

# FARM-TO-RETAIL-PRICE-SPREAD

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## EXECUTIVE SUMMARY

The farm value share is the value of a farm product's equivalent to the final food product purchased by consumers. The Farm-to-Retail Price Spread (FTRPS) is the difference between what the consumer pays for a food product at the retail level and the value of the farm product used in that product. Price spreads measure the aggregate contributions of food manufacturing, distribution, wholesale, and retail firms that transform farm commodities into final products:

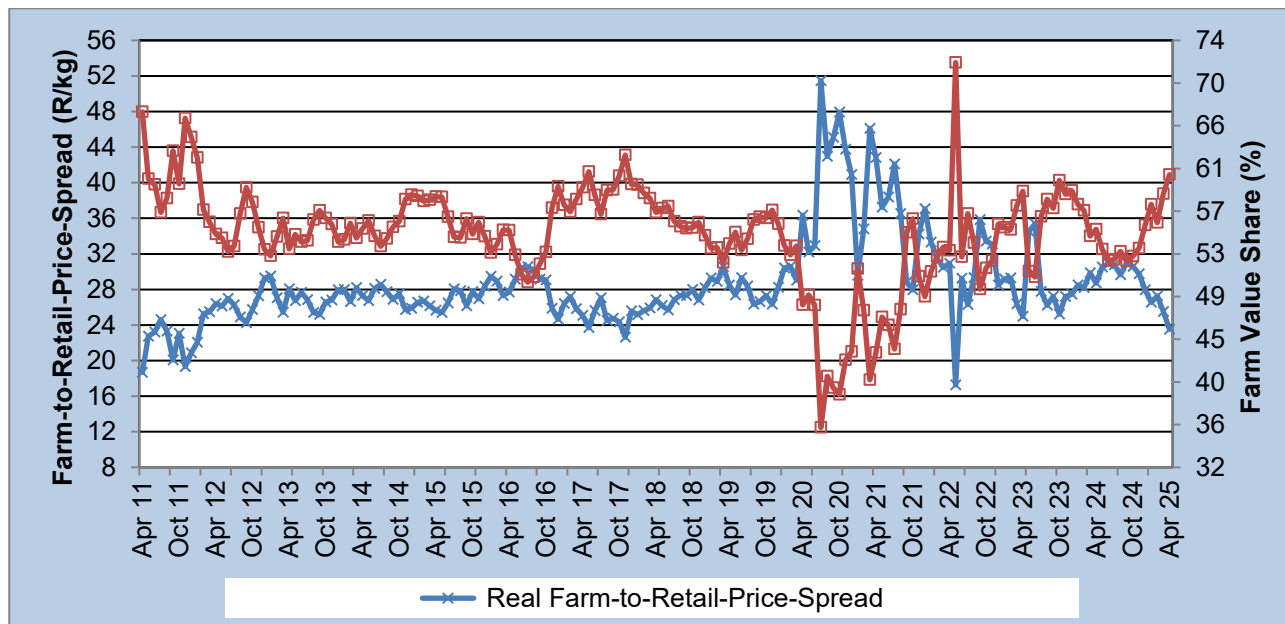
- **Poultry:** During the period between February 2025 and April 2025, the real farm value share increased by 8.44%, while the real FTRPS of fresh whole chicken decreased by 13.67%. The real farm value share of fresh whole chicken meat reached 60.80% in April 2025.
- **Beef:** During the period between February 2025 and April 2025, the real FTRPS of class A2/A3 beef increased by 2.04%, and the real farm value share also increased by 5.11%. The real farm value share reached 53.25% in April 2025. From April 2024 to April 2025 (y-o-y), the real FTRPS decreased by 5.08%, and the real farm value share also increased by 8.27%.
- **Lamb:** The real FTRPS of class A2/A3 lamb increased by 2.79% while the real farm value share also increase by 0.37% during the period between February 2025 to April 2025. From April 2024 to April 2025 (y-o-y), the real farm value share increased by 14.10%, and the real FTRPS decreased by 7.79%.
- **Pork:** The real FTRPS decreased by 0.17%, on average from R59.44/kg in February 2025 to R59.33/kg in April 2025. The real farm value share of pork increased by 0.74% from 35.00% in February 2025 to 35.26% in April 2025.
- **Milk:** On average, the real FTRPS for full cream milk decreased from R12.00/ℓ to R11.75/ℓ, representing a 2.01% decrease during the period between February 2025 and April 2025. The real farm value share increased by 0.67% during the same period.

## Introduction

The Farm-to-Retail Price Spread (FTRPS) is the difference between the farm price and the retail price of food, reflecting charges for processing, shipping, and retailing farm goods. This publication attempts to provide insights into the factors driving commodity and food price margins. The purpose of this publication is to reflect on food price spreads during the period between February 2025 and April 2025. The NAMC analyses data to compare prices paid by consumers for food with prices received by farmers for the corresponding commodities, and reports the comparisons for a variety of food items sold through retail food stores such as supermarkets and hypermarkets. The margin between farm gate prices and the price paid by consumer for selected food items is a topic that is frequently debated. To better understand the difference between farm gate and retail prices, farm values of selected products and the FTRPS are calculated. For more details on the methodology, please read [here](#).

## Price Trends, Farm Values and Price Spreads

- **Poultry:** Figure 1 shows that during the period between February 2025 and April 2025, the real farm value share increased by 8.44%, while the real FTRPS of fresh whole chicken decreased by 13.67%. The real farm value share of fresh whole chicken meat reached 60.80% in April 2025. From April 2024 to April 2025 (y-o-y), the real farm value share increased by 9.71%, while the real FTRPS decreased by 18.03%. 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.



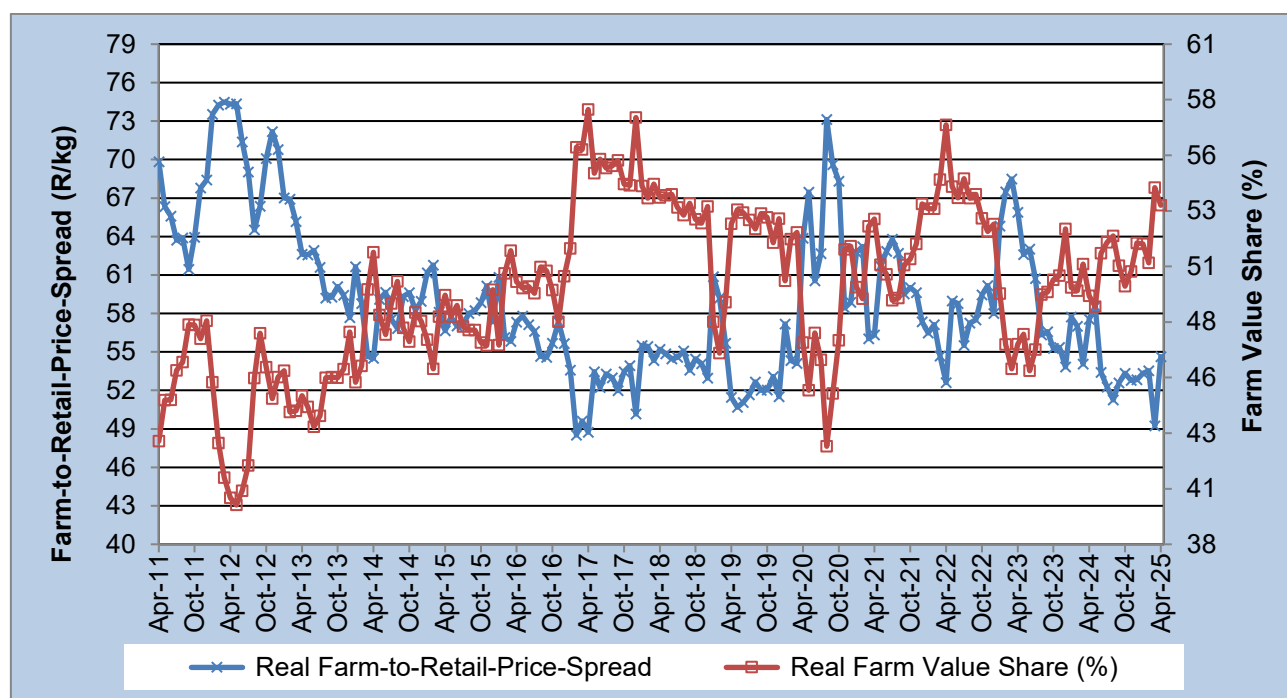
**Figure 1: Real farm-to-retail-price-spread and farm value share of poultry meat**

Source: Stats SA, 2025; AMT, 2025 and own calculations



- **Beef:** The FTRPS of beef includes additional cuts, i.e., sirloin, stew, and fillet, in the calculation of the spread from January 2017 onwards, but excludes beef offal in the calculation of the spread.

**Figure 2** shows that between February 2025 and April 2025, the real FTRPS of class A2/A3 beef increased by 2.04%, and the real farm value share also increased by 5.11%. The real farm value share reached 53.25% in April 2025. From April 2024 to April 2025 (y-o-y), the real FTRPS decreased by 5.08%, and the real farm value share increased by 8.27%. The gap between FTRPS and farm value share can be attributed to the lingering effects of Foot and Mouth Disease (FMD) that disrupted the production of red meat locally, changes in retail demand, and farm commodity supply.

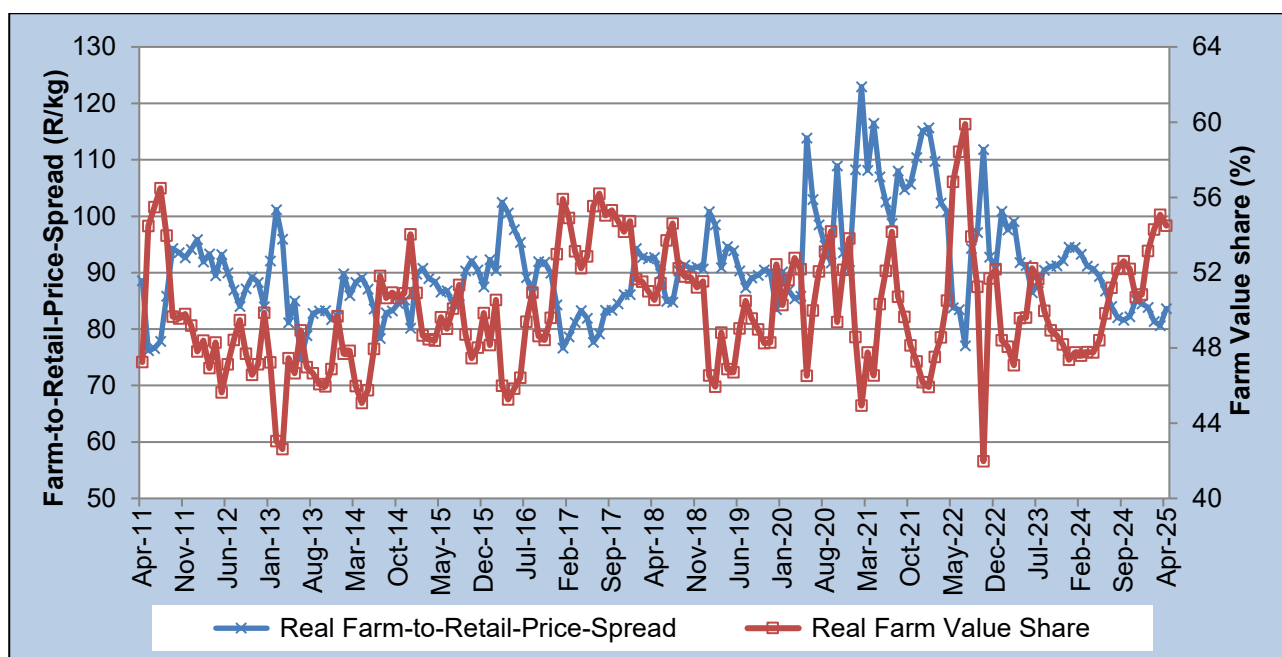


**Figure 2: Real farm-to-retail-price-spread and farm value share for beef**

Source: Stats SA, 2025; AMT, 2025 and own calculations

- **Lamb:** The FTRPS of lamb includes leg, loin chops (saddle chops), neck, rib chops and stew, but excludes lamb offal in the calculation of the spread.

**Figure 3** shows that the real FTRPS of class A2/A3 lamb increased by 2.79% (from R81.36/kg to R83.63/kg). The real farm value share increased by 0.37% from 54.30% in February 2025 to 54.50% in April 2025. From April 2024 to April 2025 (y-o-y), the real farm value share increased by 14.10%, while the real FTRPS decreased by 7.79%.

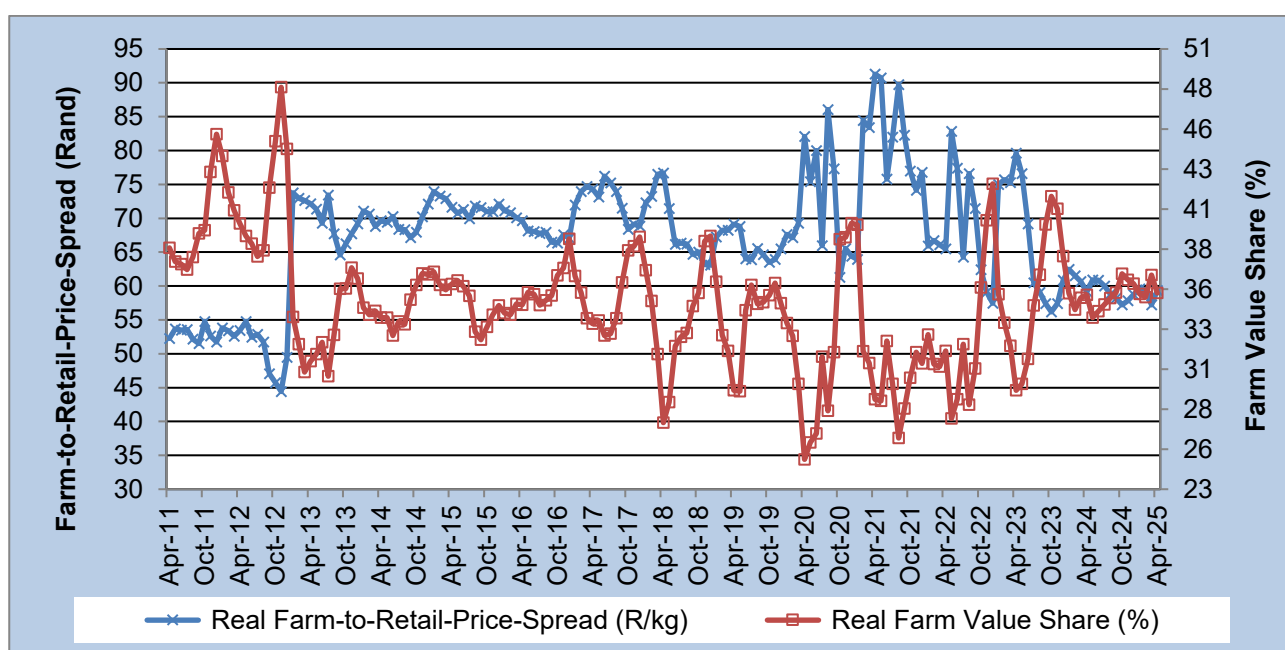


**Figure 3: Real farm-to-retail-price-spread and farm value share of lamb**

Source: Stats SA, 2025; AMT, 2025 and own calculations

- **Pork:** The FTRPS of pork includes pork ribs effective from January 2013.

**Figure 4** shows that real FTRPS decreased by 0.17%, on average from R59.44/kg in February 2025 to R59.33/kg in April 2025. On the other hand, the real farm value share of pork increased by 0.74% from 35.00% in February 2025 to 35.26% in April 2025. From April 2024 to April 2025 (y-o-y), the real FTRPS increased slightly by 0.29% (from R53.16/kg to R59.33/kg), while the real farm value share also increased slightly by 0.33% (from 35.14% to 35.26%).

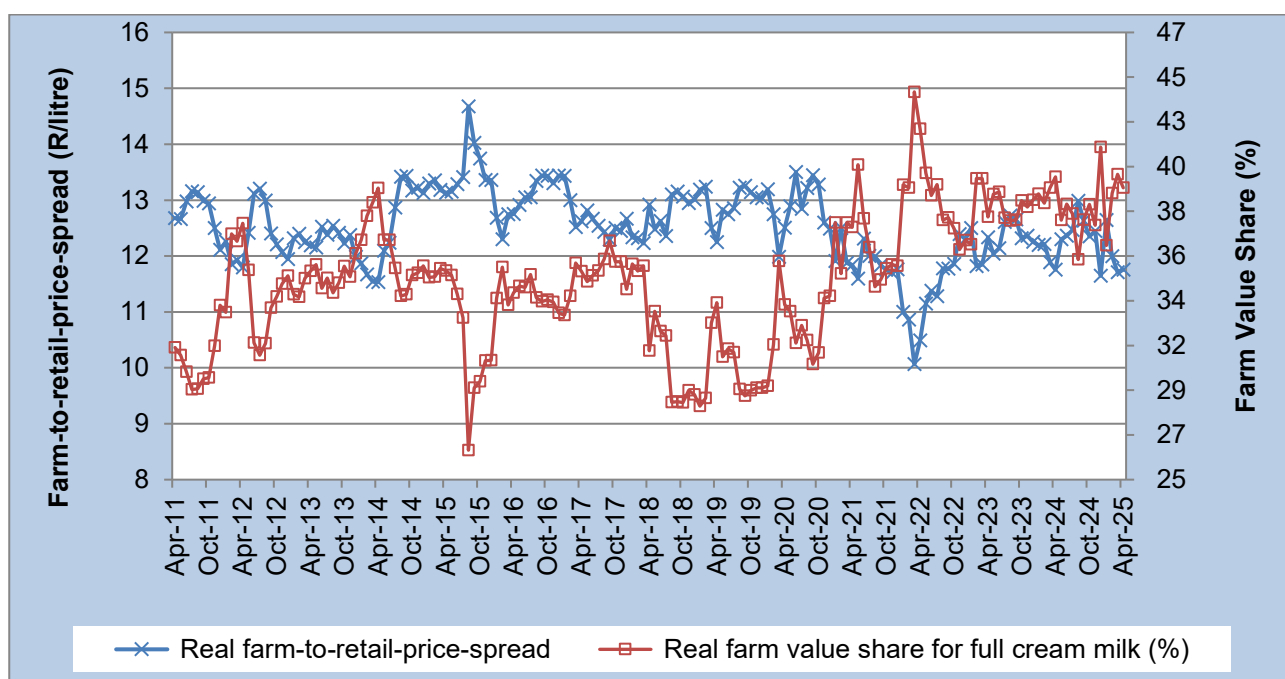


**Figure 4: Real farm-to-retail-price-spread and farm value share of pork**

Source: Stats SA, 2025; AMT, 2025 and own calculations

- **Milk:** Milk is an essential food product in a consumer's basket. Furthermore, milk is one of the top 10 food expenditure items for low-income households in South Africa.

**Figure 5** shows that the real FTRPS for full cream milk decreased on average from R12.00/ℓ to R11.75/ℓ, representing a 2.01% decrease during the period between February 2025 to April 2025. The real farm value share increased by 0.67% during the same period. From April 2024 to April 2025 (y-o-y), the real FTRPS remained relatively stable with a small increase of 0.01% and the real farm value share decreased by 1.37%.



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

Source: Stats SA, 2025; AMT, 2025 and own calculations.

## Conclusion

This publication provides margins (farm values and farm-to-retail price spreads) for selected essential products such as dairy, poultry, lamb and beef. The updated producer and retailer prices for these selected commodities show the fluctuation between FTRPS and farm value between February 2025 to April 2025. Price fluctuations were driven by several factors, such as the openness of international trade, the level of competition in the food supply chain, and increased levels of food processing, among others. A further in-depth study of selected commodities will provide the factors behind these fluctuations.

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