



SOUTH AFRICAN POULTRY PRODUCTS PRICE MONITOR

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EXECUTIVE SUMMARY:

- According to data provided by the Food and Agricultural Organization (FAO) of the United Nations, the average international poultry meat price index in the second quarter of 2024 stood at 112.25 points, marking a 4.1% increase compared to the 107.86 points recorded in the first quarter of 2024.
- During the second quarter (Q2) of 2024: On a year-on-year comparison, data from the South African Revenue Service (SARS) show that South Africa imported a total of 108 157 tons of chicken meat in Q2 of 2024, indicating a 0.6% decline from the 108 761 tons imported in Q2 of 2023. The main contributors to the observed decrease in chicken meat imports during Q2 were frozen chicken drumsticks and value-added processed chicken pieces which each decreased by 100%, followed by frozen chicken thighs, fresh chicken cuts, other, frozen chicken leg quarters, boneless chicken breasts, and frozen mechanically deboned meat (MDM) which decreased by 96%, 88%, 68%, 35%, 15% and 9%, respectively.
- Comparing quarter 2 of 2024 to quarter 1 of 2024, producer prices for IQF chicken pieces, whole fresh chicken and frozen chicken decreased by 8.55%, 6.23% and 3.76%, respectively. Numerous factors have contributed to the recent trends in producer prices. Notably, global disruptions to feed production have further influenced input prices and costs, with the drought continuing to impact production across the regions. Additionally, the logistics challenges affecting global maize exports, particularly from Ukraine, remain a critical factor in the rising feed costs that affect poultry producer prices in South Africa.
- When comparing retail prices per kilogram (kg) for the second quarter of 2024 to the first quarter of 2024, the prices for non-IQF frozen chicken portions and IQF chicken portions (per 2kg) increased by 1.99% and 0.20%. While prices for fresh chicken portions, whole chicken and chicken giblets decreased by 0.56%, 1.20% and 1.46%, respectively.
- During the second quarter of 2024, the average spot price for a ton of yellow maize was R4093, indicating a 9.04% increase compared to the corresponding period in 2023. The average spot price was 5.25% higher than the first quarter of 2024. On the other hand, soybean prices increased to R8 786 per ton during the same quarter, reflecting a 13.17% increase compared to the previous year and a further 5.29% increase compared to the preceding quarter (Q1 2024). While for sunflower, the average spot price stood at R9 010 in the second quarter of 2024 representing a 6.68% and 4.39% increase respectively when compared to the second quarter of

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1. Introduction

The majority of South Africa's population obtains affordable animal protein from poultry, making it crucial for maintaining and improving the country's food security. This report tracks the cost of different chicken meat products in South Africa, compares them to current global poultry market trends and makes appropriate recommendations. The former Department of Agriculture, Forestry and Fisheries (DAFF), currently known as the Department of Agriculture, Land Reform and Rural Development (DALRRD), established the Food Price Monitoring Committee (FPMC) which was mandated by the National Agricultural Marketing Council (NAMC) to track and report on food price trends. International poultry meat prices, imports of chicken products into South Africa, producer pricing and retail poultry prices are examined every three months. To provide a more comprehensive comparison between domestic poultry prices and global market prices, the analysis also includes feed prices.

2. International poultry meat price index

Figure 1 presents the global poultry meat price index trends from the second quarter of 2016 (April - June) to the second quarter of 2024 (April - June), with 2014-2016 used as the base years. According to data provided by the Food and Agricultural Organization (FAO), the average international poultry meat price index in the second quarter of 2024 stood at 112.25 points, marking a 5.5% decrease compared to the 118.72 points recorded in the second quarter of 2023. When comparing the second quarter of 2024 to the first quarter of 2024, the index increased by 4.1% from 107.86 points. Poultry meat prices experienced an exceptional decrease in June 2024 due to a surplus in poultry meat supply. According to FAO (2024) international poultry meat prices dropped in August 2024, influenced by the ongoing impact of the voluntary export suspension related to Newcastle disease in Brazil.

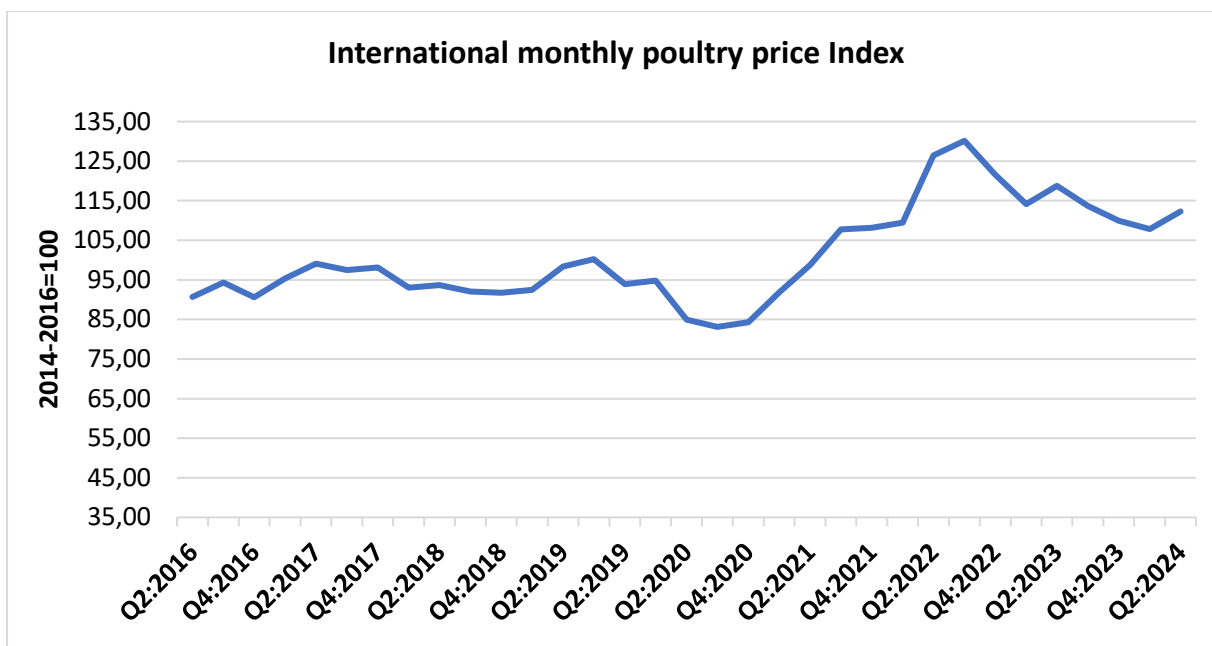


Figure 1: International Poultry Meat Real Price index (IPMRPI)

Source: FAO, 2024

3. Chicken meat imports

Second quarter: April-June 2023 and 2024; second quarter 2024 and first quarter 2024

This section compares the volume of chicken meat (in tons) imported into South Africa between quarter 2 (April-June) of 2024 and quarter 2 of 2023, as well as quarter 1 (January-March) of 2024 versus quarter 2 (April-June) of 2024. On a year-on-year comparison, data from the South African Revenue Service (SARS) show that South Africa imported a total of 108 157 tons of chicken meat in Q2 of 2024, indicating a 0.6% decline from the 108 761 tons imported in Q2 of 2023. The main contributors to the observed decrease in chicken meat imports during Q2 were frozen chicken drumsticks and value-added processed chicken pieces which each decreased by 100%, followed by frozen chicken thighs, fresh chicken cuts, other, frozen chicken leg quarters, boneless chicken breasts, and frozen mechanically deboned meat (MDM) which decreased by 96%, 88%, 68%, 35%, 15% and 9%, respectively (see [Table 1](#)).

In the second quarter of 2024, 98 139 tonnes of chicken meat were imported into South Africa; this is a 10.2% increase compared to the first quarter of 2024. As shown in [Table 1](#), the primary contributors to the observed increase in imports over this period were boneless chicken meat (other), frozen chicken liver, frozen chicken offal, frozen chicken feet, frozen chicken carcasses and frozen chicken leg quarter which increased by 146%, 54%, 50%, 44%, 43% and 37%, respectively.

Table 1: South Africa's chicken meat imports by volume (tons)

Tariff description	HS Code	Q2: 2023	Q1: 2024	Q2: 2024	Q2: 2024 vs Q2: 2023	Q2: 2024 vs Q1: 2024
		Tons	Tons	Tons	Annually % Change	Quarterly % Change
Frozen chicken MDM	0207.1210	61 388	53 818	55 921	-9	4
Frozen chicken carcasses	0207.1220	2 509	3 958	5 667	126	43
Whole frozen chicken	0207.1290	548	2 953	2 625	379	-11
Fresh chicken cuts	0207.1300	2	24	0	-88	-99
Boneless chicken breasts	0207.1411	228	1 198	194	-15	-84
Boneless chicken thighs	0207.1413	0	0	0	-	-
Boneless chicken other	0207.1415	428	189	464	8	146
Frozen chicken livers	0207.1421	1 536	2 729	4 192	173	54
Frozen chicken feet	0207.1423	17 350	11 389	16 374	-6	44
Frozen chicken heads	0207.1425	0	0	0	-	-
Frozen chicken offal	0207.1429	5 787	6 674	10 029	73	50
Frozen half chicken	0207.1491	5	21	10	100	-52
Frozen chicken leg quarter	0207.1493	14 796	7 020	9 651	-35	37
Frozen chicken wings	0207.1495	923	2 713	2 916	216	7
Frozen chicken thighs	0207.1497	826	1 835	35	-96	-98
Frozen chicken Drumsticks	0207.1498	1 928	3 306	0	-100	-100
Value-added processed	1602.3290	256	214	0	-100	-
Other	0207.1499	244	98	79	-68	-19
TOTAL IMPORTS		108 761	98 139	108 157	-0.6	10.2

Source: SARS, 2024

4. Average producer price trends

Second quarter: April - June 2024 and 2023; second and first quarter (January- March) 2024

Figure 2 shows typical producer prices for frozen chicken (maximum brine allowed 10%), whole fresh chicken and Individual Quick Frozen (IQF) chicken pieces (maximum brine allowed 15%) from the second quarter of 2012 to the second quarter of 2024. When comparing the second quarter (April – June) of 2024 and 2023, producer prices for frozen chicken and whole fresh chicken pieces increased by 1.82% and 1.14%, respectively, while prices for IQF chicken pieces decreased by 7.81%. When comparing the second quarter of 2024 with the first quarter of 2024, producer prices for IQF chicken pieces, whole fresh chicken and frozen chicken decreased by 8.55%, 6.23% and 3.76%, respectively. Numerous factors have contributed to the recent trends in producer prices. Notably, global disruptions to feed production have further influenced input prices and costs, with the drought continuing to impact production across the regions. Additionally, the logistics challenges affecting global maize exports, particularly from Ukraine, remain a critical factor in the rising feed costs that affect poultry producer prices in South Africa.

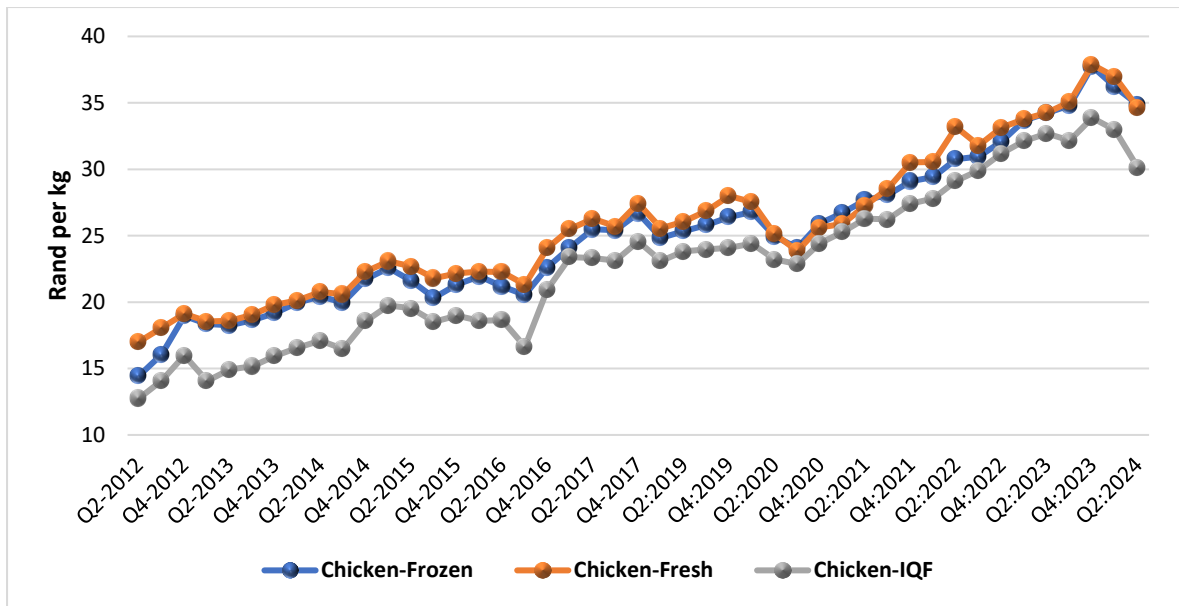


Figure 2: Quarterly average producer prices

Source: AMT, 2024

5. Average retail prices for selected poultry products

Second quarter: April - June 2024 and 2023; second and first quarter (January-March) 2024

Figure 3 presents average quarterly retail prices for selected chicken products from the second quarter (April - June 2021) to the second quarter (April – June 2024). Over this period, prices of non-IQF frozen chicken portions, chicken giblets per kg, IQF chicken portions (2kg), fresh chicken portions and whole chicken increased by 30.52%, 24.90%, 20.28%, 16.25% and 7.11%, respectively. Between the second quarter of 2024 and the second quarter of 2023, poultry retail prices experienced increases. The price for non-IQF frozen chicken portions, fresh chicken portions (per kg), chicken giblets (per kg), IQF chicken portions and whole chicken increased by 9.18%, 2.99%, 1.57%, 1.06% and 0.56%, respectively. When comparing the second quarter of 2024 to the first quarter of 2024, prices of non-IQF frozen chicken portions and IQF chicken portions (per 2kg) increased by 1.99% and 0.20%. While prices for fresh chicken portions, whole chicken and chicken giblets decreased by 0.56%, 1.20% and 1.46%, respectively.

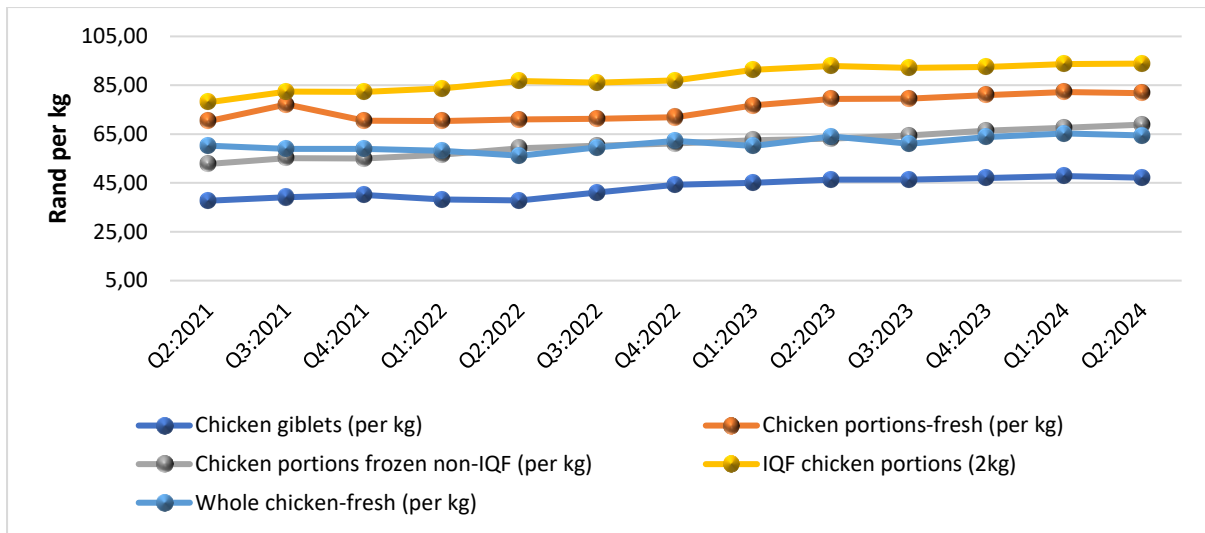


Figure 3: Average quarterly retail prices for selected processed and unprocessed chicken products.

Source: Stats SA, 2024

6. Feed prices

Figure 4 presents the quarterly SAFEX spot prices for yellow maize, sunflower seed and soybeans. As of June 2024, the FAO global food price index stood at 1.97 points (1.6%) lower compared to June 2023. This decrease is linked to global price hikes; for example, the cereal price index registered a significant decrease of 3.0%, while meat price index remained unchanged. On the other hand, indices like vegetable oil increased by 3.1% and sugar price index increased by 1.9%, dairy price index increased by 1.2%. The month-on-month change highlights that between June 2024 and May 2024 the FAO cereal price index declined by 3.0%. Notably, improved maize harvest prospects in Argentina, Brazil, Türkiye and Ukraine are expected to compensate for reduced forecasts in Indonesia, Pakistan and several Southern African countries (FAO, 2024). Additionally, the wheat production forecast has been revised upward due to better expectations in Asia, particularly in Pakistan, which is likely to surpass the anticipated decline in the Russian Federation caused by adverse weather conditions in key wheat-growing regions earlier in the season.

In the second quarter of 2024, the average spot price for a ton of yellow maize was R4 093, indicating a 9.04% increase compared to the corresponding period in 2023. The average spot price was 5.25% higher than the first quarter of 2024. On the other hand, soybean prices increased to R8 786 per ton during the same quarter, reflecting a 13.17% increase compared to the previous year and a further 5.29% increase compared to the preceding quarter (Q1: 2024). While for sunflower seed, the average spot price stood at R9 010 in the second quarter of 2024 representing a 6.68% and 4.39% increase respectively when compared to the second quarter of 2023 and the first quarter of 2024.

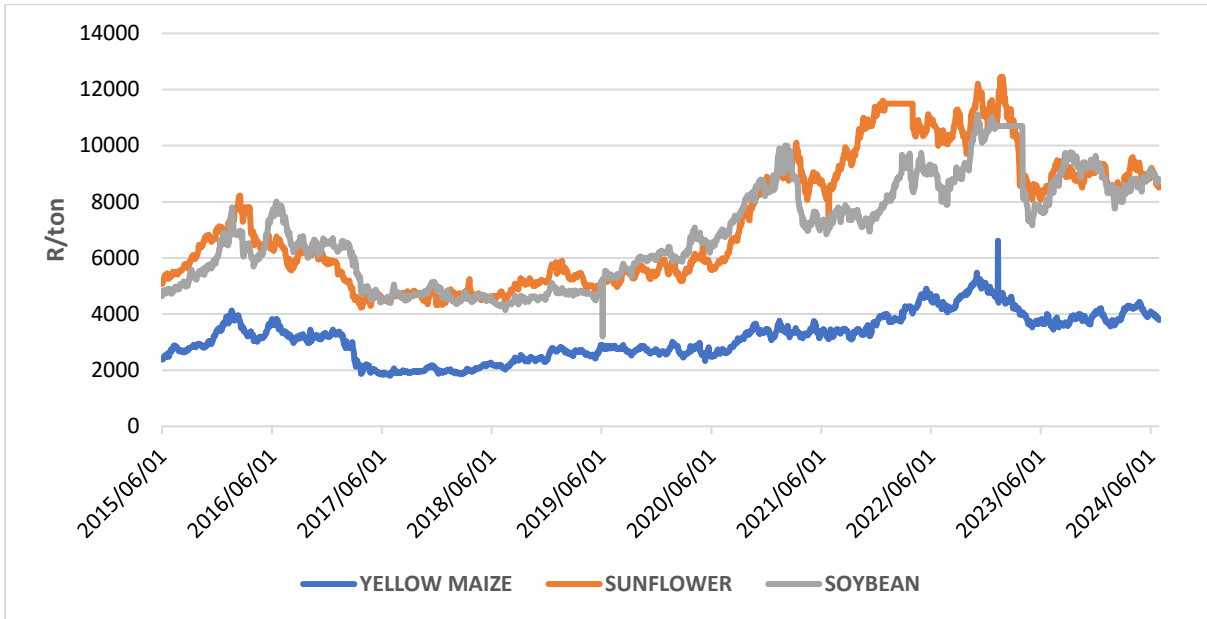


Figure 4: Quarterly spot prices per ton

Source: JSE-SAFEX, 2024

7. Real Farm to Retail Price Spread

Figure 5 presents quarterly changes in the real farm-to-retail price spread (FTRPS) and the proportion of real farm value. The FTRPS represents the difference between what consumers pay for a food product at retail and the actual value of the farm product used in its production.

Analysing the period from April to June 2024, there is a 5.50% decrease in the real farm value share, with a 7.73% increase in the real FTRPS for whole fresh chicken. The real farm value share for whole fresh chicken reached 52.36% in June 2024. Over the year-on-year span from June 2023 to June 2024, the real farm value share saw an increase of 3.27%, while the real FTRPS decreased by 12.59%. This shift may be attributed to various factors influencing competitiveness within the poultry value chain, including elements such as import restrictions and the escalation of feed prices.

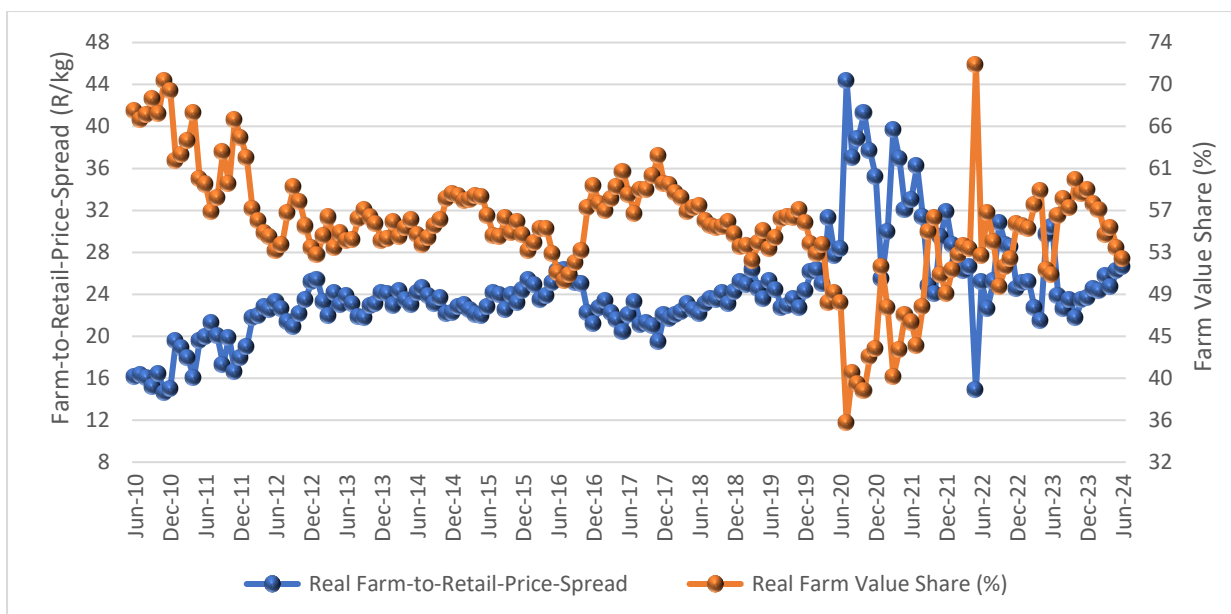


Figure 5: Real farm-to-retail-price-spread and farm value share of poultry

Source: Stats SA, AMT, and own calculations, 2024

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