

# Agro-processing Quarterly

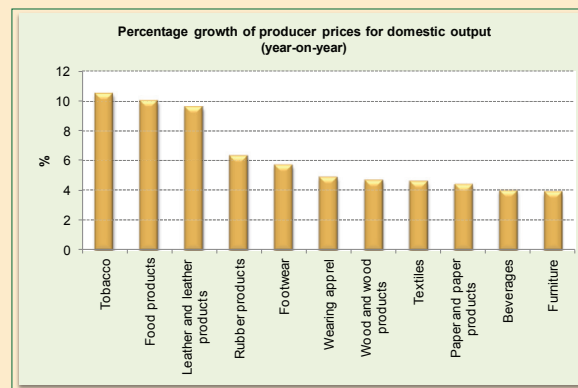
## Brief: No. 1, 2012

Directorate: Agro-processing Support



### Highlights of quarter 1, 2012 (January–March)

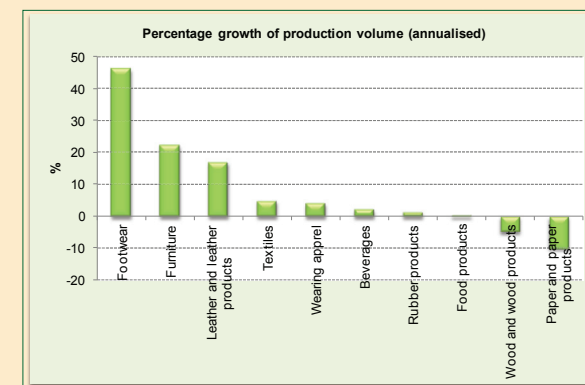
- The producer price for domestic output has increased by 10% for food, tobacco and leather products. For the other divisions, however, the growth ranges from 4% to 6%. The overall producer price inflation and consumer price inflation figures for the country were 8% and 6,2%, respectively.
- Agro-processing showed an expansion of production in most divisions during the first quarter of 2012. Compared to the previous quarter, the production volume of the agro-processing industry showed a substantial growth in the footwear, furniture and leather divisions. Marginal growth was recorded by the beverages, rubber and food products and it has declined for paper, wood and textiles divisions.
- Total formal employment in agro-processing marginally increased from the previous quarter (created 2 527 jobs). Among the divisions that generated formal jobs were beverages, wood, food and furniture. Jobs, however, were shed in the paper, leather, textiles, wearing apparel and rubber divisions.
- Apart from the three divisions (beverages, tobacco and paper) that showed a trade surplus, eight of the remaining divisions had a trade deficit during the first quarter of 2012.



Source: Statistics SA

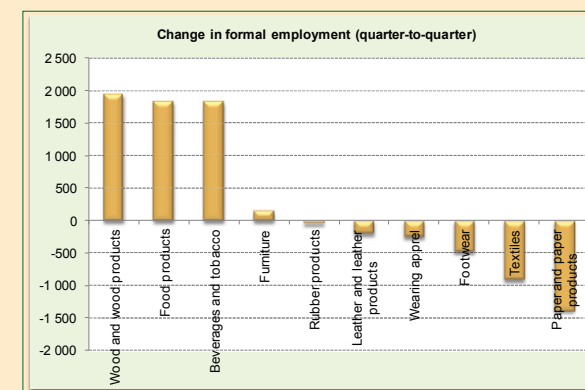
The producer price for domestic output of agro-processing showed a noticeable growth for manufactured food (10%), tobacco (10,5%) and leather and leather products (9,6%). The producer price increased moderately for rubber products (6,3%), footwear (5,7%) and

wearing apparel (5%). For all other divisions, such as beverages, textiles, wood and wood products, paper and paper products and furniture producer price inflation has risen between 4% and 5%.



Source: Statistics SA

Compared to the previous quarter, substantial production growth was recorded for footwear (46%), furniture (22%) and leather and leather products (17%) on an annualised rate. Production growth, however, was marginal for textiles (4,9%), wearing apparel (4,2%), beverages (2,2%) and rubber products (1,4%). Production volume showed little change for food products and it declined for paper and paper products (-10%) and wood and wood products (-4,8%)



Source: Statistics SA

On a quarter-to-quarter growth, only 2 527 formal jobs were created in agro-processing. Among the divisions,

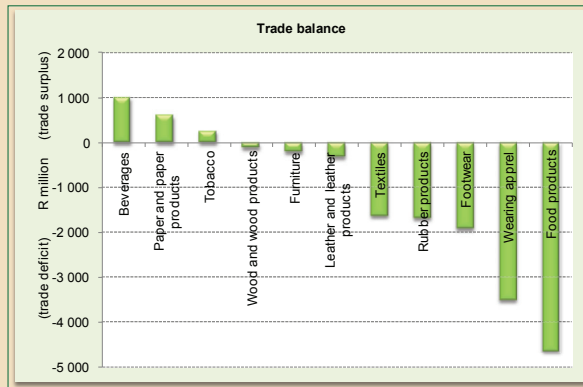


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moderate employment growth occurred in wood and wood products (5,5%: 1 938 jobs) and beverages and tobacco division (5%: 1 819 jobs). Employment was created marginally in food products (1%: 1 826 jobs) and furniture (0,4%: 147 jobs). However, formal jobs were lost in footwear (-5,3%: 466 jobs), paper and paper products (-4,3%: 1 369 jobs), leather and leather products (-3,7%: 191 jobs), textiles (-2,5%: 895 jobs) and wearing apparel (-0,4%: 239 jobs) divisions.



Source: Quantec EasyData

The trade balance of agro-processing was positive for beverages (R1 005 mil.), tobacco (R263 mil.) and paper products (R 604 mil.) divisions during the first quarter of 2012. For all the remaining divisions, trade balance was a deficit, and the deficit was large for food products (R 4 635 mil.), wearing apparel (R 3 497 mil.), rubber products (R 1 678 mil.), textiles (R 1 626) and footwear (R 1 908 mil.) divisions. The trade deficit, however, was marginal for furniture (R 201 mil.), wood and wood products (R 114 mil.) and leather and leather products (R 315 mil.) divisions.



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