

Agro-processing Quarterly Brief: No. 1, 2021

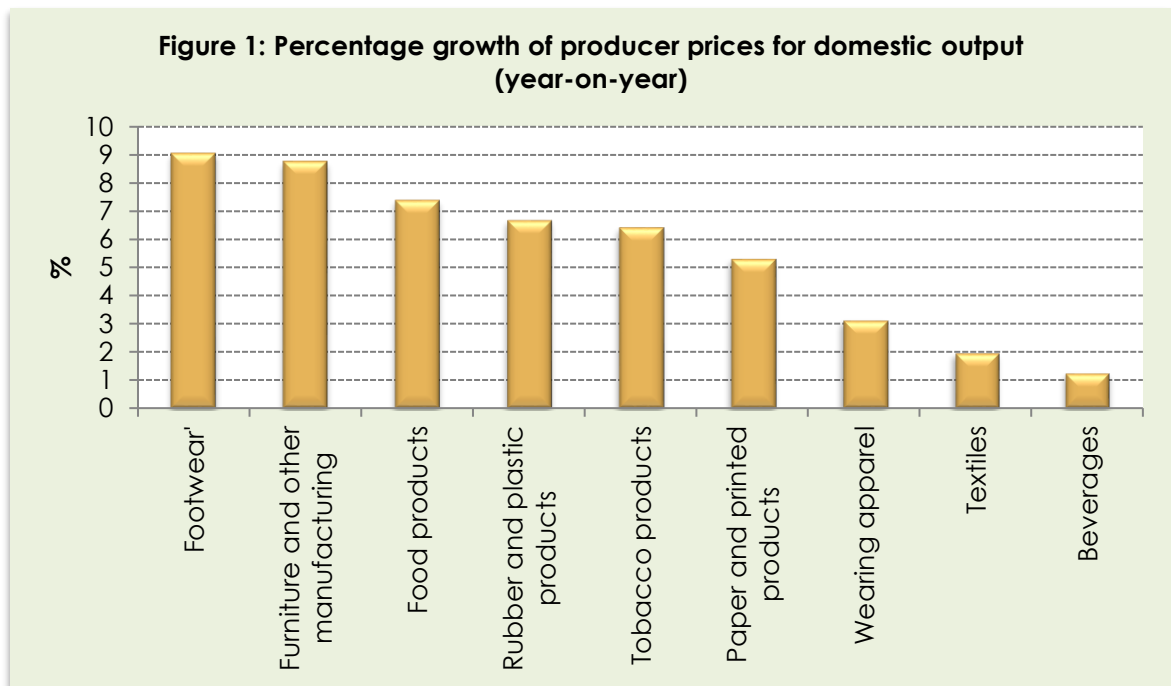
Directorate: Agro-processing Support

Highlights of 2021: Q1 (January to March)

- In 2021: Q1, the quarter-to-quarter producer price inflation for final manufactured goods increased by 1,8% from a 0,9% growth recorded in the preceding quarter. All agro-processing divisions, namely: footwear, furniture and other manufacturing, food products, rubber and plastic products, tobacco products, paper and printed products, wearing apparel, textiles and beverages, recorded a positive growth in producer price inflation.
- During 2021: Q1, the quarter-to-quarter seasonally adjusted volume of production for the agro-processing division increased by 1,3% following a 1,1% growth in 2020: Q4. The quarter-to-quarter seasonally adjusted volume of production contracted for wood and wood products(0,7%), textiles(1,3%), food products(1,5%), leather and leather products(3,1%) and furniture(6,2%). The volume of production for beverages(26,1%), footwear(5,4%) and wearing apparel (0,1%) rebounded, while that of rubber products(4,6%) and paper and paper products(2,1%) recorded a marginally growth.
- During 2021: Q1, the seasonally adjusted value of sales for agro-processing industry moderated by 2,5% from a 6,8% growth in 2020: Q4. However, it grew by 6,0% year-on-year. As compared to the preceding quarter, the value of sales for paper and paper products, rubber products and wood and wood products divisions increased during the period under review. Moreover, the value of sales moderated for the following agro-processing divisions: food products, beverages, textiles and leather and leather products. However, sales for furniture division contracted, while sales for wearing apparel and footwear stagnated and rebounded in growth, respectively.
- The trade surplus for the agro-processing industry narrowed from R10 095,6 million in 2020: Q4 to R12 679,9 million in 2021: Q1, which represented a 25,6% moderated growth in 2020: Q4 from a 140,6% growth in 2020: Q4. The divisions that recorded trade deficits were: beverages (R2 085,4 million), food products (R516,8 million), wood and wood products(R392,9 million); and tobacco (R160,1 million). However, the following divisions had a positive trade balance: wearing apparel (R5 939,5 million), rubber (R3 367,6 million), footwear (R2 669,2 million), furniture (R1 451,0 million), textiles (R981,8 million), paper and paper products (R962,7 million) and leather and leather products (R460,2 million).
- As a result of an increase in the seasonally adjusted volume of production of most of the agro-processing divisions, the agro-processing industry created about 4 521 jobs in 2021: Q1. This represents a slightly increase of 1,0% in 2021: Q1 as compared

to 0,2% growth recorded in the preceding quarter. However, year-on year, jobs in the agro-processing industry increased by 7,3% in 2021: Q1. The number of jobs, quarter-to-quarter, increased for textiles(6,1%) and wood and wood products(3,0%), while for leather and leather products it rebounded in growth by 7,2%. Likewise, the number of jobs in beverages and tobacco products(5,3%) and paper and paper products(0,3%) divisions moderated in growth in 2021: Q1. However, it contracted for food products(0,1%), furniture(0,4%), wearing apparel (0,2%) and footwear(6,0%) divisions. The number of jobs in rubber products division stagnated in growth.

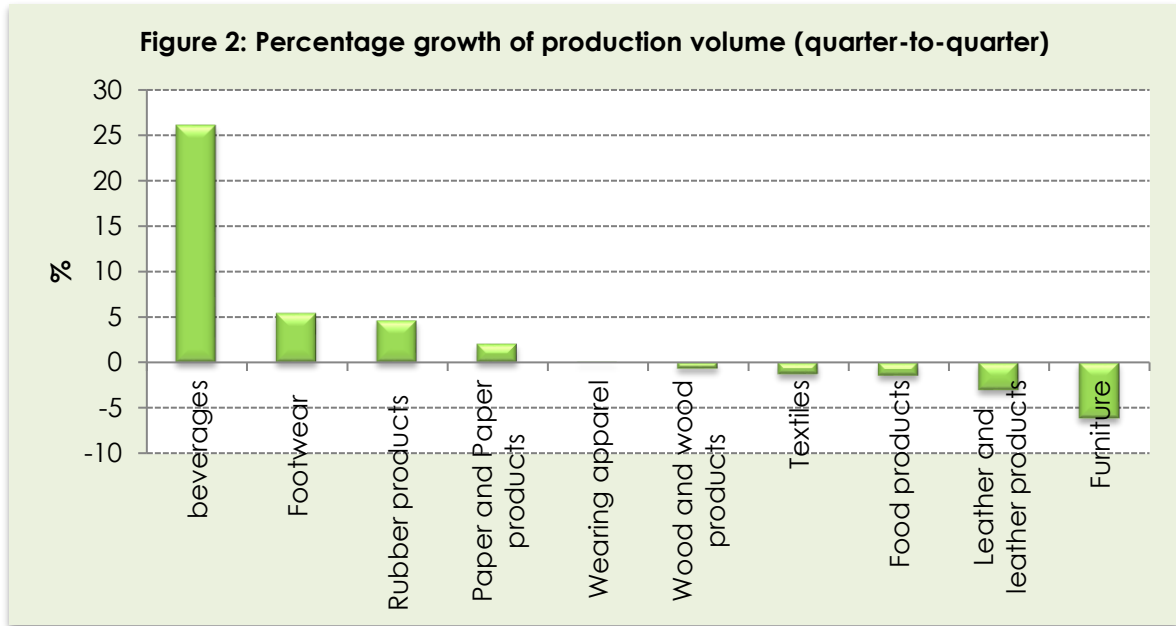
Producer Prices



Source: Statistics SA, 2021

In 2020: Q1, the year-on-year producer price inflation for final manufactured goods grew by 1,8% from a 0,9% growth recorded in the preceding quarter. The producer price inflation increased for all the divisions, namely: footwear (9,0%), furniture and other manufacturing (8,8%), food products (7,4%), rubber and plastic products (6,7%), tobacco products (6,4%), paper and printed products (5,3%), wearing apparel (3,1%), textiles (0,2%) and beverages (1,2%) (see Figure 1).

Volume of Production

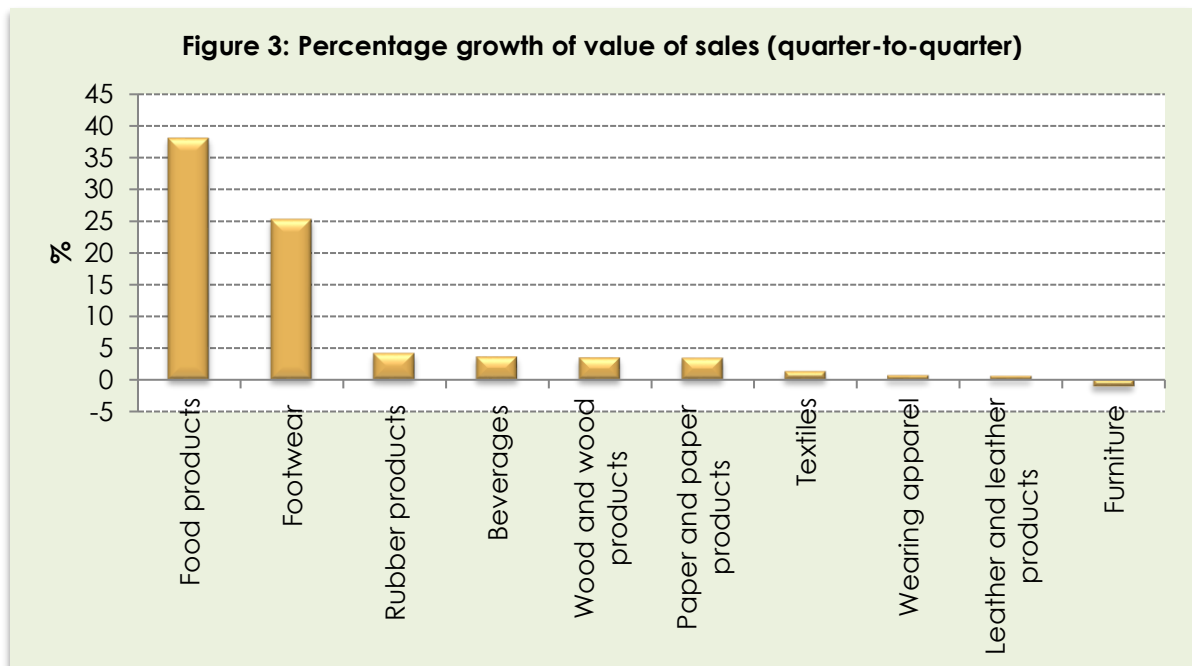


Source: Statistics SA, 2021

*Tobacco data not supplied

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2021: Q1. The seasonally adjusted physical volume of production for beverages, footwear and wearing apparel divisions rebounded by 26,1%, 5,4% and 0,1%, respectively, while for rubber products and paper and paper products divisions it increased by 4,6% and 2,1%, respectively. However, it contracted for the following divisions: wood and wood products (0,7%), textiles (1,3%), food products (1,5%), leather and leather products (3,1%) and furniture (6,2%) in 2021:Q1.

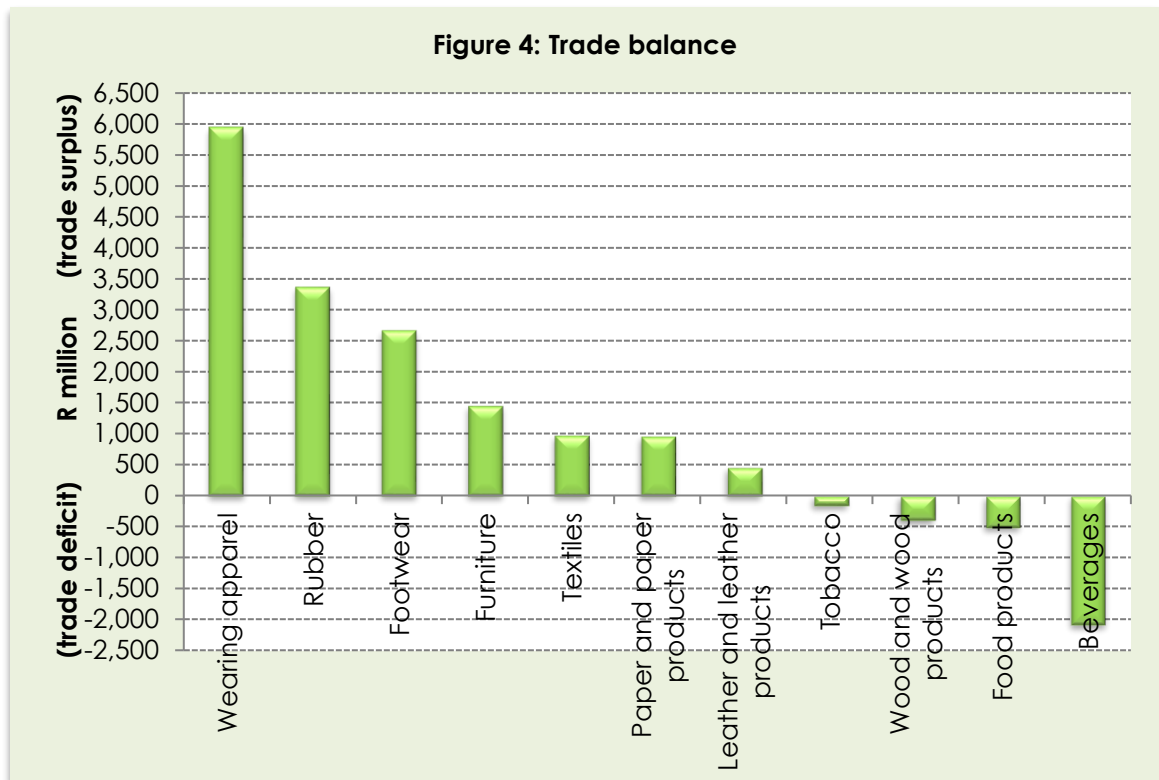
Value of Sales



Source: Statistics SA, 2021

Figure 3 above shows the seasonally adjusted value of sales for the agro-processing divisions in 2021: Q1. The seasonally adjusted value of sales moderated by 2,5% from a 6,8% growth in the last quarter, representing a nominal value growth of R208 261,9 million in 2021: Q1, from a R203 169,5 million in 2020: Q4. The seasonally adjusted value of sales moderated for the following divisions: food products (1,8%), beverages (3,6%), textiles (1,3%), wearing apparel (0,7%) and leather and leather products (0,5%). Moreover, sales for paper and paper products and rubber products increased by 3,4% and 4,2%, respectively. However, sales for furniture division contracted by 1,1%.

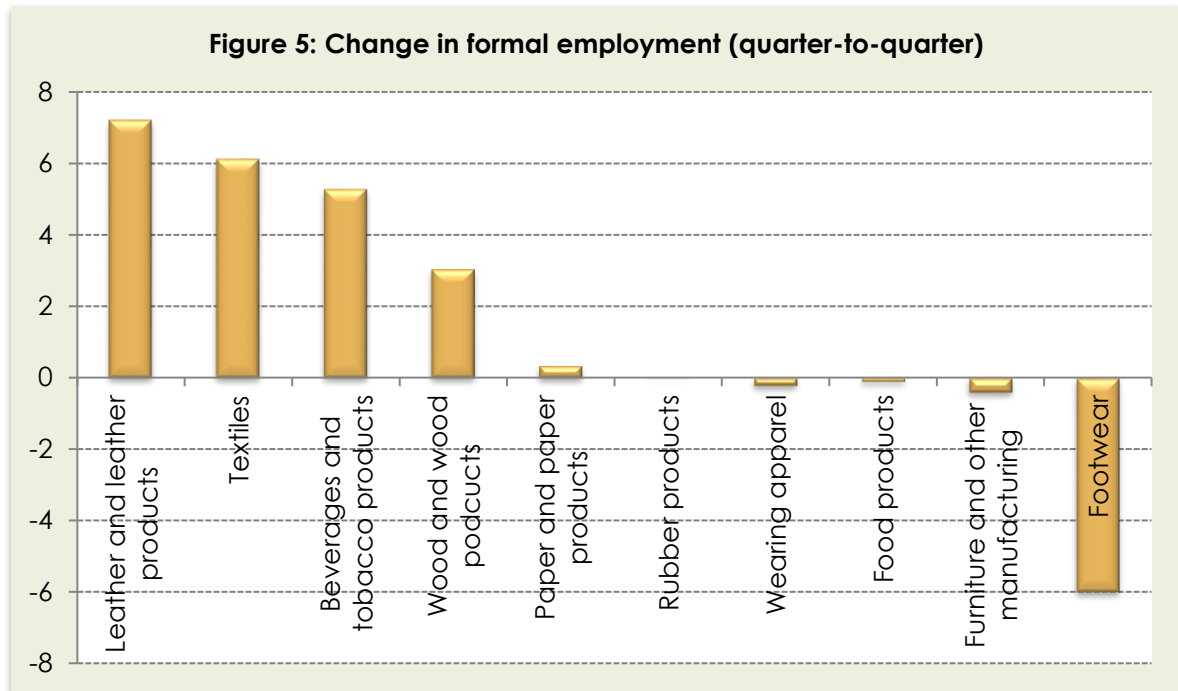
Trade



Source: Trade Map, 2021

During 2021: Q1, trade surplus for the agro-processing industry narrowed from R10 095,6 million in 2020: Q4 to R12 679,9 million in 2021: Q1, which represented a 25,6% moderated growth in 2020: Q4 from a 140,6% growth in 2020: Q4. The divisions that recorded trade deficits were: beverages (R2 058,4 million), food products (R516,8 million), wood and wood products (R392,9 million) and tobacco (R160 million). However, the following divisions had a positive trade balance: wearing apparel (R5 939,5 million), rubber (R3 367,6 million), footwear (R2 669,2 million), furniture (R1 454,0 million), textiles (R981,8 million), paper and paper products (R962,7 million) and leather and leather products (R460,2 million) (see Figure 4).

Formal Employment



Source: Stats SA (2021)

During 2021: Q1, the agro-processing industry created about 4 521 jobs in 2021: Q1. This represents a slightly increase of 1,0% in 2021: Q1 as compared to 0,2% growth recorded in the preceding quarter. However, year-on year, jobs in the agro-processing industry increased by 7,3% in 2021: Q1. The number of jobs, quarter-to-quarter, increased for textiles(6,1%) and wood and wood products(3,0%), while for leather and leather products it rebounded in growth by 7,2%. Likewise, the number of jobs in beverages and tobacco products(5,3%) and paper and paper products(0,3%) divisions moderated in growth in 2021: Q1. However, it contracted for food products(0,1%), furniture(0,4%), wearing apparel (0,2%) and footwear(6,0%) divisions. The number of jobs in rubber products division stagnated.

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