

FARM-TO-RETAIL-PRICE-SPREAD

November 2024 to January 2025
February 2025 Issue

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EXECUTIVE SUMMARY

The farm value share is the value of the 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 the 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:** During the period between November 2024 and January 2025, the real farm value share increased by 8.05%, while the real FTRPS of fresh whole chicken decreased by 10.69%. The real farm value share of fresh whole chicken meat reached 57.86% in January 2025.
- **Beef:** During the period between November 2024 and January 2025, the real FTRPS of class A2/A3 beef increased by 1.04%, and the real farm value share also increased by 2.46%. The real farm value share reached 51.51% in January 2025. From January 2024 to January 2025 (y-o-y), the real FTRPS decreased by 7.59%, and the real farm value share also increased by 3.97%.
- **Lamb:** The real FTRPS of class A2/A3 lamb decreased by 1.56% (from R85.17/kg to R83.84/kg), while the real farm value share depicted an increase of 4.87% (from 50.68% to 53.15%) during the period between November 2024 and January 2025. From January 2024 to January 2025 (y-o-y), the real farm value share increased by 11.3%, whilst the real FTRPS also decreased by 11.26%.
- **Pork:** The real FTRPS increased by 3.07%, on average from R57.82/kg in November 2024 to R59.60/kg in January 2025. While the real farm value share of pork decreased by 2.43% from 36.08% in November 2024 to 35.2% in January 2025.
- **Milk:** The real FTRPS for full cream milk increased on average from R12.45/ℓ to R12.64/ℓ, representing a 1.59% increase during the period between November 2024 and January 2025. The real farm value share decreased by 2.64% during the same period.

Introduction

The Farm-to-Retail Price Spread (FTRPS) is the difference between the farm price and the retail price of food, reflecting charges for processing, shipping, and retailing farm goods. This publication attempts to provide insights into the factors driving commodity and food price margins. The purpose of this publication is to reflect on food price spreads during the period between November 2024 and January 2025. The NAMC analyses data to compare prices paid by consumers for food with prices received by farmers for corresponding commodities, and reports the comparisons for a variety of foods sold through retail food stores such as supermarkets and hypermarkets. The margin between farm gate prices and the price the consumer pays for selected food items is a topic that is frequently debated. To better understand the difference between farm gate and retail prices, farm values of selected products and the FTRPS are calculated. For more details on the methodology, please read [here](#).

Price Trends, Farm Values and Price Spreads

- **Poultry:** Figure 1 shows that during the period between November 2024 and January 2025, the real farm value share increased by 8.05%, while the real FTRPS of fresh whole chicken decreased substantially by 10.69%. The real farm value share of fresh whole chicken meat reached 57.86% in January 2025. From January 2024 to January 2025 (y-o-y), the real farm value share decreased by 0.01%, while the real FTRPS decreased by 6.78%. This could be due to the competitiveness in the poultry value chain being affected by factors such as imports and high feed prices, among other factors.

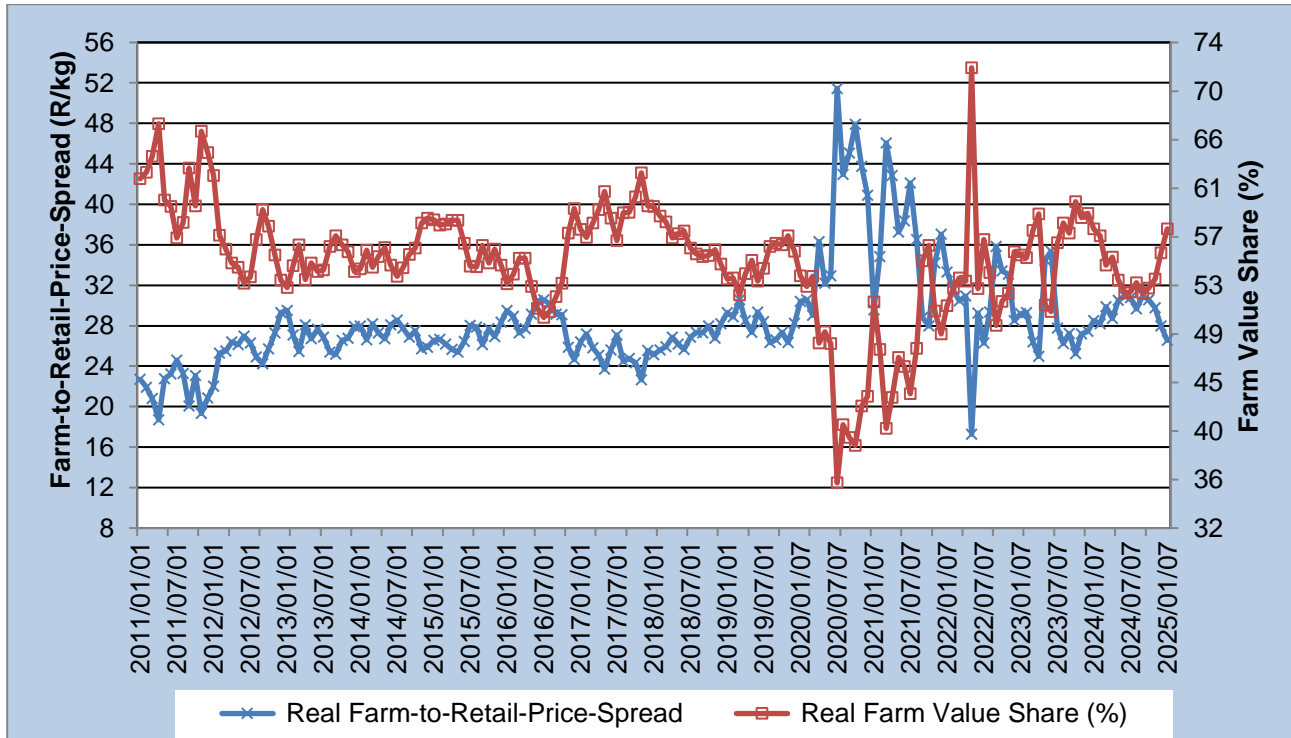


Figure 1: Real farm-to-retail-price-spread and farm value share of poultry meat

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

- **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 during the period between November 2024 and January 2025, the real FTRPS of class A2/A3 beef increase by 1.04%, and the real farm value share also increased by 2.46%. The real farm value share reached 51.51% in January 2025. From January 2024 to January 2025 (y-o-y), the real FTRPS decreased by 7.59%, whilst the real farm value share increased by 3.97%. The gap between FTRPS and farm value share can be attributed to the lingering effects of Foot and Mouth Disease (FMD) that disrupted the production of red meat locally, changes in retail demand, and farm commodity supply.

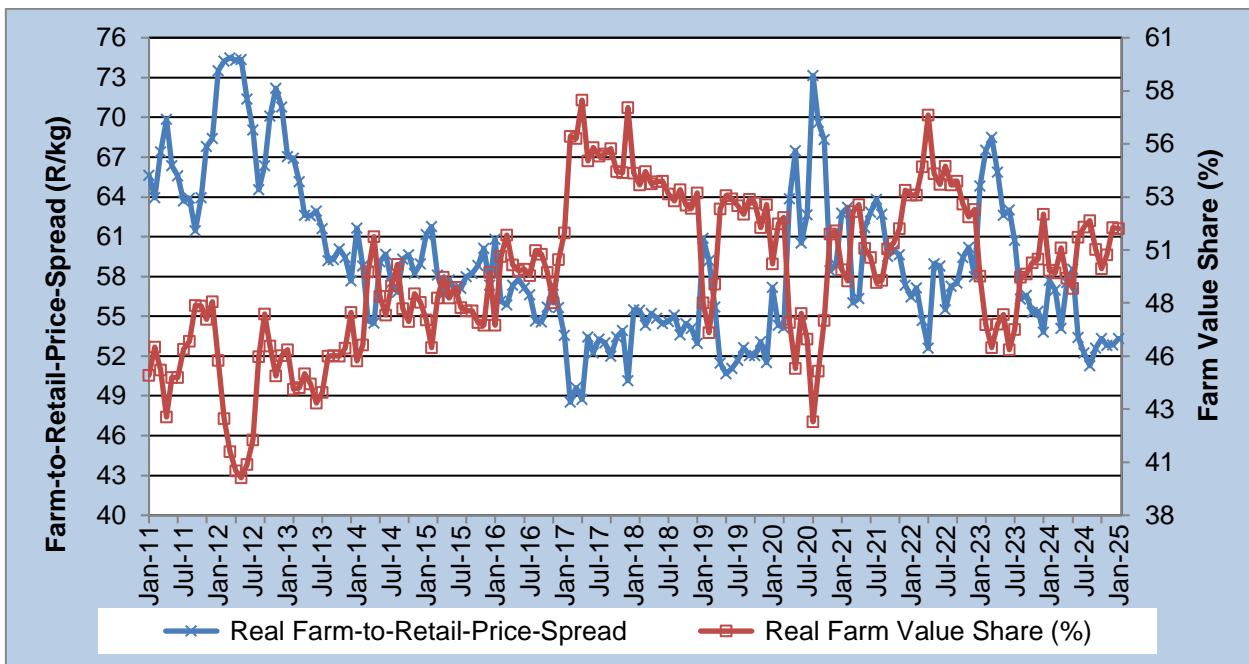


Figure 2: Real farm-to-retail-price-spread and farm value share for beef

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

- **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 decreased by 1.56% (from R85.17/kg to R83.84/kg). The real farm value share decreased from 50.68% in November 2024 to 53.15% in January 2025. From January 2024 to January 2025 (y-o-y), the real farm value share increased by 11.3%, while the real FTRPS decreased by 11.26%.

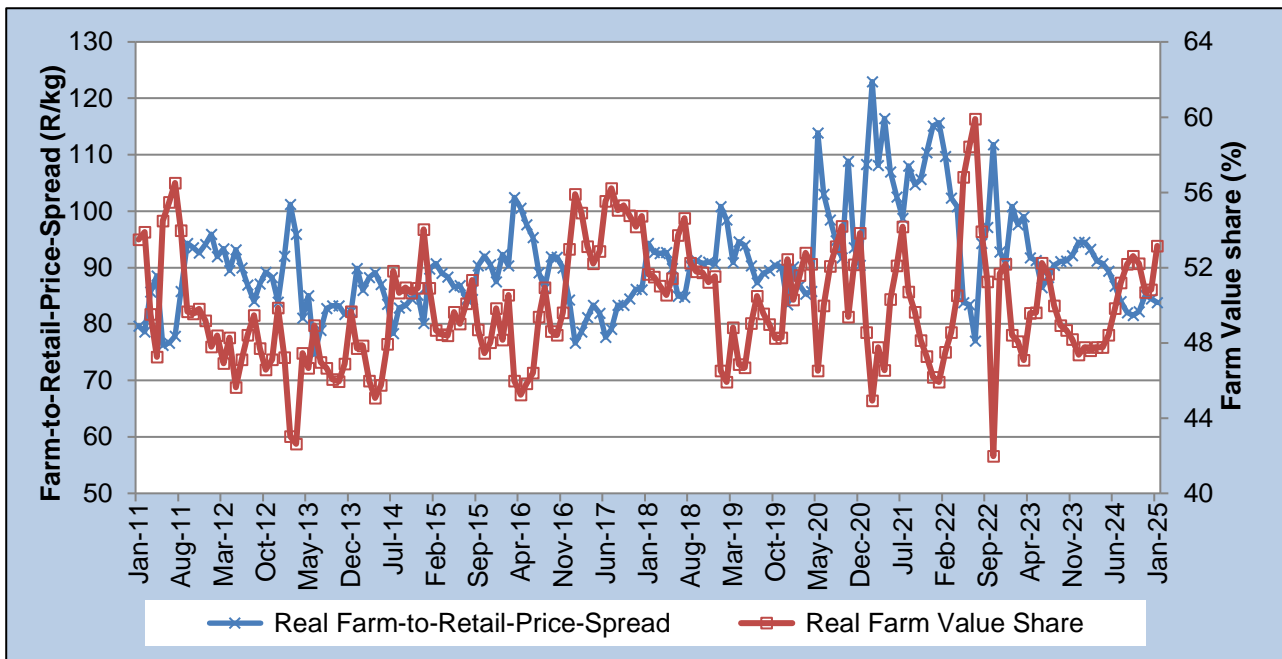


Figure 3: Real farm-to-retail-price-spread and farm value share of lamb

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

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

Figure 4 shows that real FTRPS had an increase of 3.07%, on average from R57.82/kg in November 2024 to R59.6/kg in January 2025. While the real farm value share of pork decreased by 2.43% from 36.08% in November 2024 to 35.2% in January 2025. From January 2024 to January 2025 (y-o-y), the real FTRPS decreased by 4.59% (from R62.47/kg to R59.6/kg), while the real farm value share decreased slightly by 0.12% (from 35.24% to 35.2%).

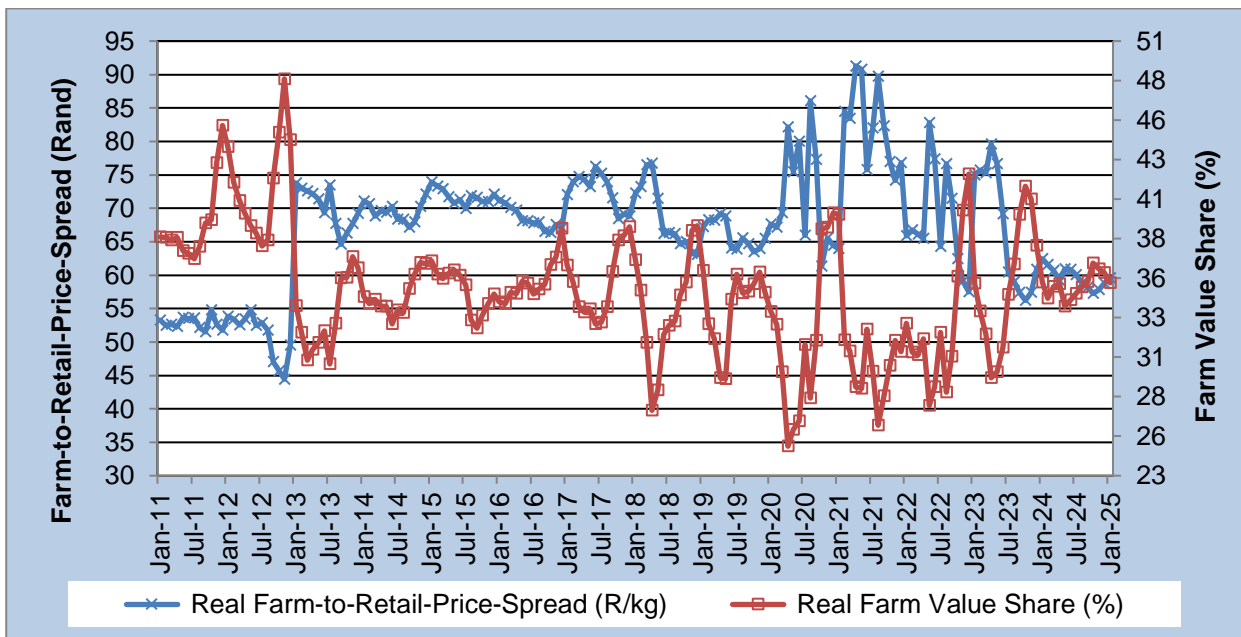


Figure 4: Real farm-to-retail-price-spread and farm value share of pork

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

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

Figure 5 shows that the real FTRPS for full cream milk increased on average from R12.45/l to R12.64/l, representing a 1.59% increase during the period between November 2024 and January 2025. The real farm value share decreased by 2.64% during the same period. From January 2024 to January 2025 (y-o-y), the real FTRPS increased by 3.69% and the real farm value share decreased by 6.48%, respectively.

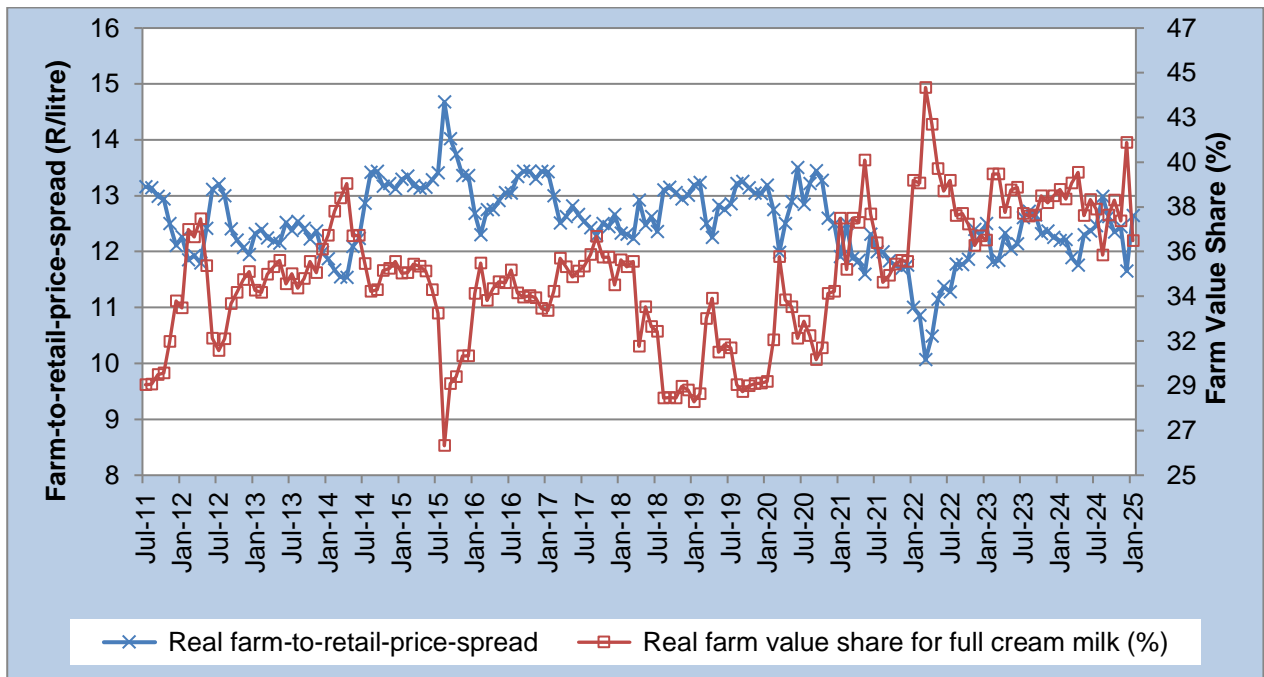


Figure 5: Real farm-to-retail-price-spread and farm value share of milk

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

Conclusion

This publication provides margins (farm values and farm-to-retail price spreads) for selected essential products such as dairy, poultry, lamb and beef. The updated producer and retailer prices for these selected commodities show the fluctuation between FTRPS and farm value between November 2024 and January 2025. Price fluctuations were driven by several factors, such as the openness of international trade, the level of competition in the food supply chain, disease outbreaks especially for beef and poultry, and increased levels of food processing, among others. A further in-depth study of selected commodities will provide the factors behind these fluctuations.

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

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