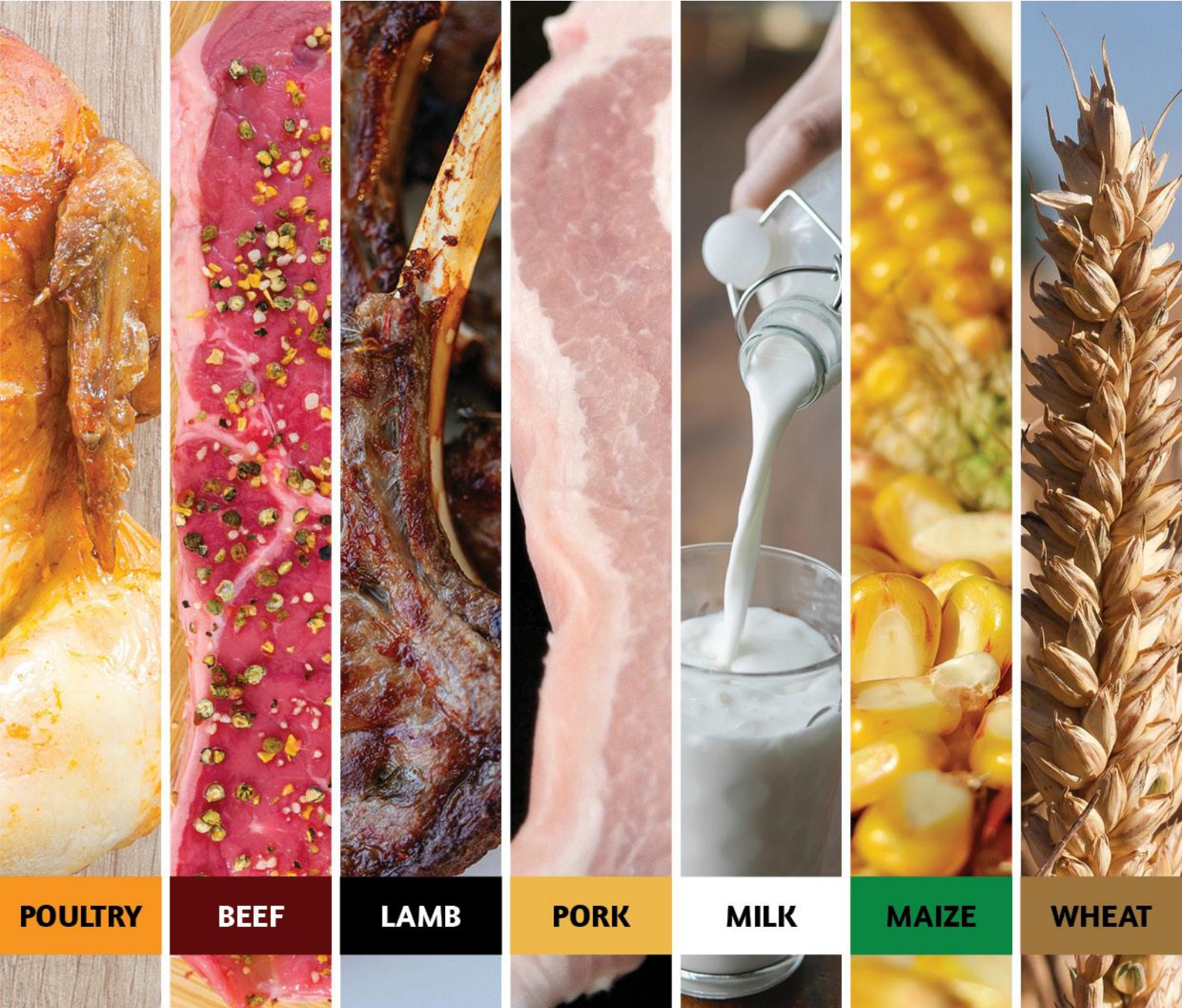




FARM-TO-RETAIL-PRICE-SPREAD

September 2025 Issue

FARM-TO-RETAIL-PRICE-SPREAD

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:** The real farm value share of fresh whole chicken increased by 1.42%, reaching 61.73% in July 2025. Over the period (July 2024 – July 2025), the Farm Value share surged by 17.73%, even as the real FTRPS declined steeply by 23.53%. This suggests shrinking retail margins and stronger farmers' positioning.
- **Beef:** The real FTRPS for class A2/A3 beef increased by 23.80% between May and July 2025, while the farm value share declined by 7.84% to 51.87%. On a year-on-year basis, Farm-to-Retail-Price spread grew by 23.95%, with the farm share edging up just 0.55%. This indicates that price gains favoured intermediaries more than farmers.
- **Lamb:** The real FTRPS of class A2/A3 lamb increased modestly by 0.63% (from R82.17/kg to R82.69/kg), while the farm value share increased slightly by 0.30% to 55.32% between May and July 2025. Year-on-year, the farm value share strengthened by 8.06% even as FTRPS contracted by 1.62%, suggesting improved relative margins for farmers.
- **Pork:** Between May and July 2025, pork's real FTRPS was stable, rising only by 0.16% to R60.33/kg, while the farm value share improved by 2.23% to 35.42%. Yearly, real FTRPS increased slightly (0.53%) while the farm value share increased by 2.57% suggesting gradual but consistent farmer gains.
- **Milk:** The real FTRPS for full-cream milk (1ℓ) increased by 1.52% to R12.29/ℓ, while the farm value share fell by 4.21%. Compared to July 2024, FTRPS declined by 1.42% and the farm value share contracted by 3.64%, highlighting pressures on dairy farmers despite modest retail price growth.

Introduction

The Farm-to-Retail Price Spread (FTRPS) captures the difference between the farm price of raw commodities and the retail prices paid by households, reflecting the value added through processing, logistics, distribution, and retailing. By examining shifts in farm value and retail price spreads, this publication seeks to unravel the dynamics driving food price margins from **May to July 2025**.

This report draws on official data sources and NAMC calculations to track margins across key commodities, including poultry, beef, lamb, pork, and milk, representing both staple proteins and essential dairy. These commodities are not only central to consumer expenditure but also anchor the livelihoods of farmers. The margin between farm-gate prices and the price paid by consumers for selected food items is a topic that is frequently debated. By situating the data within broader market conditions, the report offers a grounded perspective on how farm and retail dynamics interact to influence food affordability and producers' resilience. For more details on the methodology, please read [here](#).

Price Trends, Farm Values and Price Spreads

- **Poultry:** The FTRPS of chicken meat.

Figure 1 indicates that between May and July 2025, the real farm value share of fresh whole chicken increased by 1.42% while the real FTRPS declined by 3.19%. In July 2025, the farm value share rose to 61.73% of the retail price. On a year-on-year basis (July 2024 – July 2025), the farm value share surged by 17.73%, even though the real FTRPS declined steeply by 23.53%.

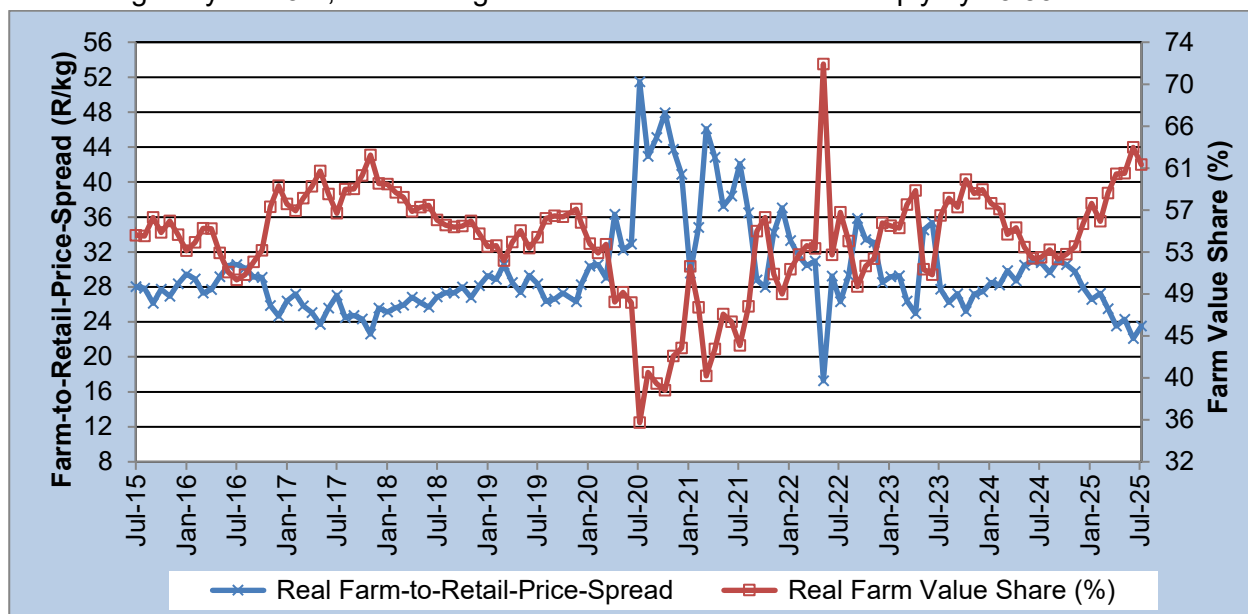


Figure 1: Real farm-to-retail-price-spread and farm value share of poultry meat

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

These divergent movements suggest pressure on margins and competitive stresses within the poultry value chain. The increase in farm value share, despite a falling spread, signals that retail markups or intermediary margins shrank relative to farm contributions. The Avian Influenza outbreak in Brazil raised risk premia, heightening uncertainty in supply pathways and justifying structural risk buffers within the value chain. Poultry Price Monitor report explains challenges of the poultry industry (<https://www.namc.co.za/south-african-poultry-products-price-monitor-september-2025/>).

- **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 May and July 2025, the real FTRPS of class A2/A3 beef increased by 23.80%, whereas the real farm value share declined by 7.84%. The real farm value share reached 51.87% in July 2025. From July 2024 to July 2025 (y-o-y), the real FTRPS increased by 23.95%, and the real farm value share edged up modestly by 0.55%.

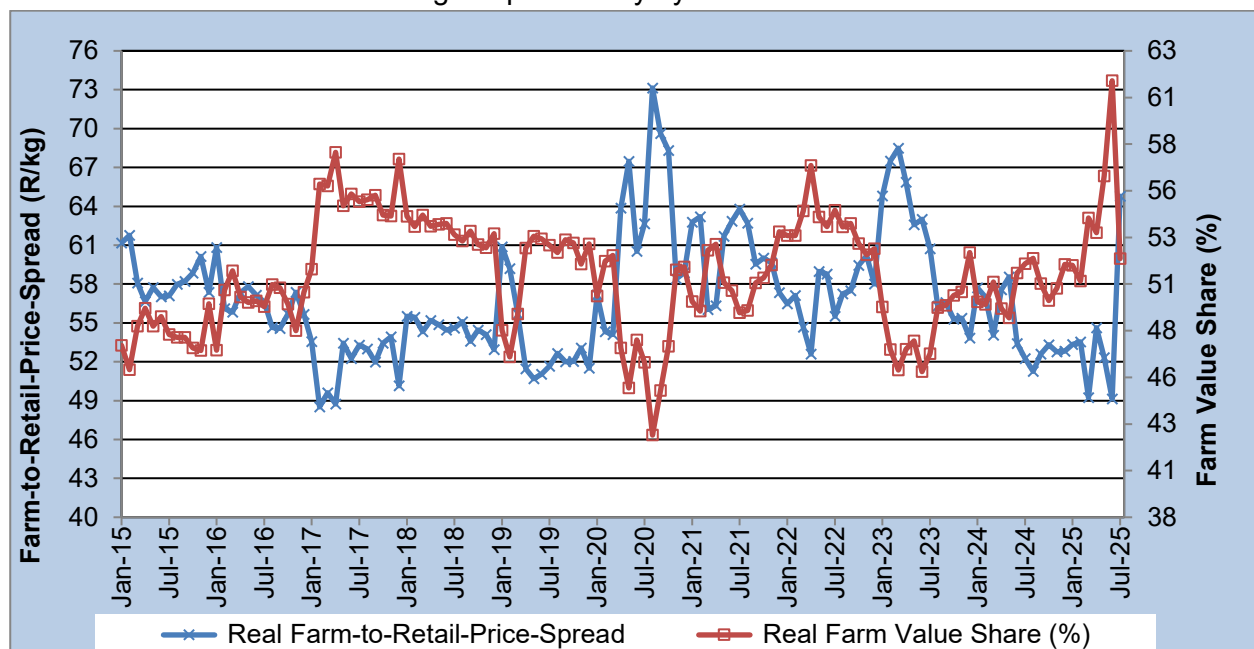


Figure 2: Real farm-to-retail-price-spread and farm value share for beef

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

The strong rise in the FTRPS with a stable to slightly rising farm share, suggests that much of the price increase was captured by intermediaries, rather than by farmers. However, a small farm value share rise on a year-on-year basis suggests that there is a pass-through to producers. This is attributable to the persistent Foot-and-Mouth Disease outbreaks in the country, which have constrained supply, led to imposed movement bans, and disrupted animal slaughtering at abattoirs.

- **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 0.63% (from R82.17/kg to R82.69/kg). The real farm value share increased by 0.30% from 55.15% in May 2025 to 55.32% in July 2025. From July 2024 to July 2025 (y-o-y), the real farm value share increased by 8.06%, while the real FTRPS declined by 1.62%.

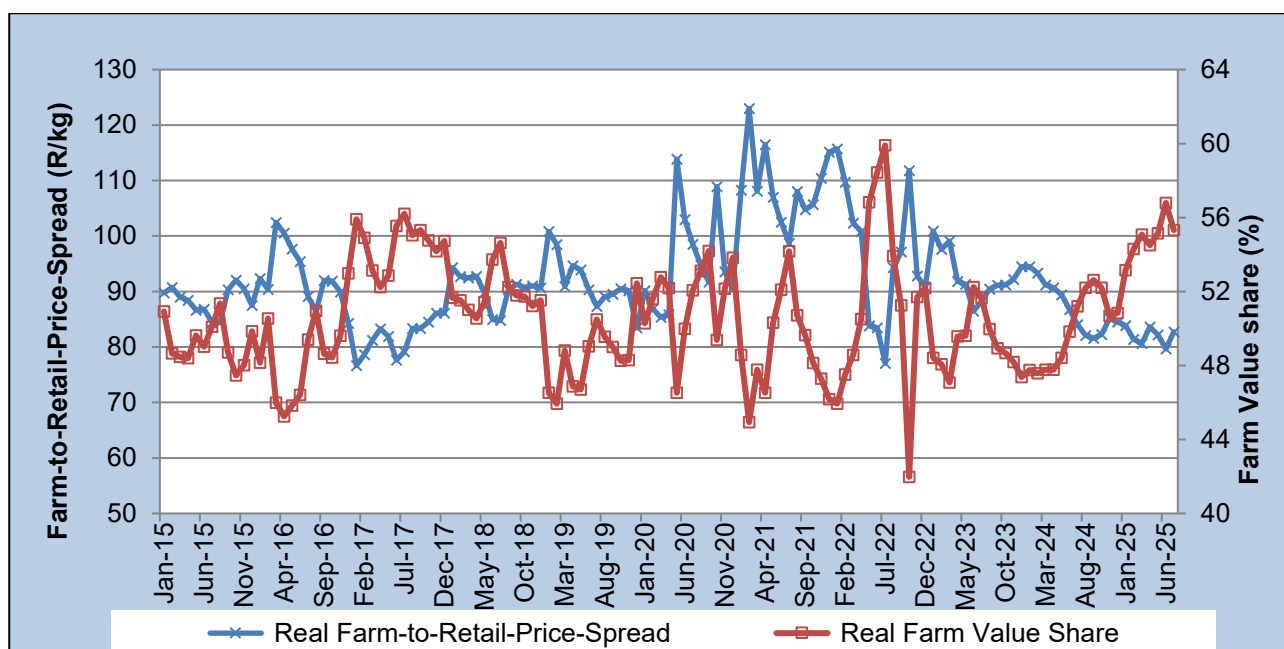


Figure 3: Real farm-to-retail-price-spread and farm value share of lamb

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

The slight contraction in FTRPS with a comparatively strong rise in farmers' share, indicates that in relative terms, producers benefited from lower margins. This suggests that margins further down the supply chain either expanded at a lower rate or even contracted when compared to other meat sectors. Unlike cattle, lamb was less directly affected by Foot-and-Mouth disease, meaning that supply conditions likely remained more stable. As a result, farmers in the lamb sector were able to maintain a steadier and potentially stronger position in the market.

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

Figure 4 shows that real FTRPS for pork increased by 0.16%, on average, from R60.23/kg in May 2025 to R60.33/kg in July 2025. Meanwhile, the real farm value share also increased by 2.23% from 34.65% in May 2025 to 35.42% in July 2025. Over the period (July 2024 to July 2025), the real FTRPS increased slightly by 0.53% (from R60.01/kg to R60.33/kg), while the real farm value share also rose by 2.57% (from 34.53% to 35.42%).

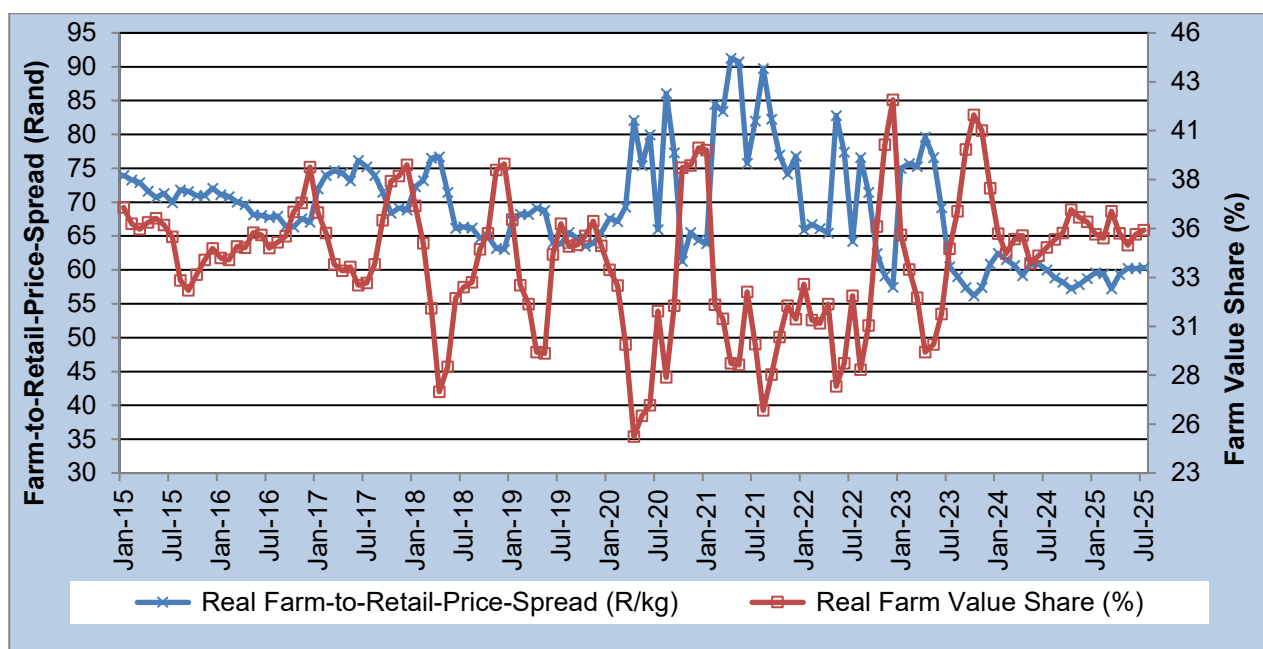


Figure 4: Real farm-to-retail-price-spread and farm value share of pork

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

The trend is moderate but positive, indicating that the FTRPS was stable, but the farm value share gradually improved for the period under review. This suggests that the pork supply chain is less volatile and that producers are recovering some relative bargaining position.

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

Figure 5 illustrates that the real FTRPS for full cream milk (1ℓ) increased on average from R12.10/ℓ to R12.29/ℓ, representing a 1.52% increase between May to July 2025. The real farm value share declined by 4.21% during the same period. From July 2024 to July 2025 (y-o-y), the real FTRPS reflected a relatively small decline of 1.42% and the real farm value share decreased by 3.64%.

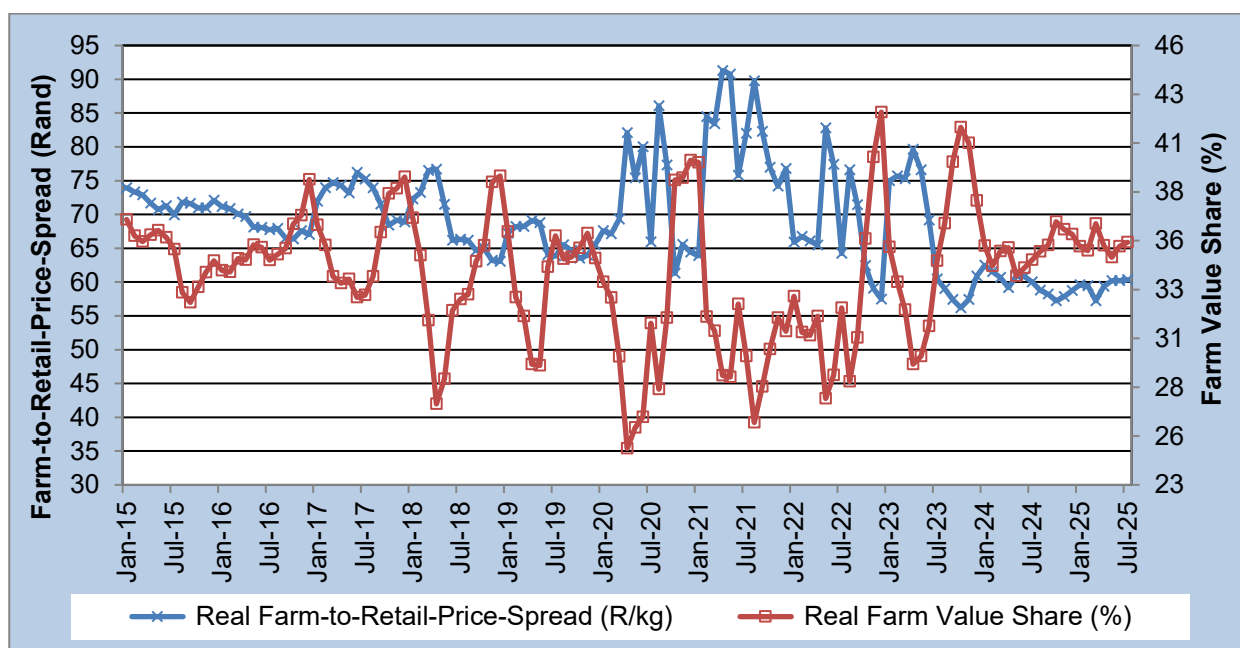


Figure 5: Real farm-to-retail-price-spread and farm value share of milk

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

Due to FMD outbreaks, the imposed quarantine and restrictions in the movement animals might have also affected dairy operations in afflicted zones, hence disrupting milk collection, farm logistics, and processing schedules. This pattern indicates that while retail prices increased modestly during a short period, the real farm value share received by farmers shrank, and over the year, both retail prices and the real farm value share dropped.

Conclusion

This report highlights that from May to July 2025, the FTRPS and the real farm value share vary significantly across value chains and commodities. The variation is driven by various factors, including supply constraints, market competition, biosecurity lapses, and sector-specific shocks, among others. These dynamics underline the delicate balance in value chain negotiations and the vulnerability of farmers to external shocks such as Foot-and-Mouth Disease outbreaks and international trade disruptions. The interaction between farm value and retail price spreads remains critical for safeguarding farmer sustainability, enhancing value chain efficiency, and ensuring fair outcomes for consumers. The Agriculture and Agro-processing Master (AAMP) provide interventions to drive the competitiveness of the sector. Implementation of the AAMP should be fast-tracked.

Compiled by:

Price trends and discussion on selected topics:

Ms. Lesedi Mokoena

Ms Thandeka Ntshangase

Dr Moses Lubinga

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

Enquiries: Dr Moses Lubinga: HLubinga@namc.co.za or Thandeka Ntshangase: Thandeka@namc.co.za and Lesedi Mokoena lmokoena@namc.co.za

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

© 2025. Published by the National Agricultural Marketing Council (NAMC).

Disclaimer:

Information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes, and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises, or guarantees about the accuracy, completeness, or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the content thereof. No warranty of any kind, implied, expressed, or statutory, including but not limited to the warranties of non-infringement of third-party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus is given with respect to the contents of this document in hardcopy, electronic format, or electronic links thereto. Reference made to any specific product, process, and service by trade name, trademark, manufacturer or another commercial commodity or entity are for informational purposes only and do not constitute or imply approval, endorsement or favouring by the NAMC.

