



Food and beverages Quarterly Brief: No. 4, 2023

Directorate: Agro-processing Support

Highlights of 2023: Q4 (October to December)

In 2023: Q4, the CPI (Consumer price index) for all items stagnated at 1,4% as compared to the preceding quarter, however, it expanded by 5,6% year-on-year. The items that expanded quarter-to-quarter were: food; milk, eggs and cheese; “other food products”; non-alcoholic beverages; hot beverages and cold beverages. The following items rebounded: meat, oils and fats, fruit and vegetables. Bread and cereals, sugar, sweets and desserts, alcoholic beverages and wine moderated in growth. Fish and spirits contracted, while beer stagnated.

In 2023: Q4, the PPI (producer price index) for all items rose by 1,8% as compared to a 1,4% growth in the preceding quarter, similarly, it rose by 4,8% year-on-year. The quarter-to-quarter PPI moderated for food products, fruit and vegetables, “other food products” and sugar. Oils and fats, dairy products and bakery products contracted, fish and fish products grew, grain mill products decelerated, meat and meat products rebounded, and starches and starch products, animal feeds receded further.

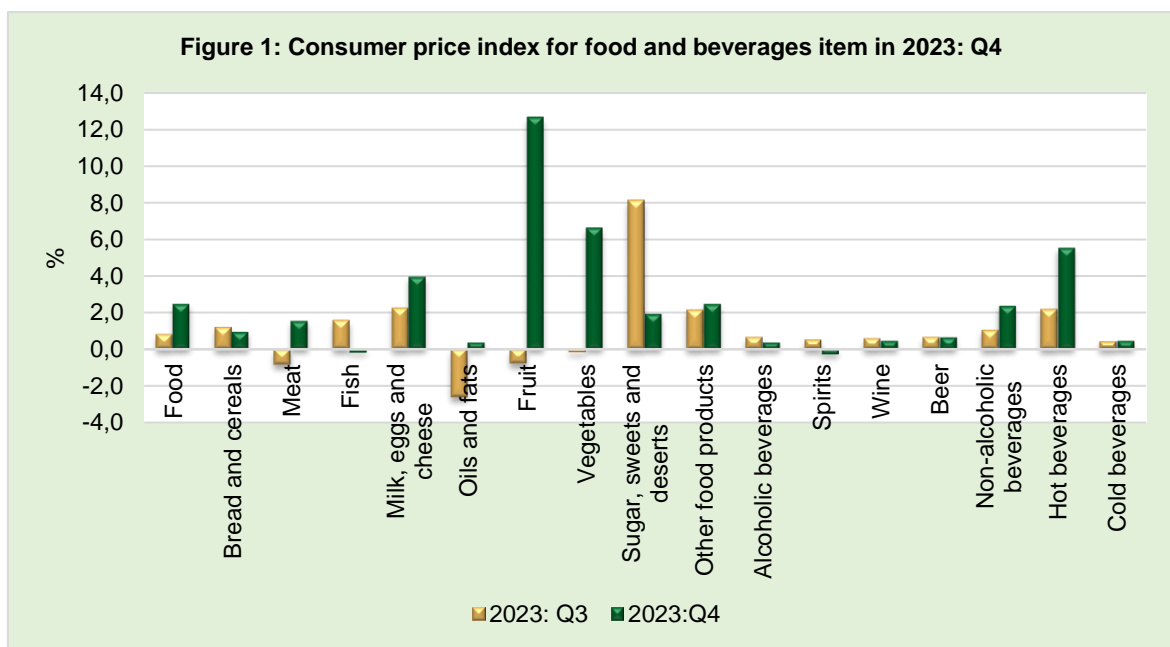
The quarter-to-quarter seasonally adjusted volume of production for the beverages division rebounded by 3,6% in 2023: Q4 from a 2,1% contraction in the preceding quarter, similarly, it rebounded by 8,0% year-on-year. The seasonally adjusted volume of production in the food division receded further by 0,6% quarter-to-quarter following a 3,7% contraction in the last quarter, however, it decelerated by 1,4% year-on-year.

The nominal value of sales for the food division increased from R141 165,3 million in the previous quarter to R143 034,9 million in the current quarter, translating to a 1,3% rebound in 2023: Q4. The nominal value for the beverages division, similarly, increased from R48 047,7 million in the preceding quarter to R49 737,3 million in 2023: Q4, which represents a 3,5% rebound in the current quarter.

The trade surplus for the food division widened from R2 181,9 million in 2023: Q3 to R3 045,7 million in 2023: Q4. The trade surplus for the beverages division, similarly, widened from R2 380,9 million in the last quarter to R3 473,6 million in the current quarter.

In 2023: Q4, the quarter-to-quarter employment in the beverages and tobacco division rebounded by 1,2% following a 9,4% contraction in the preceding quarter. However, the division expanded by 4,6% year-on-year. On the other hand, quarter-to-quarter employment in the food division contracted further by 1,8% as compared to the previous quarter, however, it moderated by 0,4% year-on-year. Therefore, 4 069 and 527 jobs were gained in the food and beverages and tobacco divisions, respectively.

1. Consumer prices

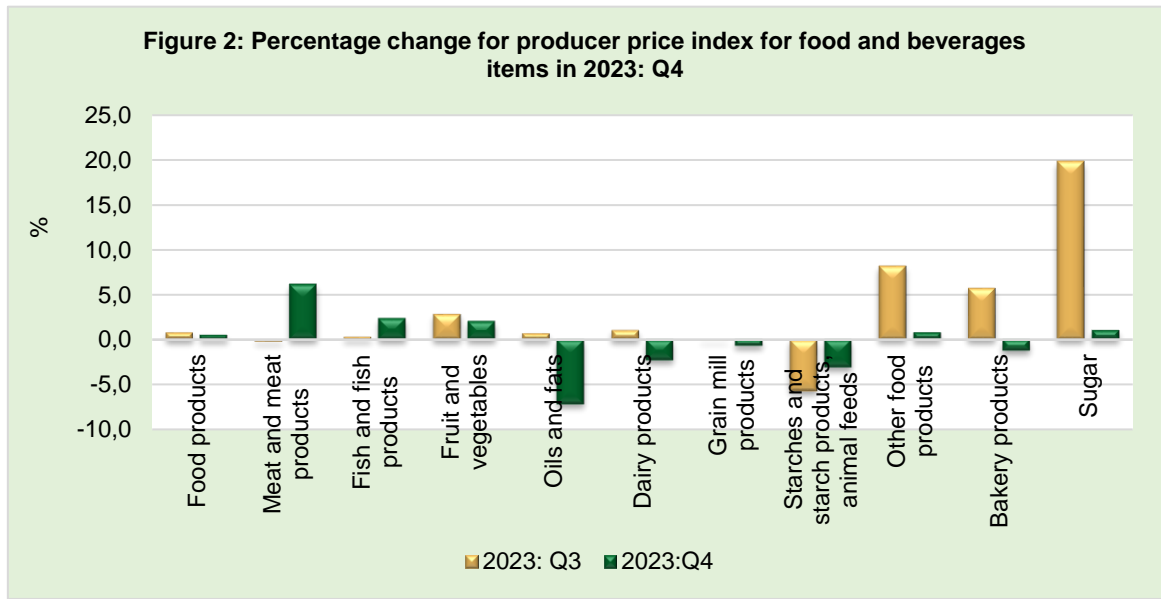


Source: Statistics SA, 2024

Figure 1 above shows the CPI for food items in 2023: Q3 and 2023: Q4. In 2023: Q4, the CPI for all items stagnated at 1,4% as compared to the preceding quarter, however, it expanded by 5,6% year-on-year.

The items that expanded quarter-to-quarter in 2023: Q4 were: food (2,5%), milk, eggs and cheese (4,0%), “other food products” (2,5%), non-alcoholic beverages (2,4%), hot beverages (5,5%) and cold beverages (0,5%). The following items rebounded: meat (1,6%), oils and fats (0,4%), fruits (12,7%) and vegetables (6,6%). Bread and cereals (1,0%), sugar, sweets and desserts (1,9%), alcoholic beverages (0,4%) and wine (0,5%) moderated in growth. Fish (0,2%) and spirits (0,3%) contracted, while beer stagnated (0,7%).

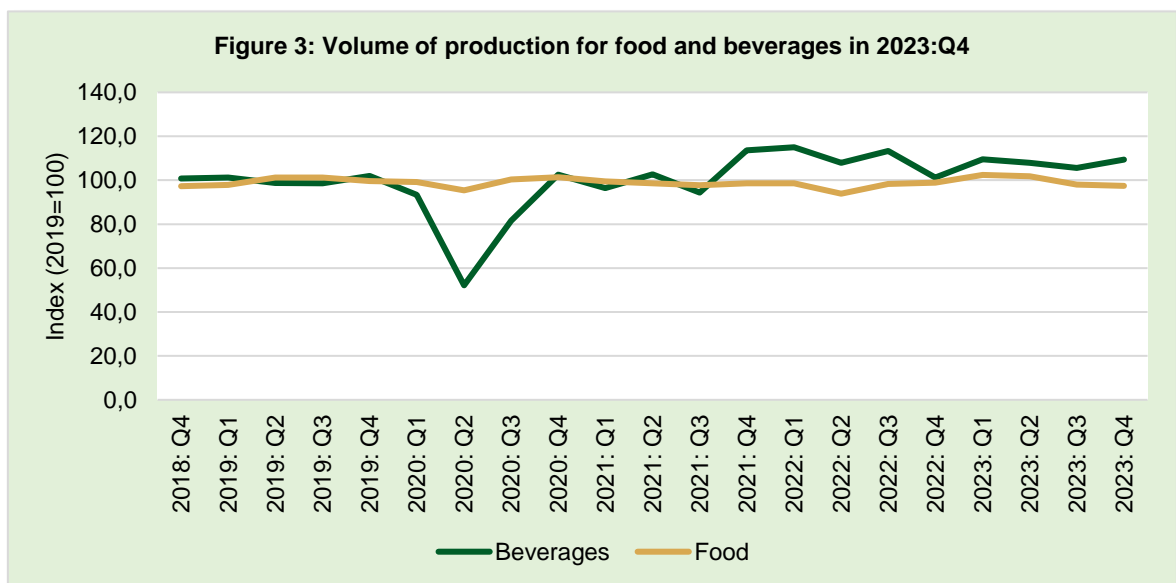
2. Producer prices



Source: Quantec, 2024

The PPI for food and beverages is depicted in Figure 2. In 2023: Q4, the PPI for all items rose by 1,8% as compared to a 1,4% growth in the preceding quarter, similarly, it rose by 4,8% year-on-year. The quarter-to-quarter PPI moderated for food products (0,5%), fruit and vegetables (2,0%), "other food products" (0,8%) and sugar (1,0%). Oils and fats (7,2%), dairy products (2,3%) and bakery products (1,3%) contracted, fish and fish products (2,4%) grew, grain mill products (0,7%) decelerated, meat and meat products (6,1%) rebounded and starches and starch products, animal feeds (3,1%) receded further.

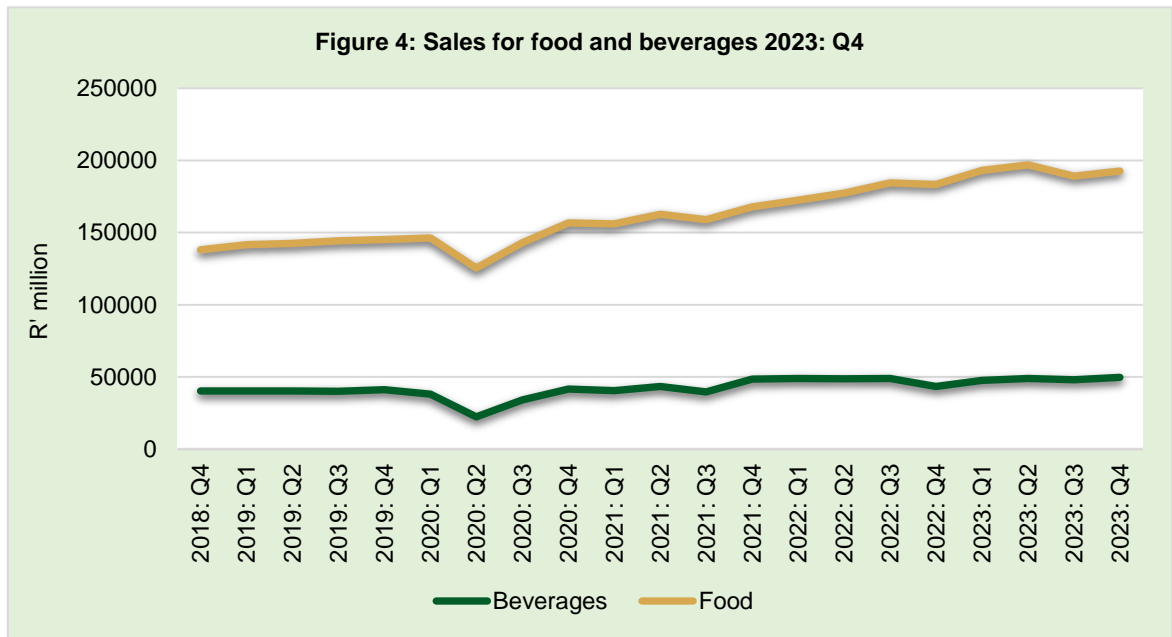
3. Volume of production



Source: Quantec, 2024

During 2023: Q4, the quarter-to-quarter seasonally adjusted volume of production for the beverages division rebounded by 3,6% from a 2,1% contraction in the preceding quarter, similarly, it rebounded by 8,0% year-on-year. The seasonally adjusted volume of production in the food division receded further by 0,6% quarter-to-quarter following a 3,7% contraction in the last quarter, however, it decelerated by 1,4% year-on-year (see Figure 3).

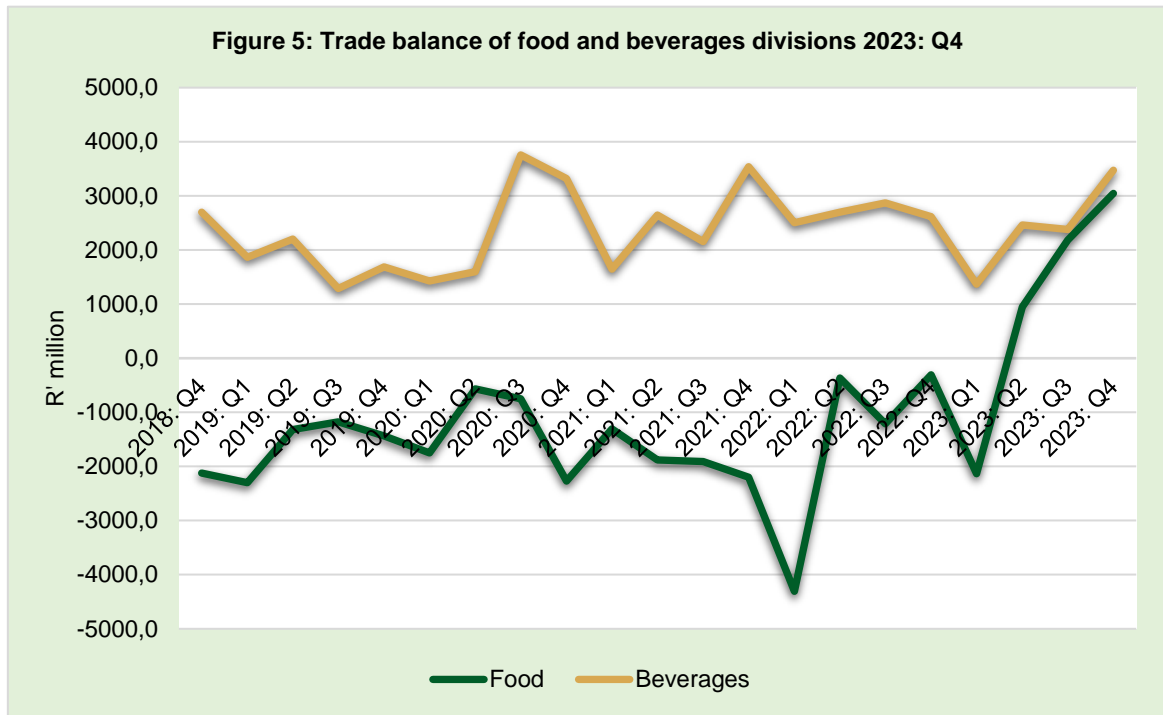
4. Sales



Source: Quantec, 2024

Figure 4 above shows the seasonally adjusted value of sales for food and beverages for the past five years (see Figure 4). The nominal value of sales for the food division increased from R141 165,3 million in the previous quarter to R143 034,9 million in the current quarter, translating to a 1,3% rebound in 2023: Q4. The nominal value for the beverages division, similarly, increased from R48 047,7 million in the preceding quarter to R49 737,3 million in 2023: Q4, which represents a 3,5% rebound in the current quarter.

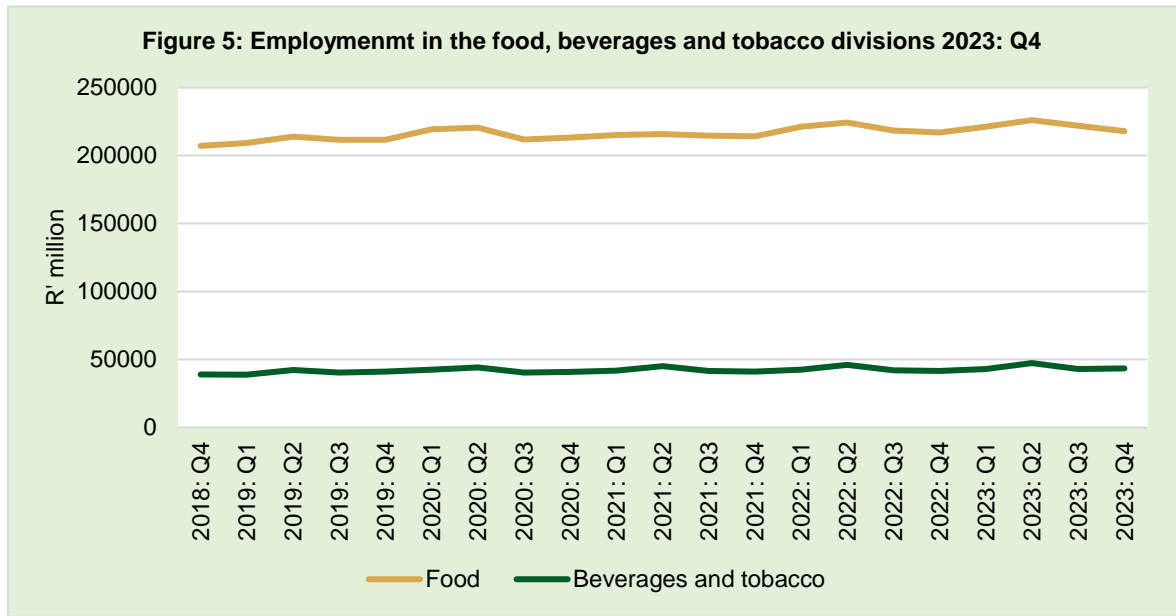
5. Trade



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 R2 181,9 million in the last quarter to R3 045,7 million in the current quarter. The trade surplus for the beverages division, similarly, widened from R2 380,9 million in the last quarter to R3 473,6 million in the current quarter.

6. Employment



Source: Quantec, 2024

Figure 6 above shows employment in the food, beverages and tobacco divisions. In 2023: Q4, the quarter-to-quarter employment in the beverages and tobacco division rebounded by 1,2% following a 9,4% contraction in the preceding quarter. However, the division expanded by 4,6% year-on-year. On the other hand, quarter-to-quarter employment in the food division contracted further by 1,8% as compared to the previous quarter, however, it moderated by 0,4% year-on-year. Therefore, 4 069 and 527 jobs were gained in the food and beverages and tobacco divisions, respectively.

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