FARM-TO-RETAIL-PRICE-SPREAD

April – June 2026

Quarter 1

NAMC
National Agricultural Marketing Council

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FARM-TO-RETAIL-PRICE-SPREAD

EXECUTIVE SUMMARY

The farm value share (FVS) is the farm value of the final food product embodied in a retail food product, expressed as a percentage of the retail price paid 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 between April and June 2026, declined by 5.20%, while real FTRPS increased by 10.24%. The real farm value share of fresh whole chicken meat reached 64.66% of the retail price in June. On an annual basis (June 2025-June 2026), however, the real farm value share increased by 1.86%, while the real FTRPS decreased by 6.84%.
- ***Beef:*** the real farm value share for class A2/A3 beef increased significantly by 10.60%, while the real FTRPS declined by 13.44%. On a year-on-year basis, the real FTRPS increased by 20.69% with the real farm value share decreasing by 18%.
- ***Lamb:*** the real farm value share of class A2/A3 lamb increased by 12.15% in relative terms from 47.13% in April 2026 to 52.85% in June 2026, while the real FTRPS decreased by 10.48% (from R99.31/kg to R88.91/kg). On a yearly basis, the farm value share decreased by 6.93% while the real FTRPS increased by 11.64%.
- ***Pork:*** the real FTRPS increased by 4.66% (from R66.00/kg to R69.08/kg) while the real farm value share decreased by 15.56% (from 36.97% to 31.22%). Between June 2025 and June 2026, real FTRPS increased by 14.76% while farm value share decreased by 11.33%.
- ***Milk:*** the real FTRPS for full-cream milk (1ℓ) increased by 2.60 percentage points from 34.22% to 36.52% between April and June 2026, respectively. The real farm value share increased moderately by 0.11% moving from R12.52/ℓ to R12.53/ℓ during the same period. Annually, from June 2025 to June 2026 (y-o-y), the real FTRPS declined by 5.49% and the real farm value share increased by 1.88%.

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 April and June 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 April and June 2026, the real farm value share of fresh whole chicken declined by 5.20%, while real FTRPS increased by 10.24%. The real farm value share of fresh whole chicken meat reached 64.66% of the retail price in June. On an annual basis (June 2025-June 2026), however, the real farm value share increased by 1.86%, while the real FTRPS decreased by 6.84%.

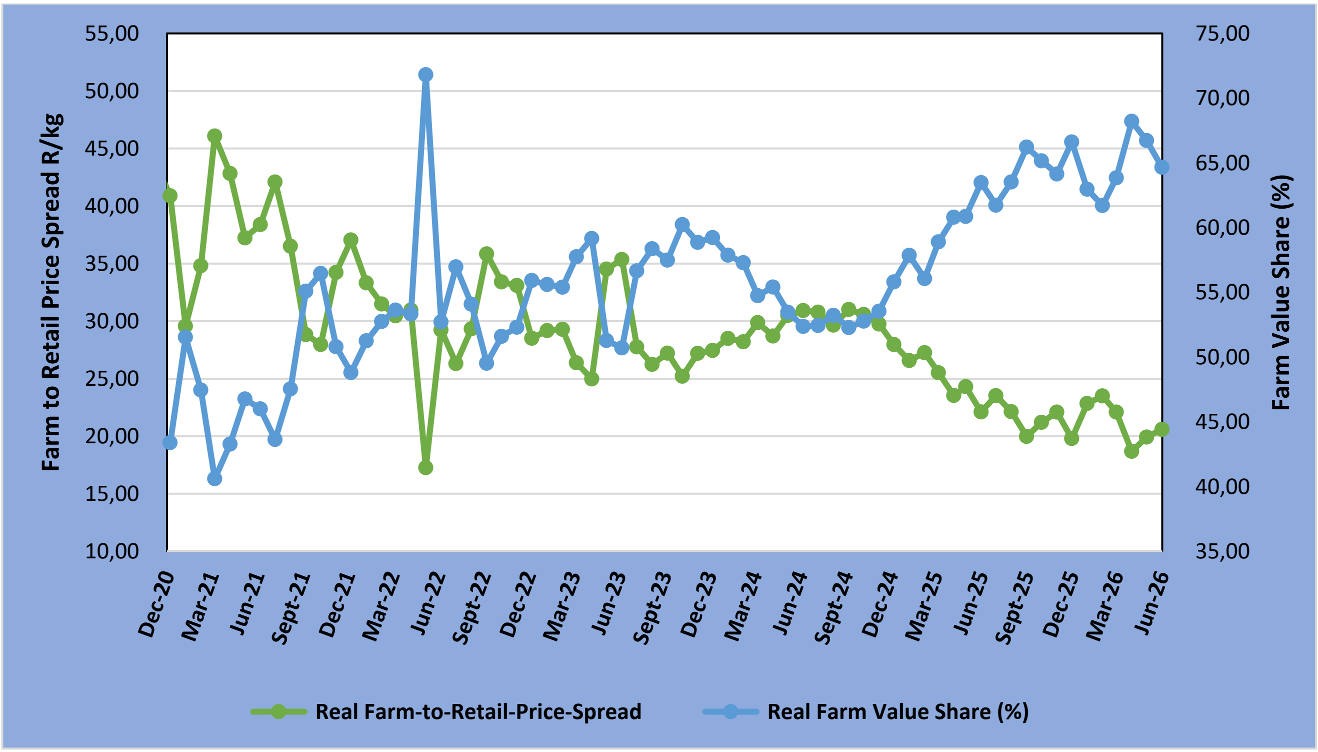

Figure 1: Real Farm-to-Retail-Price-Spread and farm value share of poultry meat
Source: Stats SA, 2026; AMT, 2026 and own calculations

The quarterly decline in the real farm value share, together with the increase in real Farm-to-Retail Price Spread (FTRPS), reflects a period in which retail prices remained relatively firm while farm-gate prices declined as poultry supplies improved. During this period, favourable domestic grain harvests contributed to lower prices for yellow maize and soybean meal; the two primary feed ingredients used in broiler production. Since feed accounts for approximately 65–70% of total poultry production costs, lower grain prices contributed to reduced production expenses and improved production efficiency across the industry.

Although poultry producers possibly benefitted from lower input costs, downstream segments of the value chain continued facing relatively higher operating expenses including electricity, refrigeration, packaging etc. As a result, a larger share of the retail price was absorbed beyond the farm gate, reducing the producer's share of the final retail price. Consumer demand also remained strong, chicken remains South Africa's most affordable and widely consumed animal protein as many households substituted away from higher-priced beef and lamb. The annual comparison presents a more positive picture for producers, suggesting that lower feed costs, improved production efficiency and stronger industry performance over the year enabled farmers to retain a slightly larger share of the retail price while narrowing the Farm-to-Retail Price Spread.

- ***Beef:*** *The FTRPS of beef retail price includes 8 cuts, e.g., 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 during the period between April and June 2026, the real farm value share for class A2/A3 beef increased by 10.60%, while the real FTRPS declined by 13.44%. The real farm value share reached 50.35%. On a year-on-year basis, from June 2025 to June 2026, the real FTRPS increased by 20.69%, while the real farm value share decreased by 18%,

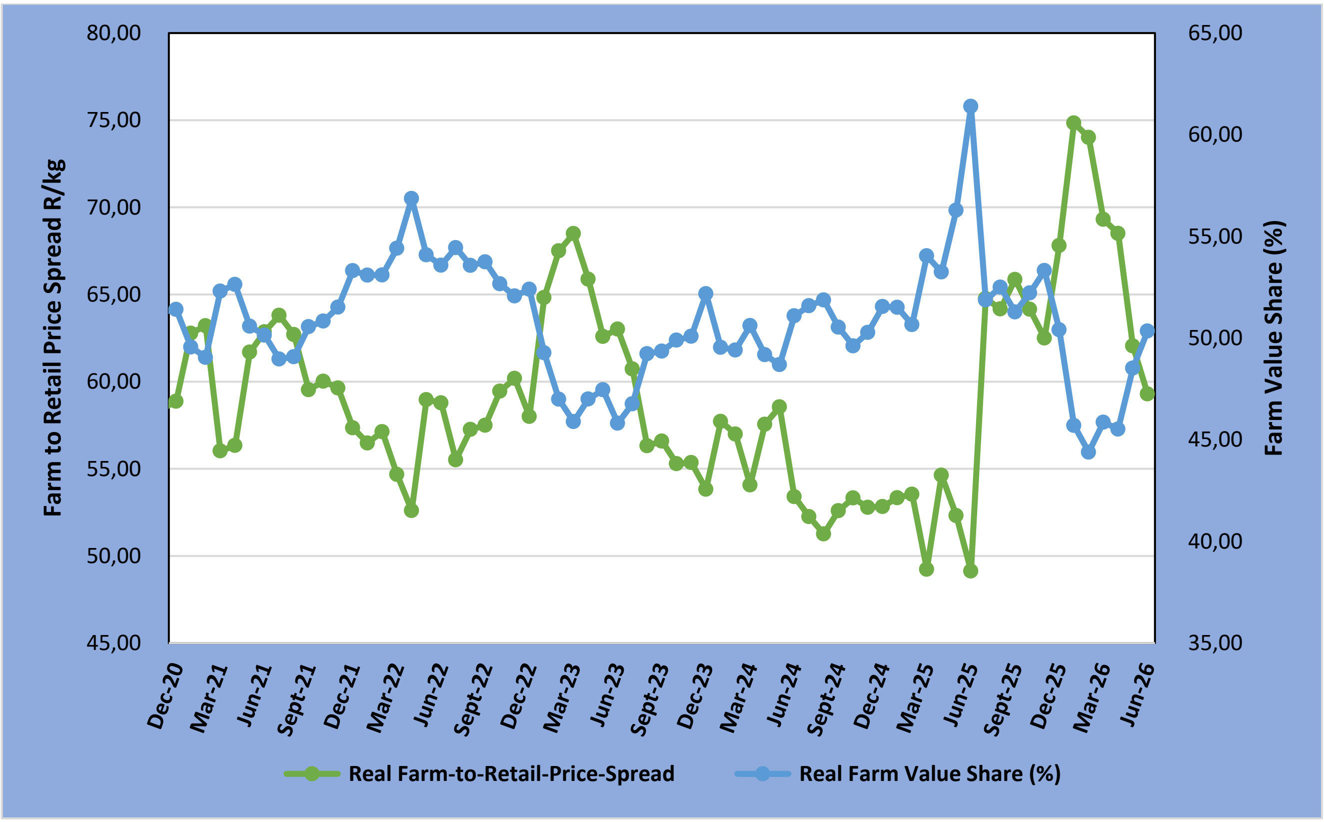

Figure 2: Real Farm-to-Retail-Price-Spread and farm value share for beef
Source: Stats SA, 2026; AMT, 2026, and own calculations

The quarterly improvement in the farm value share reflects increased producer prices following improvements in disease surveillance, movement controls and herd management after the widespread Foot-and-Mouth Disease (FMD) outbreaks experienced during 2025 and early in 2026. Producer prices increased steadily between April and June as limited supplies of slaughter-ready cattle, largely due to ongoing herd rebuilding, supported stronger demand at farm level. Retail prices, however, did not increase at the same pace, as beef remains one of the more expensive sources of protein and consumers remain highly price sensitive. Retailers therefore likely absorbed part of the higher procurement costs rather than passing them fully on to consumers, contributing to the narrower Farm-to-Retail Price spread during the quarter.

The annual comparison reflects the lasting effects of FMD-related disruptions, which increased compliance, processing and marketing costs throughout the supply chain over the previous year. These higher downstream costs contributed to a rise in annual FTRPS and a smaller share of the retail price accruing to producers.

- ***Lamb:*** *The FTRPS of lamb retail price includes 6 cuts, e.g., 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 farm value share of class A2/A3 lamb increased by 12.15% in relative terms (equivalent to a 5.72 percentage points increase) between April and June 2026, whereas the real FTRPS decreased by 10.48% (from R99.31/kg to R88.91/kg). on a yearly basis (June 2025-June 2026), the real farm value share declined by 6.93%, while the real FTRPS increased by 11.64%.

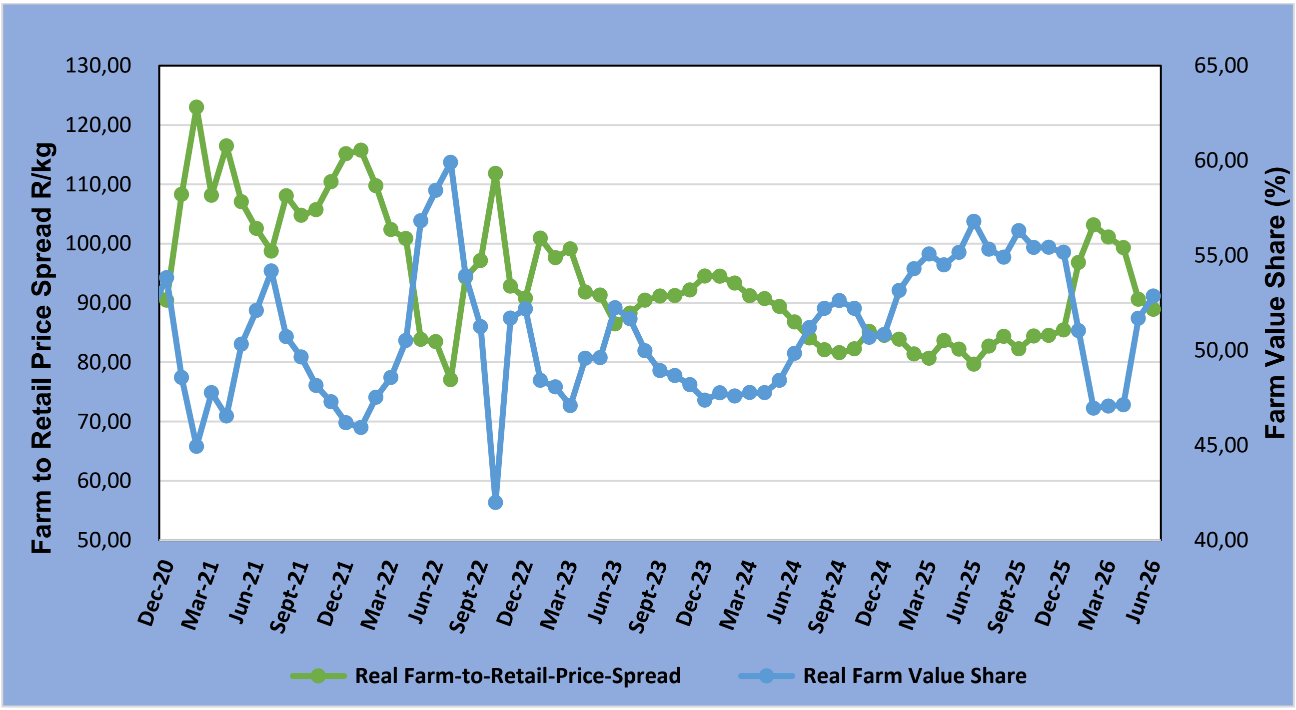

Figure 3: Real Farm-to-Retail-Price-Spread and farm value share of lamb
Source: Stats SA, 2026; AMT, 2026, and own calculations

The quarterly increase in the farm value share indicates that producer prices strengthened relative to retail prices during the period. Lamb supplies remained relatively constrained due to declining national flock numbers, climate variability, predation and rising production costs, which supported stronger farm-gate prices. Retail prices, however, remained under pressure as lamb is generally viewed as a premium meat product and many consumers continued shifting towards more affordable proteins such as chicken and pork. Retailers likely had limited scope to increase prices further, resulting in narrower marketing margins and a decline in the FTRPS.

The annual comparison suggests that costs beyond the farm gate, including fuel, refrigeration and packaging, increased more rapidly than farm prices over the twelve-month period, contributing to an increased annual marketing margin and a reduced farm value share.

- ***Pork:*** *The FTRPS of pork includes pork ribs effective from January 2013.*
  Figure 4 shows that the real FTRPS increased by 4.66%, from R66/kg in April 2026 to R69.08/kg in June 2026. Meanwhile, the real farm value share decreased by 15.56% in relative terms from 36.97% in April 2026 to 31.22% in June 2026. Between June 2025 and June 2026, the real FTRPS increased by 14.76%, while the real farm value share decreased by 11.33%

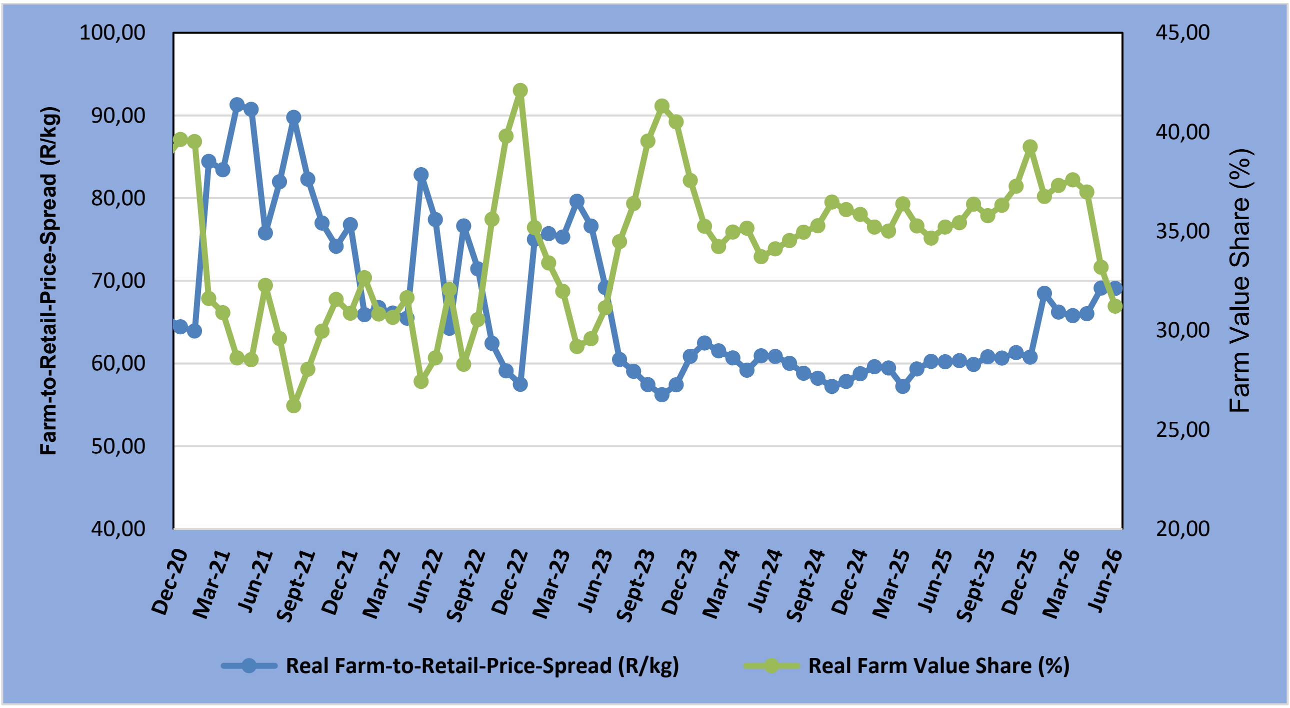

Figure 4: Real Farm-to-Retail-Price-Spread and farm value share of pork
Source: Stats SA, 2026; AMT, 2026, and own calculations

The increasing real FTRPS during the quarter reflects the difficult operating conditions facing the pork industry following continued outbreaks of African Swine Fever (ASF). Unlike FMD, ASF has no commercially available vaccine and requires infected herds to be culled to prevent further spread. Disease outbreaks often lead to movement restrictions, disruptions to slaughter schedules, temporary oversupply in unaffected areas and increased biosecurity costs. These factors can place downward pressure on producer prices while increasing costs for processors and retailers, which could result in higher retail prices and an increased Farm-to-Retail Price spread.

Seasonal demand also likely contributed to these movements, as pork consumption generally strengthens during autumn and early winter, particularly for processed products such as bacon, cured meats and ribs. Increased demand from households, tourism and the hospitality sector during the Easter period helped support retail prices, although producers did not benefit proportionately.

The annual increase in the FTRPS highlights the cumulative impact of disease-related disruptions and higher logistics, compliance and distribution costs, which resulted in a larger share of the retail price being absorbed beyond the farm gate.

- ***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 farm value share for full cream milk (1ℓ) increased from R12.52/ℓ to R12.53/ℓ, representing a 2.60% rise in relative terms between April and June 2026. The real Farm-to-Retail Price spread increased very slightly by 0.11% during the same period. On an annual basis, from June 2025 to June 2026 (y-o-y), the real FTRPS declined by 34.22% in relative terms (from 34.22% to 35.11%), and the real farm value share increased by 1.88% in relative terms (from R12.30/ℓ to R12.53/ℓ)

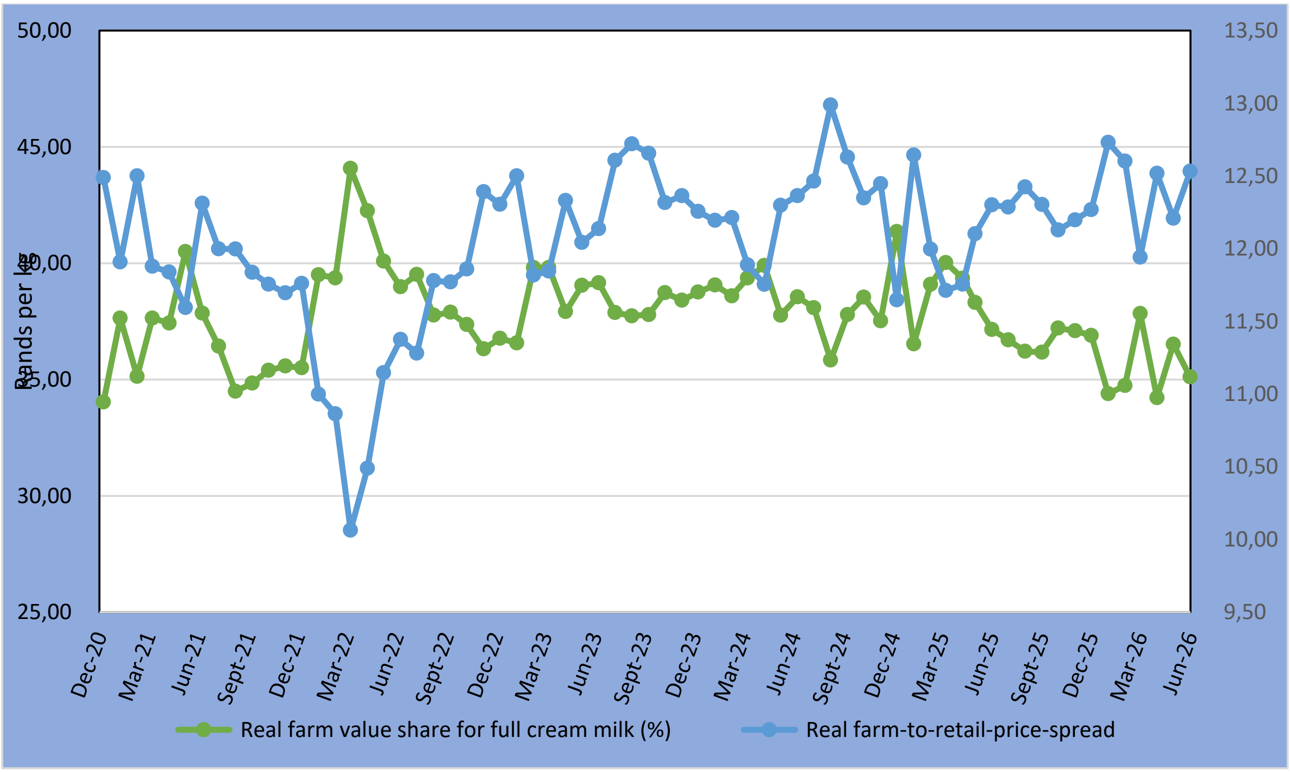

Figure 5: Real Farm-to-Retail-Price-Spread and farm value share of milk
Source: Stats SA, 2026; AMT, 2026, and own calculations.

The relatively stable movements observed in both the farm value share and the FTRPS reflect the distinctive characteristics of the dairy industry. Unlike meat production, milk production is continuous and requires daily herd management regardless of prevailing market conditions.

Demand for milk remained steady throughout the quarter, supported by its status as an essential household staple and an affordable source of nutrition. Stable consumer demand contributed to relatively modest price movements across the value chain.

The slight annual improvement in the farm value share suggests that dairy farmers retained a marginally larger share of the retail price, supported by stable farm-gate prices and some easing in production costs compared with the previous year. Even so, dairy farming remains characterised by high fixed costs and relatively tight margins, making profitability dependent on efficient herd management, consistent milk production and effective cost control.

Conclusion

Overall, developments across South Africa's livestock industries between April and June 2026 highlight the complex interaction between production costs, supply conditions, consumer demand and value chain dynamics in determining farm-to-retail price spreads. Poultry and pork recorded declining farm value shares during the first quarter of the 2026/27 financial year (April -June 2026) (quarter one), while beef, lamb and milk showed comparatively stronger producer shares. These differences underline the importance of commodity-specific supply conditions, input costs, disease pressures and consumer demand in shaping the distribution of value between farm and retail levels. More broadly, South African consumers continued to adapt their purchasing decisions in response to ongoing economic pressures, increasingly favouring affordable protein sources. The first quarter of 2026 reflects a livestock sector that is gradually stabilising following previous disease-related and cost-related disruptions, while continuing to adjust to changing consumer preferences, production realities and broader economic conditions.

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Cover page photos: *Pexels, Pixabay, Freepik, Unsplash and Vecteezy*

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

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