



## Food and beverages Quarterly Brief: No. 3, 2023

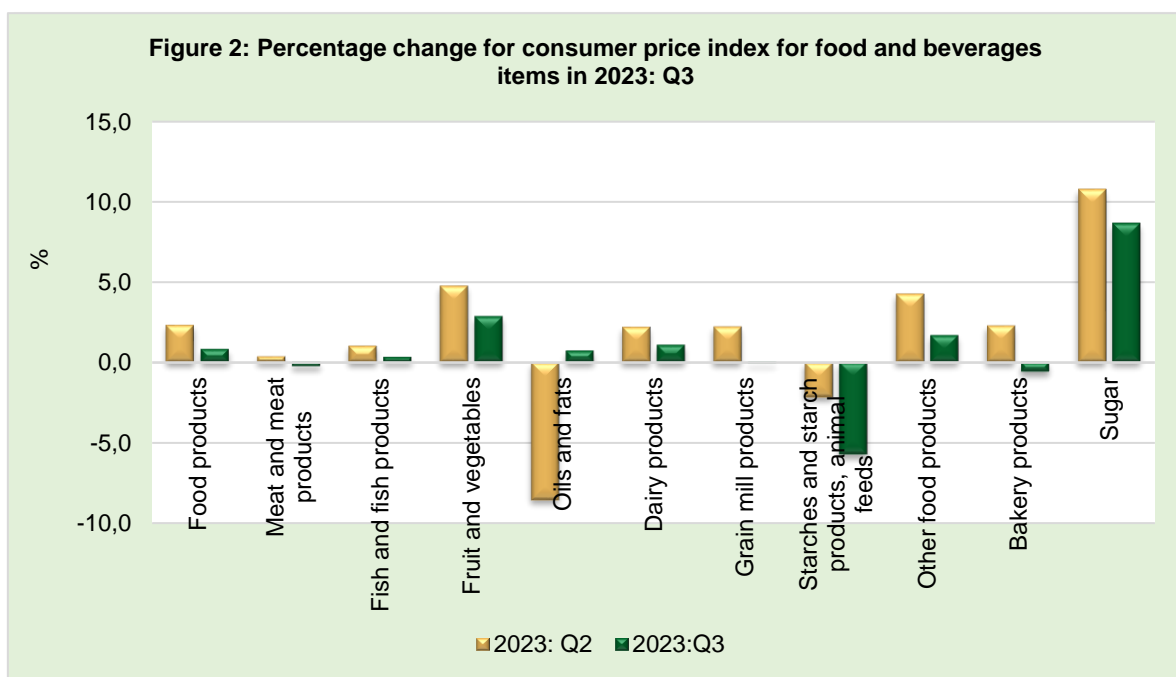
Directorate: Agro-processing Support

### Highlights of 2023: Q2 (July to September)

- In 2023: Q2, the quarter-to-quarter CPI for all items moderated by 1,4% following a 1,6% growth in the last quarter, however, the CPI moderated by 5,0% year-on-year. The items that moderated during the period under review were food, bread and cereals; milk, eggs and cheese, other foods, alcoholic beverages, wine, beer, non-alcoholic beverages, hot beverages; and cold beverages. Oils and fats; and fruits receded further in growth. Meat contracted. Fish; sugar, desserts and sweets; and spirits grew during the period.
- In 2023: Q3, the quarter-to-quarter PPI for all items grew by 1,4% following a 1,2% growth in the last quarter, similarly it moderated by 4,0% year-on-year. The items that moderated quarter-to-quarter were food products, fruits and vegetables, other food products, sugar and dairy products. Meat and meat products, grain mill products; and bakery products contracted, fish grew, while oils and fats rebounded in growth.
- During 2023: Q3, the quarter-to-quarter seasonally adjusted volume of production for the beverages division decelerated by 3,7% from a 0,8% contraction in the preceding quarter, however, the division contracted by 0,3% year-on-year. The seasonally adjusted volume of production in the food division decelerated by 3,2% quarter-to-quarter following a 1,9% contraction in the last quarter, similarly, it decelerated by 6,9% year-on-year.
- The nominal value of sales for the food division declined from R148 384,8 million in the previous quarter to R141 138,6 million in the current quarter, translating to a 4,9% contraction. The nominal value of sales for the beverages division, similarly, declined from R47 719,8 million in the preceding quarter to R46 890,8 million in 2023: Q3, which represents a 1,7% contraction.

- The trade surplus for the food division widened from R988,3 million in the last quarter to R2 191,2 million in the current quarter. The trade surplus for the beverages division, however, narrowed from R2 460,4 million in the last quarter to R2 381,0 million in 2023: Q3.
- In 2023: Q3, the quarter-to-quarter employment in the food division decelerated by 3,0% following a 1,7% contraction in the last quarter, however, it contracted by 0,9% year-on-year. On the other hand, the quarter-to-quarter beverages and tobacco formal employment division rebounded by 1,3% from a 10,0% contraction recorded in the preceding quarter; however, the division grew by 4,4% year-on-year. Therefore, 6 632 jobs were shed in the food division; however, 556 jobs were gained in the beverages and tobacco division.

## 1. Consumer prices

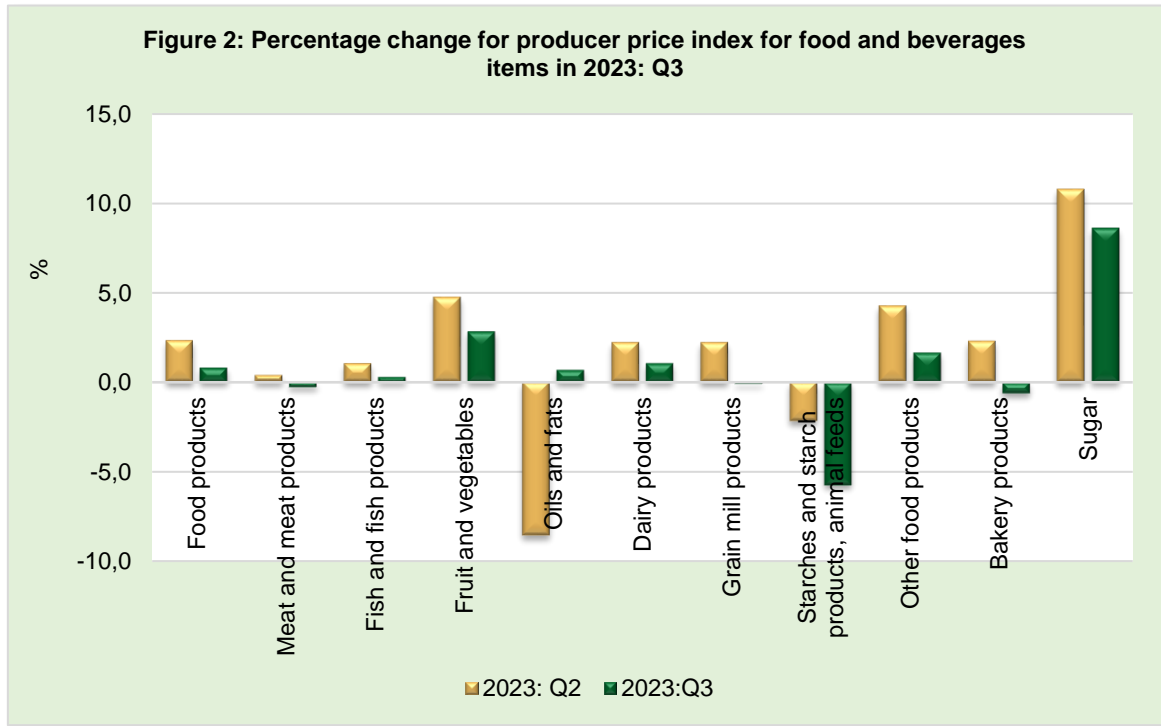


Source: Statistics SA, 2023

Figure 1 above shows the consumer price index (CPI) for food items in 2023: Q3 and 2023: Q2. In 2023: Q3, the quarter-to-quarter CPI for all items grew by 1,4% following a 1,2% growth in the last quarter, similarly it moderated by 4,0% year-on-year. The items that moderated quarter-to-quarter were food products (0,8), fruits and vegetables (2,8%), other food products (1,7%), sugar (8,6%) and dairy products (1,1%). Meat and meat products

(0,3), grain mill products (0,1%) and bakery products (0,6%) contracted. Fish (0,3%) grew, while oils and fats (0,7%) rebounded in growth.

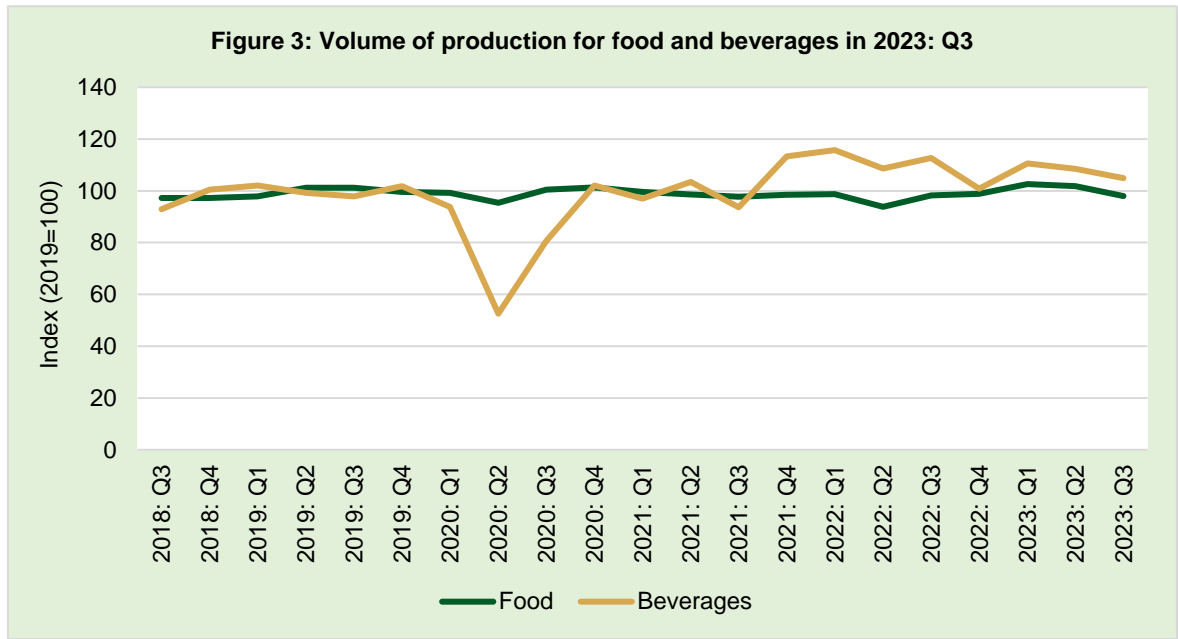
## 2. Producer prices



Source: Quantec, 2023

The PPI for food and beverages is depicted in Figure 2. In 2023: Q3, the quarter-to-quarter PPI for all items moderated by 1,4% following a 1,1% growth in the last quarter, however, the PPI moderated by 5,0% year-on-year. The items that moderated quarter-to-quarter were food products (0,8%), fish and fish products (0,3%), fruits and vegetables (2,8%), dairy products (1,1%), other food products (1,7%) and sugar (8,6%). Oils and fats rebounded by 0,7%, grain mill products; and bakery products contracted by 0,1% and 0,6%, respectively.

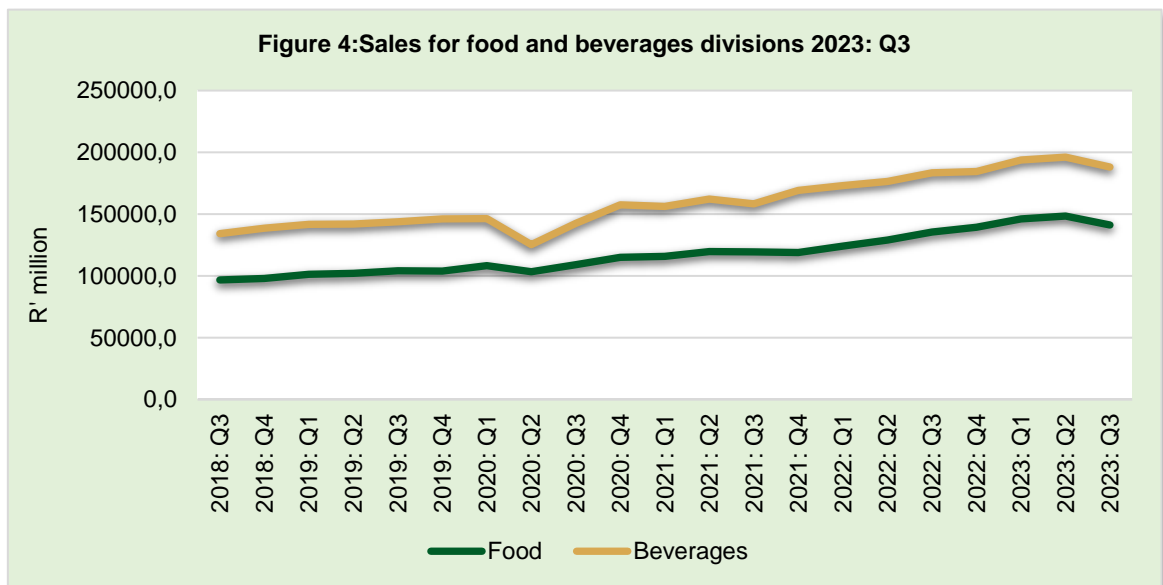
### 3. Volume of production



Source: Quantec, 2023

During 2023: Q3, the quarter-to-quarter seasonally adjusted volume of production for the beverages division decelerated by 3,7% from a 0,8% contraction in the preceding quarter, however, the division contracted by 0,3% year-on-year. The seasonally adjusted volume of production in the food division decelerated by 3,2% quarter-to-quarter following a 1,9% contraction in the last quarter, similarly it decelerated by 6,9% year-on-year (see Figure 3).

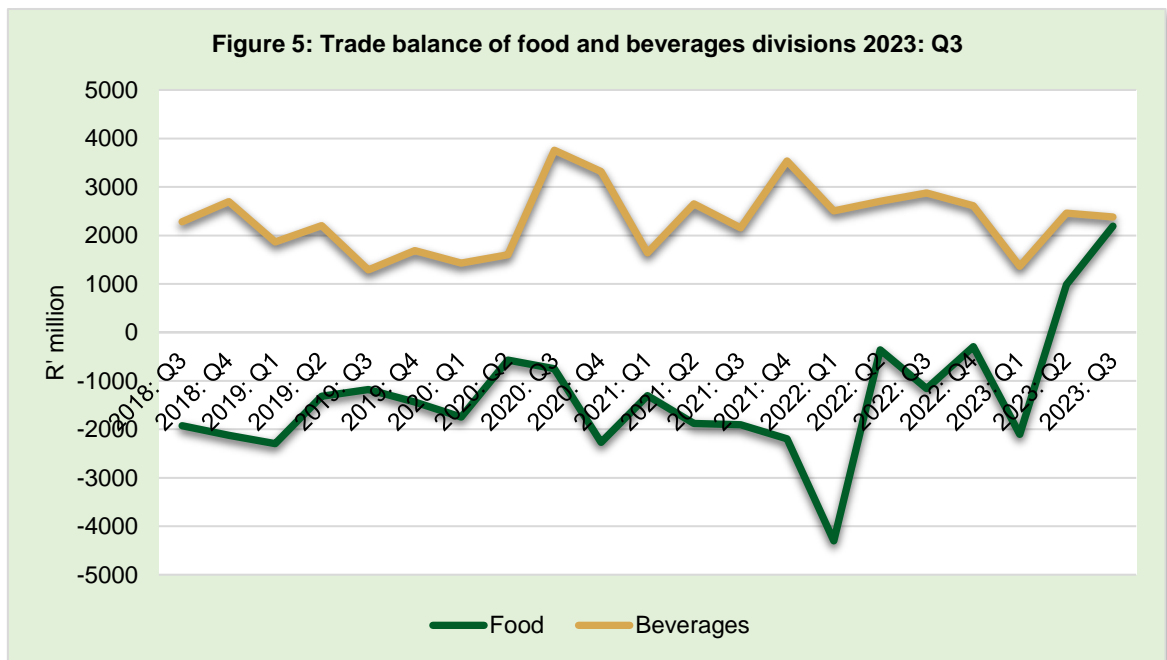
### 4. Sales



Source: Quantec, 2023

Figure 4 above shows the seasonally adjusted value of sales for food and beverages for the past five years. As depicted in Figure 4, sales for both divisions have gradually been increasing. The nominal value of sales for the food division declined from R148 384,8 million in the previous quarter to R141 138,6 million in the current quarter, translating to a 4,9% contraction. The nominal value for the beverages division, similarly, declined from R47 719,8 million in the preceding quarter to R46 890,8 million in 2023: Q3, which represents a 1,7% contraction.

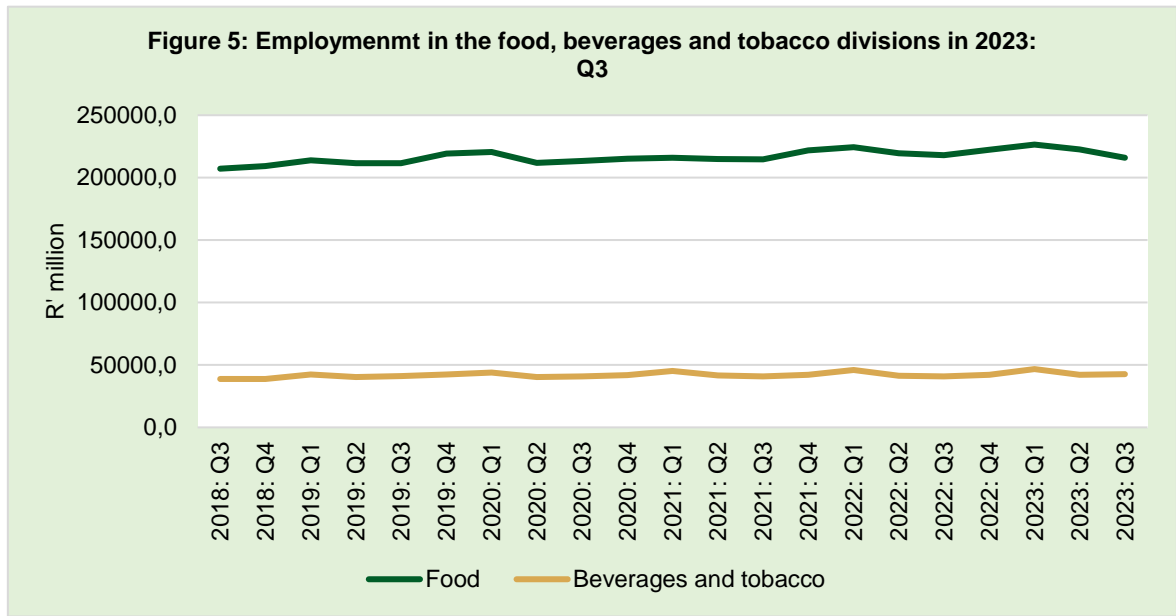
## 5. Trade



Source: Quantec, 2023

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 R988,3 million in the last quarter to R2 191,2 million in the current quarter. The trade surplus for the beverages division, however, narrowed from R2 460,4 million in the last quarter to R2 381,0 million in the current quarter.

## 6. Employment



Source: Quantec, 2023

Figure 6 above shows the seasonally adjusted employment in the food, beverages and tobacco divisions. In 2023: Q3, the quarter-to-quarter employment in the food division decelerated by 3,0% following a 1,7% contraction in the last quarter, however, it contracted by 0,9% year-on-year. On the other hand, the quarter-to-quarter beverages and tobacco formal employment division rebounded by 1,3% from a 10,0% contraction recorded in the preceding quarter; however, it grew by 4,4% year-on-year. Therefore, 6 632 jobs were shed in the food division and 556 jobs gained in the beverages and tobacco division.

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### All correspondence can be addressed to:

Director: Agro-processing Support

Private Bag X416, Pretoria, 0001, South Africa

Tel.: +27 12 319 8457/8311 • Fax: +27 12 319 8093 • E-mail: [VictorTH@dalrrd.gov.za](mailto:VictorTH@dalrrd.gov.za)

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