



# **SOUTH AFRICAN POULTRY PRODUCTS PRICE MONITOR**

**- ISSUE 19 | November 2024**



## **NAMC**

Promoting market access for South African agriculture

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### EXECUTIVE SUMMARY:

- According to data provided by the Food and Agricultural Organization (FAO) of the United Nations, the average international poultry meat price index in the third quarter of 2024 stood at 119.72 points, marking a 5.3% increase compared to the 118.72 points recorded in the third quarter of 2023.
- During the third quarter (Q3) of 2024: On a year-on-year comparison, data from the South African Revenue Service (SARS) show that South Africa imported a total of 97 986 tons of chicken meat in Q3: 2024 indicating a 23% increase from the 79 950 tons imported in Q3: 2023. The main contributors to the observed increase in chicken meat imports during Q3 were whole frozen chicken (other) which increased by 269%, followed by boneless chicken, frozen half chicken, frozen chicken offal, frozen chicken carcasses, value added processed, frozen chicken wings and frozen mechanically deboned meat (MDM) which decreased by 257%, 223%, 78%, 76%, 74%, 69% and 39%, respectively.
- Comparing the third quarter of 2024 with the second quarter of 2024, producer prices for whole fresh chicken, frozen chicken and IQF chicken increased by 2.4%, 0.8% and 0.2%, respectively. Numerous factors have contributed to the recent trends in producer prices. Notably, global maize prices rose, driven by low water levels along major transport routes, such as Brazil's Madeira River and the USA's Mississippi River (FAO, 2024). This upward trend was reflected domestically, with month-on-month increases in maize prices due to higher international prices (BFAP, 2024). These trends highlight the strong dependence of the South African poultry industry on international commodities.
- When comparing retail prices per kilogram (kg) for the third quarter of 2024 to the second quarter of 2024, the prices for fresh chicken portions and chicken gIBLETS increased by 1.1% and 0.8%, respectively. While prices for whole chicken, IQF chicken portions (per 2kg) and non-IQF frozen chicken portions decreased by 0.3%, 0.4% and 3.4%, respectively.
- During the third quarter of 2024, the average spot price for a ton of yellow maize was R4 053, indicating a 9.5% increase compared to the corresponding period in 2023. The average spot price was 1.0% lower than the second quarter of 2024. On the other hand, soybean prices increased to R8 600 per ton during the same quarter, reflecting a 5.96% decrease compared to the previous year and a further 2.1% decrease compared to the preceding quarter (Q2: 2024). While for sunflower seed, the average spot price stood at R9 044 in the third quarter of 2024 representing a 0.4% decrease and 0.4% increase respectively when compared to the third quarter of 2023 and the second quarter of 2024.

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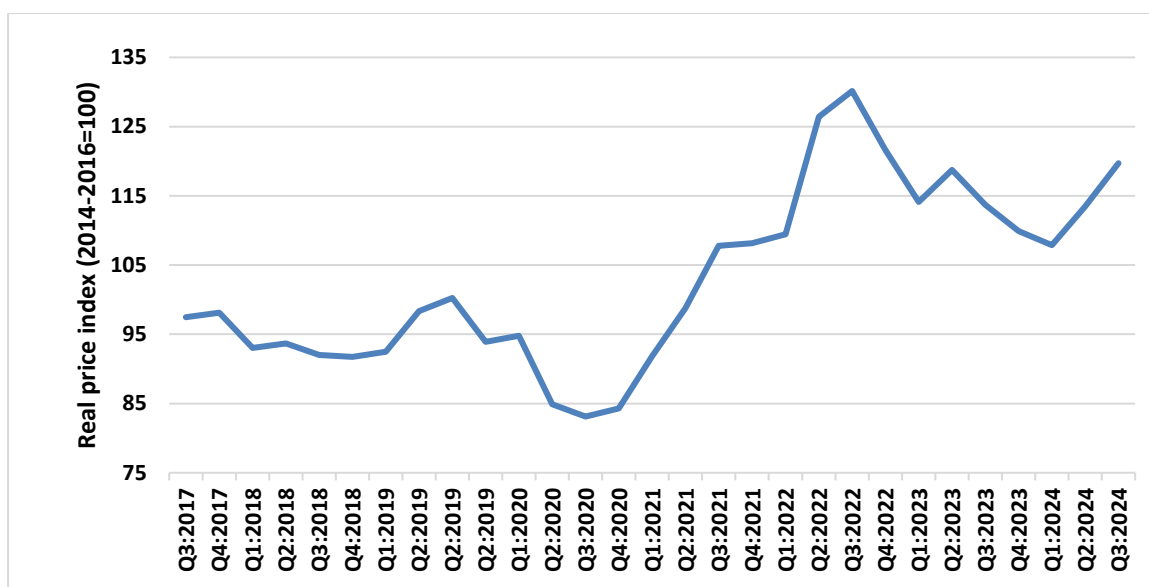
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### 1. Introduction

The majority of South Africa's population obtains affordable animal protein from poultry, making it crucial for maintaining and improving the country's food security. This report tracks the cost of different chicken meat products in South Africa, compares them to current global poultry market trends and makes appropriate recommendations. The former Department of Agriculture, Forestry and Fisheries (DAFF), currently known as the Department of Agriculture, Land Reform and Rural Development (DALRRD), established the Food Price Monitoring Committee (FPMC) which was mandated by the National Agricultural Marketing Council (NAMC) to track and report on food price trends. International poultry meat prices, imports of chicken products into South Africa, producer pricing and retail poultry prices are examined every three months. To provide a more comprehensive comparison between domestic poultry prices and global market prices, the analysis also includes feed prices.

### 2. International poultry meat price index

**Figure 1** presents the global poultry meat price index trend from the third quarter of 2016 (July - September) to the third quarter of 2024 (July - September), with 2014-2016 used as the base years. According to data provided by the Food and Agricultural Organization (FAO), the average international poultry meat price index in the third quarter of 2024 stood at 119.72 points, marking a 5.3% increase compared to the 118.72 points recorded in the third quarter of 2023. When comparing the third quarter of 2024 to the second quarter of 2024, the index increased by 5.5% from 113.45 points. International poultry prices increased in September 2024, mostly driven by strong import demand for Brazilian poultry meat following the easing of trade restrictions related to the Newcastle disease (FAO, 2024).



**Figure 1: International poultry meat real price index (IPMRPI)**

Source: FAO, 2024

### 3. Chicken meat imports

This section compares the volume of chicken meat (in tons) imported into South Africa between quarter 3 (July-September) of 2024 and quarter 3 of 2023, as well as compare volumes between quarter 2 (April-June) of 2024 against quarter 3 (July-September) of 2024. On a year-on-year comparison, data from the South African Revenue Service (SARS) show that South Africa imported a total of 97 986 tons of chicken meat in Q3: 2024 indicating a 23% increase from the 79 950 tons imported in Q3: 2023. The main contributors to the observed increase in chicken meat imports during Q3 were whole frozen chicken (other) which increased by 269%, followed by boneless chicken, frozen half chicken, frozen chicken offal, frozen chicken carcasses, value added processed, frozen chicken wings and frozen mechanically deboned meat (MDM) which decreased by 257%, 223%, 78%, 76%, 74%, 69% and 39%, respectively (see Table 1).

In the second quarter of 2024, 108 506 tonnes of chicken meat were imported into South Africa, representing a 10% decrease compared to the volume imported in the third quarter of 2024. As shown in Table 1, the primary contributors to the observed decrease in imports over this period were boneless chicken breasts, fresh chicken cuts, frozen chicken leg quarter, frozen chicken livers, boneless chicken meat (other), frozen chicken wings, other chicken meat and frozen carcasses which decreased by 99%, 88%, 63%, 48%, 48%, 47%, 45% and 41%, respectively.



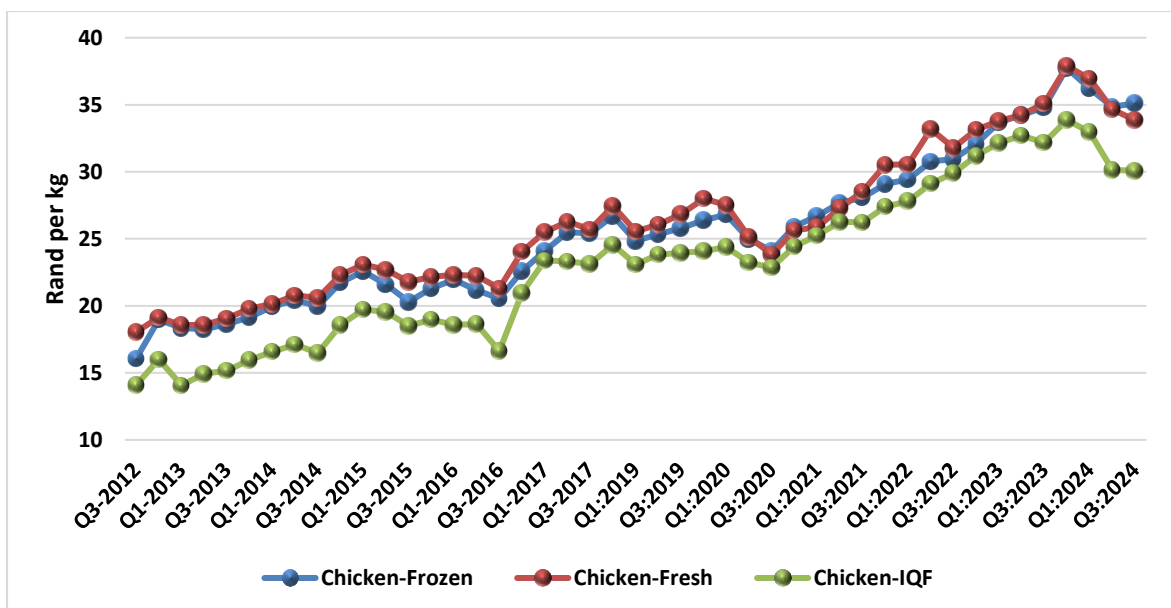
**Table 1: South Africa's chicken meat imports by volume (tons)**

Tariff description	HS Code	Q3: 2023	Q2: 2024	Q3: 2024	Q3: 2024 vs Q3: 2023	Q3: 2024 vs Q2: 2024
		Tons	Tons	Tons	Annually % Change	Quarterly % Change
Frozen chicken MDM	0207.1210	45 323	55 921	62 859	39	12
Frozen chicken carcasses	0207.1220	1 873	5 645	3 304	76	-41
Whole frozen chicken	0207.1290	571	2 626	2 104	269	-20
Fresh chicken cuts	0207.1300	0	1	0	-56	-88
Boneless chicken breasts	0207.1411	142	194	2	-98	-99
Boneless chicken thighs	0207.1413	0	0	0	-	-
Boneless chicken other	0207.1415	68	465	244	257	-48
Frozen chicken livers	0207.1421	1 914	3 978	2 070	8	-48
Frozen chicken feet	0207.1423	12 506	16 266	13 379	7	-18
Frozen chicken heads	0207.1425	7	0	0	-100	-
Frozen chicken offal	0207.1429	4 460	9 976	7 918	78	-21
Frozen half chicken	0207.1491	2	11	8	223	-28
Frozen chicken leg quarter	0207.1493	8 906	9 432	3 509	-61	-63
Frozen chicken wings	0207.1495	899	2 892	1 520	69	-47
Frozen chicken thighs	0207.1497	361	79	55	-85	-30
Frozen chicken Drumsticks	0207.1498	2 598	691	611	-76	-12
Value-added processed	1602.3290	141	44	245	74	457
Other	0207.1499	178	287	159	-11	-45
<b>TOTAL IMPORTS</b>		<b>79 950</b>	<b>108 506</b>	<b>97 986</b>	<b>23</b>	<b>-10</b>

Source: SARS, 2024

## 4. Average producer price trends

**Figure 2** shows typical producer prices for frozen chicken (maximum brine allowed 10%), whole fresh chicken and Individual Quick Frozen (IQF) chicken pieces (maximum brine allowed 15%) from the third quarter of 2012 to the third quarter of 2024. When comparing the third quarter (July – September) of 2024 and 2023, producer prices for IQF chicken pieces and whole fresh chicken increased by 6.9% and 3.7%, respectively, while prices for frozen chicken decreased by 0.9%. When comparing the third quarter of 2024 with the second quarter of 2024, producer prices for whole fresh chicken, frozen chicken and IQF chicken increased by 2.4%, 0.8% and 0.2%, respectively. Numerous factors have contributed to the recent trends in producer prices. Notably, global maize prices rose, driven by low water levels along major transport routes, such as Brazil's Madeira River and the USA's Mississippi River (FAO, 2024). This upward trend was reflected domestically, with month-on-month increases in maize prices due to higher international prices (BFAP, 2024). These trends highlight the strong dependence of the South African poultry industry on international commodities.

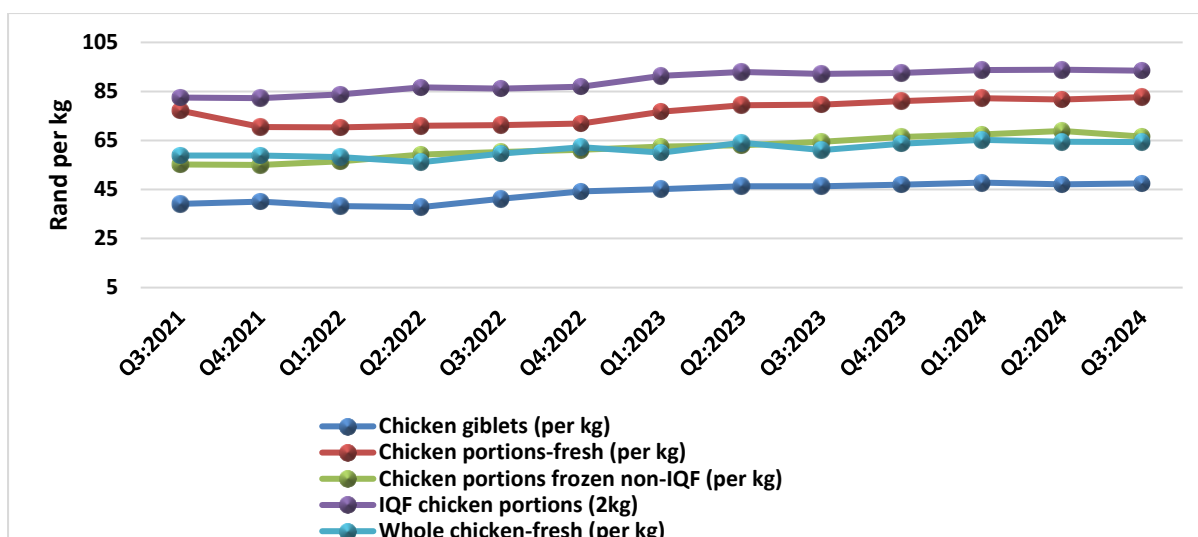


**Figure 2: Quarterly average producer prices**

Source: AMT, 2024

## 5. Average retail prices for selected poultry products

**Figure 3** presents average quarterly retail prices for selected chicken products from the third quarter (July - September 2021) to the third quarter (July – September 2024). Over this period, prices for chicken giblets per kg, non-IQF frozen chicken portions, IQF chicken portions (2kg), whole chicken and fresh chicken portions increased by 21.6%, 20.7%, 13.4%, 9.2% and 7.2%, respectively. Between the third quarter of 2024 and the third quarter of 2023, poultry retail prices experienced increases. Notably, price for whole fresh chicken, fresh chicken portions (per kg), non-IQF frozen chicken portions, chicken giblets (per kg) and IQF chicken portions increased by 5.4%, 3.9%, 3.3%, 2.6% and 1.5%, respectively. When comparing the third quarter of 2024 to the second quarter of 2024, prices for fresh chicken portions and chicken giblets increased by 1.1% and 0.8%, respectively. While prices for whole fresh chicken, IQF chicken portions (per 2kg) and non-IQF frozen chicken portions decreased by 0.3%, 0.4% and 3.4%, respectively.



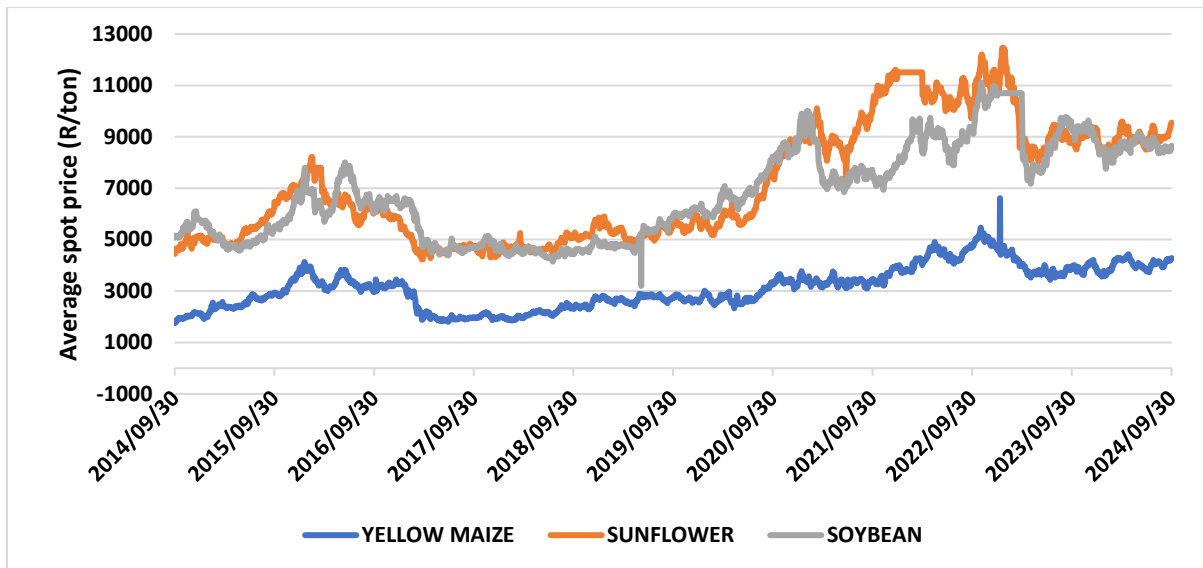
**Figure 3: Average quarterly retail prices for selected processed and unprocessed chicken products.**

Source: Stats SA, 2024

## 6. Feed prices

**Figure 4** presents the quarterly SAFEX spot prices for yellow maize, sunflower seed and soybeans. As of September 2024, the FAO global food price index stood at 3.2 points (2.6%) higher compared to September 2023. This increase is linked to global price hikes. For example, the dairy price index registered a significant increase of 21.9%, followed by the oil price index which increased by 17.8% and meat price index which increased by 6.5%. On the other hand, indices like sugar and cereal decreased by 22.4% and 10.1%, respectively. The month-on-month change highlights that between September 2024 and August 2024, the FAO sugar price index had the highest increase by 10.9%. Notably, the increase was driven by deteriorating crop outlooks in Brazil and concerns that India's decision to allow increased sugarcane use for ethanol production could impact the country's export availability (FAO, 2024). Additionally, the oil price index rose as international palm oil prices increased, driven by lower-than-expected production in major Southeast Asian producing countries. Meanwhile, the rebound in soy oil prices was mainly attributed to lower-than-anticipated crushing levels in the United States.

In the third quarter of 2024, the average spot price for a ton of yellow maize was R4 053, indicating a 9.51% increase compared to the corresponding period in 2023. The average spot price was 0.98% lower than the second quarter of 2024. On the other hand, soybean prices decreased to R8 600 per ton during the same quarter, reflecting a 5.96% decrease compared to the previous year and a further 2.12% decrease compared to the preceding quarter (Q2: 2024). For sunflower seed, the average spot price stood at R9 044 in the third quarter of 2024, representing a 0.35% decrease and 0.38% increase respectively when compared to the third quarter of 2023 and the second quarter of 2024.



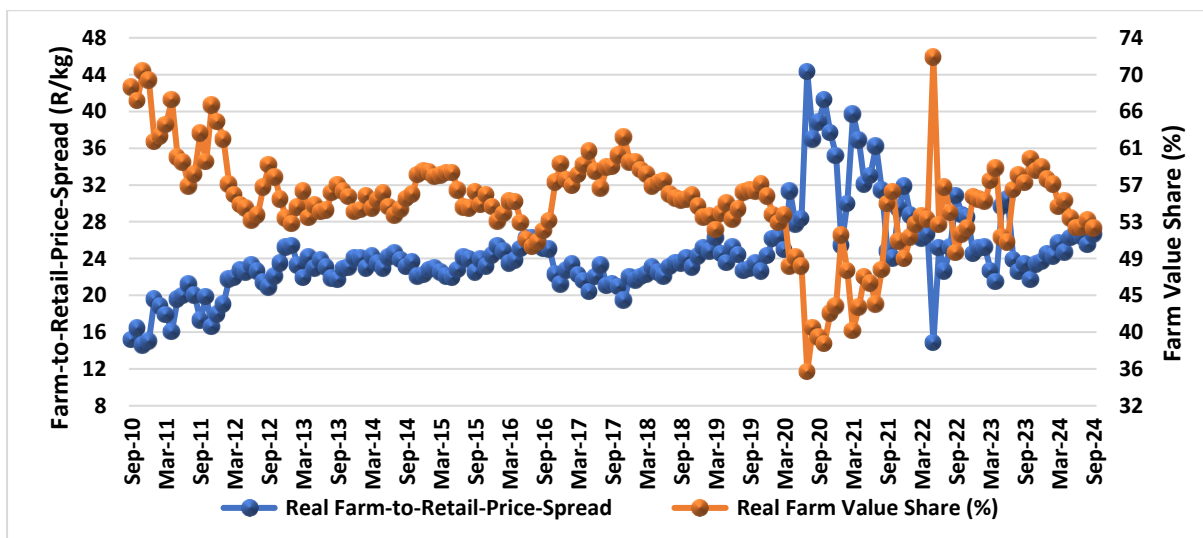
**Figure 4: Quarterly spot prices per ton**

Source: JSE-SAFEX, 2024

## 7. Real Farm to Retail Price Spread

**Figure 5** presents quarterly changes in the real farm-to-retail price spread (FTRPS) and the proportion of real farm value. The FTRPS represents the difference between what consumers pay for a food product at retail and the actual value of the farm product used in its production.

Analysing the period from July to September 2024, there is a 0.29% decrease in the real farm value share, with a 0.81% increase in the real FTRPS for whole fresh chicken. The real farm value share for whole fresh chicken reached 52.28% in September 2024. Over the year-on-year span from September 2023 to September 2024, the real farm value share saw a decrease of 9.06%, while the real FTRPS increased by 13.93%. This could be due to the competitiveness in the poultry value chain being affected by factors such as imports and high feed prices, among other factors.



**Figure 5: Real farm-to-retail-price-spread and farm value share of poultry**

Source: Stats SA, AMT, and own calculations, 2024



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Stats SA is acknowledged for assistance provided to the NAMC in terms of food price data.

Cover page photos: [Pexels](#), [Pixabay](#), [Freepik](#), [Unsplash](#) and [Vecteezy](#)

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