



## Agro-processing Quarterly Brief: No. 4, 2023

Directorate: Agro-processing Support

### Highlights of 2023: Q4 (October to December)

In 2023: Q4, the quarter-to-quarter producer price inflation for all manufactured goods rose by 1,8% from a 1,4% growth in the preceding quarter, similarly, the producer price inflation rose by 4,8% year-on-year. The producer price inflation for the following agro-processing divisions moderated during the period under review, textiles and leather goods, food products, paper and printed products, rubber products, furniture and other manufacturing and sawmilling and wood. However, textiles, wearing apparel and beverages divisions rose during the period, while footwear and tobacco divisions stagnated.

Having grown by 0,5% in the previous quarter, the volume of production for the agro-processing sector moderated by 0,1% in 2023: Q4. However, it grew by 0,7% year-on-year. The divisions that contracted during the period were: leather and leather products, rubber products and wearing apparel. The furniture and wood and wood products divisions moderated textiles and beverages divisions rebounded; food division receded further, while footwear division decelerated during the period.

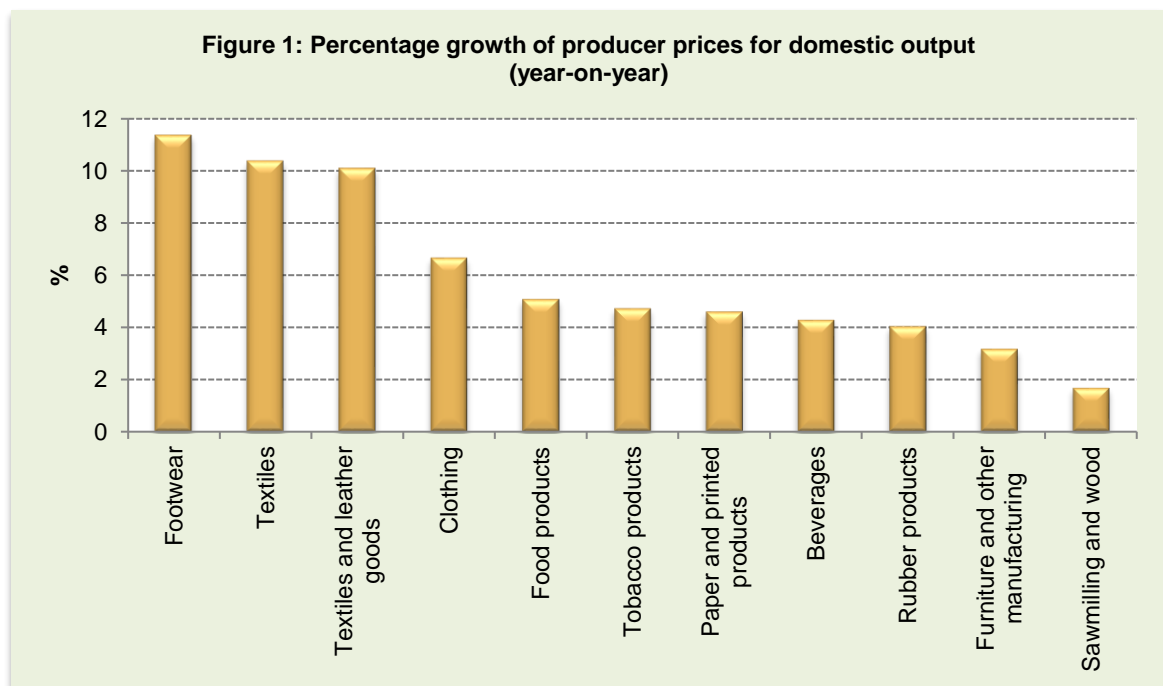
During 2023: Q4, the nominal value of sales of the agro-processing sector increased from R258 858,2 million in the last quarter to R264 182,3 million in the current quarter, representing a rebound of 2,1% from a 1,9% contraction in the preceding quarter. During the period under review, value of sales for the following divisions rebounded in growth: beverages, food products, furniture and wearing apparel. The textiles and wood and wood products divisions moderated. The paper and paper products division expanded in growth, leather and leather products and rubber divisions contracted during the period while footwear division decelerated.

During 2023: Q4, the trade surplus for the agro-processing sector contracted quarter-to-quarter by 48,1% from a growth of 7,6% in the last quarter. However, the year-on-year trade surplus decelerated by 52,1%. As a result, the trade surplus narrowed from R11 505,0 million in the last quarter to R5 965,4 million in the current quarter. The divisions that had a positive trade balance during the period under review were beverages, food products, paper

and paper products, tobacco and wood and wood products. However, wearing apparel, rubber, footwear, textiles, furniture and leather and leather products registered a negative trade balance.

During 2023: Q4, the agro-processing sector recorded about 496 323 jobs from 498 707 jobs in 2023: Q3, representing 2 384 jobs shed. The divisions that gained jobs during the period were: textiles, beverages, wood and wood products, rubber, footwear and leather and leather products. However, the following divisions shed jobs: food, furniture, paper and paper products and wearing apparel.

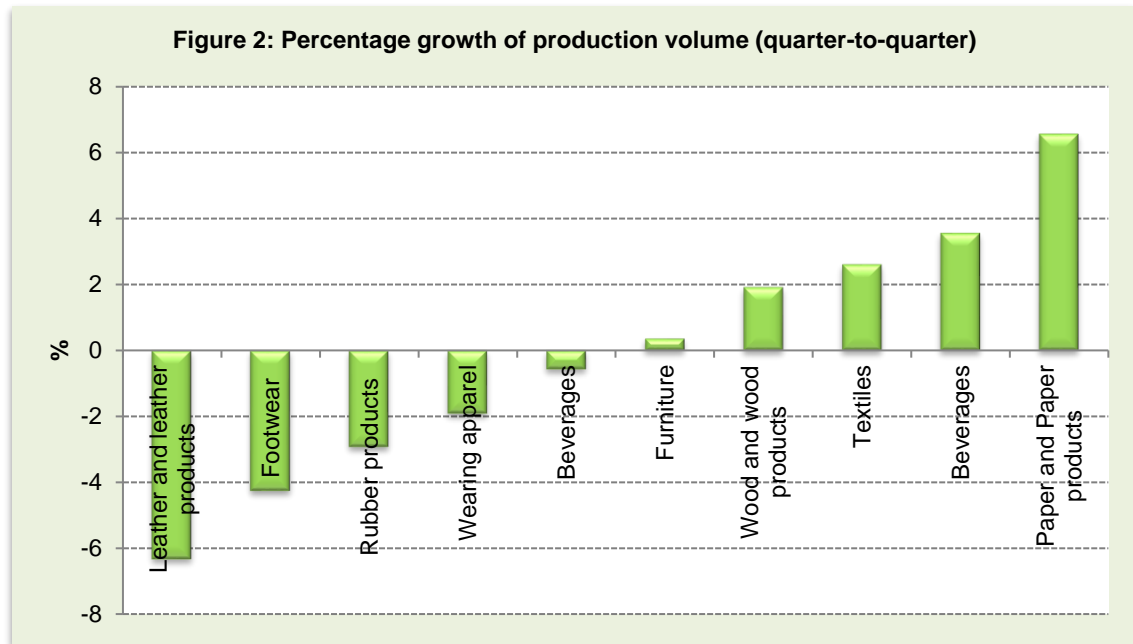
### Producer prices



Source: Statistics SA, 2024

In 2023: Q4, the quarter-to-quarter producer price inflation for all manufactured goods rose by 1,8% from a 1,4% growth in the preceding quarter, similarly, the producer price inflation rose by 4,8% year-on-year. The producer price inflation for the following agro-processing divisions moderated during the period under review, textiles and leather goods (10,1%), food products (5,1%), paper and printed products (4,6%), rubber products (4,0%), furniture and other manufacturing (3,2%) and sawmilling and wood (1,7%). However, the textiles (10,4%), wearing apparel (6,7%) and beverages (4,3%) divisions rose during the period, while footwear (11,4%) and tobacco (4,7%) divisions stagnated (see Figure 1).

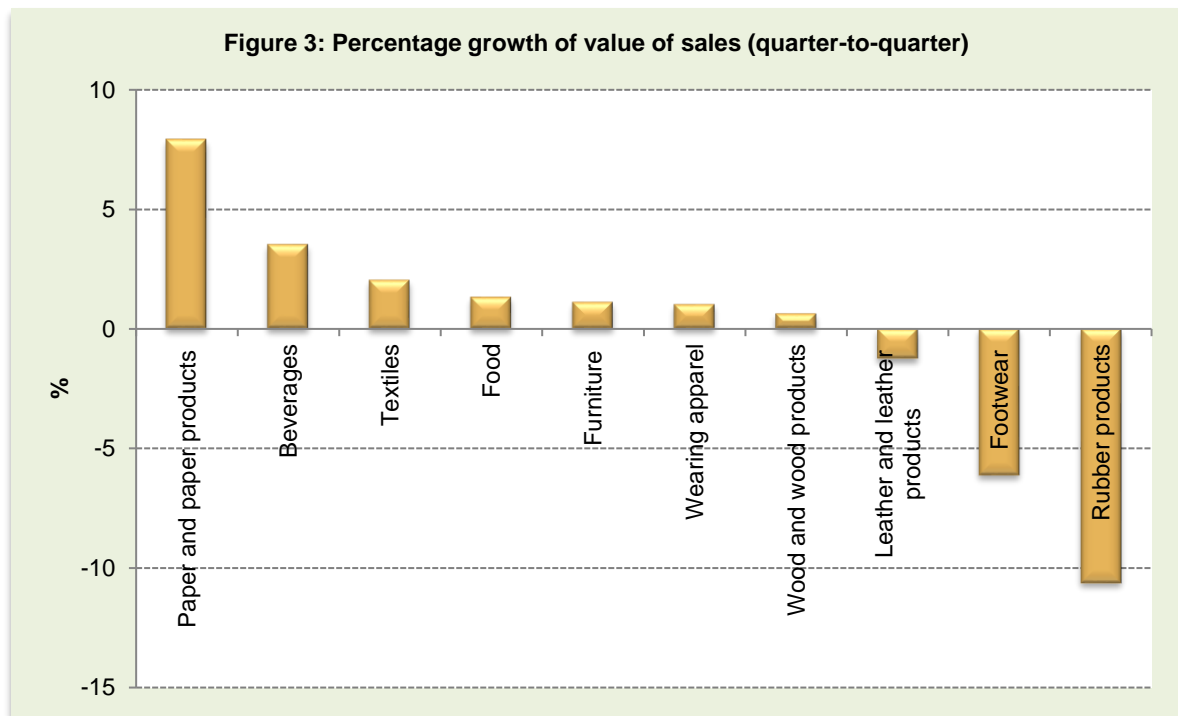
## Volume of production



Source: Quantec, 2024

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2023: Q4. Having grown by 0,5% in the previous quarter, the volume of production for the sector moderated by 0,1% in 2023: Q4. However, it grew by 0,7% year-on-year. The divisions that contracted during the period are leather and leather products (6,3%), rubber products (2,9%) and wearing apparel (1,9%). The furniture (0,4%) and wood and wood products divisions (1,9%) moderated, textiles (2,6%) and beverages (3,6%) divisions rebounded; and the food division receded further by 0,6%, while footwear division decelerated by 4,3%.

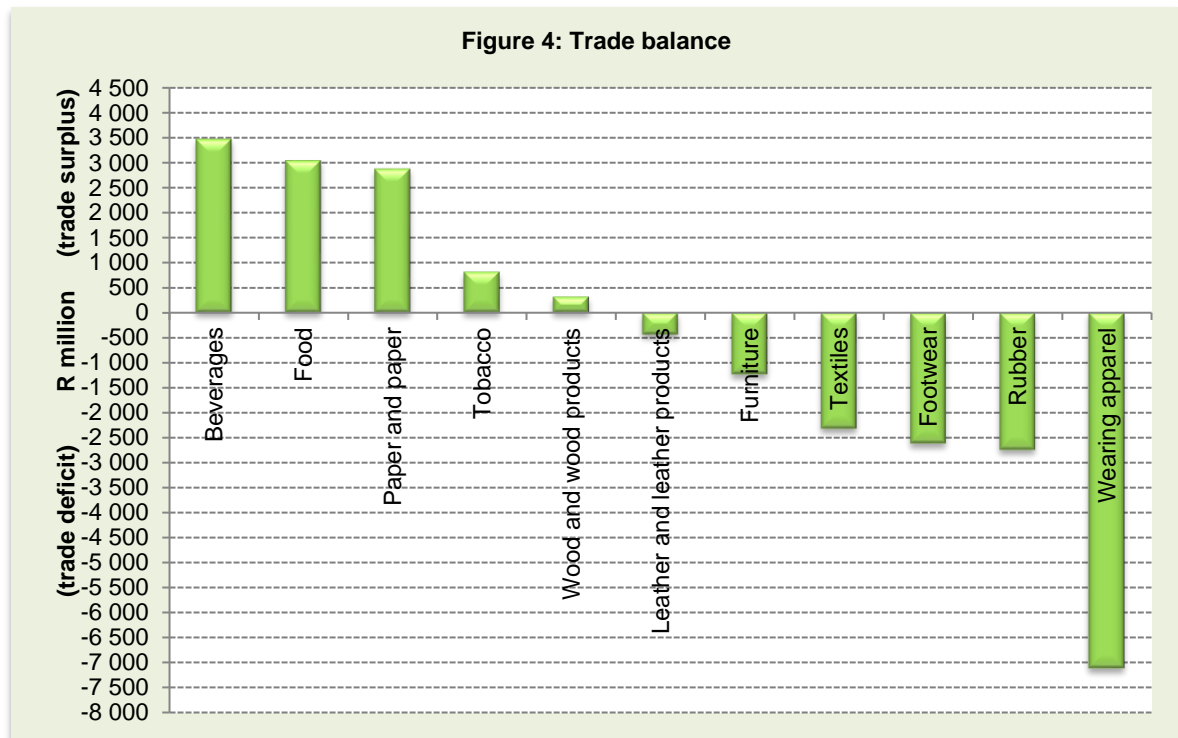
## Value of sales



Source: Quantec, 2024

During 2023: Q4, the value of sales in the agro-processing sector rebounded by 2,1% from a 1,9% contraction in the preceding quarter, however, it moderated by 6,7% year-on-year. During the period under review, sales for the following divisions rebounded in growth: beverages (3,5%), food (1,3%), furniture (1,1%) and wearing apparel (1,0%). The textiles (2,0%) and wood and wood products divisions (0,6%) moderated. The paper and paper products division rose by 7,9%, while leather and leather products and rubber divisions contracted by 1,3% and 10,6%, respectively, and footwear division decelerated by 6,1% (see Figure 3).

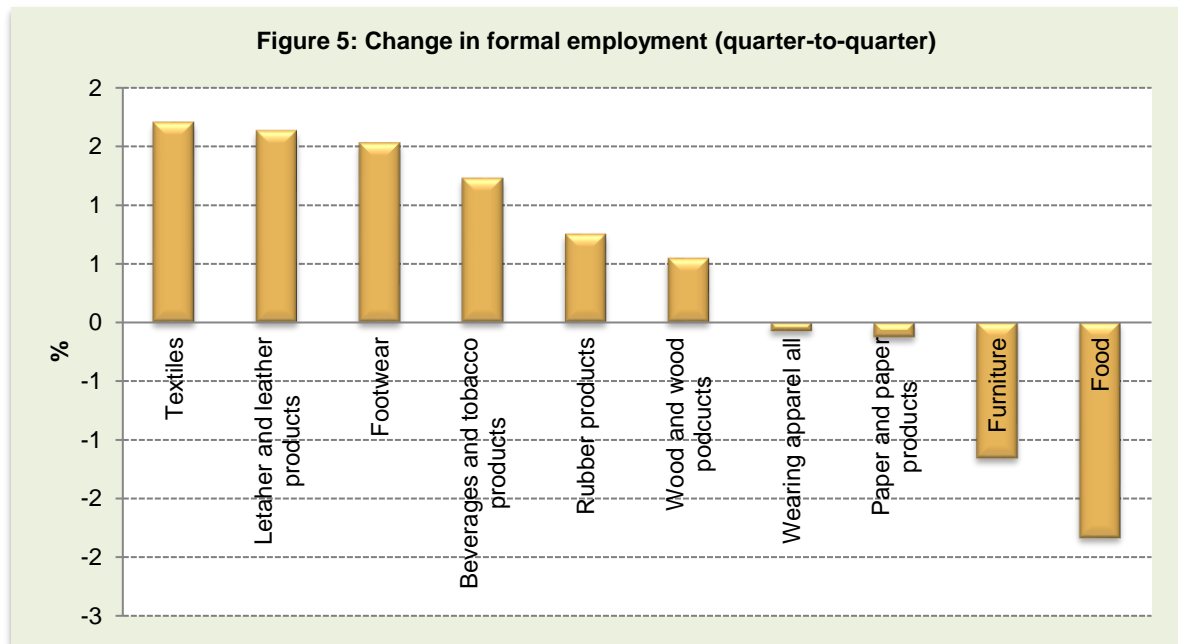
## Trade



Source: Quantec, 2024

During 2023: Q4, the trade surplus for the agro-processing sector contracted quarter-to-quarter by 48,1% from a growth of 7,6% in the last quarter. However, the year-on-year trade surplus decelerated by 52,1%. As a result, the trade surplus narrowed from R11 505,0 million in the last quarter to R5 965,4 million in the current quarter. The divisions that had a positive trade balance during the period under review were beverages (R3 473,6 million), food (R3 045,7 million), paper and paper products (R2 878,8 million), tobacco (R818,5 million) and wood and wood products (R320,0 million). However, wearing apparel (R7 118,7 million), rubber (R2 753,4 million), footwear (R2 623,9 million), textiles (R2 325,1 million), furniture (R1 238,4 million) and leather and leather products (R442,6 million) registered a negative trade during the period (see Figure 4).

## Formal employment



Source: Stats SA, 2024

During 2023: Q4, the agro-processing sector recorded about 496 323 jobs from 498 707 jobs in 2023: Q3, representing 2 384 jobs shed. The divisions that gained jobs during the period were: textiles (1 107), beverages (527), wood and wood products (234), rubber (99), footwear (83) and leather and leather products (82). However, the following divisions shed jobs: food (4 069), furniture (375) paper and paper products (45) and wearing apparel (27) (see Figure 5).

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