

Voluntary Report – Voluntary - Public Distribution

Date: December 31, 2025

Report Number: SF2025-0043

Report Name: Competition Commission Publishes Terms of Reference for Poultry Market Inquiry

Country: South Africa - Republic of

Post: Pretoria

Report Category: Poultry and Products

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Report Highlights:

On September 30, 2025, the South African Competition Commission published Terms of Reference for a Poultry Market Inquiry. According to its 2023 review of the poultry value chain, the South African poultry industry is highly concentrated and dominated by few large, vertically integrated companies. The Competition Commission will now conduct a comprehensive market inquiry into South Africa's poultry industry value chain to investigate the degree that "there are market features in the poultry market that may impede, distort or restrict competition" and which have material implications for both the poultry industry of South Africa and the consumers.

On September 30, 2025, the South African Competition Commission published [Terms of Reference for a Poultry Market Inquiry](#).

The Competition Commission is a statutory body created by the Government of South Africa to investigate, control, and evaluate business practices, abuse of dominant positions, and mergers in order to achieve equity and efficiency in the South African economy. It defines a market inquiry as a formal inquiry that investigates the general state of competition, the levels of concentration and structure of a market for goods or services, without necessarily referring to the conduct or activities of any named firm.

According to the Competition Commission's 2023 deep dive into the poultry value chain, the South African poultry industry is highly concentrated and dominated by few large, vertically integrated companies. This applies through multiple value chains, from the production of important feed inputs to the end products that are sold through retailers or restaurants. (See GAIN Report SF2023-0011: [South Africa Competition Commission report examines poultry](#))

On February 6, 2024, the Commission announced that they will be conducting a comprehensive market inquiry into South Africa's poultry industry value chain. The investigation was initiated under section 43B (1) of the [Competition Act 89 of 1988](#). For the inquiry, the Commission invited the public to provide comments on proposed [Draft Terms of Reference for the Poultry Market Inquiry](#).

The Commission stated that they had reason to believe that "there are market features in the poultry market that may impede, distort or restrict competition" and which have material implications for both the poultry industry of South Africa and the consumers. The Commission reports that they received and considered submissions from stakeholders operating at various levels of the poultry value chain. (See GAIN Report SF2024-0004: [South Africa Competition Commission conducts inquiry into the South African poultry industry](#))

According to the Commission, the main objectives of the inquiry into the poultry value chain (chicken meat and eggs) are:

To assess whether there are market features which distort competition across the value chain, including pricing and access to key inputs such as genetic stock, parent stock, feed fertile eggs, day-old chicks of pullets, abattoirs, and cold-chain logistics. This will include examining (i) the financial performance of market participants and their drivers (e.g. cost structures) and (ii) barriers to entry and expansion.

Assess the efficiencies arising from vertical integration, including whether vertical integration is necessary for an efficient, sustainable, and internationally competitive poultry sector.

Assess (i) the international competitiveness of the local poultry industry and (ii) the impact of *imports* on domestic competition, including the impact on local producers, consumers, and broader welfare (e.g., employment).

Assess the role of large integrated producers as potential gatekeepers of key inputs, particularly feed and day-old chicks, genetic and parent stock and the implications for Small Medium Enterprises (SMEs) and Historically Disadvantaged Producers (HDP).

Assess whether commercial relationships between contract growers and integrated producers are characterized by bargaining power imbalances or information asymmetries and examine how these dynamics affect competitive outcomes and the growth and sustainability of small-scale producers, including the prospects for independent competitors with market access.

Assess the role of retailers, quick-service restaurants, and food processors in facilitating new entry and access to markets by large and independent producers, including SMEs and HDPs, along with the availability and pricing of cold chain storage and logistics, whether private or communal. This will include an assessment of potential bargaining power dynamics in negotiations between buyers at the retail level of the value chain (i.e. retailers, quick service restaurants and food processors) and poultry producers (contract terms, pricing mark-ups, rebates and promotion costs). The assessment will also include consideration of how these dynamics differ for large producers compared with SMEs and HDPs.

Determine appropriate remedies where adverse effects on competition or the purposes of the Competition Act are found, consistent with section 43C (3) of the Competition Act.

(See Section 4.2: [Terms of Reference for Competition Act Poultry Market Inquiry](#))

The final terms of reference will act as a notice in the Gazette announcing the establishment of the market inquiry at least 20 business days before the inquiry commences. The next steps, still to come, will be to invite members of the public to provide information for the market inquiry. The final report is to be completed within 18 months of commencement.

In section 43C of the Competition Act, where the Commission finds an adverse effect on competition, it must determine the actions required. Specifically, it must consider whether to make recommendations to any Minister, regulator, or affected firm to remedy, mitigate, or prevent the adverse effect; and what specific action should be taken. Under section 43D of the Competition Act, the commission has a duty to remedy adverse effects on competition. It may take steps to remedy, mitigate or prevent such effects.

On completion of the inquiry, the Commission will submit the final report to the Minister of Trade, Industry and Competition and publish it in the Gazette.

Attachments:

No Attachments.