



## Food and beverages Quarterly Brief: No. 1, 2023

Directorate: Agro-processing Support

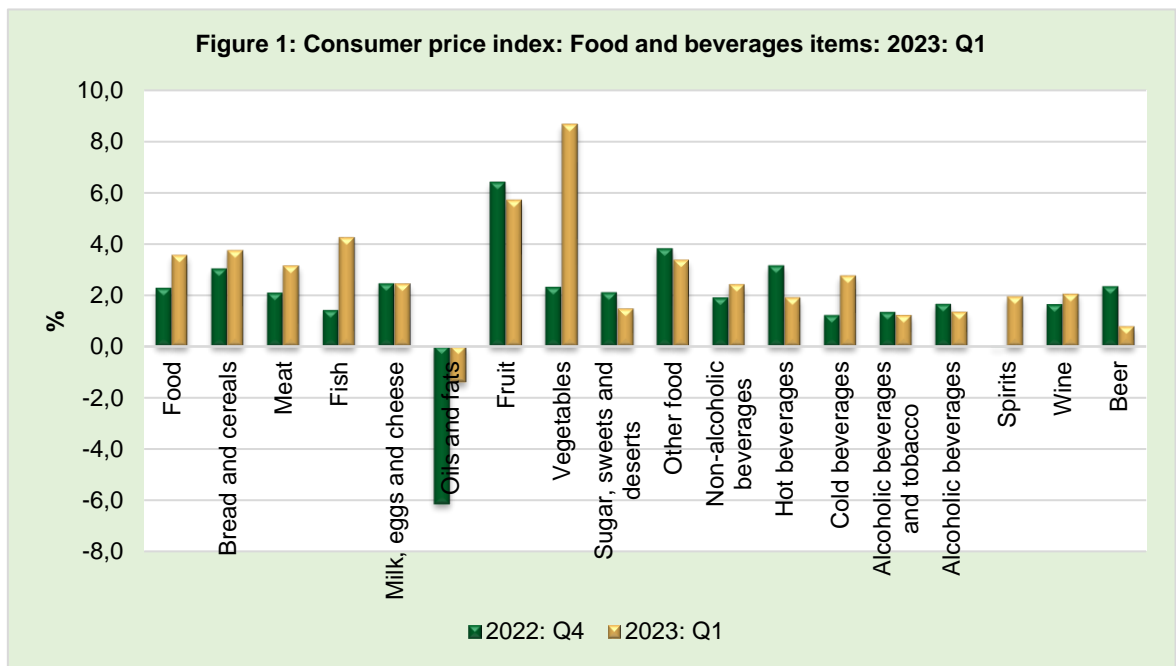
### Highlights of 2023: Q1 (January to March)

- In 2023: Q1, the consumer price index for all items grew marginally by 1,1% following a 0,8% growth in the last quarter, similarly, it moderated by 7,3% year-on-year. During 2023: Q1, prices of most of the food items grew. Those items were: bread and cereals, meat, fish, milk, eggs and cheese, fruits and vegetables; sugar, sweets and desserts, non-alcoholic beverages, cold beverages, spirits and wine. However, prices of the following items moderated during the period: food, oils and fats, hot beverages, alcoholic beverages and beer.
- In 2023: Q1, the producer price index for all items moderated by 0,4% as compared to a 1,0% growth in the preceding quarter. Similarly, the producer price index moderated by 11,8% year-on-year. Producer price moderated for food, meat and meat products, fruits and vegetables, oils and fats and grain mill products. However, producer price increased for fish and fish products, dairy products, starches and starch products, animal feeds and bakery products. Sugar, it rebounded in growth during the period under review.
- During 2023: Q1, the seasonally adjusted volume of production for the food division grew by 5,3% as compared to a 0,8% growth in the preceding quarter, similarly, the seasonally adjusted volume of the food division grew by 4,3% year-on-year. The beverages division, on the other hand, it rebounded by 11,6% from a 13,0% contraction registered in the previous quarter, however, the division receded further by 11,3% year-on-year.
- The seasonally adjusted value of sales for the food and beverages divisions have gradually been increasing over the last five years. The nominal values of sales for the food division increased from R139 772,6 million in 2022: Q4 to R146 180,4 in

2023: Q1, translating to a 4,6% growth in 2023: Q1. The nominal value of sales for the beverages division, similarly, grew from R41 849,6 million in 2022: Q4 to R46 887,8 million in 2023: Q1, which represents a 12,0% growth in the current quarter under review.

- The trade deficit for the food products division narrowed from R288,6 million in 2022: Q4 to R 2 114,6 million in 2023: Q1. The beverages division’s trade surplus increased from R2 615,3 million in 2022: Q4 to R1 364,6 million in 2023: Q1.
- In 2023: Q1, employment in the food products division moderated by 1,8% from a 2,0% growth registered in 2022: Q4, resulting in 3 996 more jobs being added to the division in 2023: Q1. Employment in beverages and tobacco division increased by 10,8% in 2023: Q1 from a 3,3 % growth in 2022: Q4, thereby adding 4 537 jobs to the division in 2023: Q1.

### 1. Consumer Prices

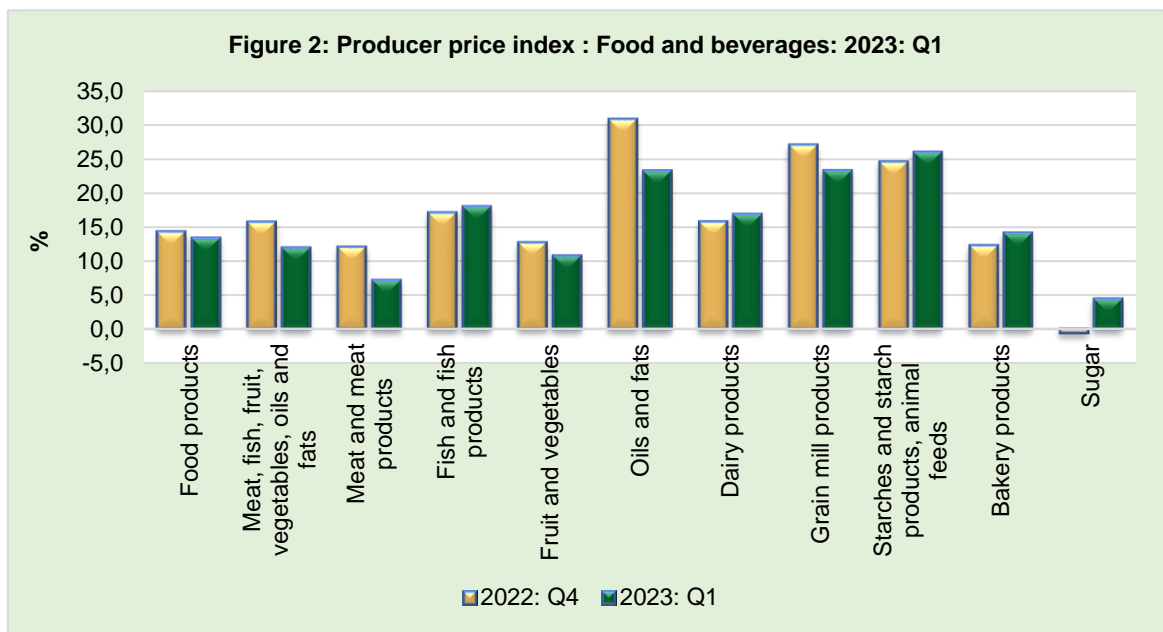


Source: Statistics SA, 2023

Figure 1 above shows the consumer price index for food items in 2022: Q2 and 2023: Q1. In 2023: Q1, the consumer price index for all items increased marginally by 1,1% following a 0,8% growth in the last quarter, similarly, it moderated by 7,3% year-on-year. The

consumer price increased for most of the food items. Those items were: bread and cereals (20,8%), meat (11,0%), fish (11,8%), milk, eggs and cheese (12,0%), fruits (3,2%), vegetables (16,7%); sugar, sweets and desserts (9,6%), non-alcoholic beverages (9,8%), cold beverages (8,1%), spirits (8,7%) and wine (7,3%). However, it moderated for food (14,2%), oils and fats (7,0%), hot beverages (12,8%), alcoholic beverages (6,7%) and beer (5,7%).

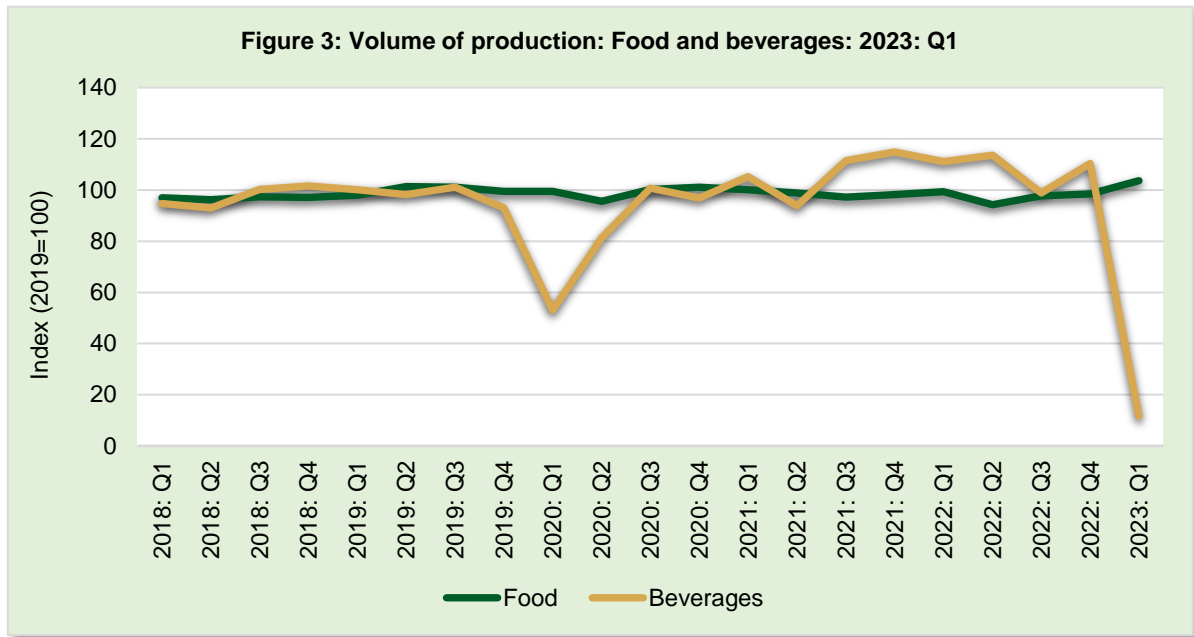
## 2. Producer prices



Source: Quantec, 2023

The producer price index for food and beverages is depicted in Figure 2. In 2023: Q1, the producer price index for all items moderated by 0,4% as compared to a 1,0% growth in the preceding quarter. Similarly, it moderated by 11,8% year-on-year. In 2023: Q1, the produce price moderated for food (13,3%), meat and meat products (7,1%), fruits and vegetables (10,7%), oils and fats (23,2%) and grain mill products (23,2%). However, it grew for fish and fish products (18,0%), dairy products (16,8%), starches and starch products, animal feeds (25,9%) and bakery products (14,1%). Conversely, the produce price for sugar rebounded by 4,4%.

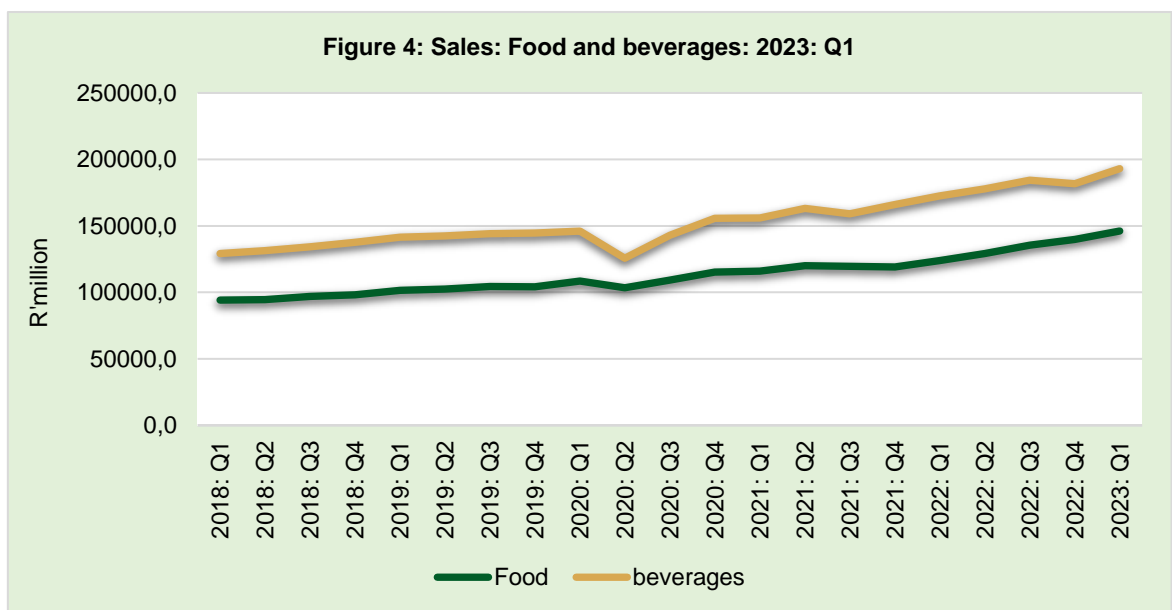
### 3. Volume of production:



Source: Quantec, 2023

During 2023: Q1, the seasonally adjusted volume of production for the food division grew quarter-to-quarter by 5,3% as compared to a 0,8% growth in the preceding quarter, similarly, it grew by 4,3% year-on-year. The beverages division, on the other hand, it rebounded by 11,6% from a 13,0% contraction registered in the previous quarter, however, the division receded further by 11,3% year-on-year (see Figure 3).

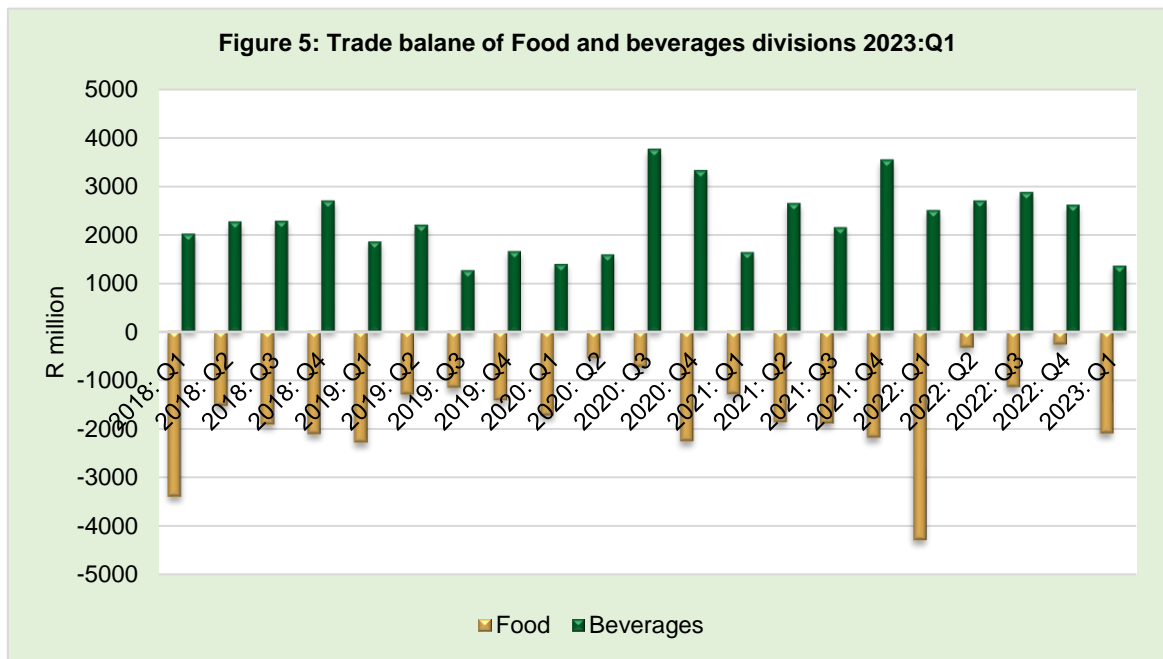
### 4. Sales



Source: Quantec, 2023

Figure 4 above shows the seasonally adjusted value of sales for food and beverages. Sales for both divisions have gradually been increasing. The seasonally adjusted value of sales for the food division increased from R139 772,6 million in the previous quarter to R146 180,4 million in the current quarter, translating to a 4,6% growth in the current quarter. The seasonally adjusted value of sales for beverages division, similarly, grew from R41 849,6 million in the preceding quarter to R46 887,8 million in 2023: Q1, which represents a 12,0% growth.

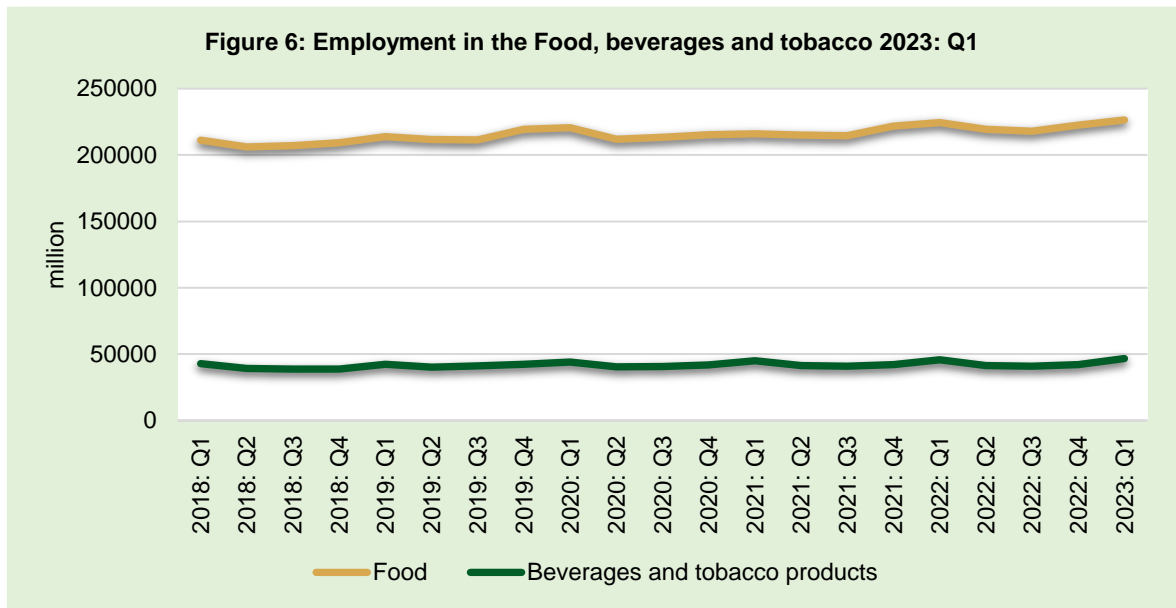
## 5. Trade



Source: Quantec, 2023

Figure 5 above shows the trade balance for food products and beverages divisions. The trade deficit for food products division narrowed from R288,6 million in 2022: Q4 to R2 114,6 million in 2023: Q1. Conversely, the beverages division's trade surplus increased from R2 615,3 million in 2022: Q4 to R1 364,6 million in 2023: Q1.

## 6. Employment



Source: Quantec, 2023

Figure 6 above shows employment in food products, beverages and tobacco divisions. In 2023: Q1, employment in the food products division moderated by 1,8% from a 2,0% growth registered in 2022: Q4, resulting in 3 996 more jobs added to the division. However, employment in food products division increased by 0,9% year-on-year. Employment in the beverages and tobacco divisions, on the other hand, grew by 10,8% in 2023: Q1 from a 3,3% growth in 2022: Q4. however, it rebounded by 1,9% year-on-year, thereby adding 4 537 jobs to the division in 2023: Q1.

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