



Annual Economic Review of the Agro-processing Industry in South Africa

2024

DIRECTORATE: AGRO-PROCESSING SUPPORT



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA

Contents

| | |
|--|----|
| PREFACE | i |
| EXECUTIVE SUMMARY | ii |
| 1. INTRODUCTION | 1 |
| 2. THE STATE OF DOMESTIC ECONOMY | 1 |
| 3. THE AGRO-PROCESSING INDUSTRY | 2 |
| 3.1 FOOD PRODUCTS..... | 3 |
| 3.2 BEVERAGES..... | 6 |
| 3.3 TOBACCO | 8 |
| 3.4 TEXTILES..... | 9 |
| 3.5 WEARING APPAREL | 12 |
| 3.6 LEATHER AND LEATHER PRODUCTS..... | 15 |
| 3.7 FOOTWEAR | 18 |
| 3.8 WOOD AND WOOD PRODUCTS..... | 21 |
| 3.9 PAPER AND PAPER PRODUCTS | 24 |
| 3.10 RUBBER PRODUCTS | 27 |
| 3.11 FURNITURE | 30 |
| 4. CONCLUSION | 33 |
| REFERENCES | 34 |

LIST OF ACRONYMS

| | |
|------|-----------------------------------|
| DoA | Department of Agriculture |
| GDP | Gross Domestic Product |
| SA | South Africa |
| IPAP | Industrial Policy Action Plan |
| FAO | Food and Agriculture Organization |
| GVA | Gross value added |

PREFACE

The National Development Plan (NDP) identifies the agro-processing industry for its potential to spur economic growth and create sustainable employment. The agriculture and agro-industries are postulated as having the latent potential to contribute to inclusive economic growth through forward and backward linkages by providing various opportunities for earning income in the food production, processing, distribution and retailing phases of the agro/food value chain. At policy level, the Medium-Term Strategic Framework (MTSF), **specifically outcome 1: Economic transformation and job creation**, notes the agro-processing industry as a key pillar for inclusive economic growth. At sector level, the Agriculture and Agro-processing Master Plan (AAMP), **specifically pillars 5 and 6**, notes the crucial role the agro-processing industry should play towards mitigating post-harvest losses, providing access to markets for farmers and ensuring household food security. At operational level, the competitive performance of agribusinesses is directly linked to the competitiveness of the industry and the sector.

Consequently, the Department of Agriculture, (DoA) established the Directorate: Agro-processing Support within the Branch: Economic Development, Trade and Marketing (EDTM) to develop and facilitate implementation of policies and strategies to enhance competitive performance of agro-processing agribusinesses. Among others, the function of the directorate is to provide timely and updated agro-processing, economic and statistical information geared to monitor the performance of the industry and provide insight into the effects of economic policies and exogenous factors. To achieve this purpose, the directorate publishes regular quarterly reviews of the agro-processing industry.

This publication, “*Annual economic review of the agro-processing sector in South Africa: 2024*”, evaluates the performance of the food and beverages divisions in 2024. The main economic indicators reviewed are the changes in producer price, production volume, value of sales, capacity utilisation by large enterprises, formal employment and trade balance.

Any comments and suggestions on the content of this publication are welcome.

Director: Agro-processing Support

Pretoria

EXECUTIVE SUMMARY

The South African economy activity moderated by 0,6% year-on-year in 2024. The decline was notably in the primary and the secondary sectors which declined by 2,9% and 0,7% respectively in 2024. However, the tertiary sector remained unchanged year-on-year at 1,2% (Reserve Bank, 2025).

In 2024, the agro-processing sectors' seasonally adjusted volume of production contracted by 0,8% following a 0,6% growth in the previous year.

In the same period of 2024, the agro-processing sector's seasonally adjusted value of sales also moderated by 3,1% as compared to a 19,3% growth registered in the preceding quarter, which represents a nominal increase in sales value of R 1 113 193,5 million in 2024 from R1 065 716,3 million in 2023.

The utilisation capacity in the agro processing sector decreased for the following divisions: food products, textiles, footwear and furniture. However, increased for leather and leather products, rubber products, paper and paper products, wood and wood products, wearing apparel and beverages divisions.

The agro-processing sector trade deficit rebounded by 12,4% in 2024 from a 27,7% growth in 2023. As a result, the trade deficit of R53 184,2 million was registered in 2024 from a trade surplus of R47 315,3 million in 2023. Most of the divisions recorded a trade deficit during the period of review and those were: textiles, wearing apparel, leather and leather products, footwear, rubber products and furniture. However, food products, beverages, tobacco, wood and wood products; and paper and paper products registered a trade surplus in 2024.

The employment in the agro-processing sector contracted by 0,8% in 2024 following a 1,0% growth recorded in 2023. This represents a loss of 3 888 jobs in 2024. All the divisions in the sector shed jobs, except for textiles, wearing apparel and footwear.

1. INTRODUCTION

As a result of the decline in the primary and secondary sectors activities in the South African economy, the country's real GDP moderated by 0,6% in 2024 as compared to a 0,7% growth in 2023. However, the tertiary sector remained unchanged in 2024 (Reserve Bank, 2025).

This annual review is organised as follows: the first section presents an overview of the state of the domestic economy to provide an insight into the growth in domestic demand, which is largely determined by growth of the economy, employment and inflation. The second section gives a brief effect of the global and domestic economic situation on the 11 divisions of the agro-processing industry and lastly, the conclusion. The variables that are analysed in the review are the volume of production, sales, trade, employment and utilisation capacity of the 11 agro-processing divisions.

2. 2. THE STATE OF THE DOMESTIC ECONOMY

Table 3.1 shows that the South African economy moderated by year-on-year in 2024. The agricultural output contracted by 8,0% in 2024 as compared to a contraction of 4,8% in 2023, this was a s a result of adverse weather conditions attributed to the El Niño weather phenomenon that affected the production of field crops. The secondary sector decelerated by 0,7% year-on-year, with manufacturing contracting by 0,5%, this was mainly due to the decline in gas, water and electricity (South African Reserve Bank, 2025).

Table 1: South African economic growth rate (percentage change at seasonally adjusted annualised rates)

| Sector | 2023 | | | | | 2024 | | | | |
|------------------|------|-----|-------|------|-------|------|------|-------|------|-------|
| | Q1 | Q2 | Q3 | Q4 | Year* | Q1 | Q2 | Q3 | Q4 | Year* |
| Primary sector | -1,1 | 1,7 | -8,4 | 0,8 | -2,2 | 4,1 | -1,9 | -7,2 | 5,6 | -3,0 |
| Agriculture | -4,6 | 3,4 | -19,4 | -2,4 | -4,8 | 14,0 | -3,9 | -20,5 | 17,7 | -8,7 |
| Mining | 1,5 | 0,5 | -0,7 | 2,6 | -0,5 | -1,2 | -0,7 | 0,7 | -0,1 | 0,4 |
| Secondary sector | 0,7 | 1,6 | -1,4 | 0,3 | -0,4 | -1,2 | 0,6 | 0,4 | -1,0 | -0,6 |

| | | | | | | | | | | |
|-------------------------|-----|------|------|------|------|------|-----|------|------|------|
| Manufacturing | 1,0 | 2,3 | -1,3 | 0,3 | 0,3 | -1,2 | 0,5 | 0,1 | -1,1 | -0,4 |
| Construction | 0,9 | -0,2 | -3,3 | -1,5 | -0,1 | -2,9 | 0,3 | 0,8 | -0,5 | -5,4 |
| Tertiary sector | 0,8 | 0,3 | 0,6 | 0,3 | 1,2 | 0,0 | 0,4 | 0,3 | 0,2 | 1,1 |
| Non-primary sector | 0,8 | 0,6 | 0,2 | 0,3 | 0,9 | -0,2 | 0,5 | 0,3 | 0,0 | 0,8 |
| Non-agricultural sector | 0,8 | 0,6 | 0,2 | 0,4 | 0,8 | -0,3 | 0,4 | 0,3 | 0,0 | 0,8 |
| Total | 0,6 | 0,7 | -0,4 | 0,3 | 0,7 | 0,1 | 0,3 | -0,3 | 0,4 | 0,5 |

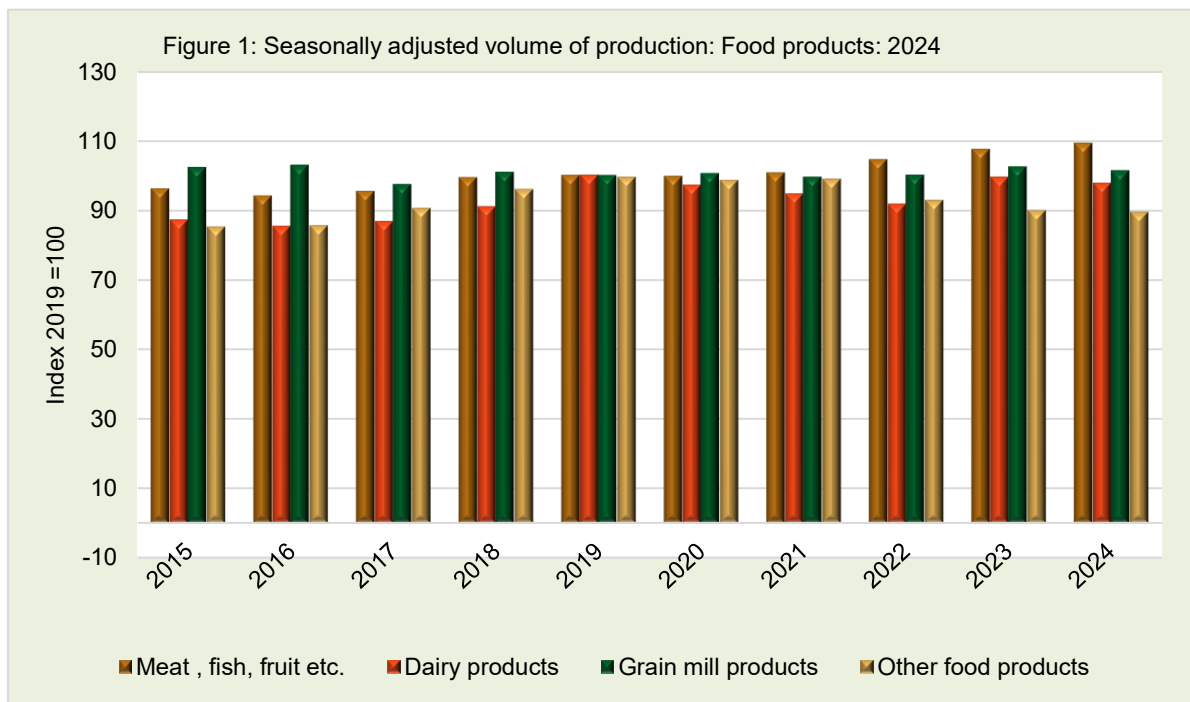
Source: Reserve Bank (2025)

- *Percentage change over a year*
- *The non primary sector represents total GVA excluding agriculture and mining.*
- *The non-agricultural sector represents total GVA, excluding agriculture.*

3. THE AGRO-PROCESSING INDUSTRY

The FAO (1997) defines agro-processing as a subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Therefore, the agro-processing industry basically transforms products originating from the agriculture, forestry and fisheries sectors. According to the Standard Industrial Classification, the agro-processing industry comprises of the following 11 divisions: food products, beverages, tobacco, textiles, wearing apparel, leather and leather products, footwear, paper and paper products, wood and wood products, rubber and furniture.

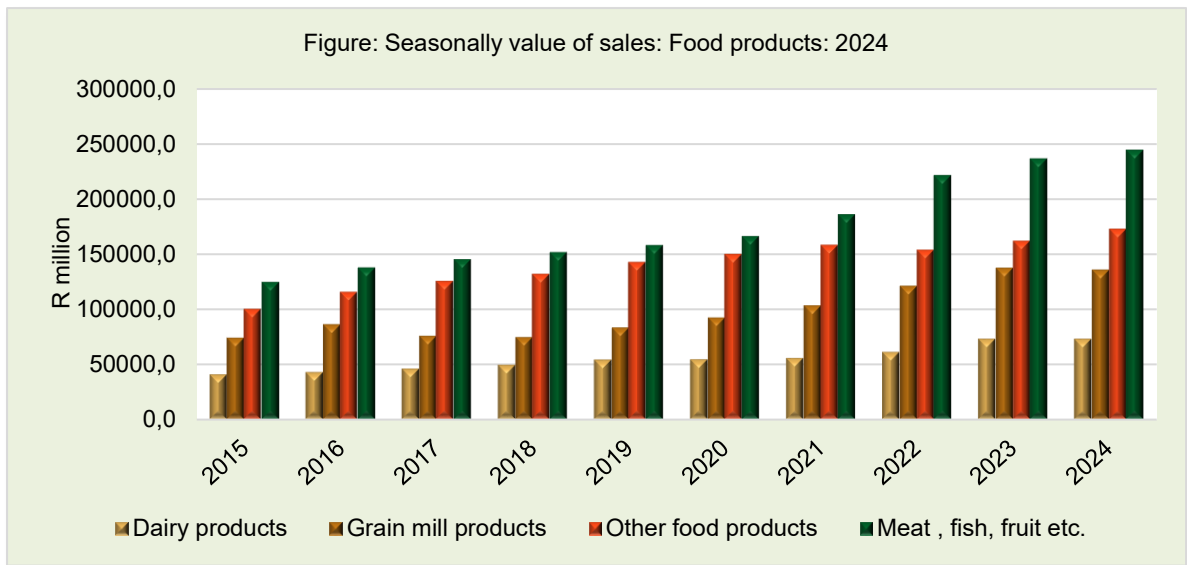
3.1 FOOD¹ PRODUCTS



Source: Quantec (2025)

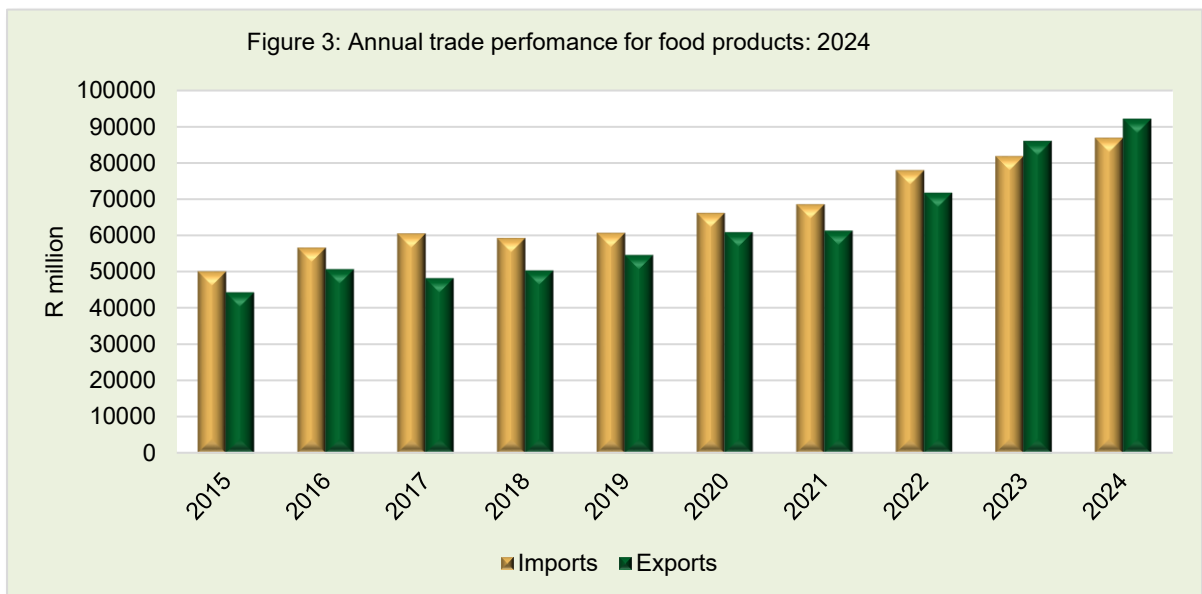
Figure 1 above depicts the average annual seasonally adjusted volume of production in the food products division of the agro-processing sector. In 2024, the output in the meat, fish, fruit, etc. division moderated by 1,6% from a 2,9% growth in 2023, dairy products and grain mill products contracted by 1,7% and 1,1% from an 8,5% and 2,5% growth in 2023, however, “other food” products receded further by 0,5% following a 3,3% contraction in 2023. The division as a whole contracted by 0,5% in 2024 from a 2,6% growth in 2023.

¹ Food products in this case will include meat, fish, fruit etc., dairy products, grain mill products and “other food products”



Source: Quantec (2025)

Figure 2 above shows the seasonally adjusted value of sales in the food products division, which is comprised of meat, fish, fruit, etc.; dairy products; grain mill products and “other food products”. In 2024, the sales for meat, fish, fruit, etc., and dairy products moderated by 3,3% and 0,1% as compared to a 6,9% and 19,2% growth in 2023, respectively. However, sales for grain mill products contracted by 1,4% from a 13,6% growth in 2024, and “other food products” rose by 6,7% following a 5,4% growth in the last quarter. The division in its entirety moderated by 2,8% in 2024 from a 9,3% growth in 2023. The value of sales therefore amounted to R624 969,9 million in 2024.



Source: Quantec (2025)

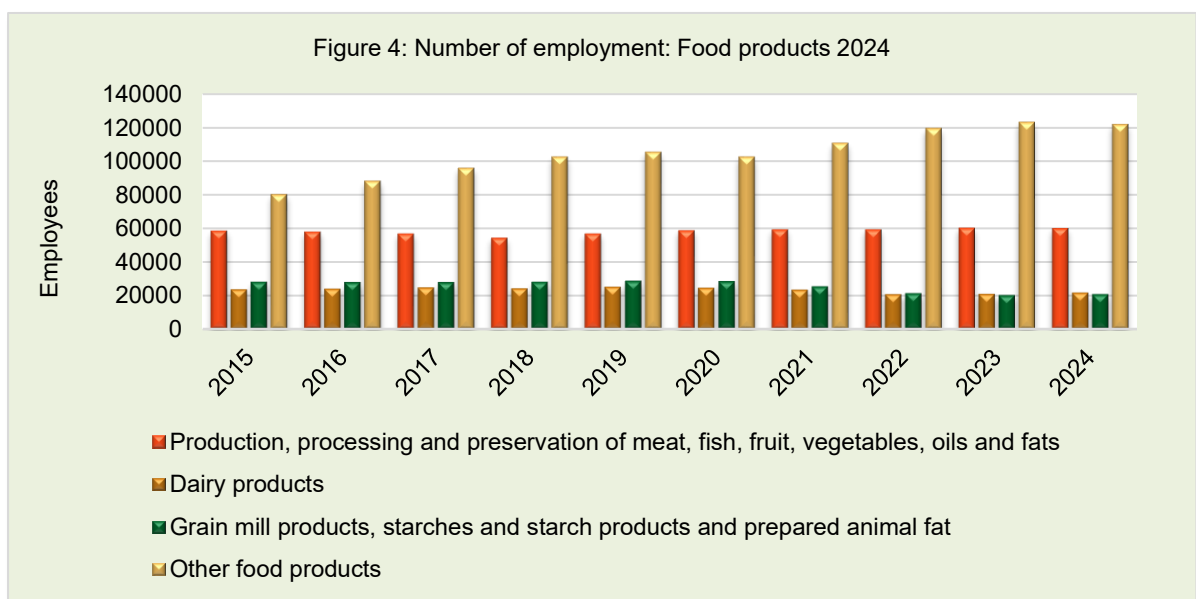
In 2024 exports for the food division rose by 6,2% from a 5,0% growth in 2023. Conversely, food imports division moderated by 7,1% as compared to a 19,8% growth in 2023 (see Figure 3). As a result, the trade surplus widened to R5 091,7 million in 2024 from R4 054,0 million in 2023.

Table 2: Utilisation and reasons for underutilisation of production capacity by large enterprises: Food products (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 81,3 | 18,8 | 2,6 | 0,9 | 0,2 | 10,2 | 5,0 |
| 2023 | 81,7 | 18,4 | 2,0 | 1,0 | 0,3 | 9,5 | 5,8 |
| 2024 | 81,4 | 18,6 | 2,1 | 1,2 | 0,2 | 10,0 | 5,2 |

Source: Statistics SA (2025)

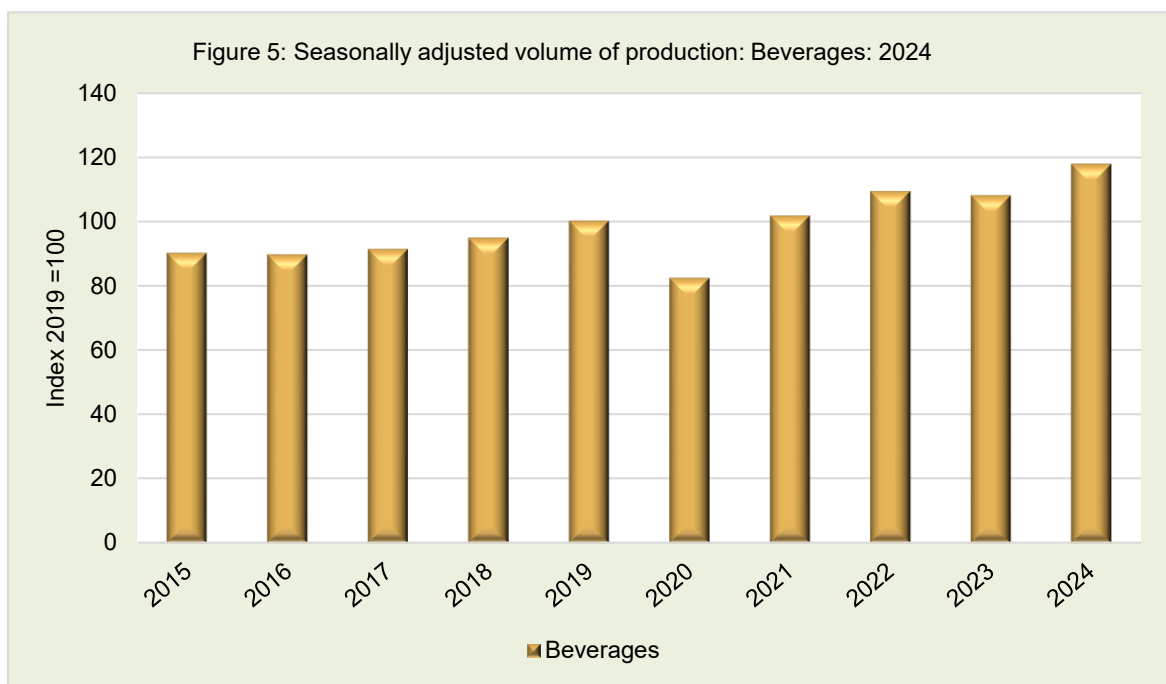
The utilisation of production capacity by large enterprises in the food products division decreased in 2024 as compared to 2023. The increase was 0,3 percentage points. The main reason for underutilisation during 2024 was due to insufficient demand, followed by other reasons such as seasonal factors (see Table 2).



Source: Quantec (2025)

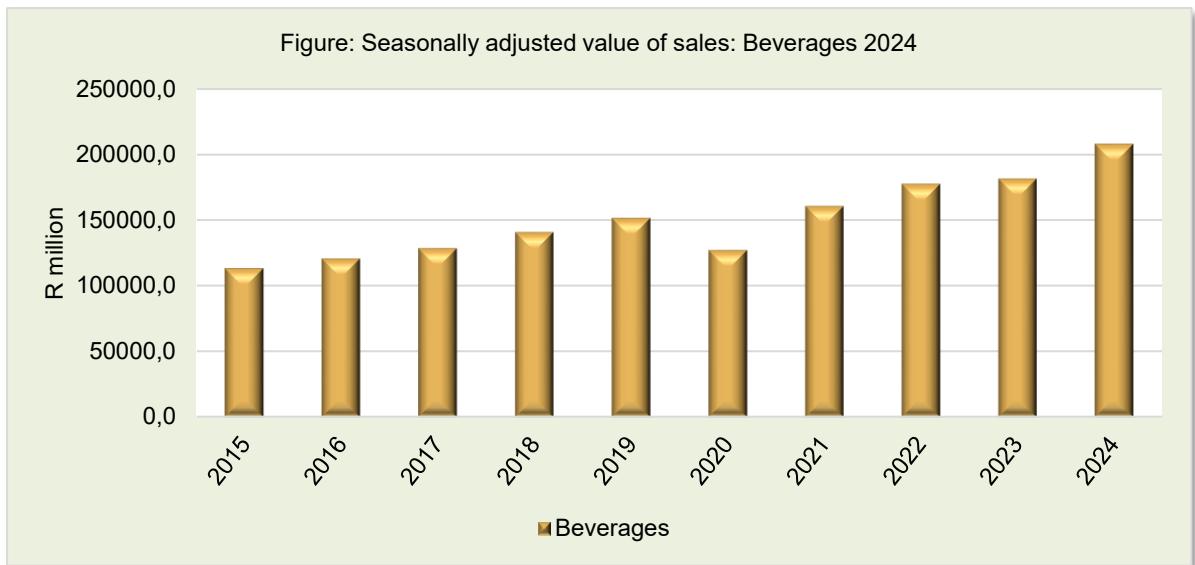
Figure 4 above depicts employment in the food products division in 2024. In 2024, the employment in the production, processing and preservation of the meat, fish, fruit, vegetables, oils and fats and "other food products" contracted by 0,2% and 1,1% in 2024 from a 1,6% and 3,0% growth respectively in 2023. The dairy products rose by 4,0% following a 1,1% growth in 2023, while grain mill products rebounded by 2,5% from a 5,5% contraction in 2023. The division as a whole contracted by 0,1% in 2024 following a 1,6% growth in 2023. As a result, the division shed 171 more jobs in 2024.

3.2 BEVERAGES



Source: Quantec (2025)

Figure 5 shows the average seasonally adjusted volume of production in the beverages division. In 2024, the output for beverages division rebounded by 9,0% from a contraction of 1,1% recorded in 2023. The volume of production was highest in 2024 and lowest in 2020.



Source: Quantec (2025)

Figure 6 above depicts the seasonally adjusted value of sales for the beverages division. In 2024, sales for the beverages division rose by 14,6% as compared to a growth of 2,2% in 2023. Sales for the division were highest in 2024 and lowest in 2020. The value of sales amounted to R207 465,3 million in 2024.



Source: Quantec (2025)

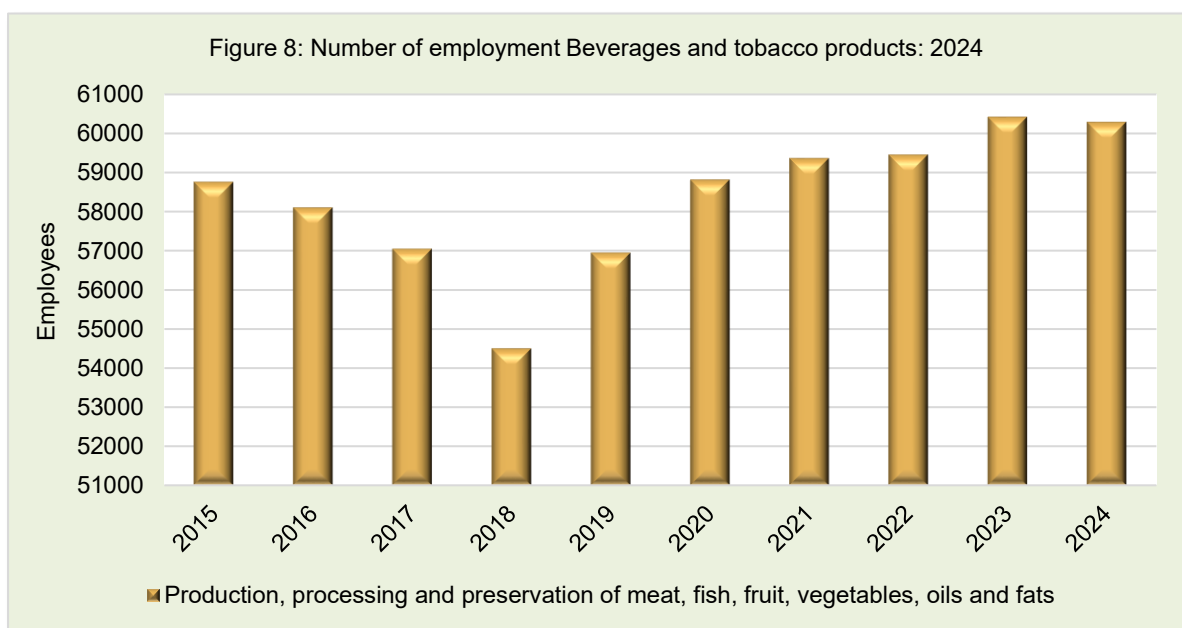
In 2024, the exports for the beverages division contracted by 8,9% in 2024 following a 21,7% growth in 2023. Similarly, the beverages imports moderated by 3,8% following a growth of 5,9% in 2023. As a result, the trade surplus widened from R9 689,6 million in 2023 to R11 659,0 million in 2024 (see Figure 7).

Table 3: Utilisation and reasons for underutilisation of production capacity by large enterprises: Beverages (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 81,0 | 19,0 | 3,4 | 2,8 | 0,2 | 11,0 | 1,8 |
| 2023 | 82,5 | 17,6 | 2,5 | 3,2 | 0,2 | 9,6 | 2,2 |
| 2024 | 82,8 | 17,2 | 1,9 | 3,3 | 0,2 | 9,3 | 2,6 |

Source: Statistics SA (2025)

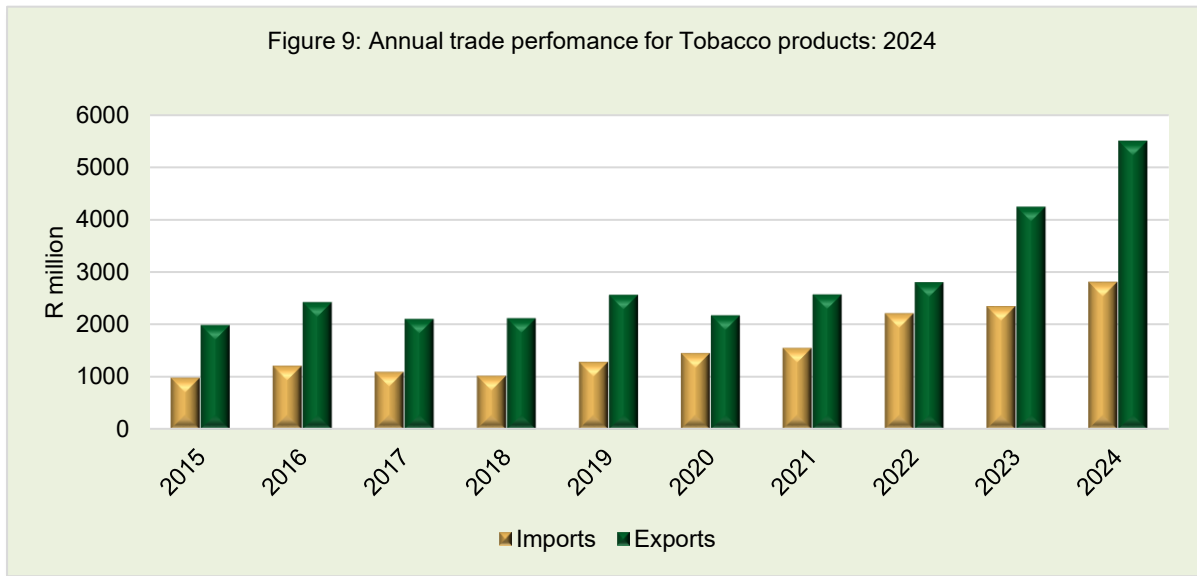
The utilisation of production capacity increased in 2024 by 0,3 percentage points as compared to 2023 (see Table 3). The main reason for underutilisation was insufficient demand, followed by other reasons such as shortage of skilled labour.



Source: Quantec (2025)

Figure 8 above shows the employment in the beverages and tobacco division from 2014 to 2023. In 2024, the employment in the beverages and tobacco division contracted by 2,8% as compared to a 4,3% growth in 2023. As a result, 1 247 jobs were lost in 2024.

3.3 TOBACCO



Source: Quantec (2025)

In 2024, the exports of tobacco division expanded by 19,9% from a 6,2% growth in 2023. However, imports of tobacco division moderated by 29,5% following a 51,3% growth in 2023. As a result, the trade surplus widened from R1 914,9 million in 2023 to R2 702,4 million in 2024 (see Figure 9).

3.4 TEXTILES



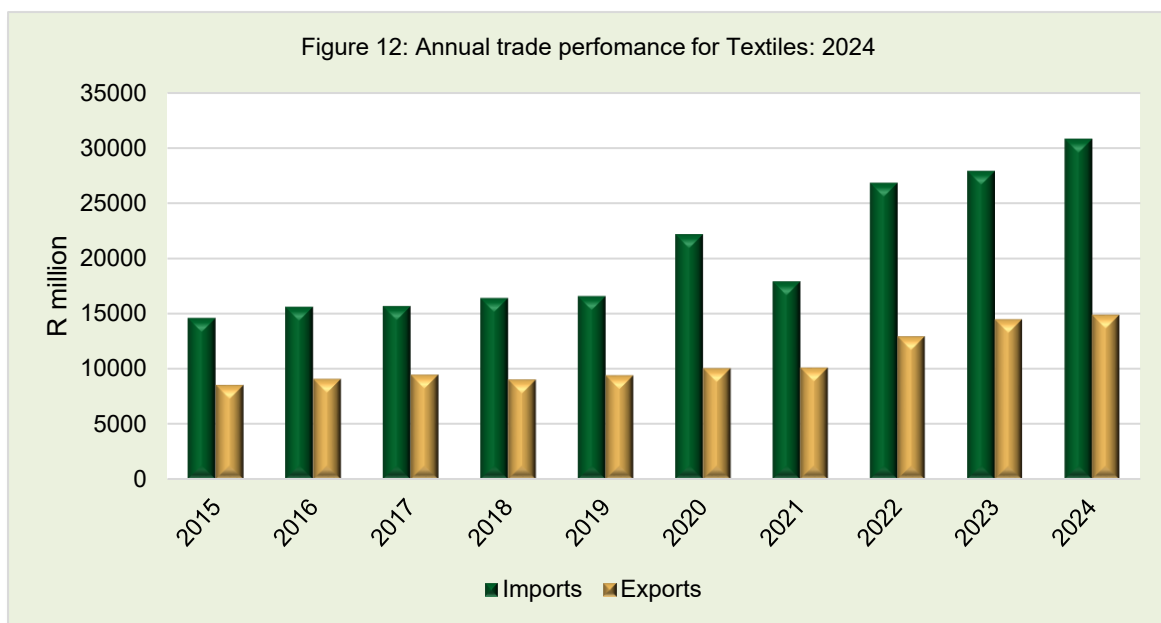
Source: Quantec (2025)

In 2024, the volume of production for the textiles divisions decelerated by 7,3% following a 5,2% growth in 2023. However, “other textiles” receded further by 0,1% from a 1,8% contraction in 2023. The division as a whole decelerated by 5,2% in 2024 from a 3,5% contraction in 2023. Output for “other textiles” was highest in 2017 and lowest in 2020 (Figure 10). Textiles output however, was highest in 2021 and lowest in 2020.



Source: Quantec (2025)

Figure 11 above depicts the seasonally adjusted value of sales for the textile division. In 2024, the seasonally adjusted value of sales in the textiles division contracted by 8,9% from a 12,3% growth in the last quarter, however, “other textile” division expanded by 10,4% following a growth of 7,7% in the last quarter. Sales for the division as a whole division moderated by 3,7% in 2024 following a 9,3% growth in 2023. Sales for textiles division were highest in 2023 and lowest in 2020. However, sales for “other textiles” division were highest in 2024 and lowest in 2020. The value of sales for the whole division amounted to R33 399,3 million in 2024.



Source: Quantec (2025)

In 2024, textiles exports rose by 10,5% from a 4,0% growth in 2023, however imports moderated by 2,9% from a 11,9% growth in 2023. As a result, the trade deficit widened from R13 438,3 million in 2023 to R15 942,9 million in 2024 (see Figure 12).

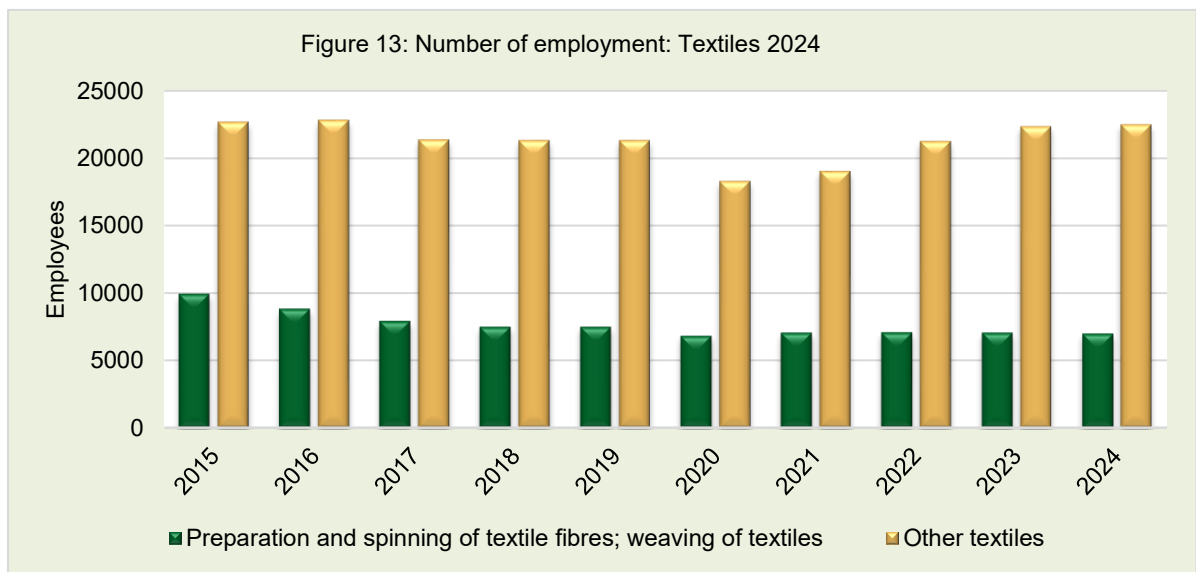
Table 4: Utilisation and reasons for underutilisation of production capacity by large enterprises: Textiles (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 67,2 | 32,8 | 1,7 | 1,0 | 0,1 | 23,3 | 6,7 |
| 2023 | 66,6 | 33,4 | 2,1 | 0,6 | 0,0 | 23,8 | 7,0 |
| 2024 | 66,2 | 33,9 | 2,2 | 0,7 | 0,1 | 23,3 | 7,7 |

Source: Statistics SA (2025)

Table 4 illustrates the utilisation capacity by large enterprises in the textiles division. The utilisation capacity decreased in 2024 as compared to 2023 by 0,4 percentage points.

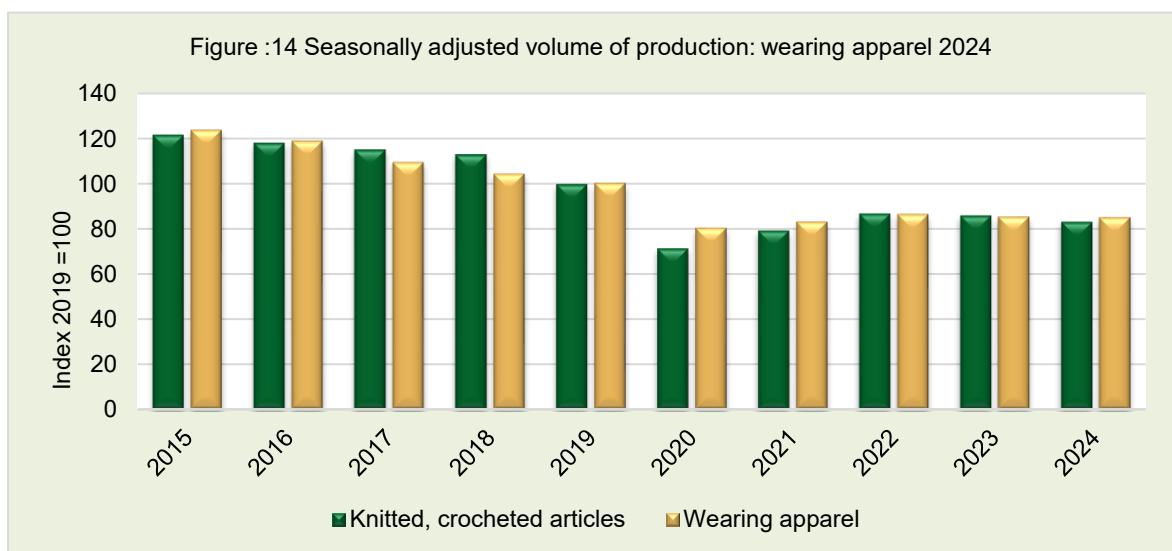
Insufficient demand remains the main reason for underutilisation in 2024, followed by other reasons such as seasonal factors.



Source: Quantec (2025)

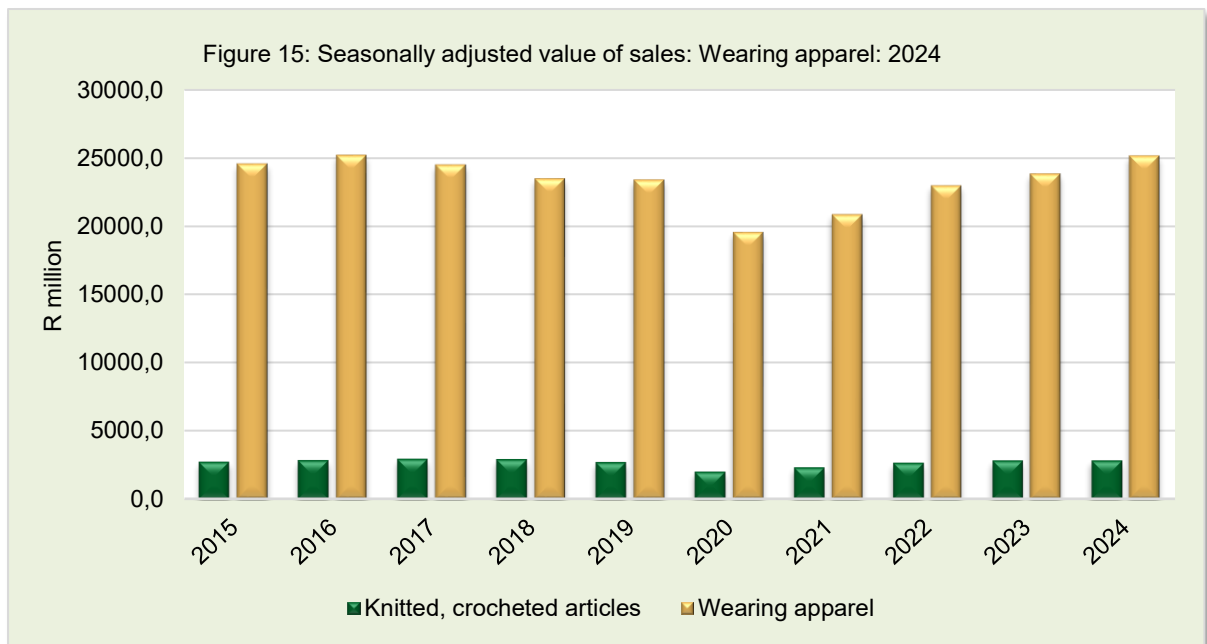
Figure 13 above shows employment in the textiles division in 2023. The employment in the preparation and spinning of textiles division receded further by 1,0% from a 0,3% growth in 2023. However, other textiles” moderated by 0,6% following a 5,2% growth in 2023. The division as a whole moderated by 0,2% in 2024 as compared to a 3,8% growth in 2023. As a result, the division gained 65 jobs in 2024.

3.5 WEARING APPAREL



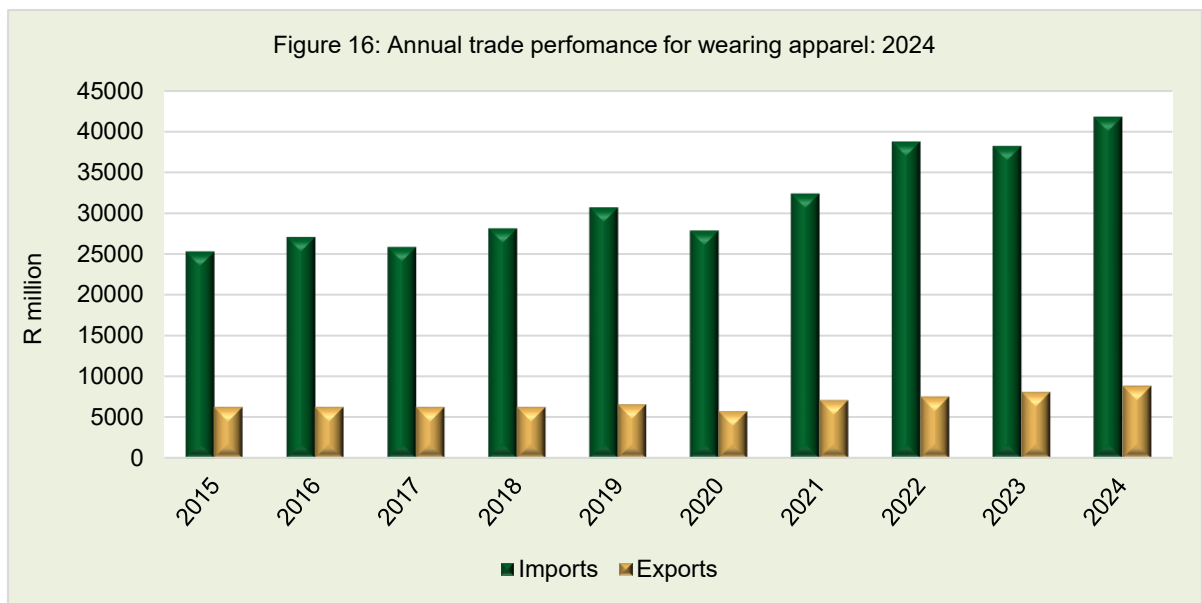
Source: Quantec (2025)

In 2024, the annual seasonally adjusted volume of production in the knitted, crocheted articles and division decelerated by 3,2%, from a 1,0% contraction in 2023, wearing apparel receded further by 0,2% following a 1,4% contraction in 2023. The division as a whole receded further by 3,1% from a 6,9% contraction in 2023. Output for wearing apparel was highest in 2015 and lowest in 2020. Similarly, output for the knitted, crocheted articles was highest 2015 in and lowest in 2020 (see Figure 14).



Source: Quantec (2025)

In 2024, the annual seasonally adjusted value of sales in the knitted and crocheted articles contracted by 0,3% from a 7,1% growth in 2023, however, wearing apparel rose by 5,5% from a 3,8% in 2023. The value of sales for the wearing apparel division were highest in 2024 and lowest in 2020, however, value of sales for knitted, crocheted articles were highest in 2017 and lowest in 2020. The values of sales division in its entirety rose by 4,9% from a 4,1% growth in 2023, The value of sales of the division as a whole amounted to R27 912,0 million in 2023 (see Figure 15).



Source: Quantec (2025)

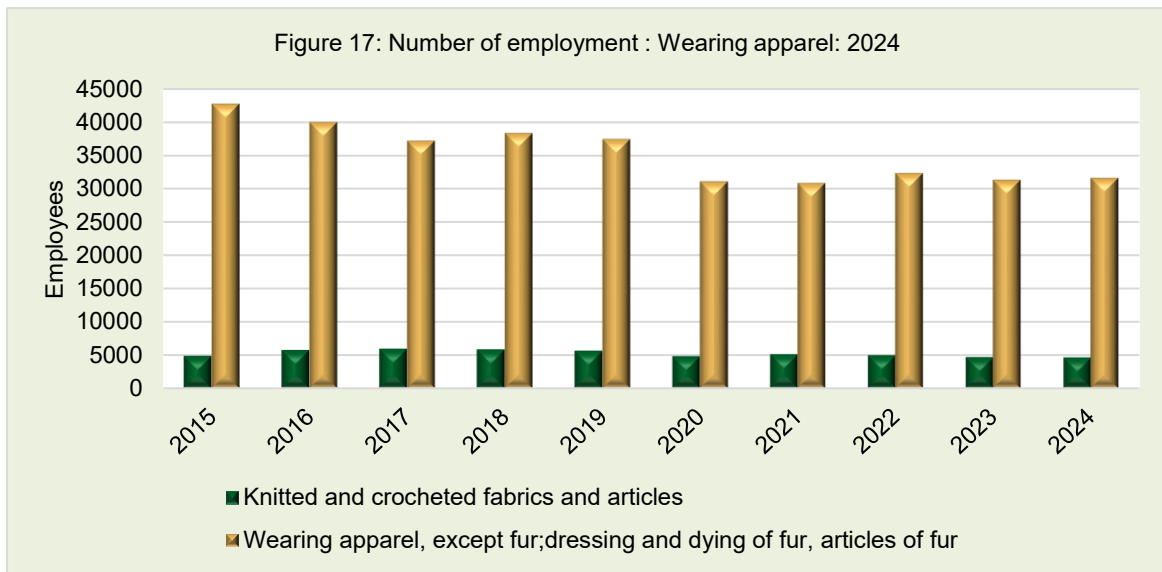
In 2024, the wearing apparel division exports rebounded by 9,4% from a contraction of 1,4% in 2023, however, imports expanded by 9,5% from a 7,4% growth in 2023. As a result, the trade deficit was R33 005,9 million in 2024 from a trade surplus of R30 168,4 million in 2023 as Figure 16 shows.

Table 5: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wearing apparel (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 74,0 | 26,1 | 1,2 | 1,6 | 0,6 | 18,4 | 4,2 |
| 2023 | 73,9 | 26,2 | 0,6 | 1,5 | 0,8 | 18,5 | 4,7 |
| 2024 | 74,4 | 25,6 | 0,7 | 1,3 | 0,4 | 18,8 | 4,3 |

Source: Statistics SA (2025)

Table 5 above shows that the utilisation capacity grew in 2024. Utilisation increased by 0,5 percentage points. Insufficient demand remains the main reason for underutilisation of production capacity during 2024, followed by other reasons such as lower productivity.



Source: Quantec (2025)

In 2024, the employment in the knitted and crocheted articles division receded further by 1,1% from a 5,1% growth in 2023. However, the wearing apparel division rebounded by 0,9% in 2024 as compared to a 3,2% contraction in 2023. The employment for the division as a whole rebounded by 0,6% in 2024, following a 3,5% contraction in 2023. As a result, 229 jobs were created in 2024. (see Figure 17).

3.6 LEATHER AND LEATHER PRODUCTS



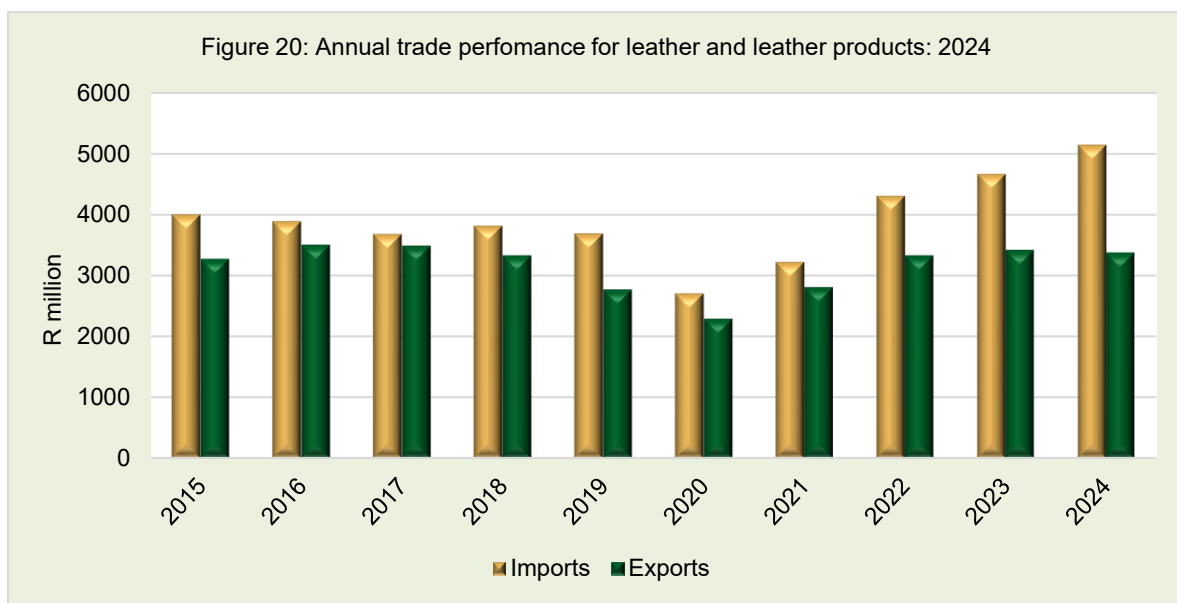
Source: Quantec (2025)

Figure 18 above illustrates the seasonally adjusted volume of production in the leather and leather products division. In 2024, the leather and leather products division receded further by 0,3% from an 8,3% growth in 2023. The output for the leather and leather products division was highest in 2015 and lowest in 2020.



Source: Quantec (2025)

Figure 19 above presents the value of sales in the leather and leather products division. In 2024, the seasonally adjusted value of sales in the leather and leather products division rose by 7,4% following a 0,9% growth in 2023. The value of sales for the leather and leather products division was highest in 2017 and lowest in 2020 and amounted to R6 583,1 million in 2024.



Source: Quantec (2025)

In 2024, the exports for the leather and leather products division rose by 10,3% from a 8,3% growth registered in 2023. However, imports contracted by 1,3% following a 2,8% growth in 2023. As a result, the trade surplus widened from R1 246,7 million in 2022 to R1 770,5 million in 2023 (see Figure 20).

Table 6: Utilisation and reasons for underutilisation of production capacity by large enterprises: Leather and leather products (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 64,9 | 35,1 | 7,9 | 0,5 | 1,1 | 21,5 | 4,1 |
| 2023 | 61,8 | 38,3 | 4,3 | 0,5 | 0,9 | 30,8 | 1,8 |
| 2024 | 62,1 | 37,9 | 3,8 | 0,5 | 1,2 | 31,7 | 0,9 |

Source: Statistics SA (2025)

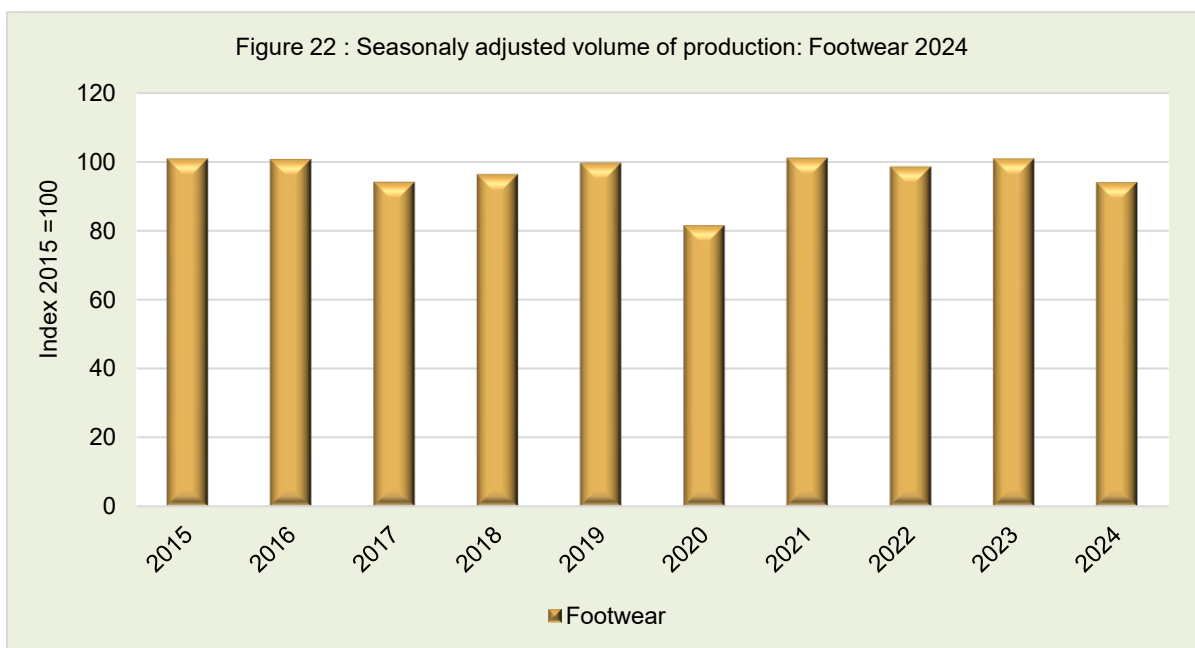
The utilisation of production capacity in the leather and leather products division increased in 2024 by 0,3 percentage points (see Table 6). Insufficient demand remained the main reason for underutilisation, followed by other reasons such as shortage of raw materials.



Source: Quantec (2025)

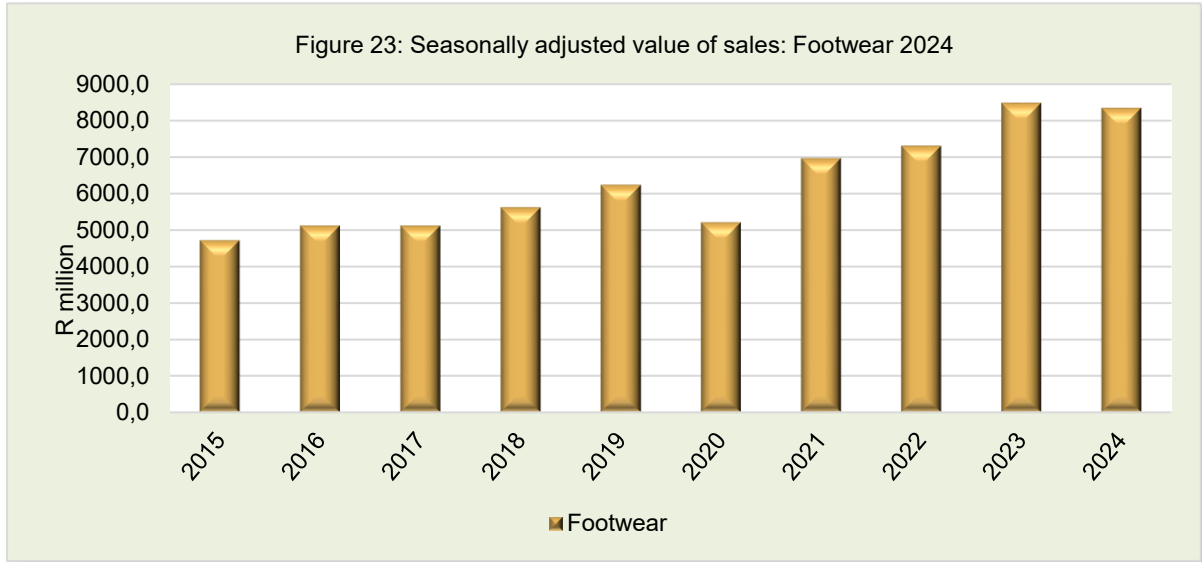
Figure 21 above shows the number of employment in the leather and leather products division in 2024. The employment in the leather and leather products division contracted by 3,4% in 2024 from a 2,3% growth registered in 2023. As a result, 175 jobs were shed in the division in 2023.

3.7 FOOTWEAR



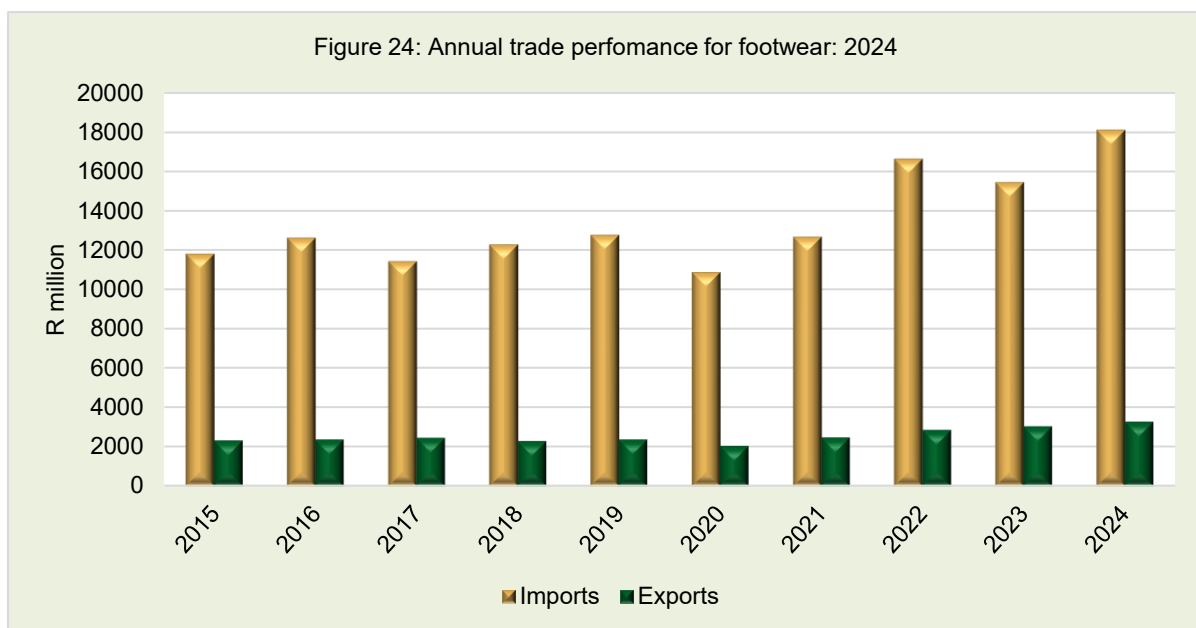
Source: Quantec (2025)

Figure 22 above shows the seasonally adjusted volume of production in the footwear division. In 2024, the volume of production for the footwear division contracted by 6,8% as compared to an 2,3% contraction in 2023. The volume was highest in 2021 and lowest in 2020.



Source: Quantec (2025)

The seasonally adjusted value of sales in the footwear division contracted by 1,6% in 2024 as compared to a growth of 16,2% in 2023. The value of sales for the footwear division was approximately R8 345,4 million in 2023. The sales were highest in 2023 and lowest in 2015 (see Figure 23).



Source: Quantec (2025)

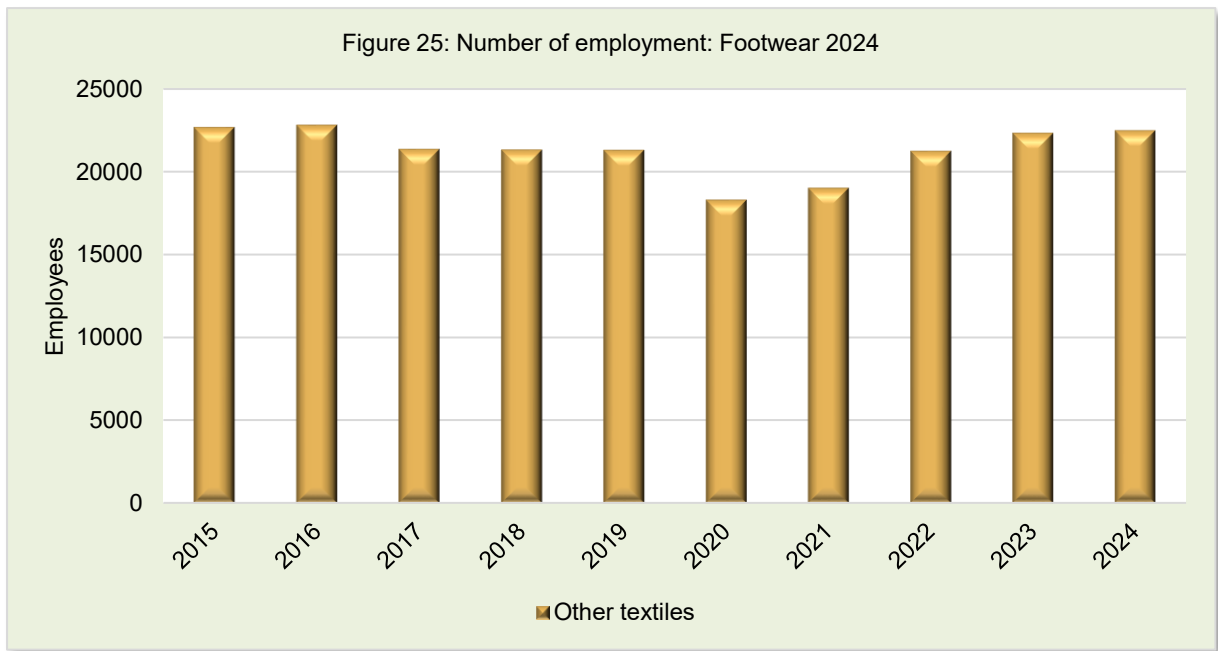
In 2024, the exports of footwear division rebounded by 17,3% following a 7,1% growth 2023. However, the imports of footwear division expanded by 7,9% in 2023 as compared to a 6,5% growth registered in 2023. As a result, the trade deficit widened from R12 460,3 million in 2023 to R14 887,8 million in 2024 (see Figure 24).

Table 7: Utilisation and reasons for underutilisation of production capacity by large enterprises: Footwear (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 83,5 | 16,6 | 2,4 | 0,5 | 0,0 | 13,2 | 0,5 |
| 2023 | 83,7 | 16,3 | 4,3 | 1,0 | 0,1 | 11,0 | 0,0 |
| 2024 | 80,6 | 19,4 | 5,9 | 0,9 | 0,0 | 12,6 | 0,1 |

Source: Quantec (2025)

The utilisation of production capacity in the footwear division decreased by 3,1 percentage points in 2024 (see Table 7). Insufficient demand remained the key reason for underutilisation during the period, followed by shortage of raw materials.



Source: Quantec (2025)

Figure 25 above shows the number of employment in the footwear division. In 2024, the employment in the footwear division rebounded by 0,7% from a 6,1% contraction in 2023. As a result, 36 jobs were created in the division in 2024.

3.8 WOOD AND WOOD PRODUCTS



Source: Quantec (2025)

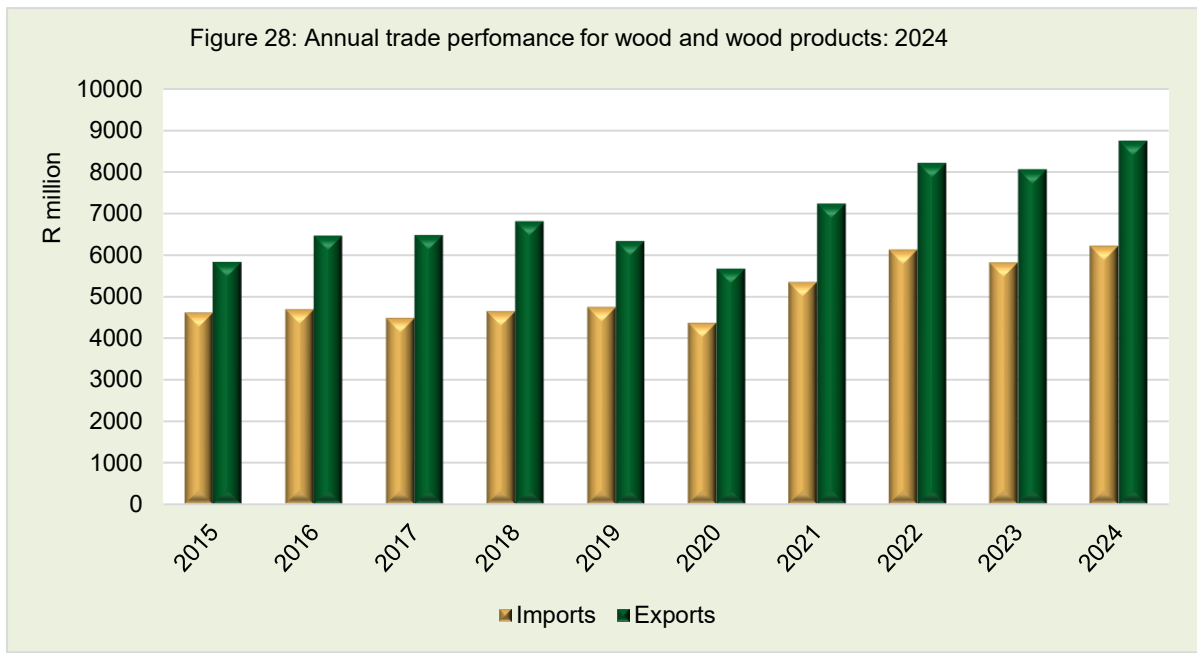
In 2024, the seasonally adjusted volume of production in the sawmilling and planning of wood division moderated by 1,9% from a 5,3% growth in 2023. Similarly, the products of wood moderated by 1,6% in 2023 from an 11,0% growth registered in 2023. The division as a whole moderated by 0,1% in 2023 from a 10,1% growth in 2023 (see Figure 26). Sawmilling and planning of wood division's output was highest in 2017 and lowest in 2020, while products of wood output was highest in 2024 and lowest in 2020.



Source: Quantec (2025)

As shown in Figure 27, the value of sales for sawmilling and planning of wood and products of wood contracted by 1,9% from a 20,9% growth in 2023. However, products of wood moderated by 1,6% from a 13,1% growth in 2023.

The division as a whole moderated by 0,2% following a 13,6% growth in 2023. The value of sales for products of wood division were highest in 2024 and lowest in 2020, however, sales for sawmilling and planning of wood were highest in 2023 and lowest in 2019. The sales for the entire division amounted to R 46 043,0 million in 2024.



Source: Quantec (2025)

In 2024, the exports and imports of wood and wood products division rebounded by 6,9% and 8,5% as compared to a 5,0% and 1,8% contraction in 2022 respectively. As a result, the trade surplus increased from R2 243,9 million in 2023 to R2 532,3 million in 2024 (see Figure 28).



Source: Quantec (2025)

In 2024, the employment in the sawmilling and planning of wood division rebounded by 3,9% in 2024 following a contraction of 6,6% in 2023. However, products of wood decelerated by 2,7% as compared to a 2,3% contraction in 2023. The division as a whole receded further by

0,6% from a 3,7% growth in 2023. Consequently, about 240 jobs were shed in 2023 (see Figure 29).

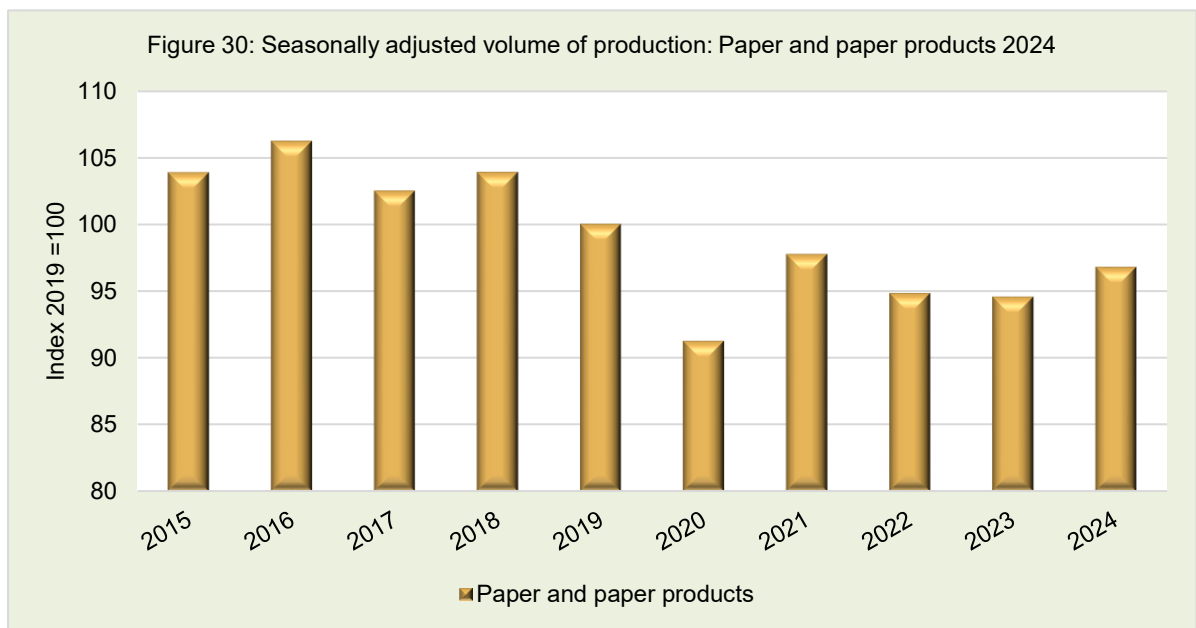
Table 8: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wood and wood products (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 77,8 | 22,2 | 2,6 | 0,8 | 0,0 | 8,7 | 10,0 |
| 2023 | 81,0 | 19,0 | 2,6 | 0,8 | 0,1 | 9,1 | 6,5 |
| 2024 | 81,1 | 19,0 | 2,1 | 0,7 | 0,0 | 9,3 | 6,9 |

Source: Statistics SA (2025)

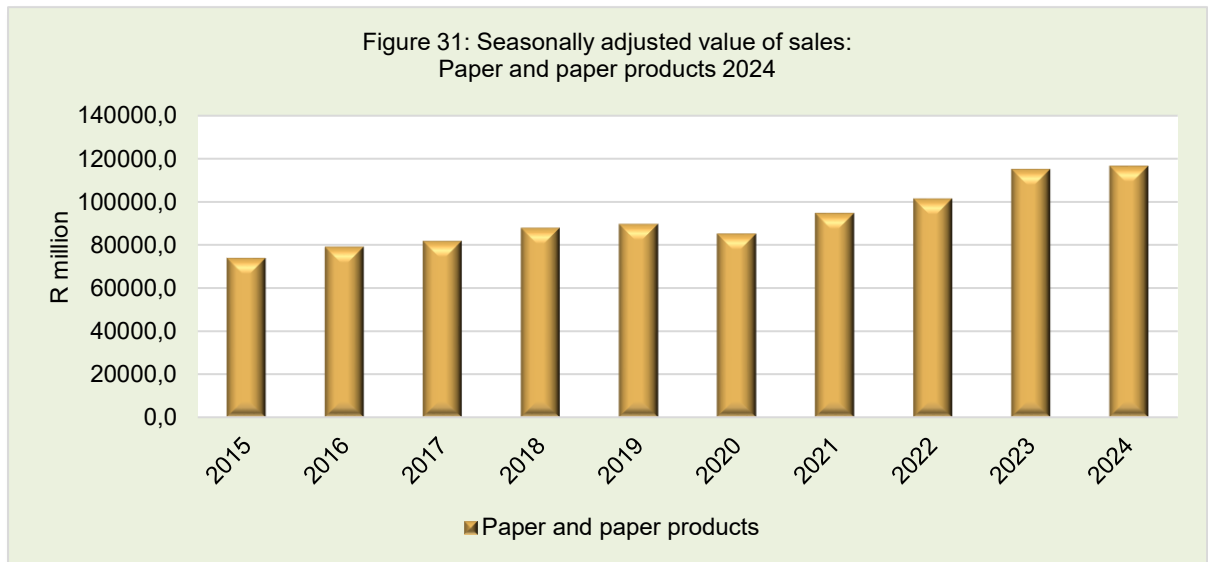
Table 8 shows that the utilisation of production capacity for wood and wood products division decreased in 2024. The increase is about 0,1 percentage points. Other reasons such seasonal factors were the main reason for underutilisation during the period.

3.9 PAPER AND PAPER PRODUCTS



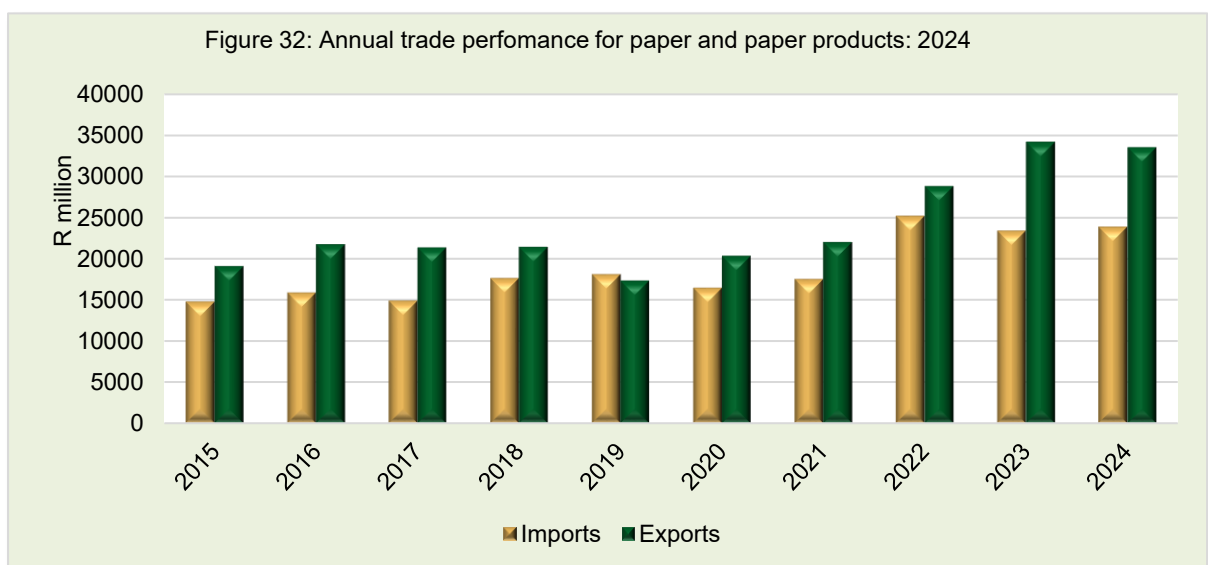
Source: Quantec (2025)

Figure 30 above shows the annual seasonally adjusted volume of production in the paper and paper products division. The seasonally adjusted volume of production in the paper and paper products division rebounded by 2,4% in 2023 from a contraction of 0,3% in 2022. The division's output was highest in 2016 and lowest in 2020.



Source: Quantec (2025)

In 2024, the seasonally adjusted value of sales in the paper and paper products division moderated by 1,2% as compared to a 13,6% growth recorded in 2023. Sales for the paper and paper products division were highest in 2024 and lowest in 2015 and amounted to about R116 439,5 million in 2024 (see Figure 31).



Source: Quantec (2025)

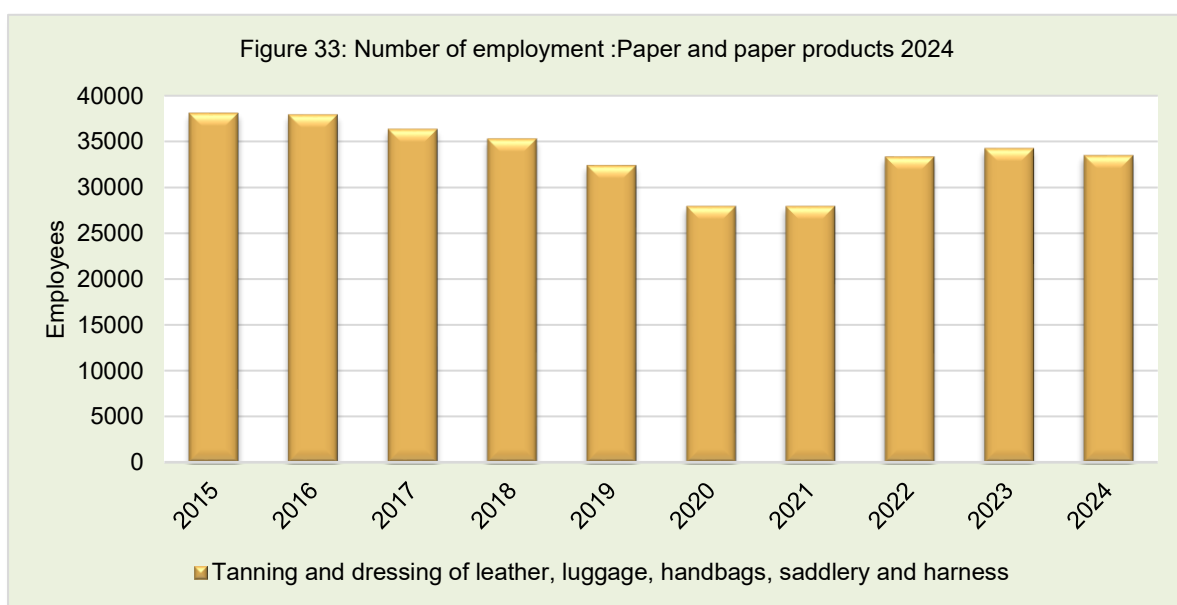
In 2024 the exports of paper and paper products division rebounded by 2,0% from a 7,1% contraction in 2023. However, imports of paper and paper products on the other hand, contracted by 1,9% in 2024 from a 18,7% growth in 2023. As a result, the trade surplus narrowed from R10 743,3 million in 2023 to R9 610,3 million in 2024 (see Figure 32).

Table 9: Utilisation and reasons for underutilisation of production capacity by large enterprises: Paper and paper products (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 84,3 | 15,7 | 1,5 | 0,8 | 0,2 | 7,4 | 5,9 |
| 2023 | 80,6 | 19,4 | 0,9 | 0,9 | 0,2 | 9,0 | 8,5 |
| 2024 | 81,8 | 18,2 | 0,7 | 0,8 | 0,2 | 10,1 | 6,5 |

Source: Statistics SA (2025)

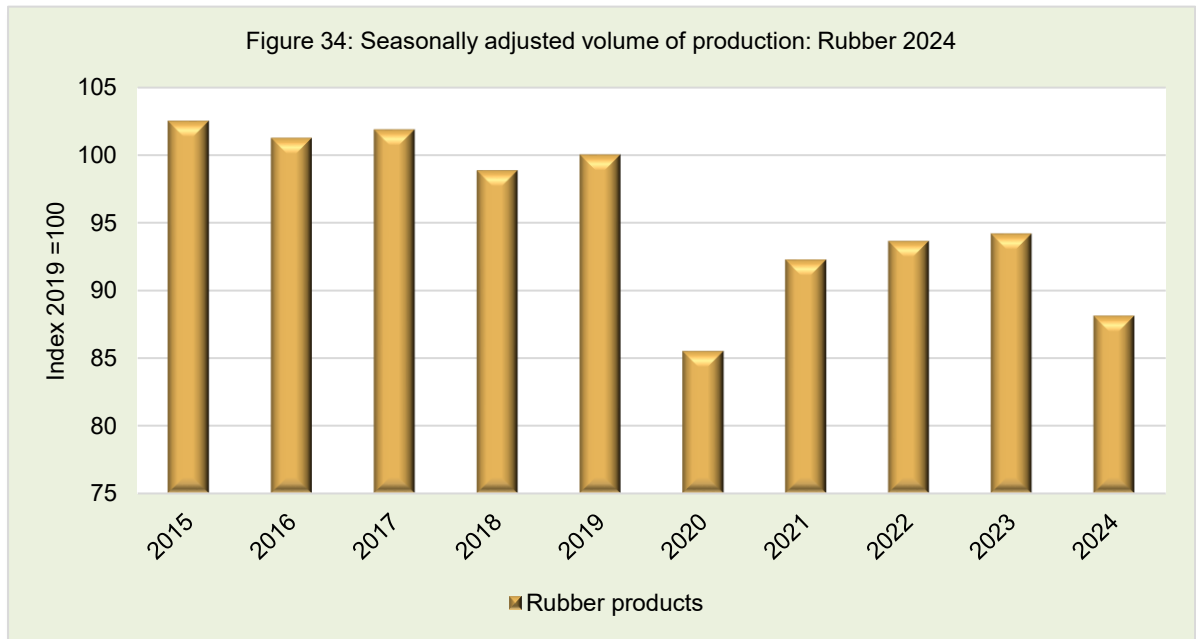
The utilisation of production capacity by large enterprises in the paper and paper products division increased by 1,2 percentage point in 2024 (see Table 9). Insufficient demand remained the main reason for underutilisation of production capacity, followed by other reasons such as seasonal factors.



Source: Quantec (2025)

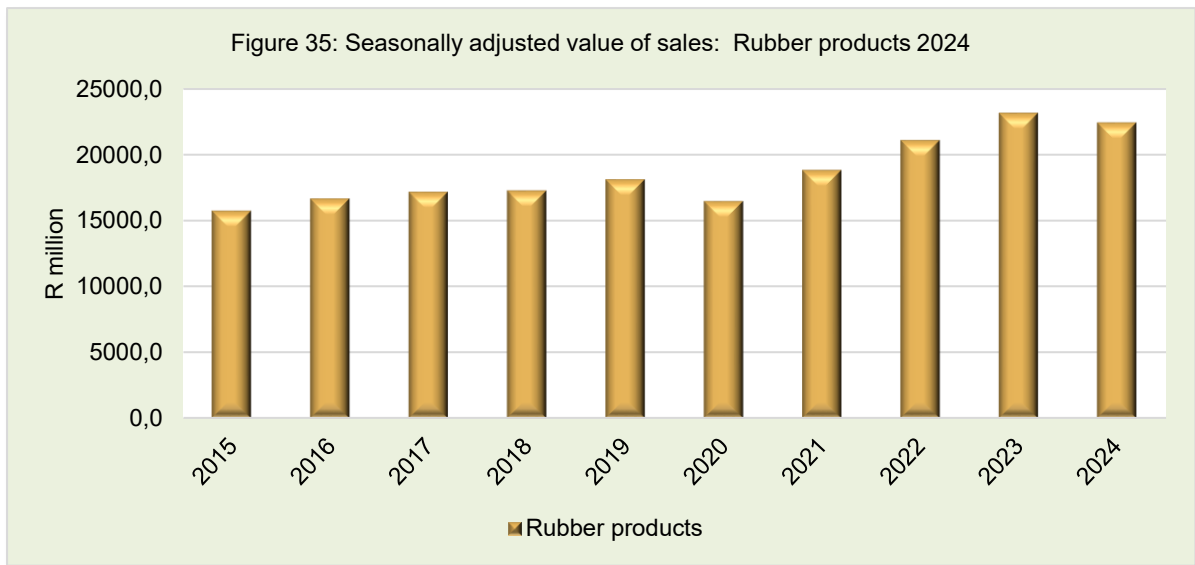
In 2024, the employment in the paper and paper products division contracted by 2,2% following a 2,7% growth in 2023. As a result, 764 further jobs were lost in 2024 (see Figure 33).

3.10 RUBBER PRODUCTS



Source: Quantec (2025)

As shown in Figure 34 above, the volume of production in the rubber products division contracted by 6,4% in 2024 from a 0,6% growth in 2023. The output for the division was highest in 2015 and lowest in 2020.



Source: Quantec (2025)

Figure 35 above demonstrates the seasonally adjusted value of sales in the rubber products division. In 2024, the value of sales in the rubber products division contracted by 3,2% as compared to a growth of 9,8% in 2023. The value of sales in the rubber products division was highest in 2023 and lowest in 2020. In 2024, the value of sales for the rubber products division were approximately R22 430,6 million.



Source: Quantec (2025)

In 2024, the exports for the rubber products division moderated by 0,6% following an 11,6% growth in 2023, however imports contracted by 3,1% as compared to a 6,6% growth in 2023.

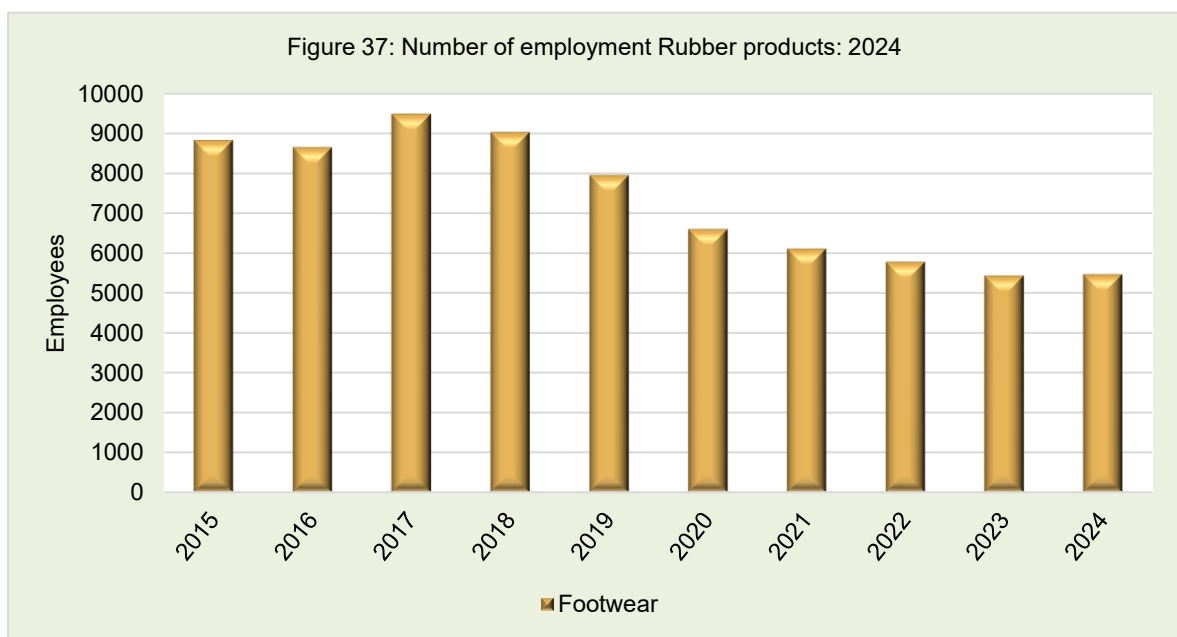
(see Figure 36). Therefore, the trade deficit widened from R13 915,1 million in 2023 to R14 326,1 million in 2023.

Table 10: Utilisation and reasons for underutilisation of production capacity by large enterprises: Rubber products (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 79,8 | 20,2 | 3,4 | 0,9 | 0,2 | 8,5 | 7,3 |
| 2023 | 77,5 | 22,6 | 1,1 | 1,3 | 0,4 | 11,9 | 8,0 |
| 2024 | 78,7 | 21,3 | 0,2 | 0,0 | 0,0 | 12,8 | 8,3 |

Source: Statistics SA (2025)

The utilisation of production capacity for rubber products division increased by 1,2 percentage points (see Table 10). Insufficient demand remains the main reason for underutilisation of production capacity in the division in 2024, followed by other reasons such as seasonal factors.



Source: Quantec (2025)

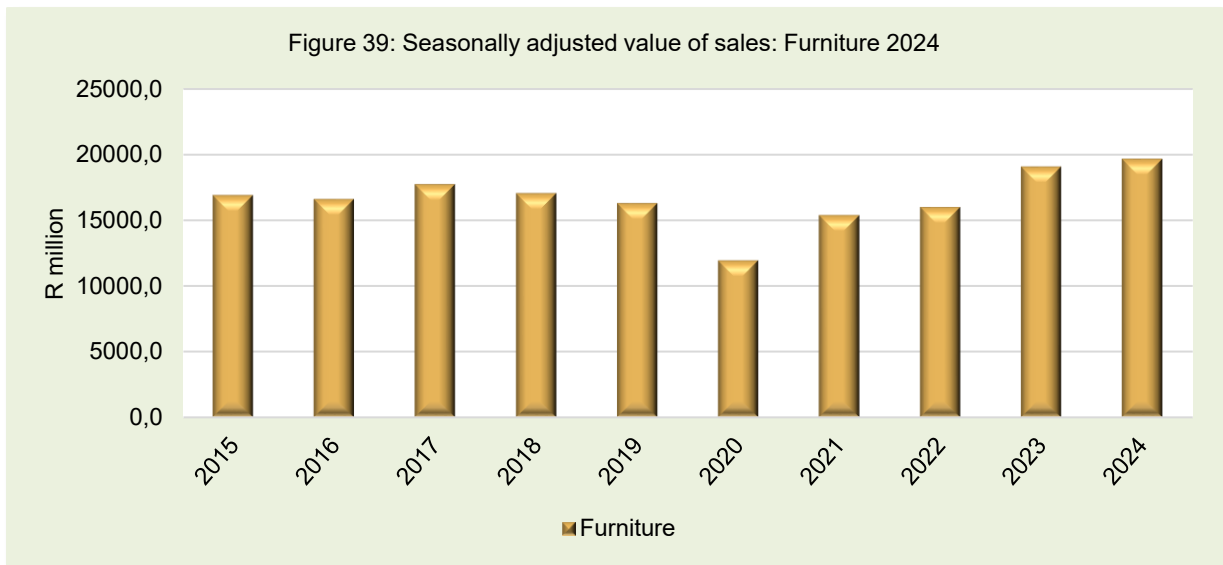
Figure 37 above illustrates the employment in the rubber products division. In 2024, the employment in the rubber products division contracted by 5,4% from a 0,7% growth in 2023. As a result, a further 704 jobs were shed in the division in 2024.

3.11 FURNITURE



Source: Quantec (2025)

Figure 38 illustrates the seasonally adjusted annual volume of production in the furniture division. In 2024, the volume of production in the furniture division moderated by 0,2% from 4,2% growth in 2023. The furniture division volume of production was lowest in 2020 but reached its peak in 2015.



Source: Quantec (2025)

As illustrated in Figure 39, the value of sales in the furniture division moderated approximately by 3,1% in 2024 from a 19,3% growth in 2023. The value of sales reached its peak around 2024; however, the lowest value of sales was recorded in 2020. Sales for the furniture division amounted to R19 605,4 million in 2024.



Source: Quantec (2025)

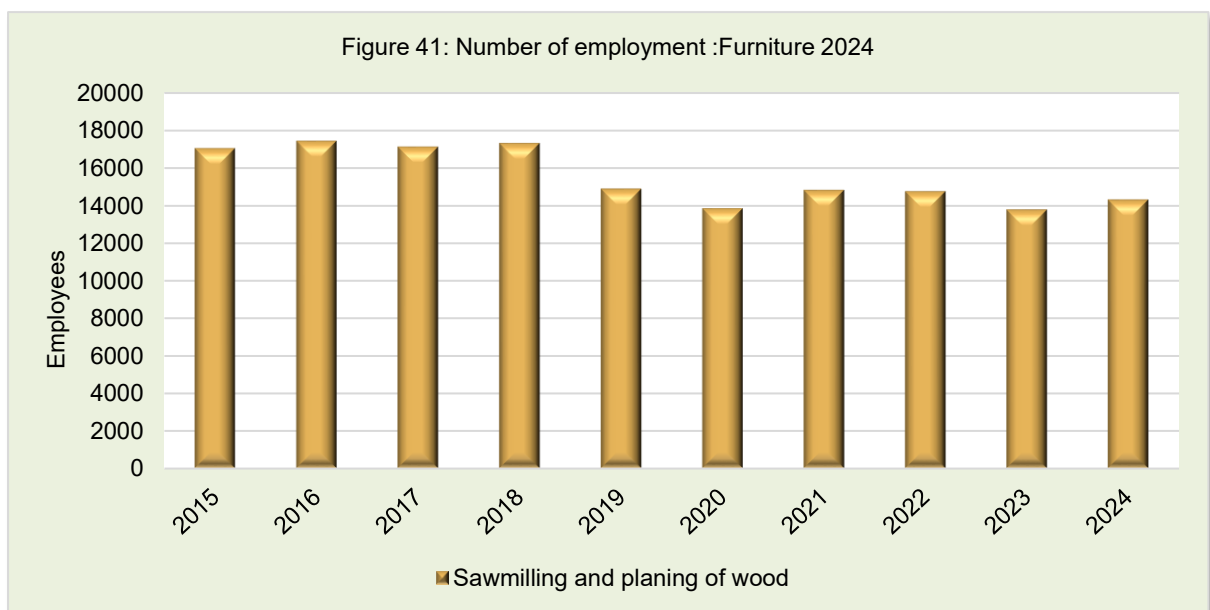
In 2024, the exports of the furniture division moderated by 5,7% as compared to a 9,5% growth in 2023. However, imports rose by 10,0% in 2024 from a 4,1% growth in 2023. As a result, the trade deficit widened from R4 732,2 million in 2023 to R4 846,7 million in 2024 (see figure 40)

Table 11: Utilisation and reasons for underutilisation of production capacity by large enterprises: Furniture (percentage)

| Period | Utilisation | Reasons for underutilisation | | | | | |
|--------|-------------|------------------------------|---------------|---------|---------------------|---------------------|-------|
| | | Total underutilisation | Shortage of | | | Insufficient demand | Other |
| | | | Raw materials | Labour | | | |
| | | | | Skilled | Semi- and unskilled | | |
| 2022 | 77,0 | 23,1 | 1,7 | 0,0 | 0,3 | 21,0 | 0,0 |
| 2023 | 76,2 | 23,8 | 1,9 | 0,0 | 0,0 | 22,0 | 0,0 |
| 2024 | 75,4 | 24,6 | 1,9 | 0,0 | 0,0 | 22,8 | 0,0 |

Source: Statistics SA (2025)

In 2024, the utilisation capacity in the furniture division decreased by 0,8 percentage points. Insufficient demand was the main reason for underutilisation of production capacity in 2024, followed by shortage of raw materials (see Table 11).



Source: Quantec (2025)

Figure 41 depicts the employment for the furniture division in 2024. The employment in the furniture division contracted by 2,9% in 2024 as compared to a growth of 1,1% in 2023. As a result, 918 jobs were shed in the division in 2024.

4. CONCLUSION

South Africa economy moderated by 0,6% year-on year in 2024. In the same year, the agro-processing sectors' seasonally adjusted volume of production contracted by 0,8% following a 0,6% growth in the previous year. However, the seasonally adjusted value of sales also moderated by 3,1% as compared to a 19,3% growth registered in the preceding quarter.

The agro-processing sector trade deficit rebounded by 12,4% in 2024 from a 27,7% growth in 2023. As a result, the trade deficit of R53 184,2 million was registered in 2024 from a trade.

The employment in the agro-processing sector contracted by 0,8% in 2024 following a 1,0% growth recorded in 2023, as a result, 3 888 jobs were shed in 2024. All the divisions

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