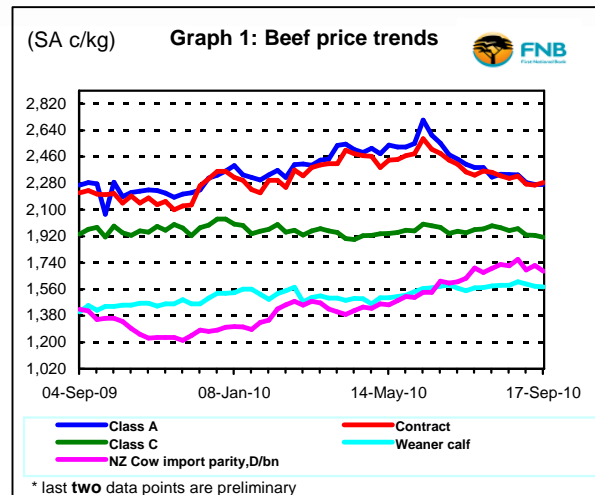


Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices ended firmer on moderate demand and light to moderate supplies. The stronger import markets and higher cattle prices due to tight cattle supplies continued to support the market. Boxed beef cutout prices, an indicator of domestic beef at wholesale level, ended softer on limited demand and light to moderate supplies. Market activity on imported beef was reportedly slow to moderate with prices mostly steady to weak. CME feeder cattle futures were lower on profit-taking and higher maize prices. Higher maize prices increase the cost of feeding, dampening demand for feeder cattle.
- Domestic:** Beef prices came under pressure due to increased supplies and limited demand. Weekly Class A, Class C and Contract Class A prices closed at R22.84/kg, R19.28/kg and R22.74/kg respectively. Weaner calf prices softened slightly on light demand. However supplies remained tight, providing added support. Weekly weaner calf prices closed at R15.96/kg, down 0.9% w/w but still 13.4% higher y/y.

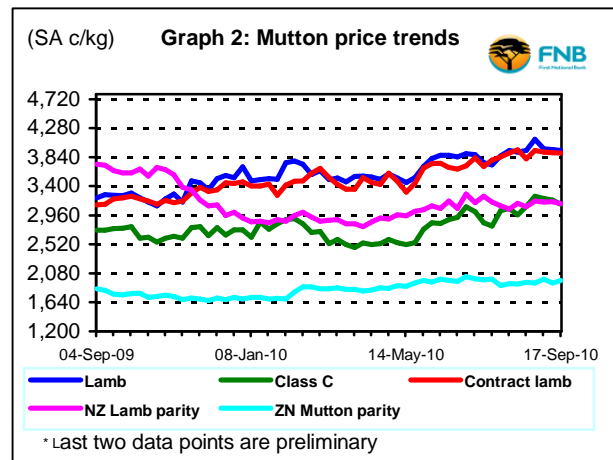


OUTLOOK

Beef prices are expected to drift lower towards midmonth. Tight weaner calves supplies will continue to support the market in the short term.

Mutton market trends (Graph 2)

- International:** US domestic weekly slaughter lamb prices were steady to lower. Slaughter ewes ended steady to higher compared to last week. Feeder lamb continued to trade higher across most markets. Australian new season lamb numbers are reported to have risen sharply, accounting for almost 54% of volumes offered. This placed downward pressure on prices.
- Domestic:** Domestic lamb and mutton prices eased slightly lower on softer demand. However supplies remain extremely tight, limiting further declines. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R39.69/kg, R32.17/kg and R39.22/kg respectively. Feeder lamb prices softened slightly on the back of softer carcass prices. Supplies of weaner lambs are also very tight, providing some support and limiting losses. Weekly feeder lamb prices closed at R19.58/kg live weight, down 0.9% w/w but still 31% higher y/y.

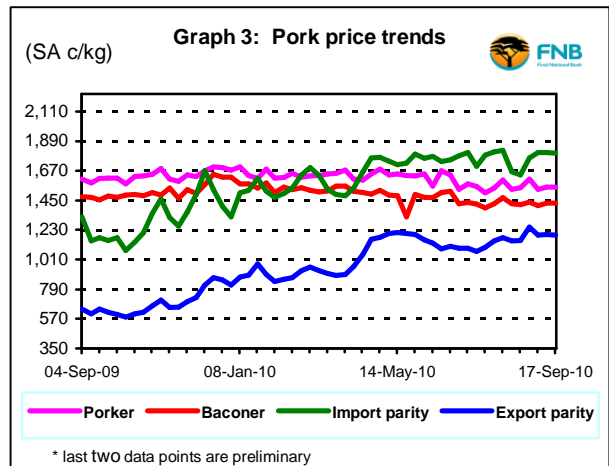


OUTLOOK

Prices will maintain a sideways to firmer trend in the short term but will soften slightly in the medium term due to moderation in demand and increase supplies.

Pork market trends (Graph 3)

- **International:** US pork prices were moderate to sharply lower on limited uptake. Hams were however the exception, closing modestly higher due to tight supplies on domestic markets. Weekly carcass, loin and rib prices closed down 3%, 12% and 13% respectively, w/w. Limited availability especially of hams continued to drive prices higher.
- **Domestic:** Pork and baconer prices eased lower as a result of limited demand across most markets. Weekly porker and baconer prices closed at R15.31/kg and R14.11/kg respectively. Import parity prices closed 2% higher w/w mainly due to higher international prices. Weekly slaughter numbers for the week ended 27-Aug-10 reached 14,700 pigs, up 21% w/w. The cumulative number for the year to date reached 443,775 pigs, down 2% y/y.

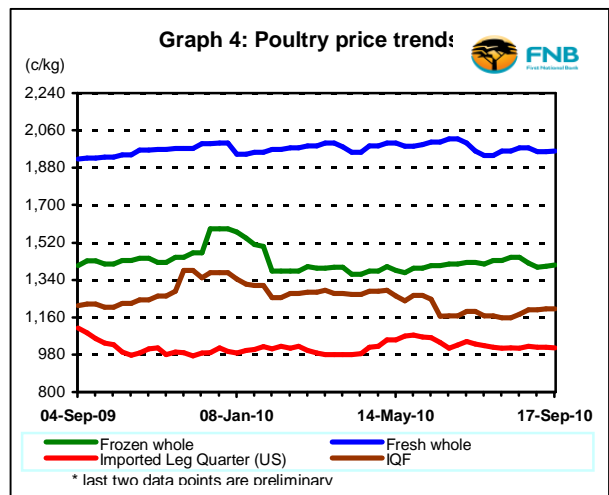


OUTLOOK

Prices are expected to move sideways in the short term, strengthening slightly in the medium term due to the seasonal increase in demand.

Poultry market trends (Graph 4)

- **International:** US domestic prices traded firmer across most cuts on improved uptake. Demand at retail was moderate to good ahead of the weekend. Food service demand was light to moderate. Weekly US broiler egg sets and chick placements for the week ending 28-Aug-2010 were reported up 3% y/y. The estimated number of broilers that will be available for marketing during the week ending 09-Oct-2010 was posted at 157.4m head, down 0.4% w/w.
- **Domestic:** Domestic prices ended mixed, with frozen whole birds trending lower. Weekly medium frozen whole birds closed slightly lower at R14.01/kg; medium fresh whole birds were down to R19.58/kg; IQF was unchanged w/w, closing at R11.96/kg. Weekly import parity prices (LQ) softened slightly due to a stronger Rand despite firmer international prices. On the feeding side, prices for energy and protein components are still relatively low and will impact positively on producer margins.



OUTLOOK

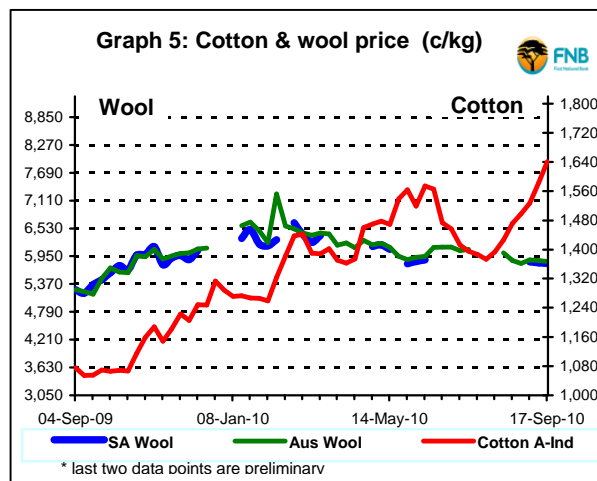
Domestic prices are expected to firm slightly in the medium term due to the seasonal increase in demand. However, the stronger R/US\$ exchange rate may limit further advances as it makes imports cheaper.



Producer prices for selected livestock commodities 03 September 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	22.84	39.69	15.31	19.58
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.28	32.17	14.61	14.01
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.74	39.22	14.11	11.96
Import parity price (R/kg)	16.91	19.90	18.04	10.16
Weaner Calves / Feeder Lambs (R/kg)	15.96	19.58		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices continued their upward trend supported by tightening supplies and spill over support from the grain markets. Meanwhile the private firm *Informa Economics* raised its 2010/11 US cotton crop estimate to 18.82m bales, up 290,000 bales from the USDA's Aug projection. Elsewhere, production problems persist with lower harvest expected in Pakistan. However a record crop is expected in India according to ICAC, up 13% y/y at 5.7m tons. The council projects world consumption to increase by 2% to 25.1m tons, of which 80% will from China and India. China is the largest cotton producer and importer. Wool: In Australia, the wool market reversed losses and ended firmer. The weekly market indicator (EMI) closed at AU\$8.84/kg clean wool, up 1.4% w/w.
- Domestic:** The domestic wool market resumed sales on a positive note, due renewed interest coupled with a supportive Rand. The currency weakened by 1.4% compared to the previous sale, closing at R7.31 against the US dollar. The weekly market indicator closed at R58.26/kg clean wool, up 0.8% compared to the previous sale. Sales reached 98% of the 6,613 bales offered. Major buyers were G Modiano SA with 2,276 bales (34.4%); Standard Wool SA with 1,748 bales (26.4%); Lempriere SA with 977 bales (14.8%); Segard Masurel SA with 724 bales (11%); Stucken & Co 602 bales (9.1%); New England Wool SA 153 bales (2.3%). Cotton: Locally the production estimate was revised upwards by 4% to 40,222 lint bales but still down 10% y/y.

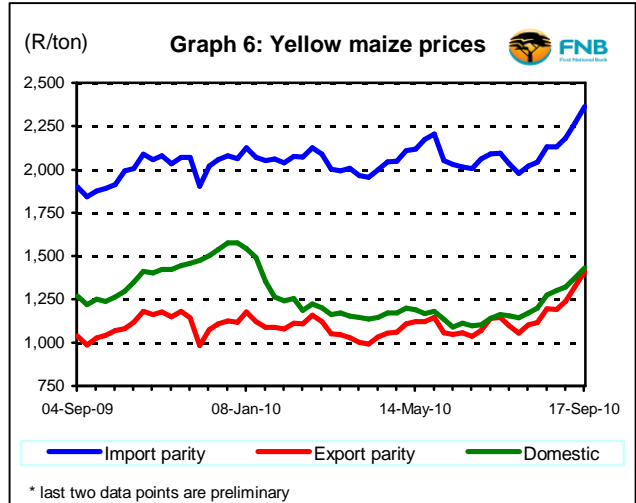


Fibre market prices 03 September 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Nov-11 (AU\$/kg)	Australian futures Mar-11 (AU\$/kg)
Wool market indicator (R/kg)	58.26	58.67		
19µ long length wool (R/kg)	69.48	70.13	9.66	9.48
21µ long length wool (R/kg)	59.89	59.30	8.66	8.48
23µ long length wool (R/kg)	57.40	57.16	7.91	7.73
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Dec-10 (US\$/kg)	New York future Mar-11 (US\$/kg)
Cotton Prices (R/kg)	15.27	2.09	1.97	1.93



Yellow maize market (Graph 6)

- International: US yellow maize prices posted modest gains on strong demand and reduced yield expectations. A weaker US dollar and higher crude oil prices provided added support. Private crop forecasts indicated that US crop yields may come in almost 4% lower than expected ahead of the USDA's monthly supply and demand estimates. This is attributable to wet conditions earlier during the growing period.
- Domestic: Yellow maize prices continued to improve supported by higher international prices. Weekly yellow maize prices closed at R1,321/ton, up 1.5% w/w and 4.2% y/y. Yellow maize import parity closed up 2.3% w/w, mainly due to higher international prices. Weekly yellow maize deliveries rose by 1% w/w, coming in at 4.21m tons. Weekly yellow maize Safex futures: Dec-10 was down 0.3% w/w (-R4/t); Mar-11 was down 0.5% w/w (-R7/t); May-11 was up 1.7% w/w (+R23/t); Jul-11 was down 0.1% w/w (-R2/t).



OUTLOOK

Weather concerns will continue to have a positive influence on US prices. Domestic prices will continue to recover due to the bullish trend on international markets.

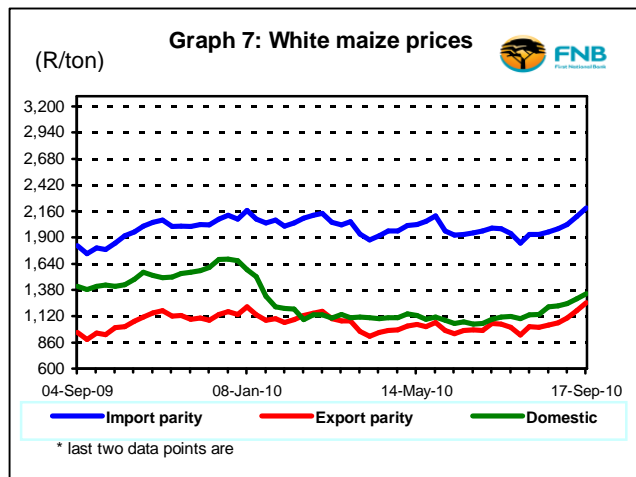
Yellow Maize Futures 03 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT (\$/t)	182.97	188.17	190.07	191.64	185.57
SAFEX (R/t)	1,362	1,388	1,409	1,408	-
CHICAGO CORN (R/t)	1,292	1,351	-	1,409	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,400	105	67	1,420	145	113	1,440	174	143
1,360	82	84	1,380	122	130	1,400	151	160
1,320	63	105	1,340	102	150	1,360	130	179

White maize market trends (Graph 7)

- International: US white maize prices continued to strengthen on support from outside markets and ongoing concerns over yield potential. Strong export demand and a rally in crude oil prices provided further support. Prices rose by 5% w/w and 23% y/y.
- Domestic: White maize prices moved slightly higher on bullish trend on international markets. Weekly white maize prices increased by 1.6% w/w reaching R1,244/ton, but still down 12% y/y. White maize import parity rose by 2.3% w/w, due to higher international prices. Weekly maize deliveries to the country's silos increased to 10.784m tons, up 1.2% w/w. White maize deliveries increased by 1.3% w/w to 6.763m tons according to SAGIS. White maize (WM) futures on



Safex: Dec-10 eased marginally lower by 0.8% w/w (-R11/t); Mar-11 was down 0.5% w/w (-R7/t); May-11 was up 0.2% w/w (+R2/t); Jul-11 was down 0.6% w/w (-R8/t).

OUTLOOK

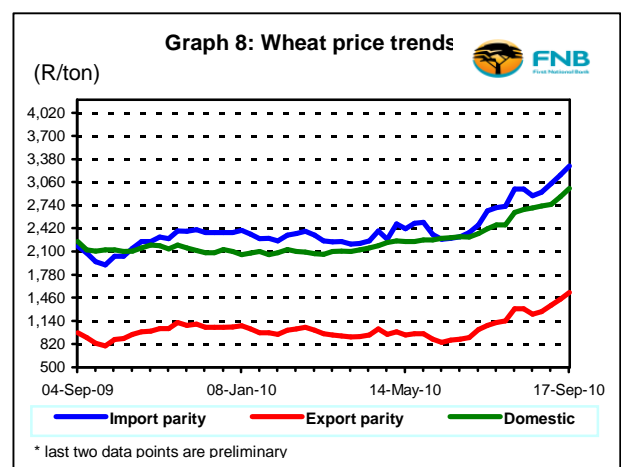
Weather concerns will continue to have a positive influence on US prices. Domestic prices will continue to recover due to the bullish trend on international markets.

White Maize Futures 03 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
SAFEX (R/t) WM ₁	1,296	1,334	1,350	1,372	-

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,340	102	58	1,380	145	99	1,400	166	116
1,300	79	75	1,340	121	115	1,360	142	132
1,260	59	95	1,300	100	134	1,320	121	151

Wheat market trends (Graph 8)

- International:** Wheat prices posted solid gains on strong export demand and production concerns in world producing areas. Reports that Russia's export ban would remain in place until year end added to firmer tone. In other areas, production problems persist with harvest delays due to rain in Germany which could affect quality. Ukraine is reported to have dropped output forecast by 19% y/y to just 29.6m tons. US weekly export were pegged at 1.024m tons.
- Domestic:** Domestic wheat prices advanced on the back of rising international prices. Weekly wheat prices on Safex increased marginally by 0.9% and closed at R2,752/ton, up 13.6% y/y. Wheat import parity prices (Randfontein) rose by 3.9% w/w, mainly due to the sharp increase in international wheat prices. Weekly wheat futures on Safex: Dec-10 was up 1.6% w/w (+R43/t); Mar-11 was up 1.6% w/w (+R44/t); May-11 was up 1.9% w/w (+R52/t).



OUTLOOK

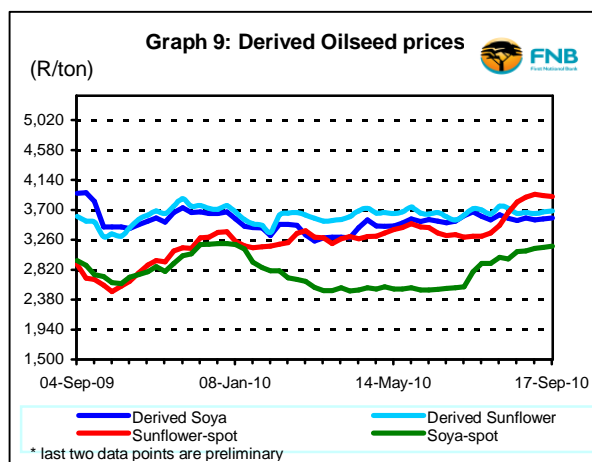
Wheat prices will continue trending upwards in the short to medium term, due to tight domestic supplies and the bullish trend on international markets.



Wheat Futures 03 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11			
KCBT (\$/t)	273.19	278.43	282.38	278.98	269.42			
SAFEX (R/t)	2,769	2,746	2,815	2,843	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,780	155	121	2,860	198	153	2,880	241	204
2,740	134	140	2,820	175	170	2,840	219	222
2,700	114	160	2,780	155	190	2,800	198	241

Oilseed market trends (Graph 9)

- International: US soybean prices eased lower due to fund selling, harvest pressure and increased supplies out of South America. Prices however rallied late in the week on spill over support from the surging grain prices. Meanwhile, *Informa Economics* projected a soybean crop of 93.54m tons which is slightly higher than the USDA's August estimate.
- Domestic: Oilseed crops traded on Safex continued to trade higher on spill over strength from the international markets. Weekly soybean prices advanced by 1.4% w/w and 6.1% y/y, closing at R3,135/ton. Sunflower prices increased marginally by 0.9% w/w and were 36% higher y/y, closing at R3,924/ton. Weekly soybean futures on Safex: Dec-10 was up 0.5% w/w (+R15/t); Mar-11 was up 1% w/w (+R29/t); May-11 was up 0.8% w/w (+R20/t). Sunflower futures on Safex: Dec-10 was down 1% w/w (-R38/t); May-11 was down 1.2% w/w (-R36/t); May-11 was down 1.2% w/w (-R36/t).



OUTLOOK

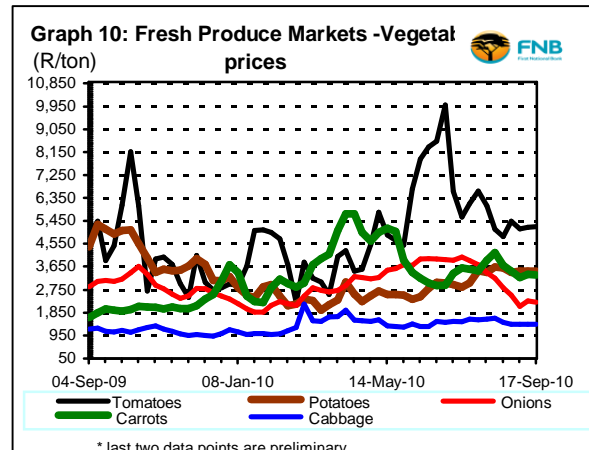
Domestic soybean prices will move sideways with limited upward potential due to the stronger Rand/ US dollar exchange rate.

Oilseeds Futures 03 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11			
CBOT Soybeans (US \$/t)	-	385.44	386.25	389.12	379.93			
CBOT Soya oil (US c/lb)	40.86	41.41	41.62	41.88	42.04			
CBOT Soya cake meal (US \$/t)	303.30	303.90	303.60	305.10	297.40			
SAFEX Sunflower seed (R/t)	3,900	3,385	3,035	-	-			
SAFEX Soybean seed (R/t)	3,170	3,000	2,650	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,940	245	205	3,420	333	298	3,080	352	307
3,900	223	223	3,380	311	316	3,040	329	324
3,860	203	243	3,340	289	334	3,000	307	342



Vegetable market trends (Graph 10)

- Tomatoes**
 Tomato prices decreased modestly due to increased supplies on markets. Prices declined by 5.3% w/w but were up 4.1% y/y, closing at R5,151/ton. Volumes traded reached 3,979 tons, up 8.7% w/w and 11.7% y/y. Prices are however expected to weaken slightly during midmonth.
- Potatoes**
 Potato prices increased slightly due to increased uptake on markets. Prices closed up 1.2% w/w but were down 21.7% y/y, closing at R3,476/ton. Volumes traded increased sharply by 13% w/w to 11,750 tons, a y/y increase of 15.2%. Prices are however expected to move sideways with some upside potential due to moderation in supplies.
- Onions**
 Onion prices decreased sharply due to increased supplies on markets. Prices decreased to R2,104/ton, down 16.9% w/w and 26.5% y/y. Volumes traded surged by 25.1% w/w and 10.3% y/y to 5,638. Prices are expected to firm slightly in the short term but with limited upside potential in the medium term as supplies recover.
- Carrots**
 Carrot prices decreased modestly due to weak uptake on markets. Prices decreased by 7.2% w/w but were up 93.8% y/y closing at R3,223/ton. Volumes traded reached 1,224 tons, down 3.9% w/w and 29.2% y/y. Prices are expected to improve somewhat due to limited supplies on markets.
- Cabbages**
 Cabbage prices eased marginally lower due to increased supplies on markets. Prices declined by 0.2% w/w but were up 15.1% y/y closing at R1,382/ton. Volumes traded reached 1,692 tons, up 3.6% w/w but down 7.5% y/y. Prices are expected to maintain a sideways trend due to limited uptake during midmonth.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

Week ending 03 September 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	5,151	-5.3%	4.1%	3979	8.7%	11.7%
Potato	3,476	1.2%	-21.7%	11750	13.0%	15.2%
Onion	2,104	-16.9%	-26.5%	5638	25.1%	10.3%
Carrot	3,223	-7.2%	93.8%	1224	-3.9%	-29.2%
Cabbage	1,382	-0.2%	15.1%	1692	3.6%	-7.5%

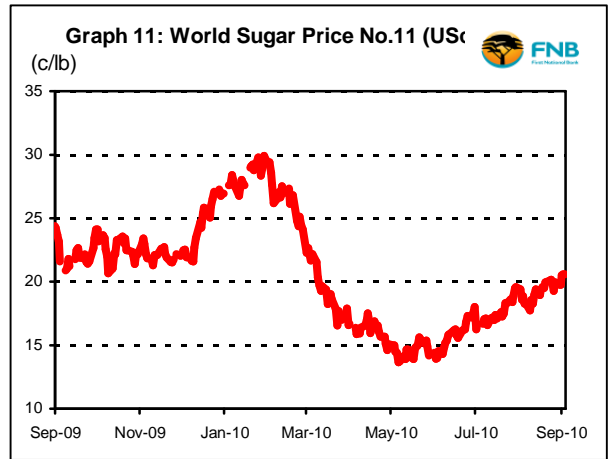
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International: World sugar prices ended slightly higher supported by tight global stocks and continued strong demand. Persistent poor weather conditions will reduce world sugar production. Floods in Pakistan and dry conditions in Brazil have reduced crop prospects. Meanwhile, port congestion in Brazil continues to add to the bullish tone on world markets. Weekly world sugar prices closed at 20.25US c/lb, up 1.8% compared to the previous week.
- Domestic: The 2010/11 RV (Recoverable Value) price for July, a measure of the value of the sugar and molasses that will be recovered from the sugar cane delivered by the individual grower, came in at R2,549.99/ton, up 0.6% compared to June. The increase is attributable to the drop of 76,584 ton in production and the higher weighted average world price (US19.86 c/lb vs. US19.23 c/lb) according to the SA Cane growers. However, the stronger exchange rate and the lower sugar: RV ratio impacted negatively on the change in the RV price. Meanwhile, the currency continues to trade at firmer levels, currently at R7.22/US dollar.



ICE Sugar Futures 03 September 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	19.37	18.29	17.21	16.79	16.40
% Change w/w	-3.8%	-4.6%	-5.4%	-4.7%	-4.1%

Disclaimer:

Although everything has been done to ensure the accuracy of the information, the Bank takes no responsibility for actions or losses that might occur due to the usage of this information.

