

Agro-processing Quarterly Brief: No. 1, 2024

Directorate: Agro-processing Support

Highlights of 20234: Q1 (January to March)

In 2024: Q1, the quarter-to-quarter producer price index (PPI) for final manufactured goods moderated by 0,2% from a 1,8% growth registered in the last quarter. However, it moderated by 4,6% year-on-year.

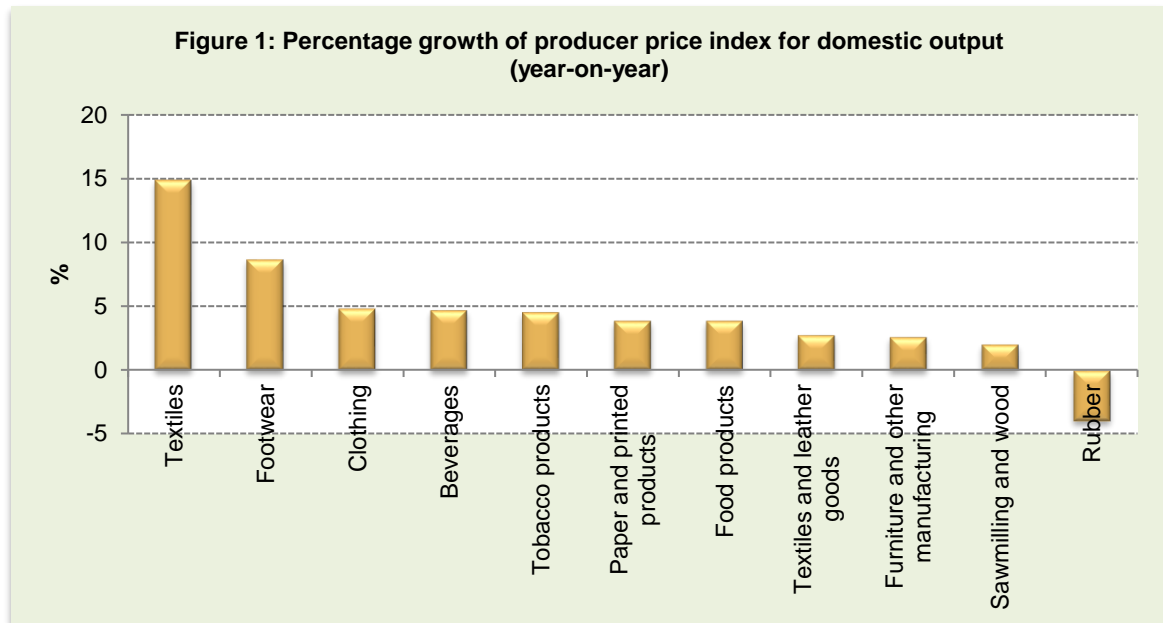
In 2024: Q1, the agro-processing industry's volume of production rebounded quarter-to-quarter and year-on-year by 0,3% and 1,8% from a growth of 2,9% and a 3,0% contraction, respectively, in the last quarter.

The seasonally adjusted value of sales for the agro-processing industry rose by 4,2% in 2024: Q1 from a 2,0% growth in the last quarter. This represented an increase in nominal value of sales from R264 286,3 million in 2023: Q4 to R275 401,2 million in 2024: Q1.

During 2024: Q1, the trade deficit of the agro-processing industry widened from R5 840,4 million in 2023: Q4 to R13 013,3 million in 2024: Q1.

During 2024: Q1, the agro-processing industry recorded about 470 745 jobs from 459 979 jobs in 2023: Q4, representing 10 774 jobs gained in 2024: Q1.

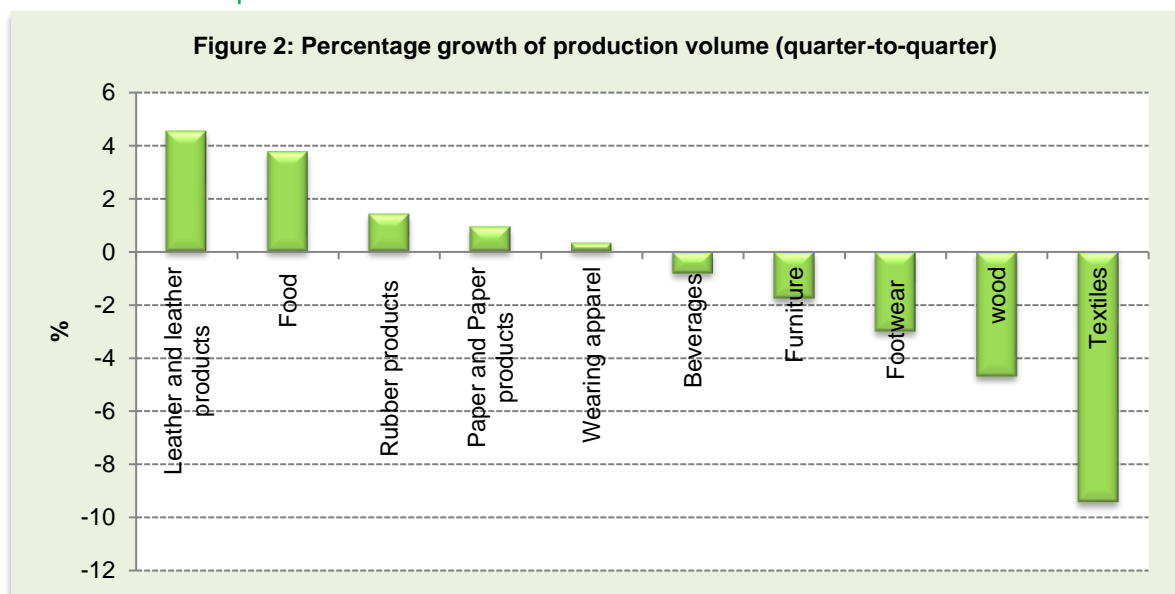
1. Producer prices



Source: Statistics SA, 2024

In 2024: Q1, the PPI for final manufactured goods moderated by 4,6% year-on-year. The PPI moderated in growth for textiles and leather products (14,9%), footwear (8,7%), wearing apparel (4,8%), tobacco (4,5%), paper and paper products (3,9%), food (3,9%), textiles and leather goods (2,7%) and furniture (2,6%). However, the PPI increased for beverages (4,7%) and sawmilling and wood (2,0%). Rubber products, on the other hand, it contracted by 4,0% in 2024: Q1.

2. Volume of production

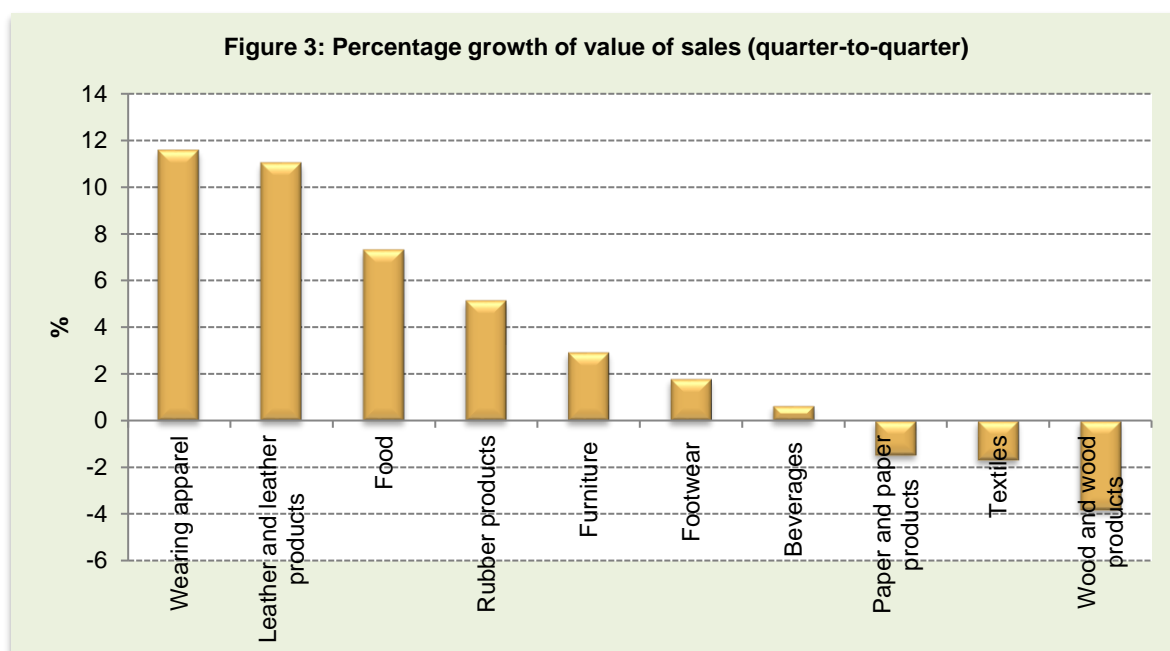


Source: Statistics SA, 2024

*tobacco data not supplied

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2024: Q1. The agro-processing industry's volume of production rebounded quarter-to-quarter by 0,3% from a 2,9% contraction in the last quarter. The seasonally adjusted physical volume of production rebounded for leather and leather products (4,6%), food (3,1%), rubber (1,4%) and wearing apparel (0,3%) divisions. The beverages (0,8%), wood (4,7%) and textiles (9,4%) divisions contracted during the period under review. The footwear division receded further by 3,0%, while the paper and paper products division moderated by 0,9%.

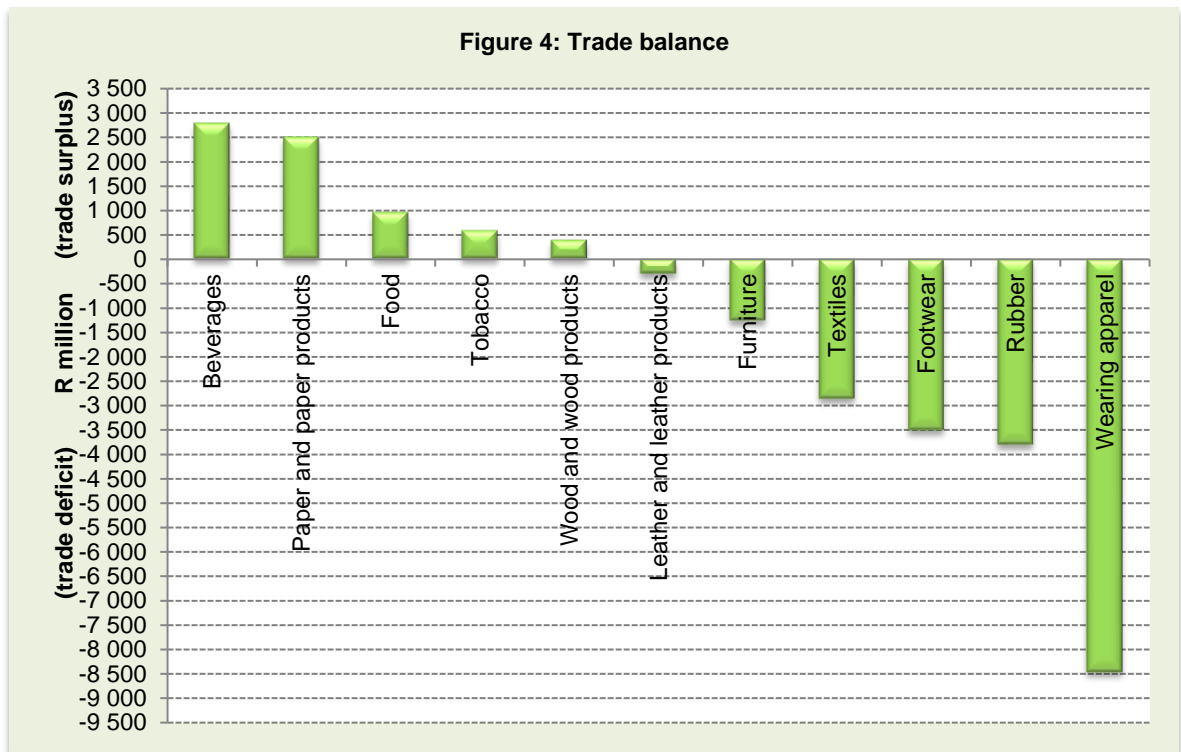
3. Value of sales



Source: Statistics SA, 2024

Figure 3 above shows the seasonally adjusted value of sales for the agro-processing divisions in 2024: Q1. The seasonally adjusted value of sales for the agro-processing industry rose by 4,2% in 2024: Q1 from a 2,0% growth in the last quarter. This represented an increase in nominal value of sales from R264 286,3 million in 2023: Q4 to R275 401,2 million in 2024: Q1. The seasonally adjusted value of sales contracted for the following divisions: paper and paper products (1,5%), textiles (1,7%) and wood and wood products (3,8%). Wearing apparel (11,6%), food (7,3%) and furniture (2,9%) expanded during this period. Leather and leather products (11,0%), rubber (5,1%) and footwear (1,8%) rebounded, while beverages moderated by 0,6%.

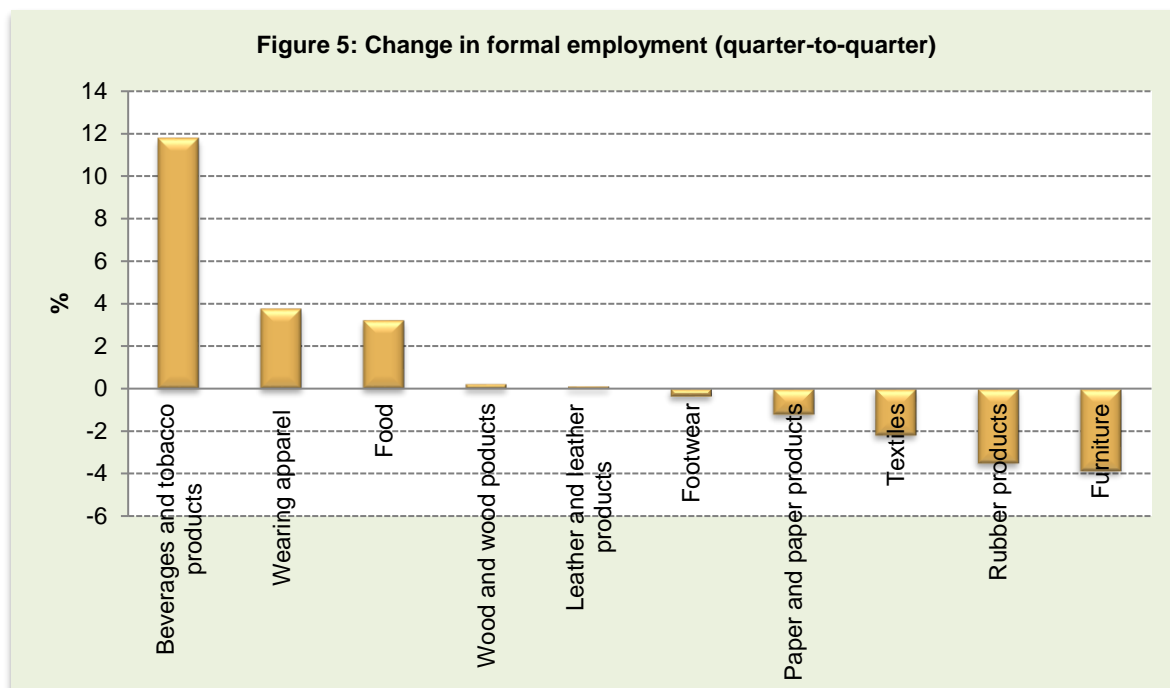
4. Trade



Source: Quantec, 2024

During 2024: Q1, the trade deficit of the agro-processing industry widened from R5 840,4 million in 2023: Q4 to R13 013,3 million in 2024: Q1. The divisions that recorded a trade surplus were food (R957,7 million), beverages (R2 787,1million), tobacco (R588,2 million), wood and wood products (R385,3 million) and paper and paper products (R2 500,0 million). However, the textiles (R2 869,3 million), wearing apparel (R8 469,1 million), leather and leather products (R307,6 million), footwear (R3 511,0 million), rubber (R3 806,9 million) and furniture (R1 267,4 million) divisions registered a trade deficit.

5. Formal employment



Source: Stats SA, 2024

During 2024: Q1, the agro-processing industry recorded about 470 745 jobs from 459 979 jobs in 2023: Q4, representing 10 774 jobs gained in 2024: Q1. This can be attributed to jobs created in the following divisions: food (7 014), beverages (5 111), wearing apparel (133), wood and wood products (99), and leather and leather products (6). However, the following divisions shed jobs: furniture (1 236), textiles (653), rubber (463), paper and paper products (417) and footwear (20) (see Figure 5).

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