

Agro-processing Quarterly Brief: No. 1, 2023

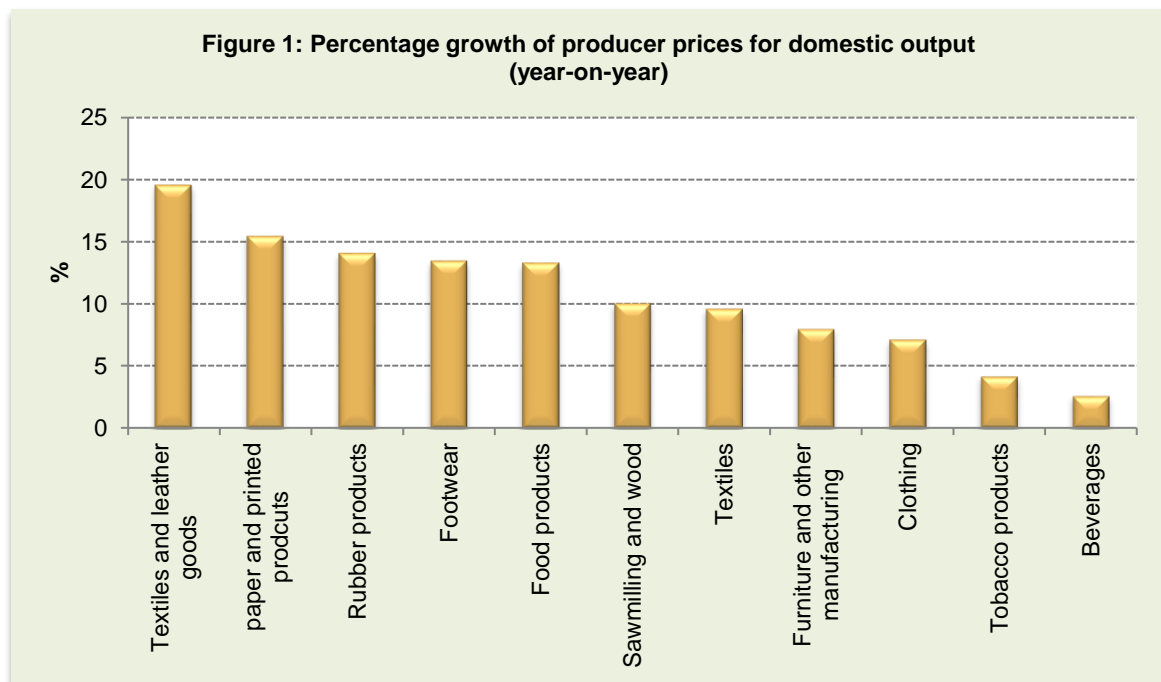
Directorate: Agro-processing Support

Highlights of 2023: Q1 (January to March)

- In 2023: Q1, the producer price inflation for final manufactured goods moderated by 0,4% from a 1,0% growth registered in the last quarter. Similarly, moderated by 11,8% year-on-year. The following divisions moderated during the period: paper and printed products; food products; furniture and other manufacturing; tobacco; and beverages. However, the following divisions grew as compared to the preceding quarter: textiles and leather goods, rubber products, footwear, sawmilling and wood, textiles, and wearing apparel.
- During 2023: Q1, the quarter-to-quarter seasonally adjusted volume of production rebounded by 0,9% in 2023: Q1 from a 0,4% contraction in the last quarter. However, receded further by 0,3% year-on-year. The seasonally adjusted physical volume of production contracted for the wearing apparel paper and paper products, and textiles divisions. However, the beverages, footwear, leather and leather products divisions rebounded during that period. Rubber and food divisions grew during the period, while furniture; and wood and wood products divisions moderated under the period of review.
- The seasonally adjusted value of sales for the agro-processing industry grew by 4,5% in 2023: Q1 from a 5,8% growth in the last quarter. This represented an increase in the nominal value of sales from R245 585,7 million in 2022: Q4 to R256 702,2 million in 2023: Q1. The seasonally adjusted value of sales contracted for the following divisions: wearing apparel, textiles and paper and paper products. Furniture, beverages and footwear divisions rebounded during the period. Wood and wood products; and food divisions grew during the period. Rubber division moderated while leather and leather products receded further during the quarter of review.

- The trade surplus of the agro-processing industry widened from R12 715,0 million in 2022: Q4 to R15 617,7 million in 2023: Q1, which represents a growth of 22,8% from a 26,5% growth in the last quarter. The divisions that recorded a trade surplus were paper and paper products (R3 009,8 million), beverages (R1 364,6 million), wood and wood products (R438,4 million), and tobacco (R251,9 million). However, the following had a trade deficit: wearing apparel (R8 757,0 million), footwear (R3160,2 million), rubber (R3 098,5 million), textiles (R2 313,1 million) food (R2 114,7 million), furniture (R977,5 million) and leather and leather products (R261,5 million).
- During 2023: Q1, formal employment in the agro-processing industry moderated by 2,2% from a 2,5% growth in 2021: Q4. Similarly, employment grew by 2,1% year-on-year. Formal employment contracted for footwear; paper and paper products; wood and wood products; and furniture. The beverages and textiles divisions grew, while the food and rubber divisions moderated. The wearing apparel and leather and leather products divisions rebounded in growth.

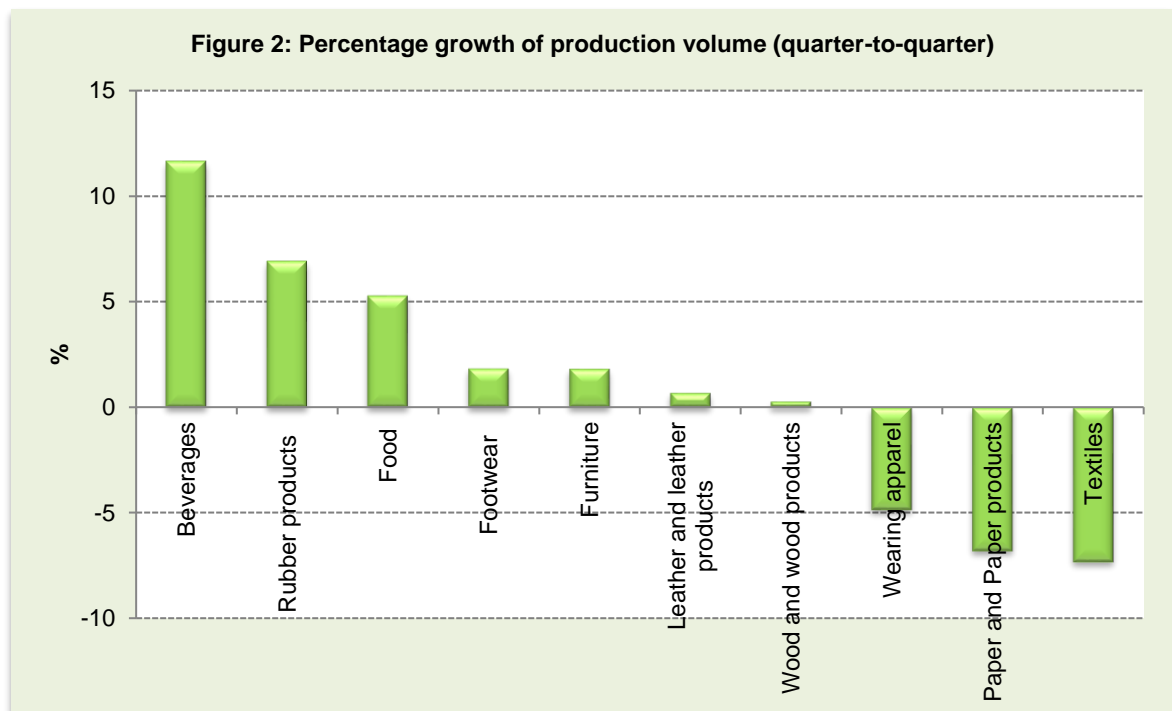
Producer prices



Source: Statistics SA, 2023

In 2023: Q1, the producer price inflation for final manufactured goods moderated by 0,4% from a 1,0% growth registered in the last quarter. Similarly, moderated by 11,8% year-on-year. The following divisions moderated during the period: paper and printed products (15,5%); food products (13,3%); furniture and other manufacturing (8,0%); tobacco (4,2%); and beverages (2,6%). However, the following divisions grew quarter-to-quarter: textiles and leather goods (19,6%); rubber products (14,1%); footwear (13,5%); sawmilling and wood (10,1%); textiles (9,6%); and wearing apparel (7,1%) (see Figure 1).

Volume of production

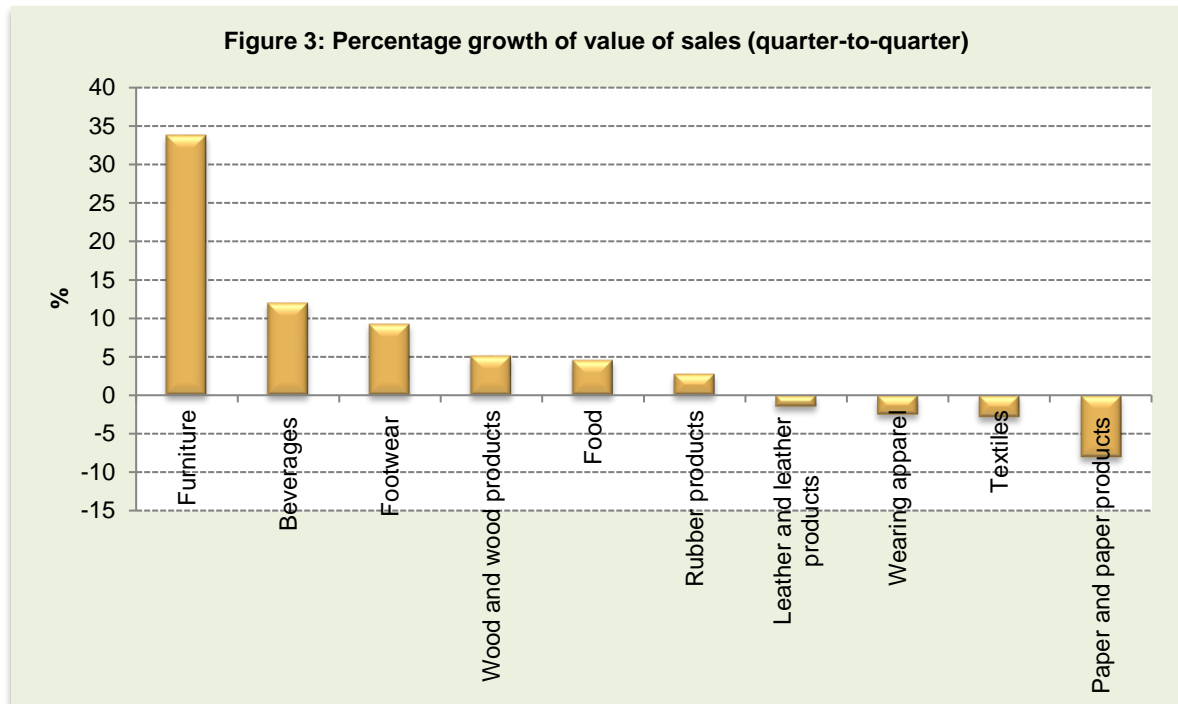


Source: Statistics SA, 2023

*tobacco data not supplied

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2023: Q1. The agro-processing industry's volume of production rebounded by 0,9% in 2023: Q1 from a 0,4% contraction in the last quarter. However, receded further by 0,3% year-on-year. The seasonally adjusted physical volume of production contracted for wearing apparel (4,9%); paper and paper products (6,8%); and textiles (7,3%). However, beverages (11,6%), footwear (1,8%) and leather and leather products (0,7%) divisions rebounded during the period. Rubber and food divisions grew by 6,9% and 5,3%, respectively during the period, while furniture; and wood and wood products divisions moderated by 1,8% and 0,3%, respectively under the period of review.

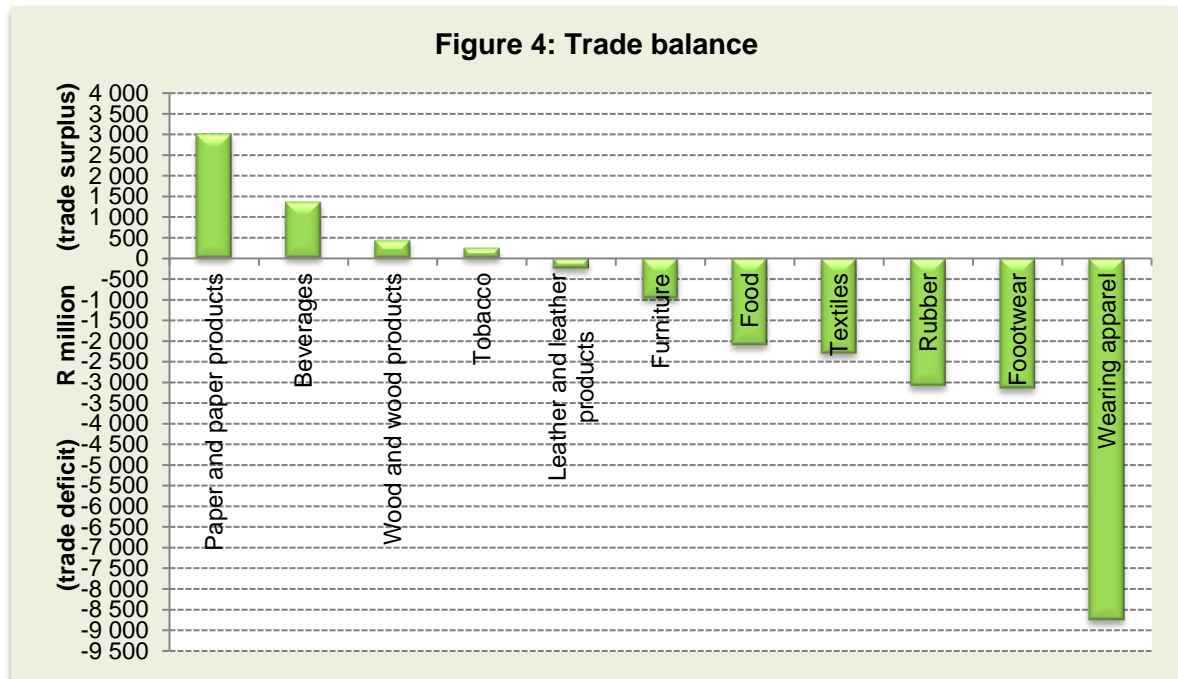
Value of sales



Source: Statistics SA, 2023

Figure 3 above shows the seasonally adjusted value of sales for the agro-processing divisions in 2023: Q1. The seasonally adjusted value of sales for the agro-processing industry grew by 4,5% in 2023: Q1 from a 5,8% growth in the last quarter. This represented an increase in the nominal value of sales from R245 585,7 million in 2022: Q4 to R256 702,2 million in 2023: Q1. The seasonally adjusted value of sales contracted for the following divisions: wearing apparel (2,5%); textiles (2,9%); and paper and paper products (8,1%). The furniture (33,8%), beverages (12,0%) and footwear (9,3%) divisions rebounded during the period. Wood and wood products; and food divisions grew by 5,2% and 4,6%, respectively during the period. Rubber moderated by 2,8%, while leather and leather products receded further by 1,5% during the quarter of review.

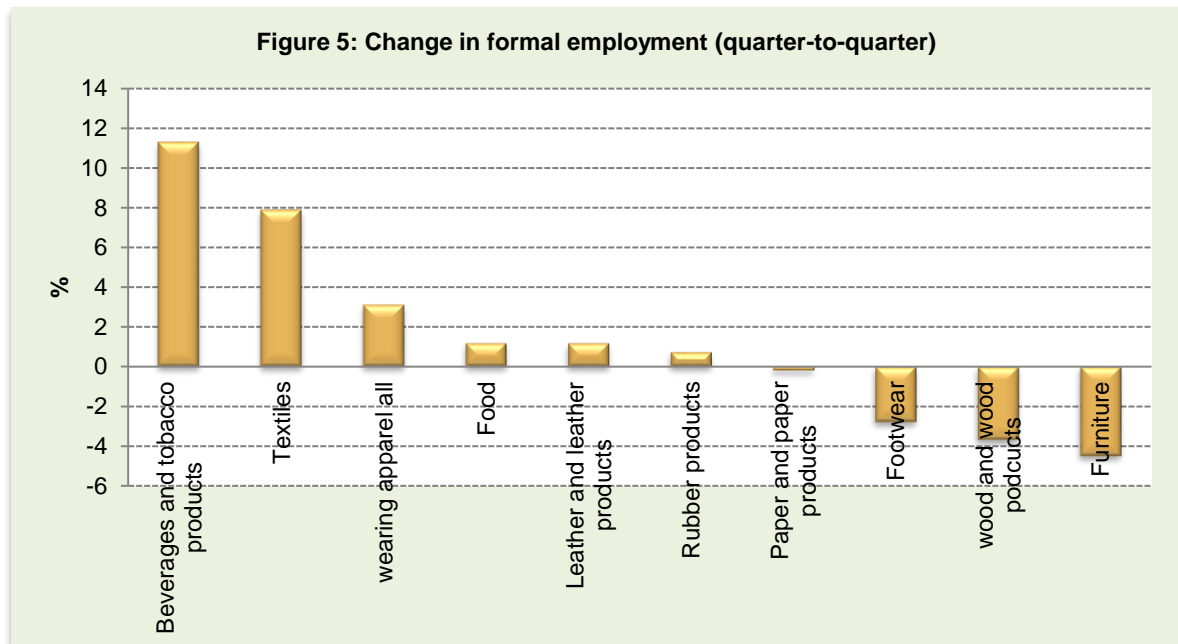
Trade



Source: Quantec, 2023

In 2023: Q1, the trade surplus of the agro-processing industry widened from R12 715,0 million in 2022: Q4 to R15 617,7 million in 2023: Q1, which represents a growth of 22,8% from a 26,5% growth in the last quarter. The divisions that recorded a trade surplus were paper and paper products (R3 009,8 million), beverages (R1 364,6 million), wood and wood products (R438,4 million), and tobacco (R251,9 million). However, the following had a trade deficit: wearing apparel (R8 757,0 million), footwear (R3160,2 million), rubber (R3 098,5 million), textiles (R2 313,1 million) food (R2 114,7 million), furniture (R977,5 million) and leather and leather products (R261,5 million) (see Figure 4).

Formal employment



Source: Stats SA, 2023

During 2023: Q1, the agro-processing industry recorded about 448 831 jobs from 478 468 jobs in 2022: Q4, representing 10 363 jobs gained in 2023: Q1. This can be attributed to job gains recorded in the following divisions: textiles (4 787); beverages and tobacco (4 761); food (2 639); wearing apparel (1 035); rubber (87); and leather and leather products (54). However, the following divisions lost jobs during the period: wood and wood products (1 611); furniture (1 159), footwear (180) and paper and paper products (50) (see Figure 5).

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