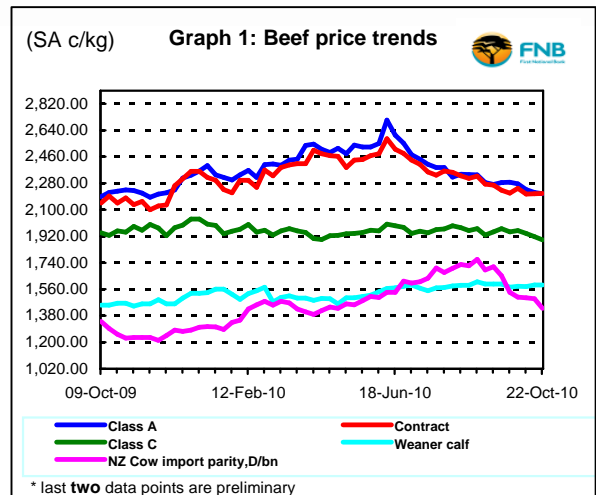


Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices continued to weaken on moderate to heavy supplies and limited demand. Market activity on imported beef was reportedly slow with prices mostly lower under pressure due to the weaker domestic market. Boxed beef cut-out prices, an indicator of domestic beef at wholesale level, eased lower on moderate demand and supplies. Maize prices rose sharply after the USDA cut projected average yield estimates. This will have a negative impact on cattle feeders as it will reduce profit margins.
- Domestic:** Beef prices eased lower on limited uptake across most markets. Weekly Class A, Class C and Contract Class A beef closed at R22.37/kg, R19.39/kg and R22.06/kg respectively. Weaner calf prices eased marginally lower on reduced uptake on markets. Weekly weaner calf prices closed at R15.78/kg, but up 9% y/y.

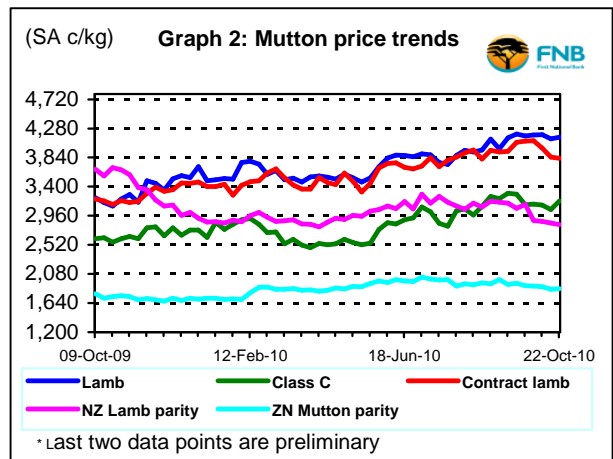


OUTLOOK

Beef prices are expected to continue to soften due to moderation in demand during midmonth.

Mutton market trends (Graph 2)

- International:** US domestic slaughter lambs were steady to higher while ewe and feeder lamb prices remained firm compared to the previous week. In Australia, lamb prices extended their weaker trend despite reduced volumes. However prices are almost 16% higher y/y. Meanwhile, export competitiveness may be lost due to a strengthening Australian dollar.
- Domestic:** Domestic lamb and mutton prices ended steady to lower for the week. Weekly Class A lamb was firmer at R41.83/kg while Class C and Class A contract lamb prices softened slightly to close at R31.16/kg and R39.77/kg respectively. Feeder lamb prices eased slightly lower and closed at R20.27/kg; down 1.9% w/w. Supplies however remain extremely tight, limiting further losses. The current weaner lamb prices are 29% higher when considered y/y.

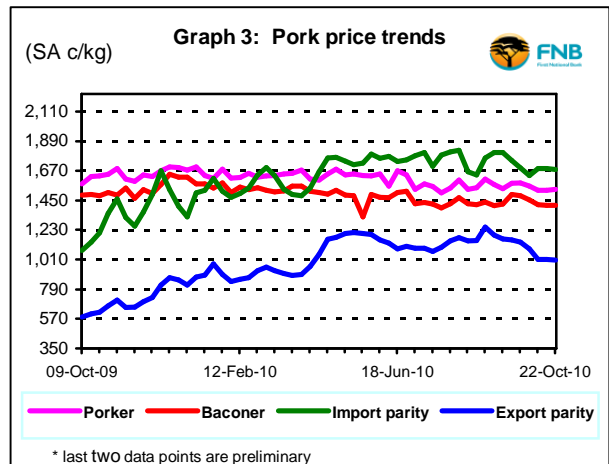


OUTLOOK

Prices will maintain a sideways to firmer trend in the short term, and will retain upward potential well into the festive season.

Pork market trends (Graph 3)

- **International:** US pork prices ended mixed with modest gains in the rib and hams due to good demand and limited supplies. Loins and carcass prices trended lower under pressure due to increased supplies. Weekly ham and sparerib prices were up 3% and 5% w/w respectively, but still 43% and 93% higher y/y.
- **Domestic:** Local porker and baconer prices softened due to subdued demand. Weekly prices closed at R15.24/kg and R14.17/kg respectively. Import parity prices rose by 3% w/w due to better international prices despite a stronger Rand. Pork imports increased by 1.6% m/m during August and came in at 1,353 tons, but down 28% y/y. This brings the total number for the year to date to 16,921 tons, down 12% y/y. Import destinations: a total of 127.64 tons were from Belgium (9%), Canada with 348.71t (26%), France with 119.99t (9%), Germany with 568.3t (42%), Spain with 123.74t (9%), and others 64.50t (5%).

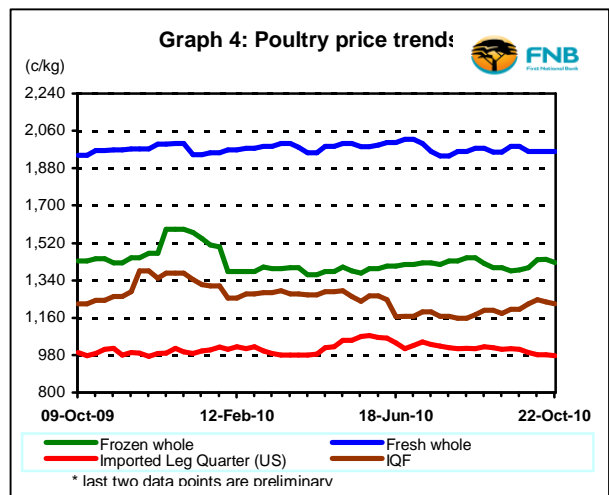


OUTLOOK

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 extended losses on moderate to heavy volumes especially for the larger sized product. Demand at retail and food service was reportedly light to moderate throughout the week. Market activity was reportedly slow to active and mostly slow to moderate for portions. Weekly US broiler egg sets and chick placements for the week ending 02-Oct were reported up 8% and 6% y/y respectively. The estimated numbers of broilers that will be available for marketing during the first week of 13-Nov came in at 155m.
- **Domestic:** Weekly prices moved slightly higher on tight supplies. Prices were up across most categories with the exception of medium fresh whole birds which were unchanged w/w at R19.60/kg. Frozen whole birds and IQF prices posted slight gains, closing at R14.39/kg and R12.46/kg live weight respectively. Import parity eased lower due to softer international prices and a stronger Rand. Further currency strength will exert downward pressure on domestic prices as it makes imports cheaper.



OUTLOOK

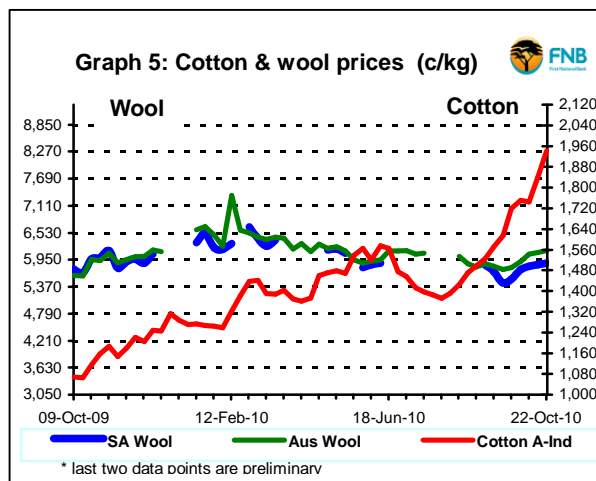
Domestic prices are expected to firm slightly in the medium term due to the seasonal increase in demand. However, the stronger Rand/US dollar exchange rate may limit further advances as imports become cheaper.

Producer prices for selected livestock commodities 08 October 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	22.37	41.83	15.24	19.60
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.39	31.16	14.20	14.39
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.06	39.77	14.17	12.46
Import parity price (R/kg)	14.88	22.17	16.86	9.83
Weaner Calves / Feeder Lambs (R/kg)	15.78	20.27		

Wool and cotton market trends (Graph 5)

- International:** Cotton futures rose to a 15-year high after the USDA raised its estimate of global demand. The USDA projects usage to reach 120.8m bales, up 0.2% from last month's estimate. Cotton prices have risen sharply over the past month due to production problems in the major producing areas. Cotton futures on CME: Dec-10 closed up 9.3% w/w at US107.17c/lb, Mar-11 was up 8.2% w/w US104.74c/lb, May-11 was up 6.9% w/w at US103.28c/lb, Jul-11 up 6.3% w/w US102.03c/lb

Wool: In Australia, the wool market increased on the back of improved uptake on markets despite a very strong Australian dollar. The weekly market indicator (EMI) closed at AU\$8.93/kg clean wool, up 2.1% w/w.
- Domestic:** Wool prices extended their rally despite a stronger Rand due to improved uptake and spill over support from the Australian market. The currency continued to trade at its best level of R6.84 to the US dollar. Weekly market indicator (Cape Wools Merino) gained 1.6% w/w at R58.00/kg clean wool, up 2% compared to the current season's average. Sales reached 97% of the 8,005 bales offered. Meanwhile, global supplies are still tight, an upside factor for the market. However the strength of the currency will continue to have a downward influence on the local market. G Modiano SA with 3,079 bales (38.5%), Standard Wool SA with 1,783 bales (22.3%), Stucken & Co with 1,207 bales (15.1%), Segard Masurel SA with 800 bales (10%), Lempriere SA with 772 bales (9.6%) and New England Wool SA with 140 bales (1.8%).

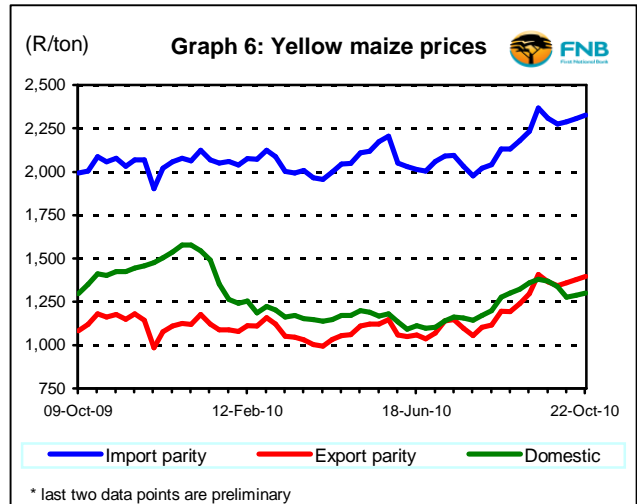


Fibre market prices 08 October 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Apr-11 (AU\$/kg)	Australian futures Jun-11 (AU\$/kg)
Wool market indicator (R/kg)	58.00	60.66		
19µ long length wool (R/kg)	70.90	71.13	9.87	9.69
21µ long length wool (R/kg)	59.38	61.77	8.87	8.69
23µ long length wool (R/kg)	56.94	57.17	8.12	7.94
	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)	17.43	2.52	2.36	2.30



Yellow maize market (Graph 6)

- International:** US yellow maize prices bottomed out and increased on the back of reduced domestic crop estimates and currency weakness. USDA cut crop estimate for the second time in as many months, predicting a 3.8% and 3.4% drop m/m and y/y respectively. The 2010/11 US ending stocks came in below expectations at 23m tons and pushed ending stocks usage ratio to 7%, the lowest in 15 years. US production was pegged at 321.42m tons, down 3.8% from the September estimate. Globally, ending stocks were revised to 132.3m tons, down 3m tons m/m and 15.8m y/y. Feed usage in the US was revised higher and exports lower.
- Domestic:** Yellow maize prices extended losses under pressure from the stronger Rand despite the bullish tone on the international market. Weekly yellow maize prices closed at R1,277/ton, down 4.5% w/w and 1.5% y/y. Yellow maize import parity however ended slightly firmer mainly due to better international prices. Weekly yellow maize deliveries were slightly higher w/w, advancing to 4.19m tons. Weekly export sales were a bit modest, coming in at slightly higher than the previous week. Yellow maize exports came in at 29,602 tons during the previous week, bringing total exports for the season to 377,000 tons. Weekly yellow maize Safex futures were down across the board: Dec-10 closed down 2.9% w/w (-R39/t), Mar-11 was down 2.9% w/w (-R39/t), May-11 was down 3.1% w/w (-R43/t), Jul-11 was down 2.1% w/w (-R29/t).



OUTLOOK

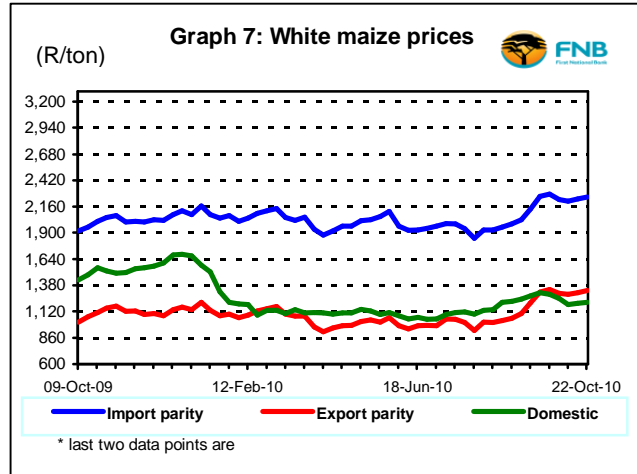
Prices are expected ease somewhat in the short term but with some upward potential towards planting time.

Yellow Maize Futures 08 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11			
CBOT (\$/t)	208.11	211.74	213.71	214.81	206.22			
SAFEX (R/t)	1,304	1,329	1,373	1,373	-			
CHICAGO CORN (R/t)	1,363	1,405	-	1,454	-			
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
1,340	77	41	1,360	126	95	1,380	156	124
1,300	54	58	1,320	103	112	1,340	133	141
1,260	36	80	1,280	84	133	1,300	112	160



White maize market trends (Graph 7)

- **International:** As with yellow maize, US white maize prices ended firmer on supportive crop estimates and weaker US dollar. The USDA estimate reduced expected yield to 9.8 tons per hectare, down 7% from the September report. Meanwhile harvest weather was favourable which saw progress at 37% complete. Weekly prices were up 0.3% w/w and 34% y/y.
- **Domestic:** White maize prices remained under pressure from a strengthening Rand, declining by 4.5% w/w to close at R1,192/ ton. This is almost 17% lower y/y. White maize import parity eased lower due to a stronger Rand despite slightly firmer international prices. Weekly white maize deliveries to the country's silos increased marginally to 7.16m tons. Total maize deliveries to the country's silos increased to 11.35m tons. Export sales were sharply higher w/w at 10,062 tons, raising total sales for the season to 285,023 tons. White maize (WM) futures on Safex were down across the board: Dec-10 was down 2.6% w/w (-R33/t), Mar-11 was down 3.1% w/w (-R40/t), May-11 was down 2.8% w/w (-R37/t), Jul-11 was down 3.1% w/w (-R41/t).



OUTLOOK

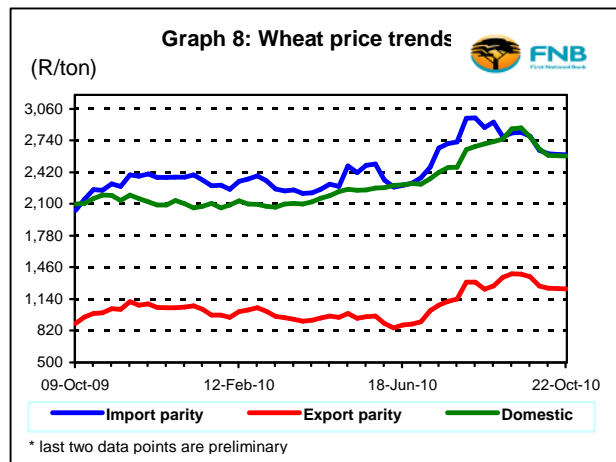
Prices are expected move sideways to lower in the short term but with upward potential towards planting time.

White Maize Futures 08 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
SAFEX (R/t) WM ₁	1,219	1,247	1,276	1,299	-

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
1,260	89	48	1,280	129	96	1,320	164	120
1,220	66	65	1,240	107	114	1,280	141	137
1,180	47	86	1,200	87	134	1,240	119	155

Wheat market trends (Graph 8)

- **International:** Wheat prices eased slightly lower for the week. Prices however rose sharply late in the week on strong demand and a bullish USDA outlook report which trimmed estimates to record lows. Feed usage was revised higher by 0.3m tons. Global ending stocks were pegged at 174.6m tons, down 3.2m tons m/m and 21.9m y/y. Global wheat production was pegged at 641.4m tons. Dwindling supplies will raise demand as buyers build their inventories.
- **Domestic:** Domestic wheat prices continued to drift lower, tracking the downward trend on the international market and the strengthening Rand. Weekly wheat prices on Safex declined by 2.4% w/w and closed at R2,590/ton, but still 23% higher y/y. Wheat import parity prices (Randfontein) continued to weaken, closing down 1.3% w/w but up 32% y/y. Wheat futures continued to trend lower:



Dec-10 closed down 1.6% w/w (-R41/t), Mar-11 was down 1.8% w/w (-R48/t), May-11 was down 1.4% w/w (-R38/t).

OUTLOOK

Domestic prices are expected to remain under downward pressure in the short term due to a stronger currency (R/US\$).

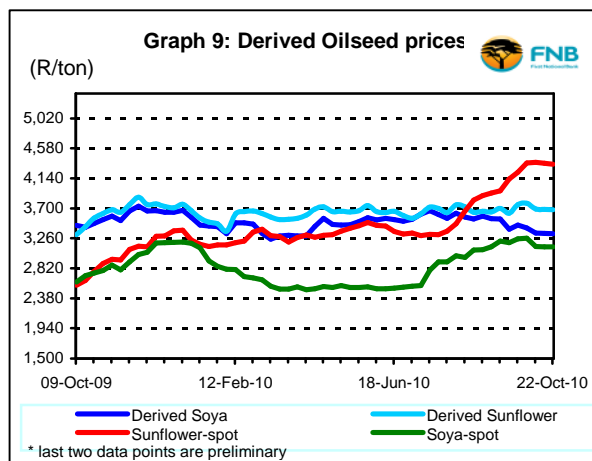
Wheat Futures 08 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
KCBT (\$/t)	284.03	286.42	283.57	285.59	-
SAFEX (R/t)	2,587	2,647	2,690	-	-

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
2,620	95	62	2,680	163	130	2,740	199	149
2,580	73	80	2,640	141	148	2,700	176	166
2,540	55	102	2,600	121	168	2,660	155	185

Oilseed market trends (Graph 9)

- International:** US soybean prices eased lower on favourable harvest weather and improved conditions in Brazil. Prices were down across the soybean complex with soymeal and soyoil down 1.6% w/w respectively. However prices rallied late in the week due to a supportive USDA report. The report pegged US Soybean production at 92.8m tons, down 2.04m tons from last month. Ending stocks for the 2010/11 season are estimated at 7.2m tons, down 24% compared to last month. Global ending stocks for the 2010/11 season were pegged at 61.42m tons, down 2.2m tons from last month. For other areas, Brazil's production was revised higher by 2m tons to 67 million while the estimate for Argentina remained at 50m tons. Meanwhile, planting progress in Mato Grosso Brazil was reported at 1.7% complete compared to 14% last year.



- Domestic:** Oilseed prices traded on Safex ended mixed with sunflower posting slight gains despite a stronger Rand. Soybean prices were down 3.7% w/w but up 20% y/y, closing at R3,140/ ton. Weekly sunflower prices increased by 0.2% w/w and 70% y/y, closing at R4,377/ ton. Weekly soybean futures on Safex: Dec-10 was down 5.3% w/w (-R175/t), Mar-11 was down 2.1% w/w (-R65/t), May-11 was down 4.1% w/w (-R115/t). Sunflower futures on Safex: Dec-10 was down 1.2% w/w (-R55/t), May-11 was down 0.3% w/w (-R10/t).

OUTLOOK

The stronger Rand/US dollar exchange rate will continue to have a downward influence on the local market.



Oilseeds Futures 08 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT Soybeans (US \$/t)	-	423.73	425.20	427.55	420.13
CBOT Soya oil (US c/lb)	46.62	47.23	47.39	47.56	47.71
CBOT Soya cake meal (US \$/t)	316.20	319.60	320.80	322.30	316.30
SAFEX Sunflower seed (R/t)	4,420	4,030	3,390	3,450	-
SAFEX Soybean seed (R/t)	3,125	3,100	2,675	2,744	-

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
4,460	212	172	4,080	361	311	3,440	354	304
4,420	191	191	4,040	339	329	3,400	332	322
4,380	171	211	4,000	317	347	3,360	310	340

Vegetable market trends (Graph 10)

• **Tomatoes**

Tomato prices decreased slightly due to weak uptake on markets. Prices declined by 8.6% w/w and 49.2% y/y, closing at R4,150/ton. Volumes traded reached 4,458 tons, down 6.1% w/w but still up 34.1% y/y. Prices are however expected to improve slightly in the short term.

• **Potatoes**

Potato prices declined slightly due to weak uptake on markets. Prices were down 0.8% w/w and 42.2% y/y, closing at R2,954/ton. Volumes traded declined by 7.8% w/w but were up 20.2% y/y reaching 12,966. Prices are however expected to move sideways with some upside potential in the medium term.

• **Onions**

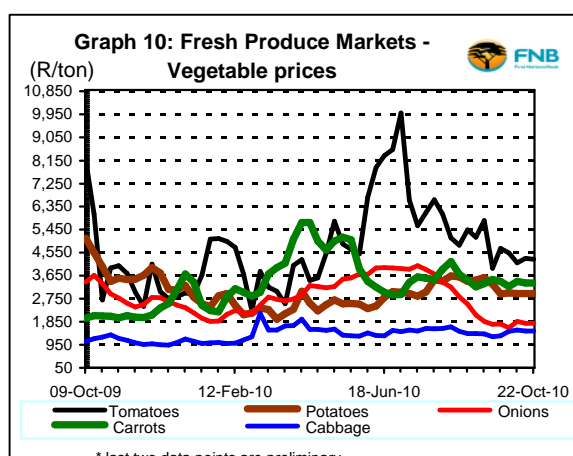
Onion prices increased slightly due to decreased supplies on markets. Prices increased to R1,863/ton, up 15.4% w/w but down 45.3% y/y. Volumes traded decreased by 12.7% w/w but were still up 16.0% y/y reaching 5,237 tons. Prices are however expected to ease somewhat in the short term with limited upside potential as supplies recover.

• **Carrots**

Carrot prices increased slightly due to decreased supplies on markets. Prices increased by 5.8% w/w and 73.2% y/y closing at R3,423/ton. Volumes traded reached 1,278 tons, down 10% w/w and 23.3% y/y. Prices are expected to remain firm in the short term but with upward potential in the medium term.

• **Cabbages**

Cabbage prices increased slightly due to limited supplies on markets. Prices increased by 3.5% w/w and 40.4% y/y closing at R1,517/ton. Volumes traded reached 1,475 tons; down 12.8% w/w and 18.4% y/y. Prices are expected to trend sideways to higher in the short term.



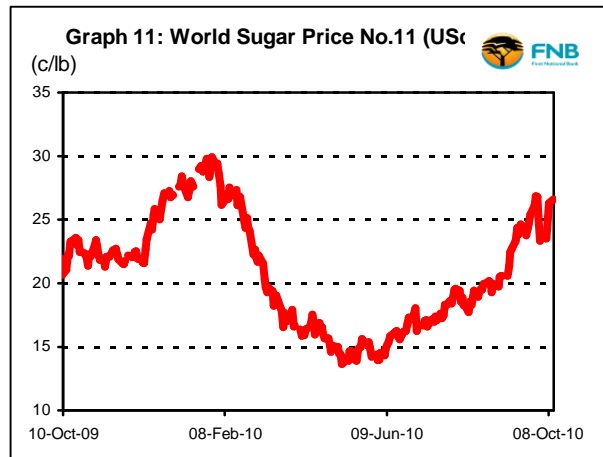
Vegetable prices: Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

Week ending 08 October 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	4,150	-8.6%	-49.2%	4458	-6.1%	34.1%
Potato	2,954	-0.8%	-42.2%	12966	-7.8%	20.2%
Onion	1,863	15.4%	-45.3%	5237	-12.7%	16.0%
Carrot	3,423	5.8%	73.2%	1278	-10.0%	-23.3%
Cabbage	1,517	3.5%	40.4%	1475	-12.8%	-18.4%

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

Sugar market trends (Graph 11)

- **International:** World sugar prices continued to increase underpinned by strong demand and tight global supplies. Sugar prices are expected to main this momentum in the short to medium term on the back of renewed strength in agricultural commodity prices. Weekly ICE sugar futures rose sharply for the week: Mar-11 was up 12.7% w/w at US26.32c/lb, May-11 was up 11.2% w/w at US23.97c/lb, Jul-11 was up 9.5% w/w at US21.58c/lb, May-12 was up 8.8% w/w at US18.57c/lb.
- **Domestic:** The monthly 2010/11 RV (Recoverable Value) price, a measure of the value of the sugar and molasses that will be recovered from the sugar cane delivered by the individual grower, advanced by 0.8% in August to R2,569.55/ton. According to the SA Cane growers the increase is attributable to the drop of 66,632 tons in production and the higher weighted average world price (US20.31c/lb vs. US19.86c/lb) and the weaker weighted average Rand (R7.53 vs. R7.47/US\$). The currency strengthened significantly since the beginning of September and remained at its best below R7.00 to the US dollar during the week. Meanwhile, lack of rain in the growing areas will result in a further drop in production.



ICE Sugar Futures 08 October 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	26.32	23.97	21.58	20.48	19.73
% Change w/w	12.7%	11.2%	9.5%	10.0%	10.2%

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How can we help you?