

FARM-TO-RETAIL-PRICE-SPREAD

January – March 2026
Quarter 4

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 1.40%, reaching 63.85% in March 2026. On an annual basis (March 2025 - 2026), the real farm value share increased by 8.40%, and the real farm-to-retail price spread continued declining by 13.41%.
- **Beef:** the real FTRPS for class A2/A3 beef decreased significantly by 13.26% between January and March 2026, while the farm value share increased by 6.64%. On a year-on-year basis, the real farm-to-retail-price spread increased by 21.67% with the real farm share decreasing by 1.54%.
- **Lamb:** the real FTRPS of class A2/A3 lamb increased by 4.45% (from R96.78/kg to R101.09/kg), while the farm value share decreased moderately by 7.79% from 51.04% in January 2026 to 47.06% in March 2026. Year-on-year, the farm value share decreased significantly by 14.55% while the real FTRPS surged by 25.34.
- **Pork:** between January and March 2026, pork's real FTRPS declined by 3.93% (from R68.47/kg to R65.78/kg) while the real farm value share increased by 2.31% (from 36.74% to 37.59%). On a yearly basis, real FTRPS increased by 14.99% while farm value share increased slightly by 3.33%.
- **Milk:** the real FTRPS for full-cream milk (1ℓ) decreased by 6.20% from R12.73/ℓ in January to R11.94/ℓ in March 2026, while the farm value share increased significantly by 10.02%. On an annual basis (March 2025 – March 2026), real farm value share continued to contract by 5.48% and real FTRPS increased slightly by 1.96%, indicating that retailers captured more of the consumer price.

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 January to March 2026. 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 illustrates that between January and March 2026, the real farm value share of fresh whole chicken increased by 1.40% while the real FTRPS declined by 3.29%. In March 2026, the real farm value share was 63.85% of the retail price. On a year-on-year basis (March 2025 – March 2026), the real farm value share increased by 8.40%, and real FTRPS declined again by 13.41%.

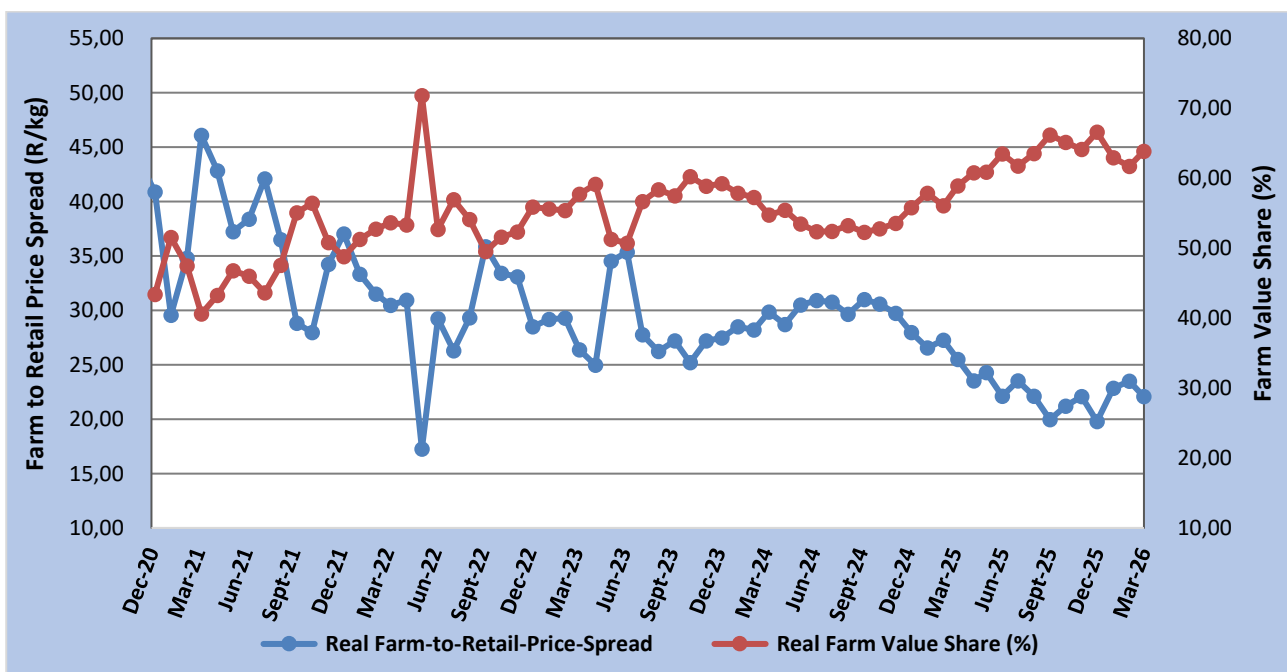


Figure 1: Real farm-to-retail-price-spread and farm value share of poultry meat

Source: Stats SA, 2026; AMT, 2026 and own calculations

The increase in the farm value share alongside a decline in the real FTRPS between January – March 2026, suggests that farm-gate prices were relatively stable than retail prices. This is consistent with typical seasonal dynamics, after the December festive

surge, retail demand for poultry moderates significantly between January and February, prompting promotions to stimulate sales. Additionally, the poultry industry likely benefitted from improved production conditions following earlier constraints in 2025 and more predictable import flows. Local producers have been rebuilding capacity after prior shocks, such as the avian influenza outbreaks, which would support stable and slightly increased volumes entering the market.

- **Beef:** The FTRPS of beef retail price includes 8 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 January and March 2026, the real farm value share for class A2/A3 beef increased by 6.64%, while the real FTRPS declined by 13.26%. In March 2026, the real farm value share increased to 53.21%. On a year-on-year basis, from March 2025 to 2026, the real FTRPS increased by 21.67%, and the real farm value share decreased by 1.54%.

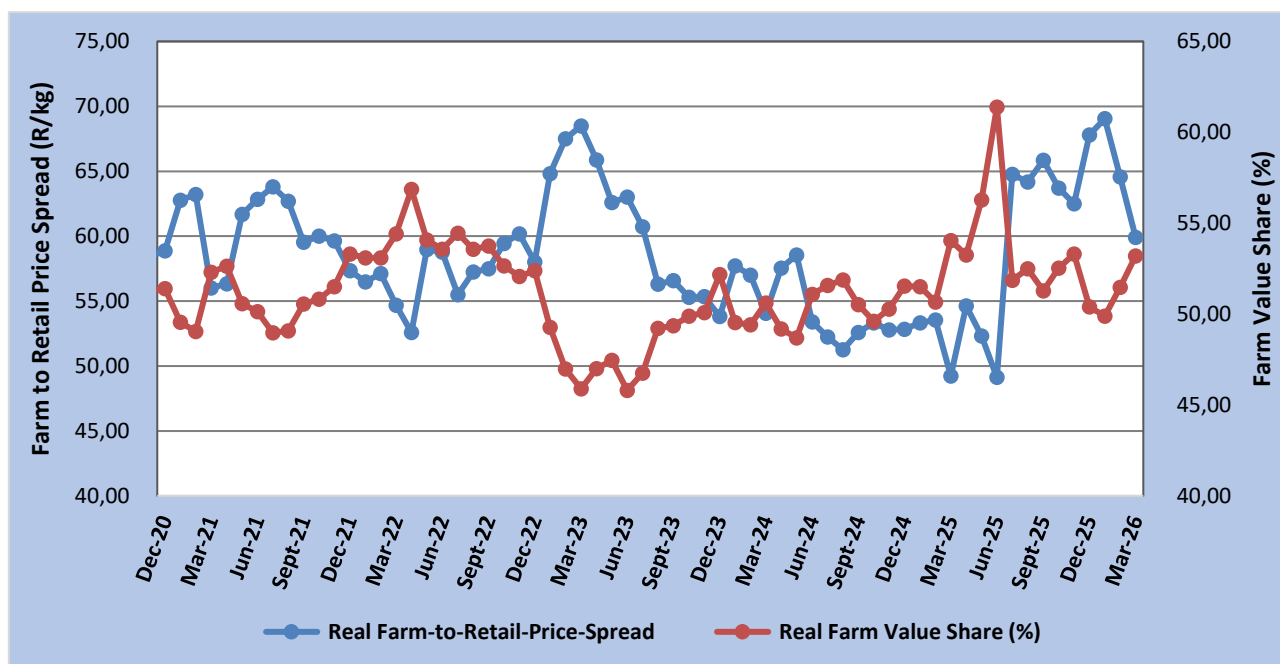


Figure 2: Real farm-to-retail-price-spread and farm value share for beef

Source: Stats SA, 2026; AMT, 2026, and own calculations

The notable increase in the real farm value share and decline in FTRPS points to a shift in favour of producers, likely driven by the easing supply constraints at the farm level and some normalizations of market conditions following the foot-and-mouth disease (FMD) in 2025. One of the most important developments during this period was progress in vaccination efforts and disease management strategies for cattle. As vaccination campaigns expanded and movement control became more structured, previously constrained regions began re-entering the formal markets. This likely improved supply flows and strengthened price discovery at the farm level, allowing farmers to receive relatively better prices. However, retail prices did not increase proportionately and declined possibly due to weaker post-

holiday demand and consumer resistance to high beef prices. On an annual basis, the sharp increase in FTRPS alongside a slight decline in farm value share reflects the lingering effects of 2025 supply shocks; FMD outbreaks significantly disrupted supply chains, increasing compliance costs, processing, and inflating retail prices. Even though conditions began to stabilize in early 2026, the cumulative effect over the year still reflects higher retail margins relative to farm-gate prices.

- **Lamb:** The FTRPS of lamb retail price includes 6 cuts, i.e., leg, loin chops (saddle chops), neck, rib chops and stew, but excludes lamb offal in the calculation of the spread.

Figure 3 indicates that the real farm value share of class A2/A3 lamb declined by 7.79% between January and March 2026, whereas the real FTRPS increased by 4.45% (from R96.78/kg to R101.09/kg). On an annual basis (March 2025 – 2026), the real farm value share declined by 14.55%, with the real FTRPS increasing significantly by 25.34%.

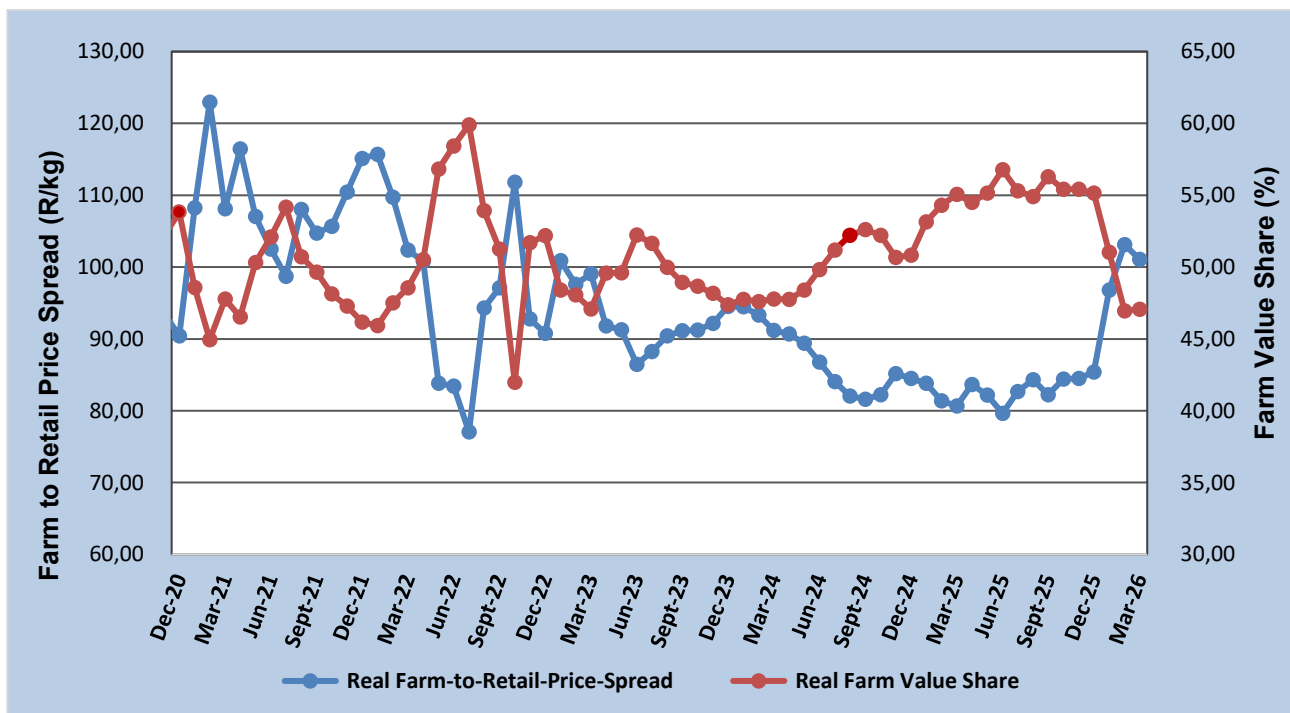


Figure 3: Real farm-to-retail-price-spread and farm value share of lamb

Source: Stats SA, 2026; AMT, 2026, and own calculations

The lamb industry presents a contrasting dynamic during this period, with the FTRPS increasing and the farm value share declining. This suggests that retail prices increased more rapidly than farm-gate prices. Lamb is typically considered premium meat in South Africa, with peak consumption occurring during holidays and special occasions. As demand softens in the New Year, farmers may have faced weaker prices, and with more animals sent for slaughtering after the festive period may have reduced producer prices. The year-on-year figures suggest that downstream segments have captured a growing portion of the retail price.

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

Figure 4 shows that real FTRPS declined by 3.93%, from R68.47/kg in January 2026 to R65.78/kg in March 2026. Meanwhile, the real farm value share increased by 2.31% from 36.74% in January 2026 to 37.59% in March 2026. Over the period (March 2025 to 2026), the real FTRPS increased by 14.99%, while the real farm value share increased by 3.33%.

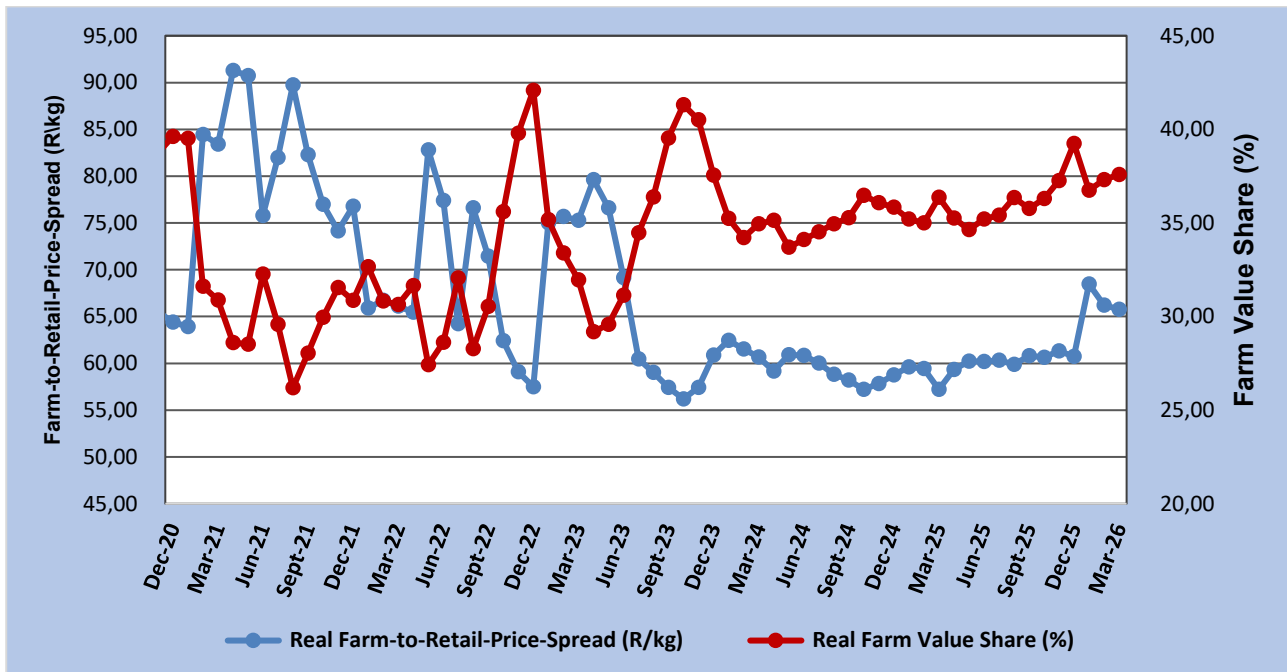


Figure 4: Real farm-to-retail-price-spread and farm value share of pork

Source: Stats SA, 2026; AMT, 2026, and own calculations

The decline in real FTRPS and increase in real farm value share between January – March 2026 reflects improved returns at the farm level relative to retail prices. This is particularly notable given the recent emergence of FMD cases in the piggery operations towards the end of 2025. On a year-on-year basis, both the FTRPS and farm value share increased, indicating the price strengthening across the value chain.

- **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) decreased from R12.73/ℓ to R11.94/ℓ, representing a 6.20% decline between January to March 2026. The real farm value share increased by 10.02% during the same period. From March 2025 to March 2026 (y-o-y), the real FTRPS reflected a slight increase of 1.96% (from R11.71/ℓ to R11.94/ℓ), and the real farm value share continued to decrease by 5.48% (from 40.03% to 37.83%)

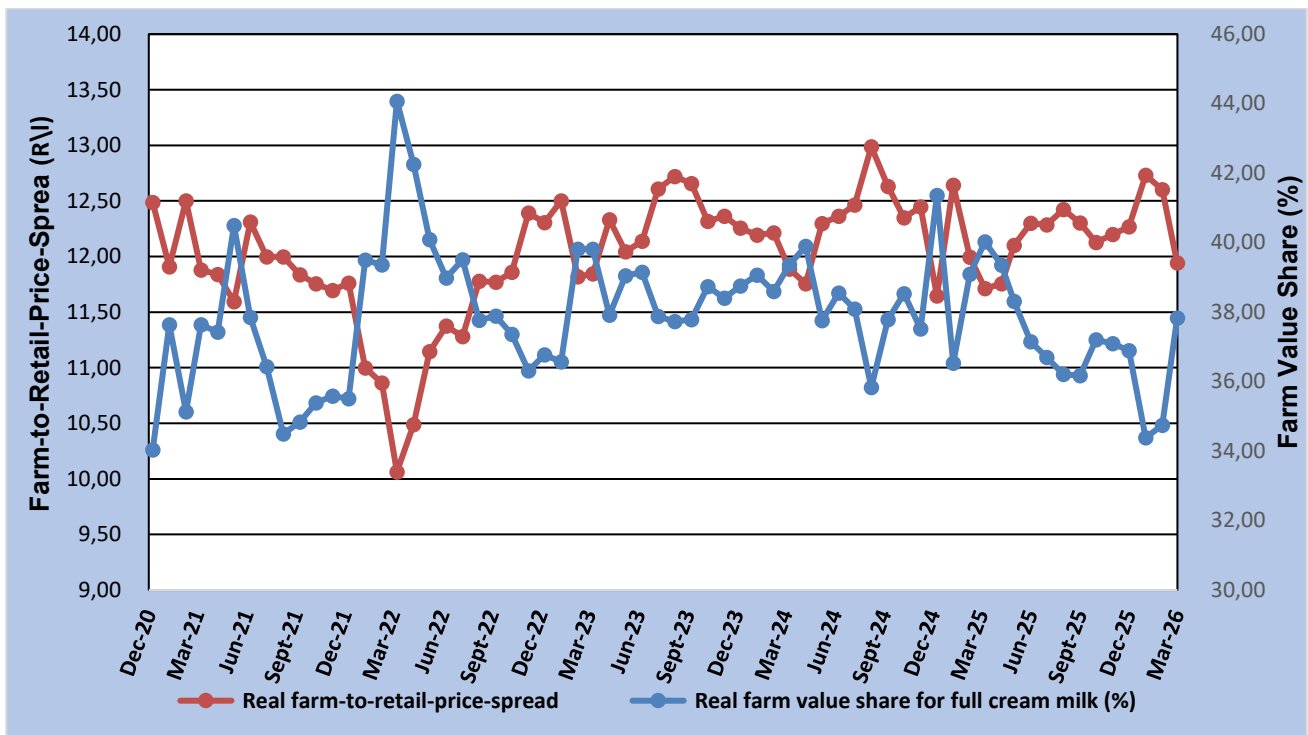


Figure 5: Real farm-to-retail-price-spread and farm value share of milk

Source: Stats SA, 2026; AMT, 2026, and own calculations.

The decline in the real FTRPS alongside a notable increase in the farm value share suggests that farm-gate milk prices strengthened relative to retail prices. This could be attributable to seasonal patterns in the dairy industry where the quarter four coincides with the summer rainfall, which leads to better rainfall, pasture availability with cattle yielding better milk production. Another important contributing factor is the developments in the cattle industry, where the expanded vaccination efforts against foot-and-mouth disease (FMD) likely had indirect effects on dairy markets. As cattle movement restrictions began to ease in early 2026, more animals entered the formal market again, stabilizing both milk and beef prices. On an annual basis, the slight increase in the real FTRPS combined with a decline in the farm value share indicates that over the longer term, downstream value chain players have captured larger portion of the retail price.

Conclusion

Overall, quarter four reflects a rebalancing phase for poultry, beef, pork, and milk. The increased farm value shares and reduced farm-to-retail spreads as festive demand eased and supply chains normalized. Improved disease management in the beef industry, alongside stable production in the poultry and pork, supported stronger farm-gate prices. Lamb remained the exception, reflecting demand sensitivity and premium pricing pressures. While these short-term shifts signal some recovery for producers, the broader year-on-year trends indicate that downstream players in the value chain continue to absorb a larger share of consumer prices.

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