

# FARM-TO-RETAIL-PRICE-SPREAD

*Special Issue focusing on November and  
December 2025*

# 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:

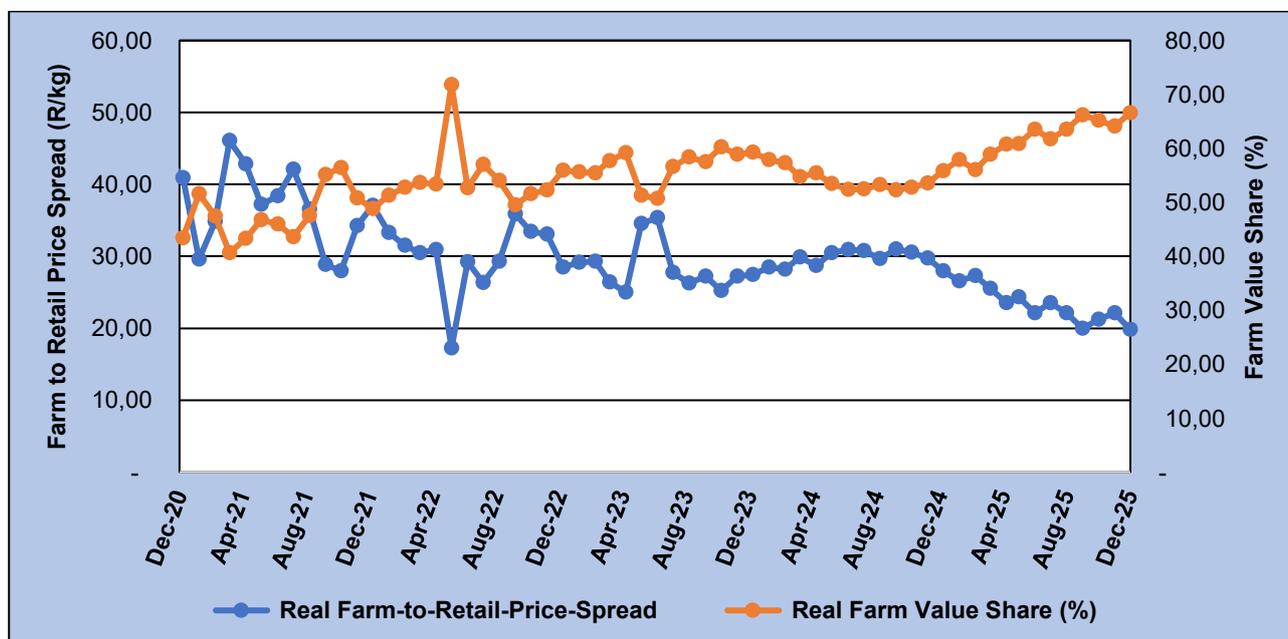
- **Poultry:** the real farm value share of fresh whole chicken increased by 3.85%, reaching 66.62% in December 2025. Over the period (December 2024 – December 2025), the farm value share increased significantly by 19.37%, although the real farm-to-retail price spread declined steeply by 29.24%. This suggests a relative improvement in farm-level price realisation compared to retail price adjustments .
- **Beef:** the real FTRPS for class A2/A3 beef increased by 8.49% between November and December 2025, while the farm value share declined by 5.46% to 50.40%. On a year-on-year basis, Farm-to-Retail-Price spreads increased by 28.34% with farm share decreasing by 2.22% indicating that price gains favoured retailers.
- **Lamb:** the real FTRPS of class A2/A3 lamb increased by 1.07% (from R84.50/kg to R85.41/kg), while the farm value share decreased slightly by 0.47% from 55.42% in November 2025 to 55.16% in December 2025. Year-on-year, the farm value share increased moderately by 8.51% while the real FTRPS increased slightly by 1.09%, suggesting improved margins for farmers on an annual basis.
- **Pork:** between November and December 2025, pork's real FTRPS declined by 0.91% (from R61.31/kg to R60.75/kg) while the farm value share increased moderately by 5.34% (from 37.26% to 39.25%). On a yearly basis, real FTRPS increased slightly by 3.42% while farm value share increased by 9.51%, pointing to gradual but consistent farmer gains.
- **Milk:** the real FTRPS for full-cream milk (1ℓ) increased by 0.58% from R12.20/ℓ in November to R12.27/ℓ in December 2025, while the farm value share slightly decreased by 0.55%. Compared to December 2024, real farm value share contracted significantly by 10.79% and real FTRPS increased moderately by 5.34%, which is attributable to improved retail prices.

## 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 between November and December **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:** Figure 1 indicates that between November and December 2025, the real farm value share of fresh whole chicken increased by 3.85% while the real FTRPS declined by 10.40%. In December 2025, the real farm value share increased to 66.62% of the retail price. On a year-on-year basis (December 2024 – December 2025), the farm value share increase to 19.37%, even though the real FTRPS continued to decline by 29.24%.



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

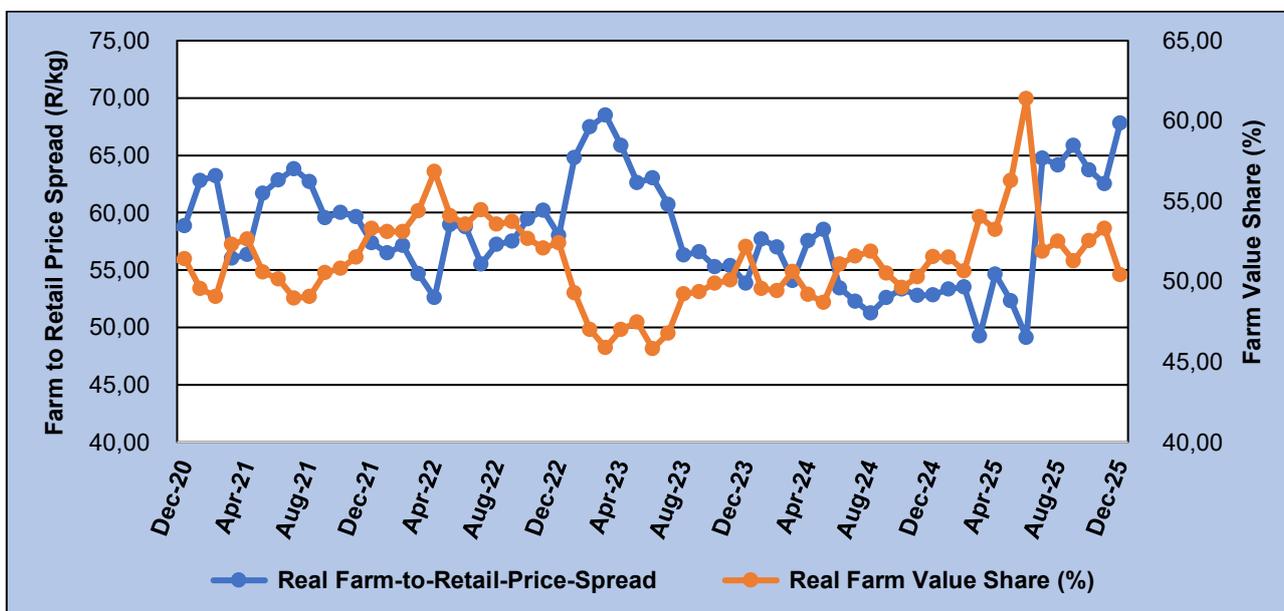
Source: Statistics South Africa (Stats SA, 2025); AMT, 2025 and own calculations

The increase in the real farm value share of whole fresh chicken between November and December 2025, alongside a decline in the real farm-to-retail-price spread (FTRPS) reflects stronger farm-level price support relative to retail price adjustments. With the ongoing foot-

and-mouth disease (FMD), Statistics South Africa noted that escalating beef prices prompted consumers to switch to alternative meats including poultry. The demand substitution likely supported farm-gate chicken prices while retail prices remained relatively stable due to competitive retail pricing strategies, contributing to the observed increase in the farm value share.

- **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 November and December 2025, the real FTRPS of class A2/A3 beef increased by 8,49%, whereas the real farm value share declined by 5.46%. In December 2025, the real farm value share decreased to 50.40%. On a year-on-year basis, from December 2024 to 2025, the real FTRPS increased significantly by 28.34%, and the real farm value share decreased by 2.22%.



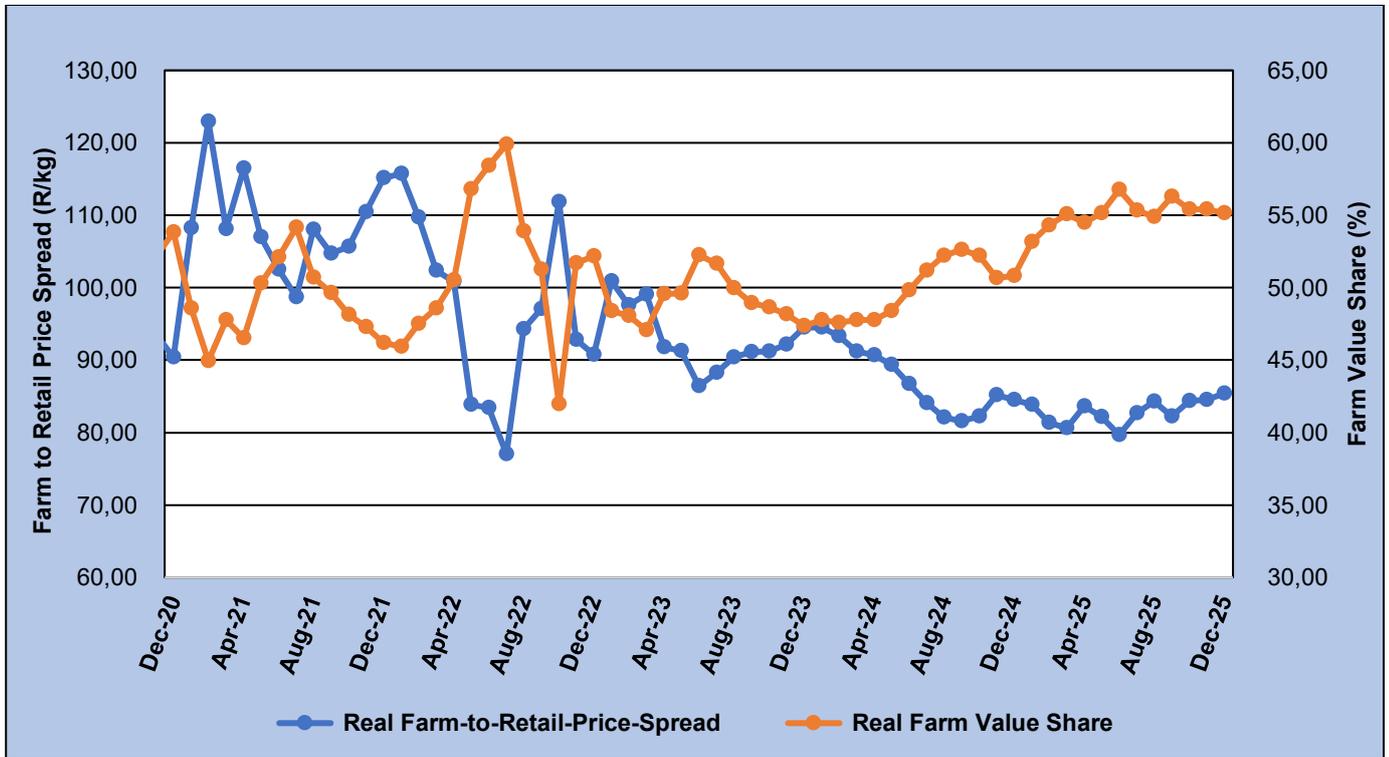
**Figure 2: Real farm-to-retail-price-spread and farm value share for beef**

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

A key driver of these dynamics is attributable to the persistent Foot-and-mouth disease (FMD) outbreak, which has significantly disrupted the cattle industry. FMD outbreaks have increasingly become an economic disease rather than just an animal health issue, as regions affected by outbreaks immediately lose market access and experience movement restrictions. These restrictions disrupt livestock supply chains, reduce slaughter volumes, and create regional price distortions. Moreover, consumer price inflation for beef increased significantly during 2025. Statistics South Africa (Stats SA) reported that beef price inflation reached approximately 29% year-on-year by December 2025, highlighting sustained pressure in the meat category (Laldas, 2026).

- **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 1.07% (from R84.50/kg to R85.41/kg) between November and December 2025. The real farm value share declined by 0.47% from 55.42% in November 2025 to 55.16% in December 2025. On an annual basis, the real farm value share increased by 8.51%, while the real FTRPS increased by 1.09%.



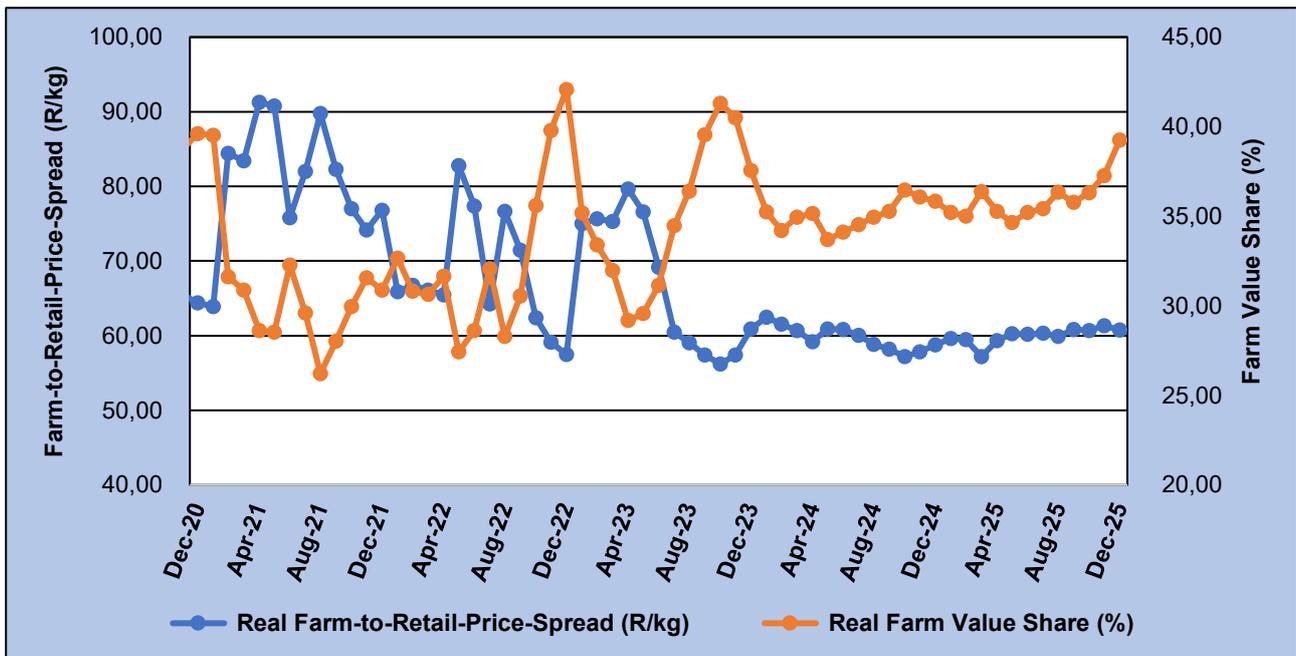
**Figure 3: Real farm-to-retail-price-spread and farm value share of lamb**

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

Lamb and mutton traditionally experience strong demand during the December holiday period, particularly for braais, celebrations, and tourism-related consumption. Seasonal demand increases typically lead to higher retail prices as consumers are willing to pay premiums for preferred cuts during this period. Retailers may therefore increase margins, contributing to a slight widening of the farm-to-retail spread.

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

**Figure 4** shows that real FTRPS declined by 0.91%, from R61.31/kg in November 2025 to R60.75/kg in December 2025. Meanwhile, the real farm value share increased by 5.34% from 37.26% in November 2025 to 39.25% in December 2025. Over the period (December 2024 to December 2025), the real FTRPS increased by 3.42%, while the real farm value share increased by 9.51%.



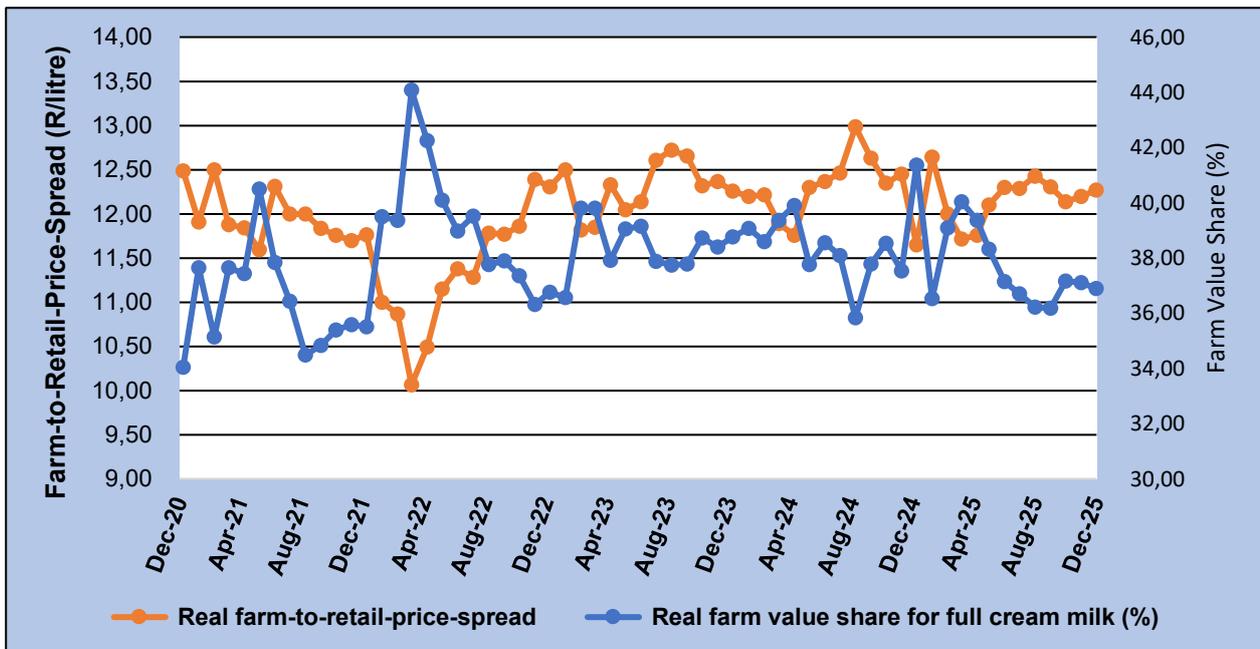
**Figure 4: Real farm-to-retail-price-spread and farm value share of pork**

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

In November 2025. The first case of FMD in a commercial piggery was confirmed in the Free State, with additional cases later reported in Kwa-Zulu Natal and North West provinces. Despite these outbreaks, the decline in the FTRPS suggests that retail pork prices did not increase proportionally with farm-level prices. Retailers may have maintained competitive pork prices to encourage protein substitution away from expensive beef, which experienced supply shortages and price increases during this period. Additionally, festive season demand for pork products such as gammon, ribs, and processed pork cuts tend to increase significantly in December. Retailers often run promotional campaigns for these products during the holiday season to attract consumers, at times, these promotions can compress retail margins and contribute to a decline in the farm-to-retail-price spread.

- **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 from R12.20/ℓ to R12.27/ℓ, representing a 0.58% increase between November to December 2025. The real farm value share declined by 0.55% during the same period. From December 2024 to December 2025 (y-o-y), the real FTRPS recorded an increase of 5.34% (from R11.65/ℓ to R12.27/ℓ), and the real farm value share decreased significantly by 10.79% (from 41.36% to 36.89%)



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

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

The increase in the real FTRPS reflects the widening gap between farm-gate and retail prices. One of the most critical factors that may have influenced this trend was the persistent FMD outbreak in 2025. The disease led to culling, movement restrictions, and disruptions in milk production. Farmers faced reduced productivity per cow, as disease stress and biosecurity measures constrained output. Another important factor is that milk is relatively price inelastic because it is a staple food, particularly for low-income households. Even though prices may increase, there will still be demand for milk which may enable retailers to sustain higher margins without significant reductions in sales volumes.

## Conclusion

Overall, the observed changes in the farm-to-retail-price spread and farm value shares across poultry, beef, lamb, pork, and milk reflect the complex interaction between supply shocks, disease outbreaks, seasonal demand patterns, and domestic consumer behaviour. These dynamics illustrate how price formation in food supply chains is influenced not only by farm-level production conditions but by downstream costs, retail strategies, and broader economic factors.

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