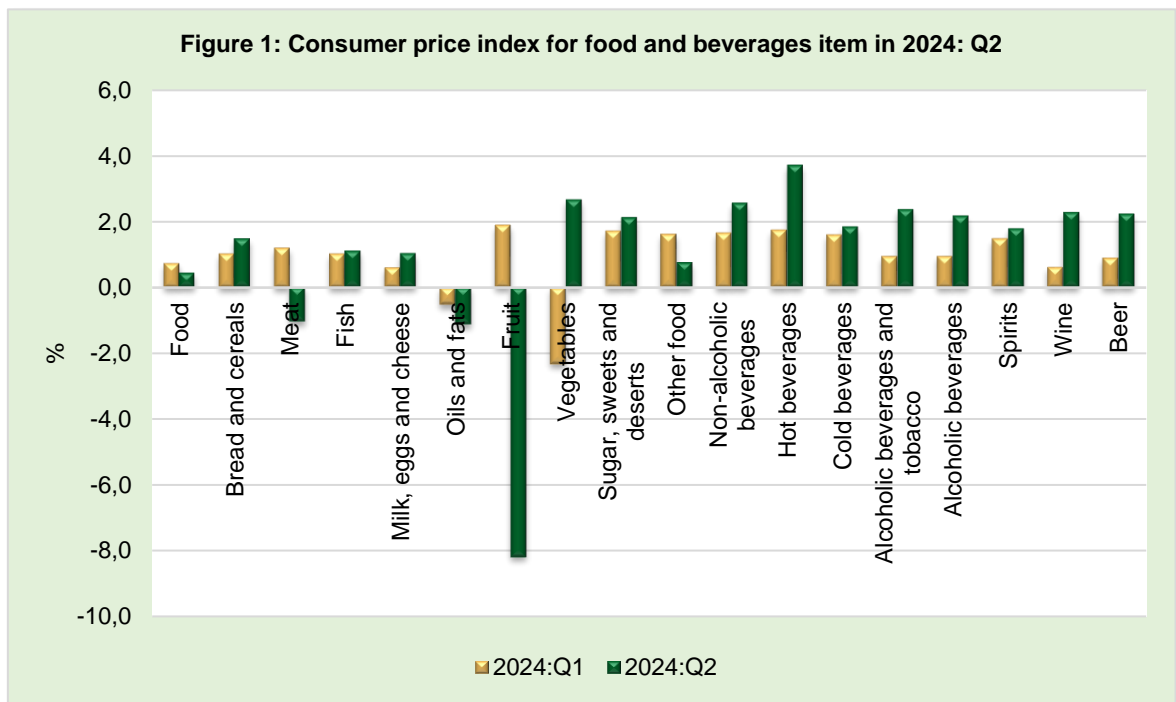
The nominal value of sales for the beverages division, however, rose by 7,7% quarter-to-quarter, representing an increase in nominal value of R50 553,9 million in 2024: Q2 from R47 357,6 million in 2024: Q1.

The trade balance for the food division widened from R972,1 million in the last quarter to R2 666,5 million in the current quarter. The trade surplus for the beverages division, similarly, widened from R2 789,8 million in 2024: Q1 to R2 853,7 million in 2024: Q2.

In 2024: Q2, the quarter-to-quarter employment in the food division contracted by 2,3% from a 3,4% growth in the last quarter. It, however, moderated by 2,4% year-on-year.

The quarter-to-quarter employment in beverages and tobacco division receded further by 3,9% following a 4,4% contraction in the last quarter. It, however, rebounded by 3,9% year-on-year.

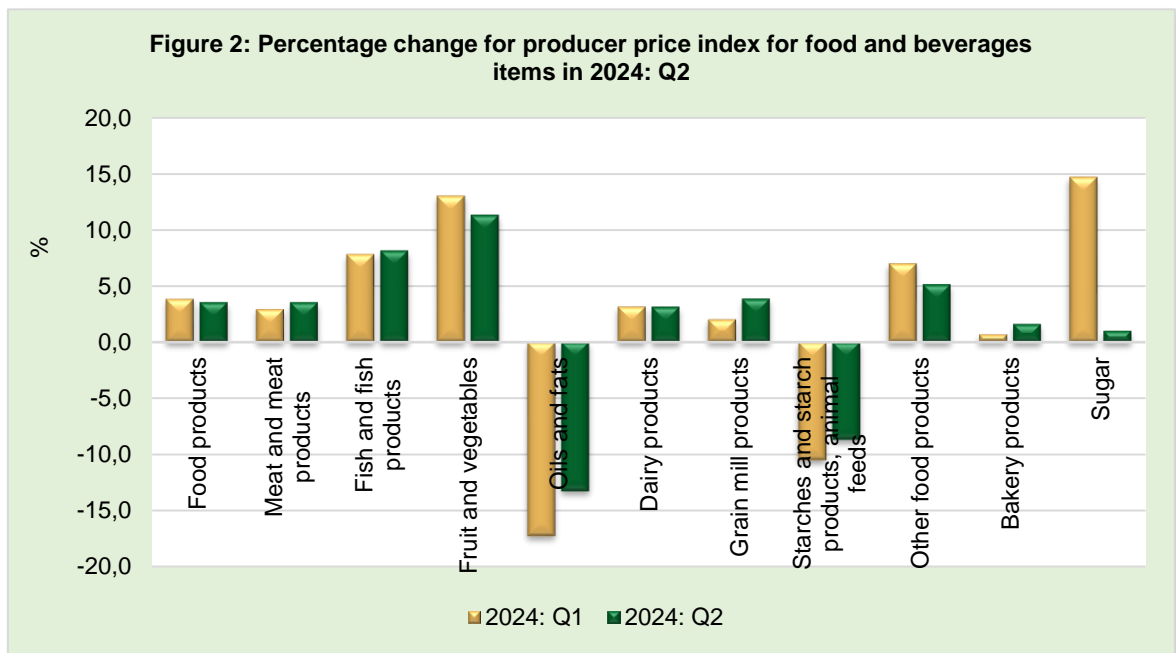
1. Consumer prices



Source: Statistics SA, 2024

Figure 1 above shows the consumer price index for food items in 2024: Q1 and 2024: Q2. In 2024: Q2, the consumer price index for all items rose by 1,2% following a 0,9% growth in the last quarter., however, the CPI moderated by 5,1% year-on-year. Most items rose quarter-to-quarter and those items were: bread and cereals (1,5%), fish (1,1%), milk, cheese and eggs (1,0%), vegetables (2,7%), sugar sweets and deserts (2,1%), non-alcoholic beverages (2,6%), hot beverages (3,7%), cold beverages (1,8%), alcoholic beverages and tobacco (2,4%), alcoholic beverages (2,2%), spirits (1,8%), wine (2,3%) and beer (2,2%). Meat (1,0%) and fruits (8,2%) contracted during the period, oils and fats (1,1%) decelerated, while food (0,4%) and other food products (0,8%) moderated.

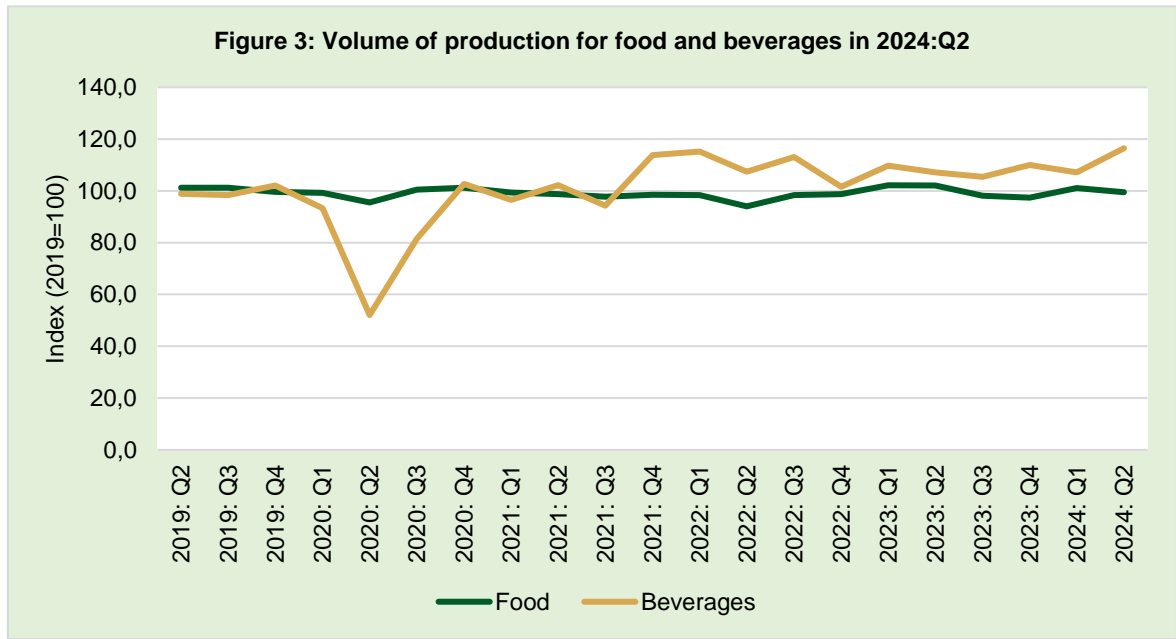
2. Producer prices



Source: Quantec, 2024

The producer price index for food and beverages is depicted in Figure 2. In 2024: Q2, the producer price index for all items rose by 1,4% as compared to a 0,2% growth in the preceding quarter. The quarter-to-quarter producer price index expanded for meat and meat products (3,6%), fish and fish products (8,1%), grain mill products (3,9%), and bakery products (1,6%). However, food products (3,5%), dairy products (3,1%), fish and fish products (11,3%), dairy products (3,1%), "other food products" (5,1%) and sugar (1,0%) moderated during the period under review, while oils and fats (13,3%) and starches and starch products (8,7%) receded further in 2024: Q2.

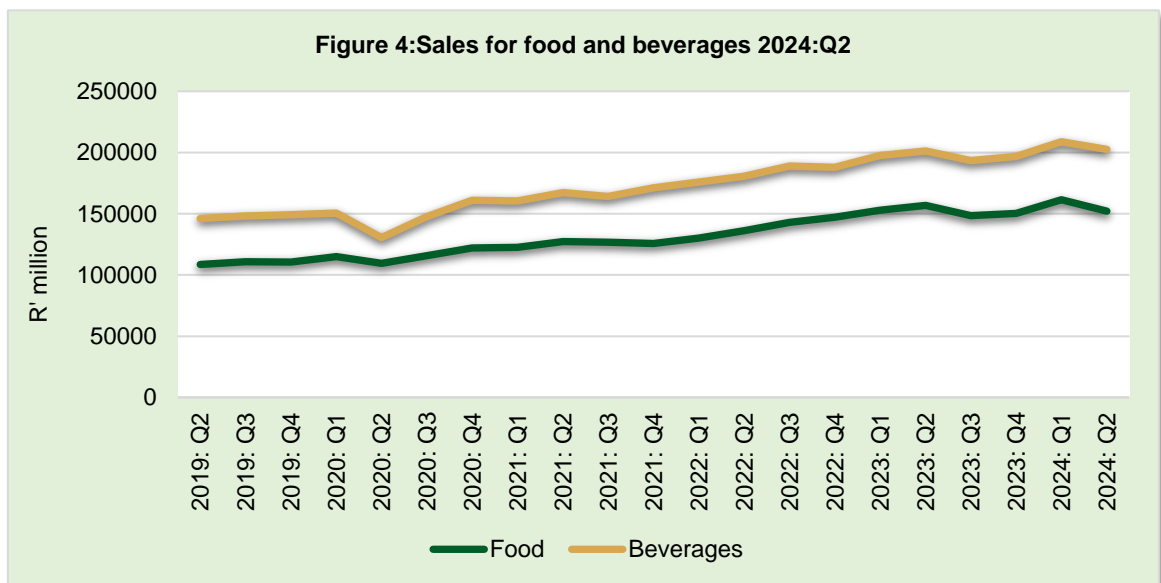
3. Volume of production



Source: Quantec, 2024

In 2024: Q2, the seasonally adjusted volume of production for the food division contracted quarter-to-quarter by 1,7% as compared to a 3,8% growth in the preceding quarter. However, the volume of production decelerated by 2,6% year-on-year. The seasonally adjusted volume of production for the beverages division, rebounded by 8,7% quarter-to-quarter following a 2,6% growth in the last quarter. Similarly, the volume of production rebounded by 8,7% year-on-year (see Figure 3).

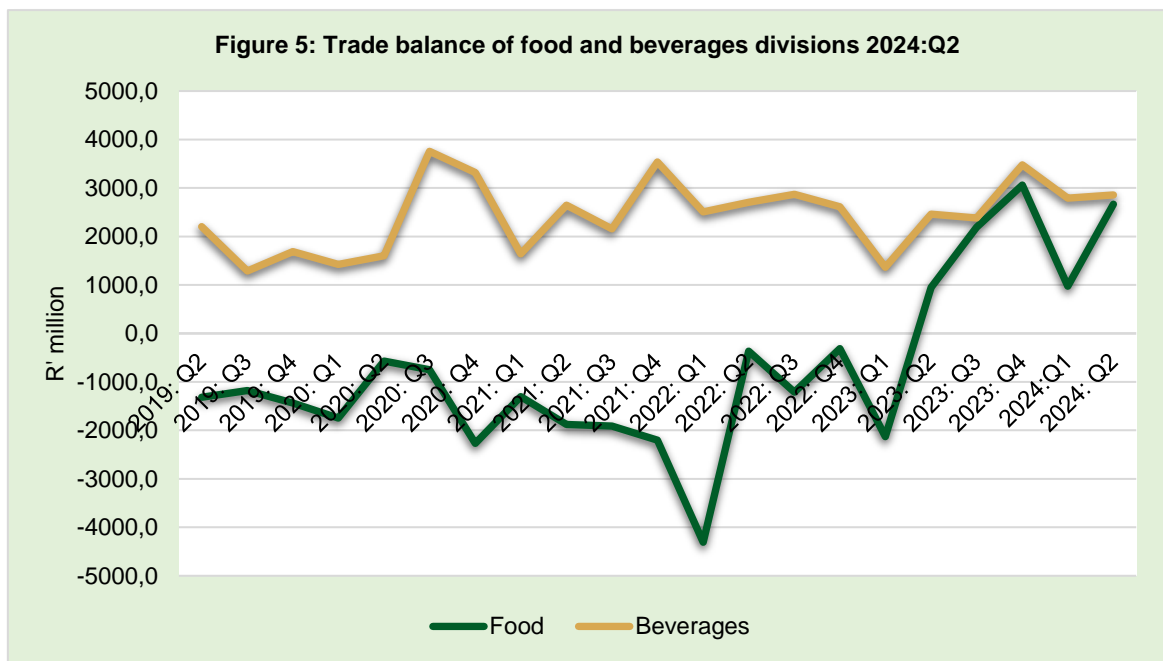
4. Sales



Source: Quantec, 2024

Figure 4 above shows the seasonally adjusted value of sales for the food and beverages divisions for the past five years. As depicted in Figure 4, the nominal value of sales for the food division decreased from R161 449,7 million in the previous quarter to R152 150,5 million in the current quarter, translating to a 5,8% contraction in 2024: Q2. The nominal value of sales for the beverages division, however, rose by 7,7% quarter-to-quarter, representing an increase in nominal value of R50 553,9 million in 2024: Q2 from R47 357,6 million in 2024: Q1.

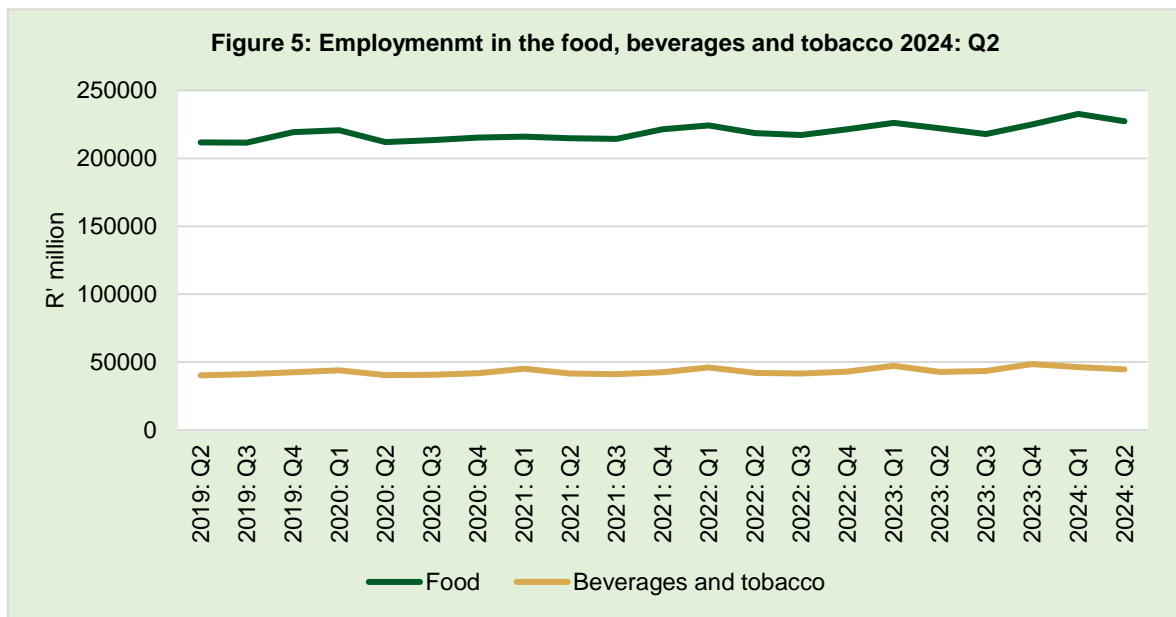
5. Trade



Source: Quantec, 2024

Figure 5 above shows the trade balance for the food and beverages divisions over the five-year period. The trade surplus for the food division widened from R972,1 million in 2024: Q1 to R2 666,5 million in the quarter under review. The trade surplus for the beverages division, similarly, widened from R2 789,8 million in 2024: Q1 to R2 853,7 million in 2024: Q2.

6. Employment



Source: Quantec, 2024

Figure 6 above shows employment in food, beverages and tobacco divisions. In 2024: Q2, the quarter-to-quarter employment in the food division contracted by 2,3% from a 3,4% growth in the last quarter, however moderated by 2,4% year-on-year. The quarter-to-quarter employment in beverages and tobacco division receded further by 3,9% following a 4,4% contraction in the last quarter. It, however, rebounded by 3,9% year-on-year. Therefore, 5 361 and 1 812 jobs were shed in the food and beverages and tobacco divisions respectively in 2024: Q2.

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