

Agro-processing Annual Brief: Looking at 2020

Directorate: Agro-processing Support

Highlights of 2020

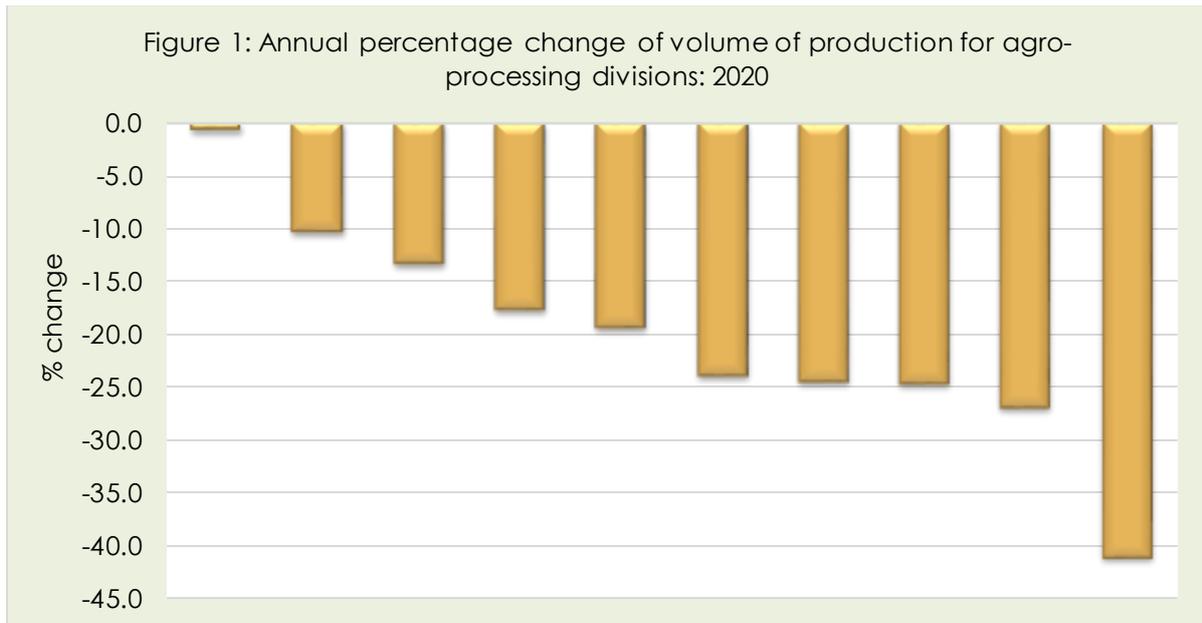
Most of the divisions' output in the agro-processing sector decelerated and contracted in growth in 2020. The divisions that decelerated were furniture, leather and leather products, textiles, wood and wood products and wearing apparel. The following divisions saw a contraction in growth over the same period under review: footwear, paper and paper products, beverages and food products.

In 2020, the annual agro-processing value of sales rebounded by 4,5% from a 2,1% growth in 2019. Sales for most of the divisions in the agro-processing sector rebounded in growth. Those divisions were leather and leather products, wood and wood products, textiles, footwear, wearing apparel and paper and paper products. However, sales for food products division increased during 2020. However, sales for rubber division contracted. Similarly, sales for beverages division further contracted, while that of the furniture division decelerated in growth.

In 2020, the agro-processing sector trade deficit contracted by 17,7% from a 14,5% growth in 2019. The following divisions registered a positive trade balance: beverages, food products, wood and wood products and tobacco. However, wearing apparel, textiles, rubber products, footwear, paper and paper products, furniture and leather and leather products divisions had a negative trade balance at the end of 2020.

The agro-processing sector employment decelerated by 5,3% from a 0,1% contraction recorded in 2019. This represents a further decline of 24 536 jobs in 2020. At the end of 2020, all divisions shed jobs. Those divisions were: wood and wood products (4 865), wearing apparel (4 405), food (3 568), furniture (3 398), paper and paper products (2 352), textiles (2 193), beverages (1 095) footwear (1 034), rubber products (929) and leather and leather products (693).

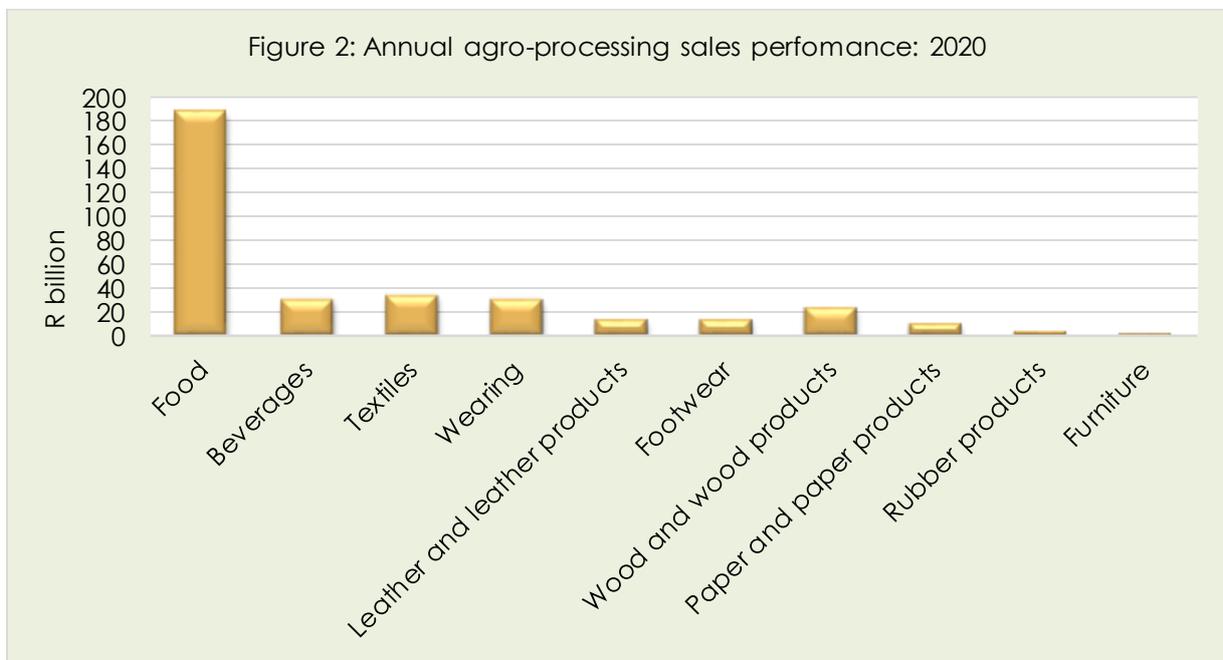
1. Volume of production



Source: Statistics SA, 2021

Most of the divisions' output in the agro-processing sector decelerated in growth in 2020. The divisions that decelerated were: furniture (24,6%), leather and leather products (27,0%), textiles (24,1%), wood and wood products (19,4%) and wearing apparel (19,2%). The following divisions also saw a contraction in growth over the same period under review: footwear (19,4%), paper and paper products (10,4%), beverages (17,7%) and food products (0,7%) (see Figure 1).

2. Sales

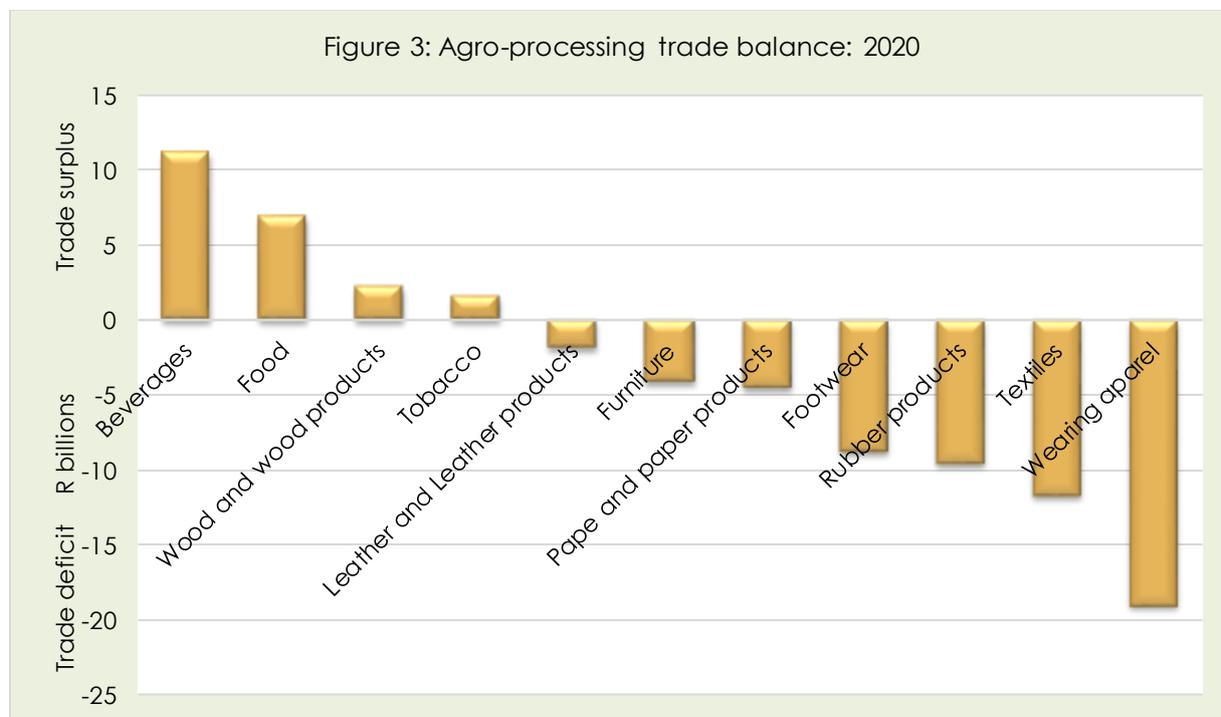


Source: Statistics SA, 2021

In 2020, the annual agro-processing value of sales rebounded by 4,5% from a 2,1% growth in 2019. Most of the divisions in the agro-processing sector sales rebounded in growth. Those divisions were: leather and leather products (3,4%), wood and wood products (3,2%), textiles

(3,1%), footwear (2,8%), wearing apparel (2,6%) and paper and paper products (1,7%). However, sales for food products increased by 6,7%. Contrarily ,sales for rubber products and beverages divisions contracted by 4,4% and 0,6%, respectively, while that of furniture decelerated by 7,0% (see Figure 2).

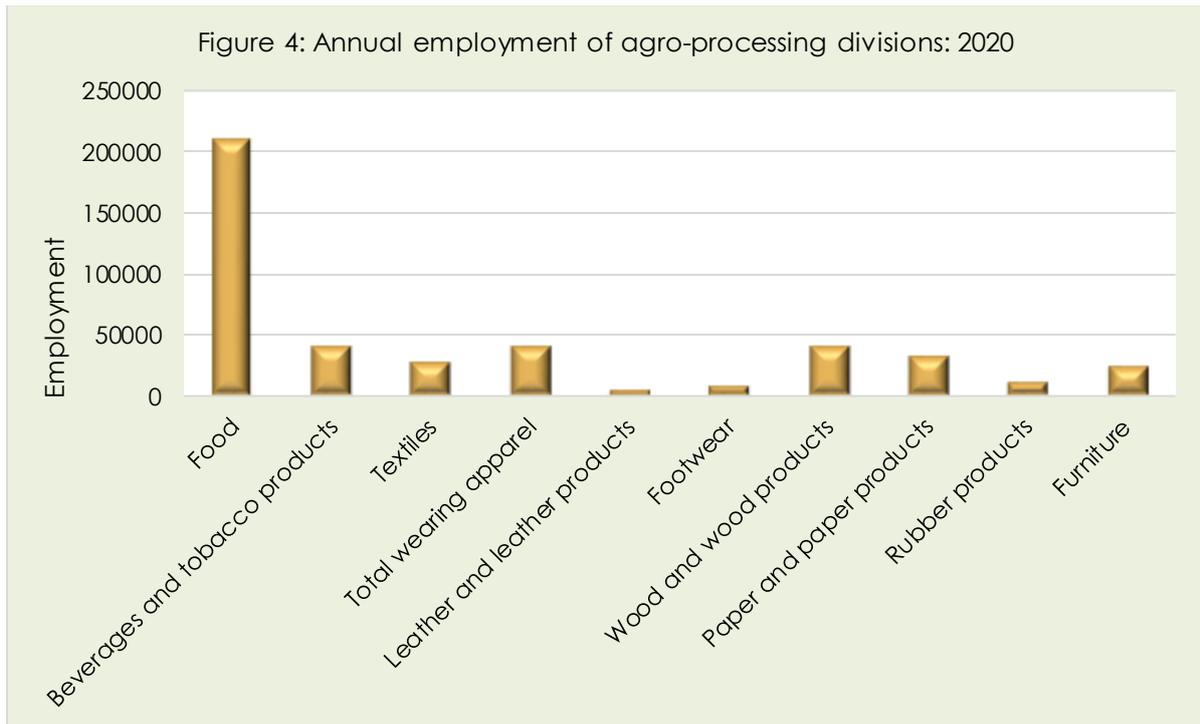
3. Trade



Source: Trade Map, 2021

The agro-processing sector trade deficit contracted by 17,7% in 2020 from a 14,5% growth in 2019. This translates to a trade deficit narrowing from R46 762,3 million in 2019 to R38 472,4 million in 2020. The following divisions registered a positive trade balance during the period: beverages (R11,1 billion), food products (R6,8 billion), wood and wood products (R2,1 billion) and tobacco (R1,4 billion). However, wearing apparel (R19,1 billion), textiles (R11,7 billion), rubber products (R9,6 billion), footwear (R8,8 billion), paper and paper products (R4,5 billion), furniture (R4,2 billion) and leather and leather products (R1,9 billion) divisions recorded a negative trade balance in 2020 (see Figure 3).

4. Employment



Source: Statistics SA 2021

Figure 4 above shows the annual employment of the agro-processing divisions in 2020. The agro-processing sector employment decelerated by 5,3% from a 0,1% growth recorded in 2019. This represents a further decline of 24 536 jobs in 2020 as compared to 360 jobs lost in 2019. At the end of 2019, the following divisions recorded the following average employees annually: food (208 730), beverages and tobacco (39 908), textiles (27 175), wearing apparel (39 721), leather and leather products (4 891), footwear (7 262), wood and wood products (39 951), paper and paper products (31 799), rubber products (11 583) and furniture (23 356).

All correspondence can be addressed to:

The Director: Agro-processing Support
Private Bag X416, Pretoria, 0001, South Africa
Tel.: +27 (12) 319 8458/8457
Fax: +27 (12) 319 8093
E-mail: VictorTH@dalrrd.gov.za

This publication is also available on the internet at:

<http://www.dalrrd.gov.za>

This document has been compiled by the Department of Agriculture, Land Reform and Rural Development and every effort has been made to ensure the accuracy and thoroughness of the information contained herein and the department cannot be held responsible for any errors, omissions or inaccuracies in such information and data, whether inadvertent or otherwise. The Department of Agriculture, Land Reform and Rural Development therefore accepts no liability that can be incurred resulting from the use of this information.