



## Agro-processing Quarterly Brief: No. 3, 2022

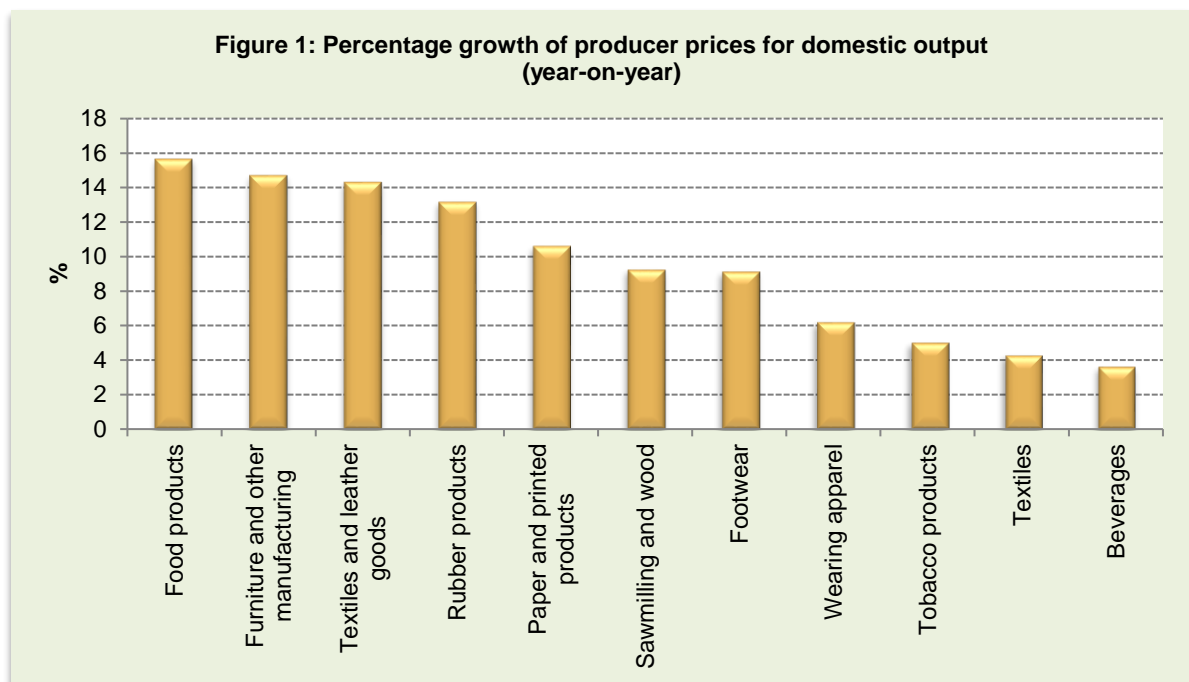
Directorate: Agro-processing Support

### Highlights of 2022: Quarter three (Q3) (July to September)

- In 2022: Q3, the quarter-to-quarter producer price inflation for final manufactured goods moderated to 4,2% from a 5,9% growth recorded in the preceding quarter. However, it grew year-on-year to 17,0% in 2022: Q3 from a 14,7% growth in the last quarter. The producer price inflation grew for food products, furniture and other manufacturing, textiles and leather goods, rubber products, paper and printed products, sawmilling and wood, footwear, wearing apparel, tobacco products and textiles divisions. However, it stagnated for beverages division.
- The seasonally adjusted volume of production for the agro-processing industry rebounded quarter-to-quarter and year-on-year by 4,1% and 4,8% from a 4,6% and 2,1%, respective contraction in the last quarter. The seasonally adjusted physical volume of production rebounded for leather and leather products, wood and wood products, paper and paper products, wearing apparel, food products, beverages, and textiles. However, it increased for footwear and decelerated for rubber products, while it further receded for furniture receded further during the quarter under review.
- The seasonally adjusted value of sales for the agro-processing industry increased quarter-to-quarter and year-on-year by 5,4% and 16,0% from a 0,3% and 6,9% growth respectively in the last quarter. Therefore, sales grew from R233 651,4 million in 2022: Q2 to R246 161,9 million in 2022: Q3. Sales increased for leather and leather products, footwear, food products and beverages divisions. However, it rebounded in growth for paper and paper products, wood and wood products and textiles. Conversely, it contracted for rubber products, while it receded further for wearing apparel and furniture.
- The trade deficit of the agro-processing industry increased from R9 936,3 million in 2022: Q2 to R11 935,4 million in 2022: Q3. The trade deficit was recorded for wearing apparel, rubber products, footwear, textiles, food products, leather and leather products, and furniture. However, paper and paper products, beverages, wood and wood products, and tobacco divisions recorded a trade surplus.

- During 2022: Q3, the formal employment in the agro-processing industry receded further by 0,4% as compared to a 3,2% contraction registered in the last quarter. However, it moderated by 1,1% year-on-year. Formal employment receded further for beverages and tobacco (1,2%), food products (0,8%), textiles (0,8%), wood and wood products divisions (1,0%), however, it rebounded for wearing apparel (0,3%), footwear (1,7%), rubber products(1,3%) and furniture (3,1%). Formal employment in leather and leather products decelerated further by 0,9%, while for paper and paper products it remained unchanged .

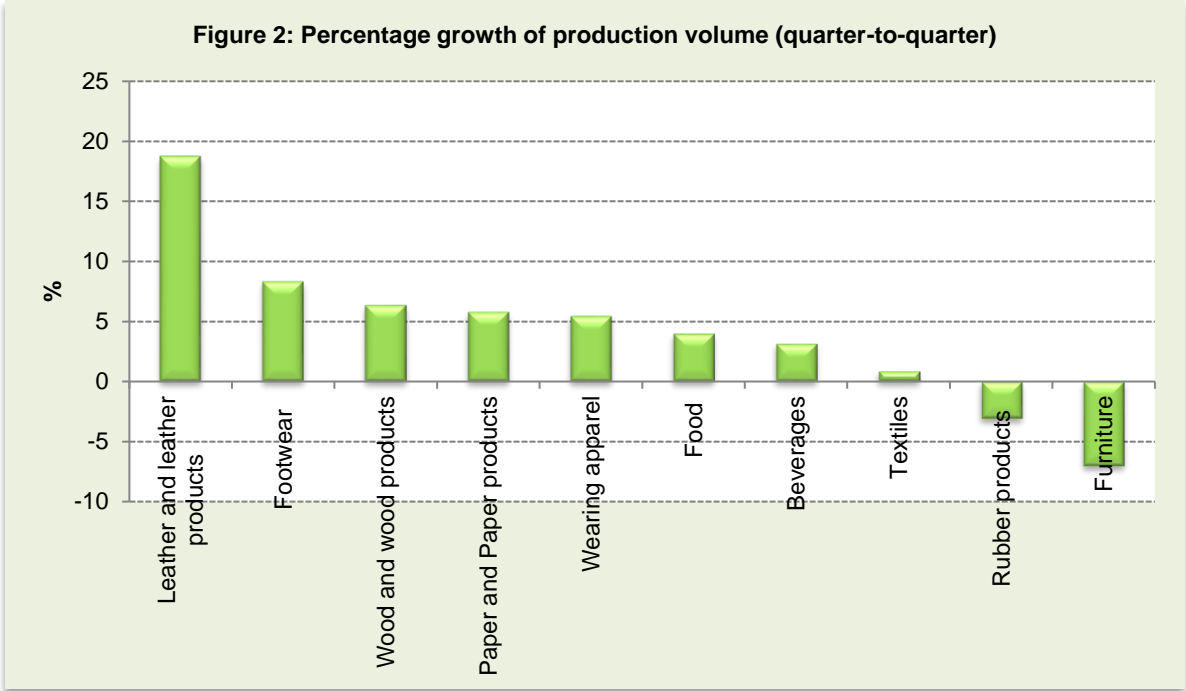
## Producer prices



.Source: Statistics SA, 2022

In 2022: Q3, the quarter-to-quarter producer price inflation for final manufactured goods moderated to 4,2% from a 5,9% growth recorded in the preceding quarter. However, it grew year-by-year to 17,0% in 2022: Q3 from a 14,7% growth in the last quarter. The producer price inflation grew for food products (15,7%), furniture and other manufacturing (14,7%), textiles and leather goods (14,3%), rubber products (13,2%), paper and printed products (10,6%), sawmilling and wood (9,3%), footwear (9,1%), wearing apparel (6,2%), tobacco products (5,0%) and textiles (4,3%) divisions. However, it stagnated for the beverages division at 3,6% ( Figure 1).

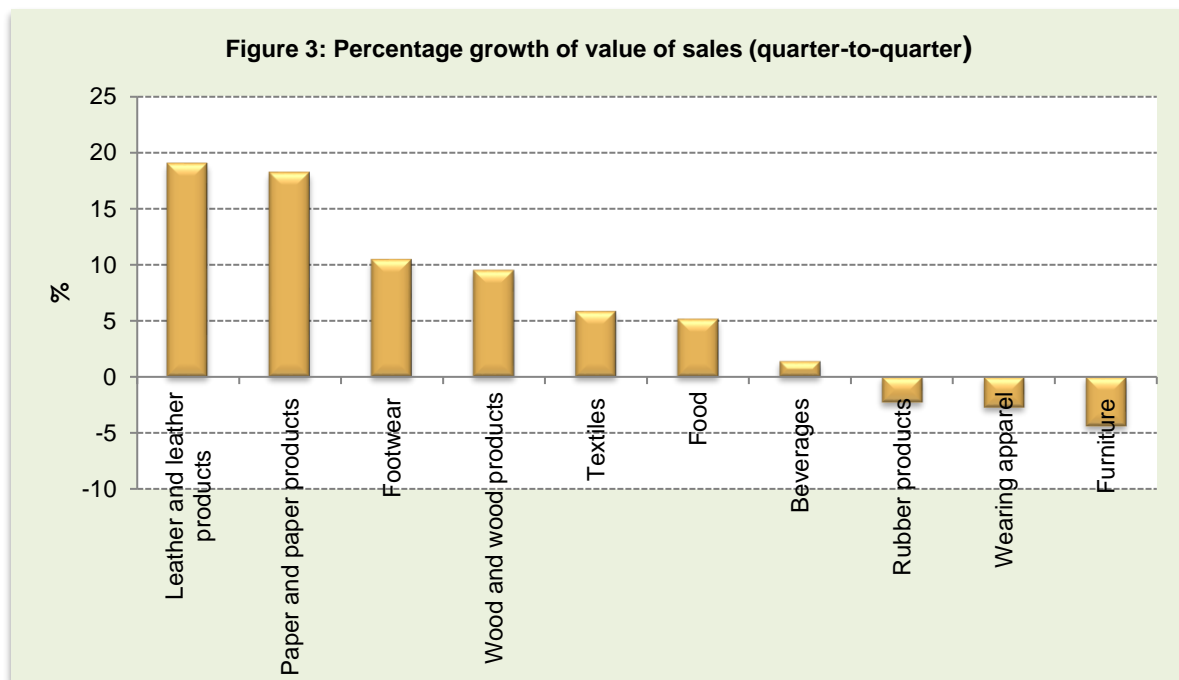
Volume of production



Source: Statistics SA, 2022 \*tobacco data not supplied

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2022: Q3. The agro-processing industry’s volume of production rebounded quarter-to-quarter by 4,1% from a contraction of 4,6% in the last quarter. The seasonally adjusted physical volume of production rebounded for leather and leather products (18,7%), wood and wood products (6,4%), paper and paper products (5,8%), wearing apparel (5,5%), food products (4,0%), beverages (3,2%) and textiles (0,9%). However, it increased for footwear by 8,4%, while it decelerated for rubber products by 3,1% and furniture receded further by 7,0%.

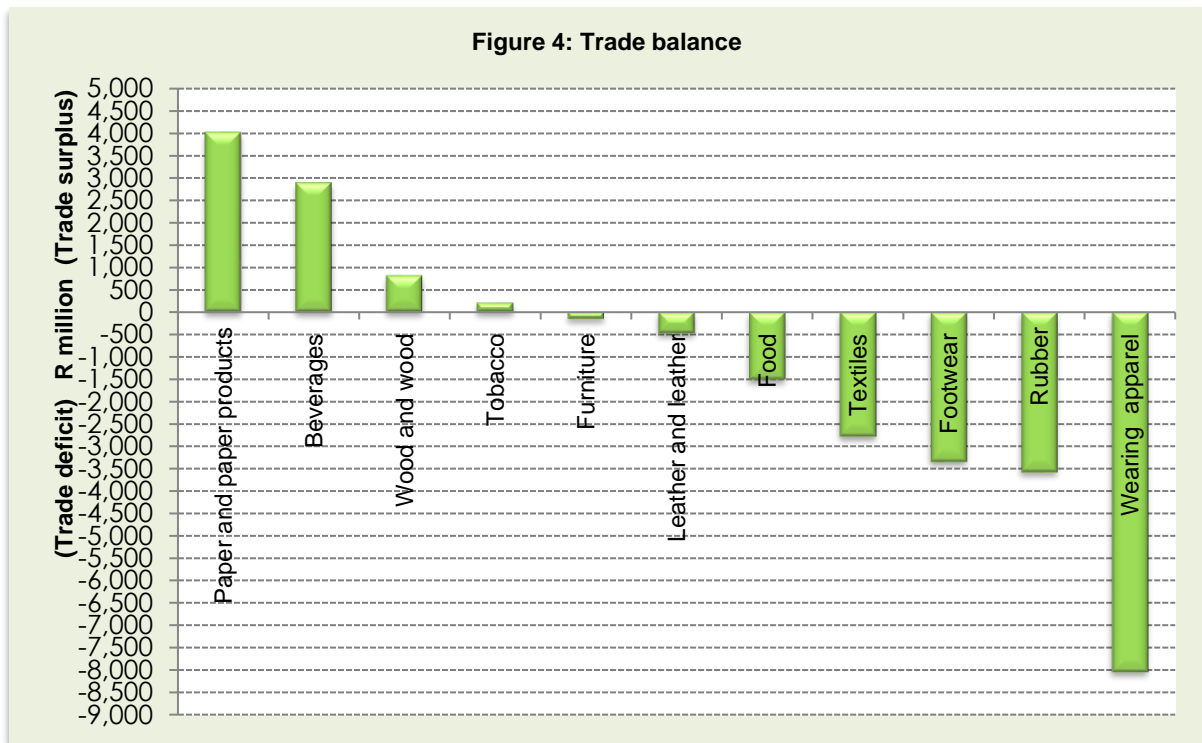
## Value of sales



Source: Statistics SA, 2022

Figure 3 above shows the seasonally adjusted value of sales for the agro-processing divisions in 2022: Q3. The seasonally adjusted value of sales for the agro-processing industry grew quarter-to-quarter by 5,4% from a 0,3% growth in the last quarter. The seasonally adjusted value of sales increased for leather and leather products (19,0%), footwear (10,5%), food products (5,2%) and beverages (1,4%). However, it rebounded for paper and paper products (18,2%), wood and wood products (9,5%) and textiles (5,9%). Conversely, it contracted for rubber products by 2,3%, while for wearing apparel and furniture it further receded by 2,7% and 4,4%, respectively.

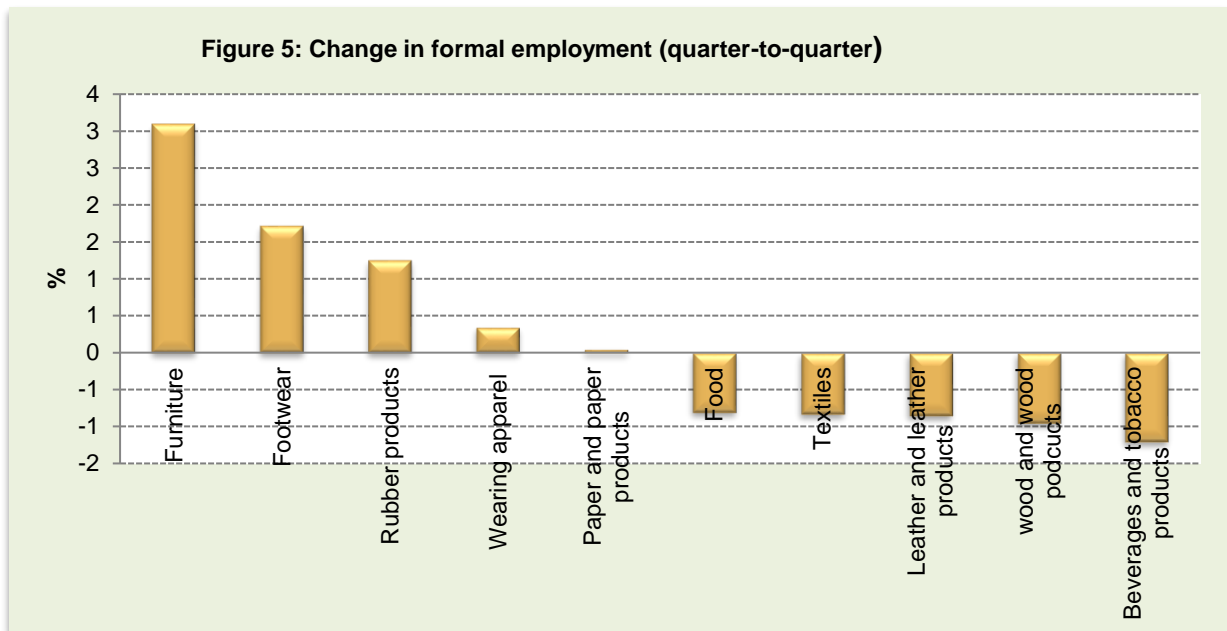
## Trade



Source: Quantec, 2022

The trade deficit of the agro-processing industry increased from R9 936,3 million in 2022: Q2 to R11 935,4 million in 2022: Q3. The divisions that recorded trade deficit were: wearing apparel (R8 040,5 million), rubber products (R3 569,0 million), footwear (R338,1 million), textiles (R2 772,3 million), food products (R1 507,9 million), leather and leather products (R477,2 million) and furniture (R156,9 million). However, the paper and paper products (R4 011,2 million), beverages (R2 886,3 million), wood and wood products (R816,6 million) and tobacco (R212,1 million) divisions had a trade surplus during the period under review (Figure 4).

## Formal employment



Source: Stats SA, 2022

During 2022: Q3, the agro-processing industry recorded about 471 996 jobs from 474 109 jobs in 2022: Q2, representing 2 113 jobs shed. This can be attributed to jobs shed in the following divisions: food products (1782), beverages and tobacco (501), textiles (515), wood and wood products (405), leather and leather products (39). However, jobs were gained in the following divisions: furniture (751), rubber (149), wearing apparel (116), footwear (101) and paper and paper products (12) ( Figure 5).

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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 • Email: [VictorTH@dalrrd.gov.za](mailto:VictorTH@dalrrd.gov.za)

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