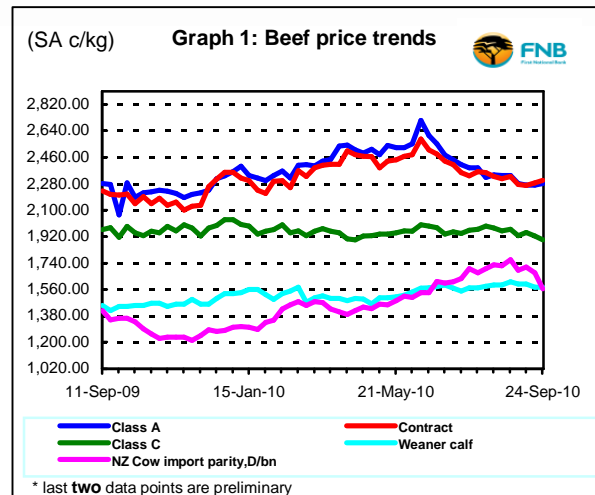


## Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices eased lower due to increased supplies and reduced demand. Market activity on imported beef was reportedly slow to moderate with prices mostly steady to weak with the exception of bull meat. Tight supplies and good demand continued to support the market. Boxed beef cut-out prices, an indicator of domestic beef at wholesale level, continue to weaken on light to moderate demand and moderate to heavy supplies.
- Domestic:** Beef prices remained under pressure due to increased supplies and limited demand. Weekly Class A, Class C and Contract Class A prices closed at R22.72/kg, R19.49/kg and R22.66/kg respectively. Weaner calf prices softened slightly on light to weak demand. However supplies remained tight, limiting further losses. Weekly weaner calf prices closed at R15.96/kg, unchanged w/w but still 10% higher y/y.

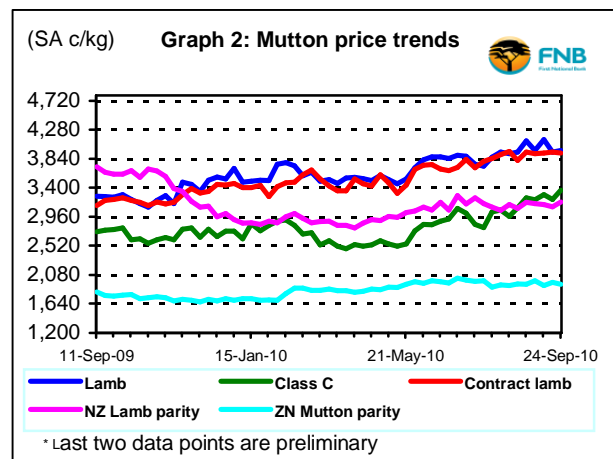


## OUTLOOK

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 and ewe prices were steady to higher than the previous week. Feeder lamb continued to trade higher across most markets. In Australia, lamb numbers were reported down 12% week on week and 27% year on year, due to improved seasonal conditions which changed supply patterns. Improved conditions due to rainfall helped lift the demand for lambs.
- Domestic:** Domestic lamb and mutton prices ended firmer across the board due to limited supplies. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R41.31/kg, R32.97/kg and R39.32/kg respectively. Feeder lamb prices eased slightly lower for the week. However supplies of weaner lambs remained tight, limiting further losses. Weekly feeder lamb prices closed at R19.58/kg live weight, down 0.9% w/w but still 31% higher y/y.

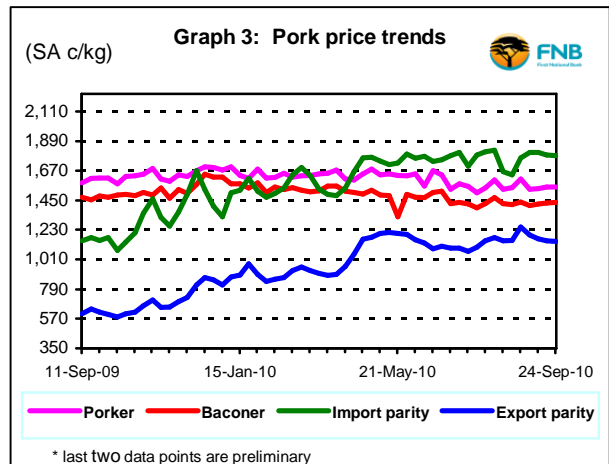


## OUTLOOK

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 in supplies.

**Pork market trends (Graph 3)**

- **International:** US pork prices ended lower across most cuts with the exception of hams. Weekly ham prices closed up 1% compared to the previous week. In the case of carcasses, loin and rib prices all weakened under pressure due to increased volumes on markets and were down 1%, 5% and 6% respectively w/w.
- **Domestic:** Pork and baconer prices moved sideways on limited demand across most markets. Weekly porker and baconer prices closed at R15.37/kg and R14.11/kg respectively. Import parity prices were almost unchanged w/w under pressure due to stronger Rand. Weekly slaughter numbers for the first week on September were pegged at 14,998 pigs, down 4% w/w. The cumulative number for the year to date reached 458,773 pigs, down 2% y/y.

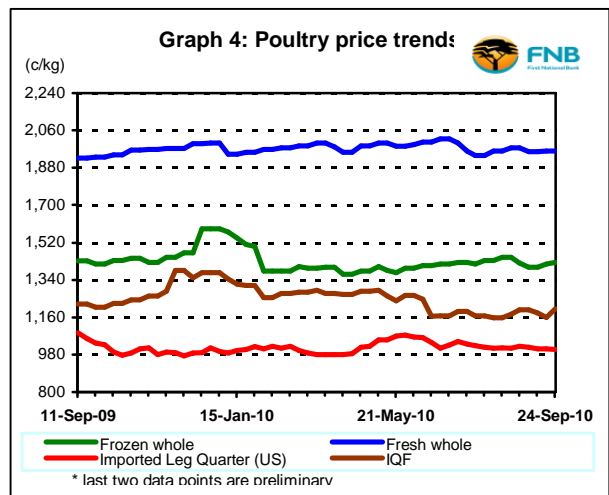


**OUTLOOK**

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 were steady to lower for the week. Retail and food service demand was reportedly moderate to good ahead of the weekend. Weekly US broiler egg sets and chick placements for the week ending September 4 were reported up 4% and 2% respectively y/y . The estimated number of broilers that will be available for marketing during the week ending 16-Oct-2010 was posted at 156.6m head, down 0.5% w/w.
- **Domestic:** Prices moved mostly sideways due to limited uptake. Weekly medium frozen and fresh whole birds remained steady at R14.01/kg and R19.58/kg respectively. IQF prices eased slightly lower, closing at R11.80/kg. Weekly import parity prices (LQ) continued to soften under pressure due to a stronger Rand. This will exert downward pressure on domestic prices. On the feeding side, prices for energy and protein components are still relatively low and will impact positively on producer margins. However, the continued recovery in maize prices places a damper on this outlook in the longer term.



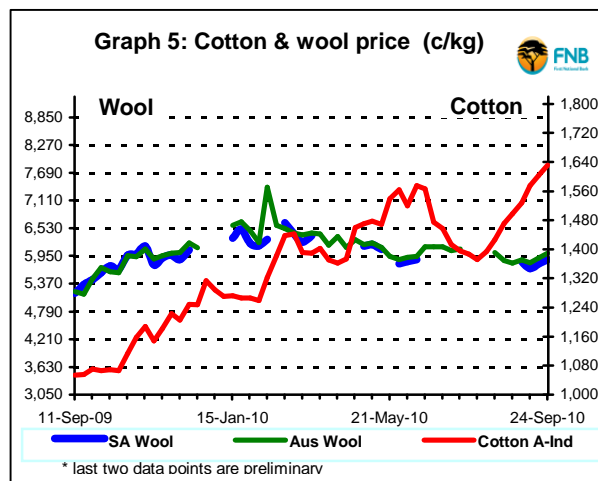
**OUTLOOK**

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 10 September 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	22.72	41.31	15.37	19.58
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.49	32.97	14.47	14.01
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.66	39.32	14.23	11.80
Import parity price (R/kg)	17.12	19.22	18.03	10.09
Weaner Calves / Feeder Lambs (R/kg)	15.96	19.33		

**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 move by India to levy a temporary export tax on cotton to maintain domestic supplies further tightened the global market. The neighbour, Pakistan is still reeling from devastating floods which affected production. Weekly cotton futures on CME: Dec-10 was up 2.1% w/w at 91.29USc/lb; Mar-11 was up 2.4% w/w at 90.00USc/lb. Wool: In Australia, the wool market eased marginally lower by 0.9% w/w which saw the weekly market indicator (EMI) closing at AU\$8.76/kg clean wool.
- Domestic:** Wool prices eased lower on softer demand together with a stronger Rand. The ban on raw exports to China added to the weaker tone. The currency advanced by 1.3% compared to the previous sale, trading at R7.22/US dollar on the day of sales and up 1.6% against the euro at R9.18. The weekly market indicator closed at R56.87/kg clean wool, down 2.4% compared to the previous sale. Major buyers were G Modiano SA with 2,439 bales (33.9%), Standard Wool SA with 1,533 bales (21.3%), Lempriere SA with 1,217 bales (16.9%), Stucken & Co with 1,157 bales (16.1%), Segard Masurel SA with 521 bales (7.3%) and New England Wool SA with only 61 bales (0.9%). Cotton: Locally the production estimate was revised upwards by 4% to 40,222 lint bales but still down 10% y/y.

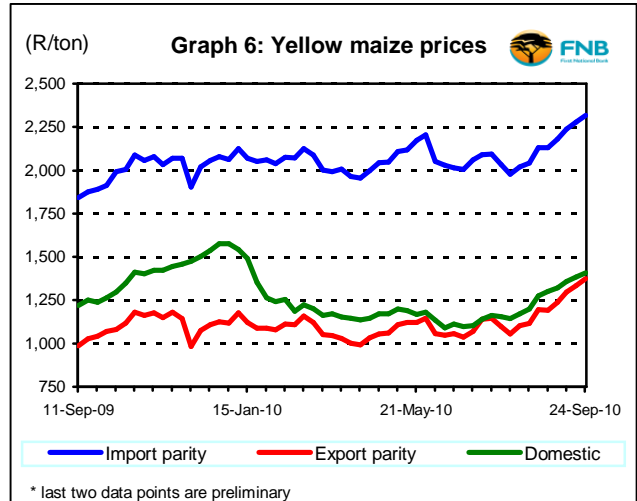


Fibre market prices 10 September 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Nov-11 (AU\$/kg)	Australian futures Mar-11 (AU\$/kg)
Wool market indicator (R/kg)	56.87	58.07		
19µ long length wool (R/kg)	68.31	69.78	10.05	10.00
21µ long length wool (R/kg)	58.19	58.85	8.60	8.58
23µ long length wool (R/kg)	57.47	55.91	8.10	8.00
	<b>SA derived Cotton (R/kg)</b>	<b>New York A-Index (US\$/kg)</b>	<b>New York future Dec-10 (US\$/kg)</b>	<b>New York future Mar-11 (US\$/kg)</b>
Cotton Prices (R/kg)	15.75	2.18	2.01	1.98



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices posted strong gains underpinned by solid demand and concerns about lower yields. USDA confirmed disappointing yields from the early-harvested crop which was affected by heavy rains and late-season heat. Output was pegged at 335m tons, down 5m from last month. Ending stocks for the 2010/11 crop were down 2.7m from last month to 27.9m tons.
- **Domestic:** Yellow maize prices continued to improve supported by higher international prices. Weekly yellow maize prices closed at R1,358/ton, up 2.8% w/w and 11.2% y/y. Yellow maize import parity closed up 2.7% w/w, mainly due to higher international prices despite a stronger Rand. Weekly yellow maize deliveries came in at 31,000 tons, bringing season to date number to 4.1m tons. Weekly yellow maize Safex futures: Dec-10 was up 3.6% w/w (+R49/t); Mar-11 was up 3.5% w/w (+R49/t); May-11 was up 1.8% w/w (+R25/t); Jul-11 was up 3.2% w/w (+R45/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.

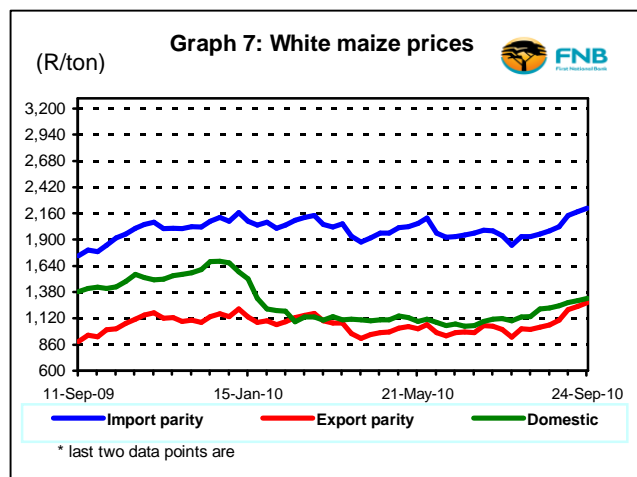
Yellow Maize Futures 10 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT (\$/t)	188.41	193.53	194.87	195.98	187.62
SAFEX (R/t)	1,411	1,437	1,434	1,453	-
CHICAGO CORN (R/t)	1,348	1,402	-	1,451	-

**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
1,460	108	59	1,480	153	110	1,480	183	137
1,420	85	76	1,440	130	127	1,440	160	154
1,380	64	95	1,400	109	146	1,400	138	172

**White maize market trends (Graph 7)**

- **International:** US white maize prices posted sharp gains on supportive outside markets and ongoing concerns over reduced production. Strong export demand and a rally in crude oil prices provided further support. Prices rose by 9.8% w/w and 41% y/y.
- **Domestic:** White maize prices continued to trend higher on bullish international markets. Weekly white maize prices increased by 2.4% w/w reaching R1,274/ton, but still down 8% y/y. White maize import parity rose by 5.4% w/w, due to higher international prices despite a stronger Rand. Weekly maize deliveries to the country's silos increased to 10.784m tons, up 1.2% w/w. Weekly maize deliveries to the country's silos have tapered off in the past few weeks with only 63,000



tons during the first week of September; bring the total deliveries for the season to 6.83m tons according to SAGIS. White maize (WM) futures on Safex: Dec-10 was up 3.2% w/w (+R41/t); Mar-11 was up 2.7% w/w (+R36/t); May-11 was up 2.7% w/w (+R37/t); Jul-11 was up 2.6% w/w (+R36/t).

**OUTLOOK**

Domestic prices will continue to recover due to the bullish trend on international markets.

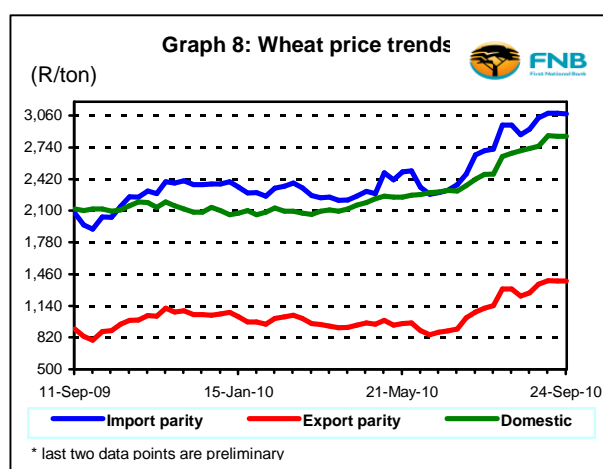
White Maize Futures 10 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
SAFEX (R/t) WM <sub>1</sub>	1,337	1,370	1,387	1,408	-

**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
1,380	100	57	1,420	148	98	1,420	157	124
1,340	77	74	1,380	124	114	1,380	135	142
1,300	57	94	1,340	103	133	1,340	114	161

**Wheat market trends (Graph 8)**

- International:** Wheat prices again posted strong gains on good export demand. US wheat weekly export sales were well above export expectations, coming in at 953,400 tons. Weather events in Russia, Germany, Pakistan, Argentina and Australia had a major influence on the market during past month. Meanwhile, the USDA raised its forecast for world wheat supplies at the end of May 2011 by 1.7% from last month, to almost 178m tons.
- Domestic:** Domestic wheat prices moved modestly higher on the back of rising international prices despite a stronger Rand. Weekly wheat prices on Safex increased by 3.7% and closed at R2,855/ton, up 20% y/y. Wheat import parity prices (Randfontein) increased by 1.5% w/w, mainly due to the sharp increase in international wheat prices. Weekly wheat futures on Safex: Dec-10 was up 2% w/w (+R54/t); Mar-11 was up 1.8% w/w (+R52/t); May-11 was up 1.9% w/w (+R53/t).



**OUTLOOK**

Upward trend will continue given bullish wheat fundamentals.

Wheat Futures 10 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
KCBT (\$/t)	278.98	283.75	282.28	272.00	-
SAFEX (R/t)	2,800	2,867	2,896	-	-

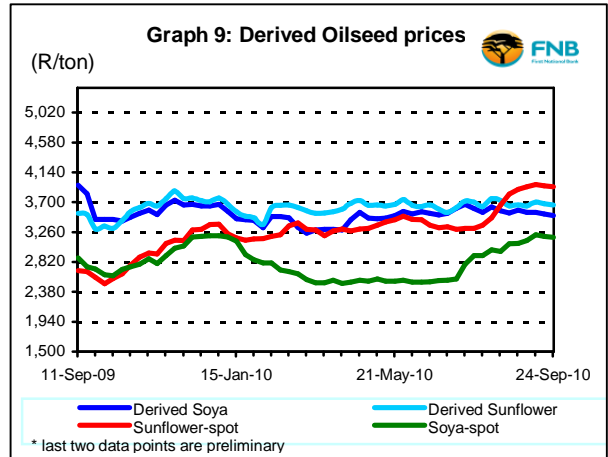
**Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)**

Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,840	155	115	2,900	190	157	2,940	246	202
2,800	133	133	2,860	169	176	2,900	224	220
2,760	113	153	2,820	148	195	2,860	202	238



**Oilseed market trends (Graph 9)**

- **International:** US soybean prices ended modestly higher on strong export demand and spill over strength in grain prices. Prices however slipped late in the week on bearish outlook report. USDA report was bearish, forecasting a record crop of 94.79m tons, up 1% from August and 4% above last year. Soybean ending stocks for 2010/11 came in at 9.53m tons, higher than market expectations.
- **Domestic:** Sunflower and soybean prices maintained an upward trend on the back of strength on international markets. Weekly soybean prices increased by 2.7% w/w and almost 12% higher y/y, closing at R3,218/ton. Sunflower prices increased marginally by 0.9% w/w and were 47% higher y/y, closing at R3,958/ton. Weekly soybean futures on Safex: Dec-10 was up 3.2% w/w (+R102/t); Mar-11 was up 2.5% w/w (+R75/t); May-11 was up 2.3% w/w (+R62/t). Sunflower futures on Safex: Dec-10 was up 4.2% w/w (+R165/t); May-11 was up 2.5% w/w (+R77/t); May-11 was up 2.5% w/w (+R77/t).



**OUTLOOK**

The stronger Rand/US dollar exchange rate will exert downward pressure on the market, limiting further advances.

Oilseeds Futures 10 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11			
CBOT Soybeans (US \$/t)	-	385.07	386.32	388.09	379.56			
CBOT Soya oil (US c/lb)	41.76	42.35	42.55	42.77	42.93			
CBOT Soya cake meal (US \$/t)	293.70	297.00	297.30	298.40	290.90			
SAFEX Sunflower seed (R/t)	4,065	3,462	3,112	-	-			
SAFEX Soybean seed (R/t)	3,272	3,075	2,712	-	-			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
<b>Dec-10</b>			<b>Mar-11</b>			<b>May-11</b>		
<b>Ask</b>	<b>Put</b>	<b>Call</b>	<b>Ask</b>	<b>Put</b>	<b>Call</b>	<b>Ask</b>	<b>Put</b>	<b>Call</b>
4,100	241	206	3,500	335	297	3,160	352	304
4,060	220	225	3,460	313	315	3,120	329	321
4,020	200	245	3,420	292	334	3,080	307	339



**Vegetable market trends (Graph 10)**

• **Tomatoes**

Tomato prices increased sharply due to decreased supplies on markets. Prices surged by 12.5% w/w and 6.7% y/y, closing at R5,796/ton. Volumes traded reached 3,641tons, down 8.5% w/w and 2.8% y/y. Prices are however expected to move sideways due to moderation in demand.

• **Potatoes**

Potato prices increased slightly due to increased supplies on markets. Prices were up 2.9% w/w but were down 32.6% y/y, closing at R3,576/ton. Volumes traded increased by 7.8w/w to 10,829 tons, a y/y increase of 19.0%. Prices are however expected to move sideways with some upside potential due to limited supplies.

• **Onions**

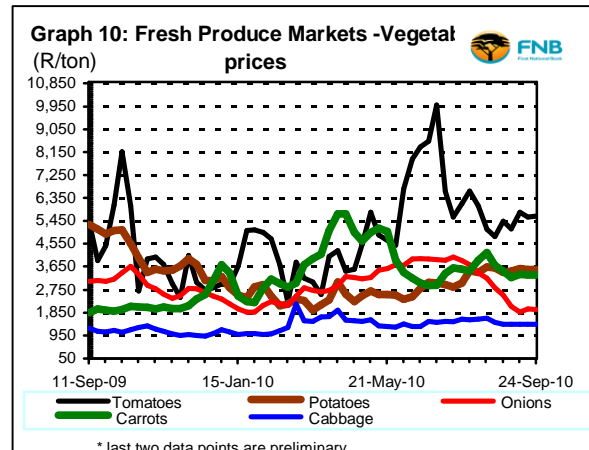
Onion prices decreased sharply due to week uptake on markets. Prices decreased to R1,857/ton, down 11.8% w/w and 39.8% y/y. Volumes traded declined by 3.6% w/w to 5,536, up 7.1% y/y. Prices are however expected to improve slightly towards month end.

• **Carrots**

Carrot prices increases slightly due to increased uptake on markets. Prices increased by 3.7% w/w and 80.8% y/y closing at R3,344/ton. Volumes traded reached 1,219 tons, down 0.4% w/w and 23.5% y/y. Prices are expected to remain firm due to limited supplies on markets.

• **Cabbages**

Cabbage prices decreased slightly due to increased supplies on markets. Prices declined by 0.4% w/w but were up 11.2% y/y closing at R1,377/ton. Volumes traded reached 1,714 tons; up 1.3% w/w but down 0.7% y/y. Prices are expected to remain flat in the week ahead.



<b>Vegetable prices: Fresh Produce Markets.</b> <b>(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
Week ending	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
10 September 2010						
Tomato	5,796	12.5%	6.7%	3641	-8.5%	-2.8%
Potato	3,576	2.9%	-32.6%	10829	-7.8%	19.0%
Onion	1,857	-11.8%	-39.8%	5436	-3.6%	7.1%
Carrot	3,344	3.7%	80.8%	1219	-0.4%	-23.5%
Cabbage	1,377	-0.4%	11.2%	1714	1.3%	-0.7%

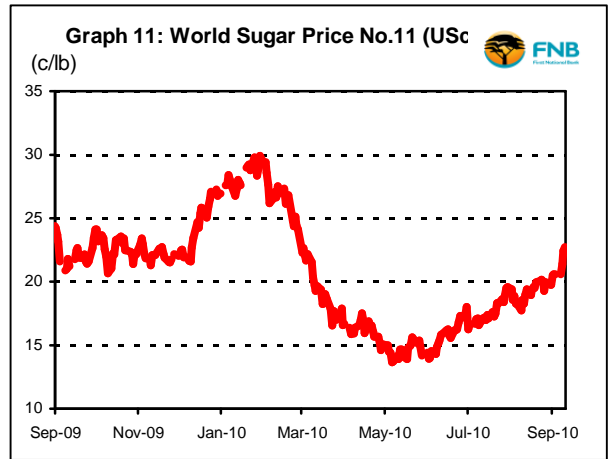
\* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

**Sugar market trends (Graph 11)**

- International: World sugar prices continued to strengthen on strong demand and speculative buying. Weekly world sugar prices closed up at 21.79US c/lb, up 7.6% w/w. Weekly ICE sugar futures increased modestly across the board.
- 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 strengthen and fast approaching R7.10/US dollar.



ICE Sugar Futures 10 September 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	21.71	20.48	19.27	18.55	17.85
% Change w/w	7.8%	6.8%	5.9%	5.3%	4.4%

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