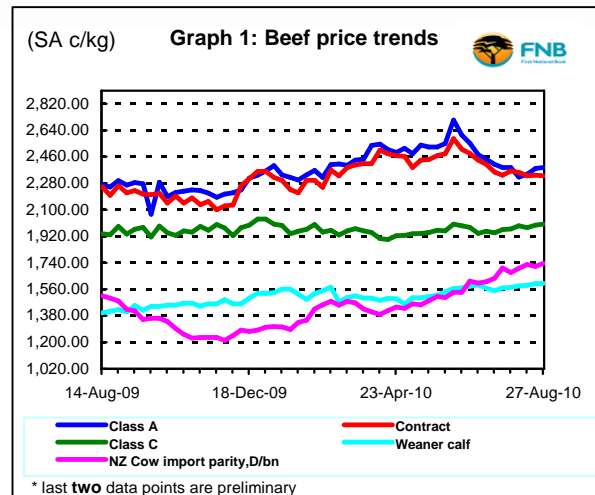


Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices were mostly lower on the back of moderate demand and light to moderate supplies. The stronger import markets lend further support. Supplies out of South America are reported tight due to the impact of herd liquidation and drought in Argentina and seasonal trends in Brazil.
- Domestic:** Beef prices were steady to lower on limited uptake on markets. Weekly Class A, Class C and Contract Class A prices closed at R23.40/kg, R19.77/kg and R23.31/kg respectively. Weaner calf prices maintained a firmer trend on the back of improved uptake due to maize farmers entering the cattle market. The better seasonal production conditions had a positive impact on the quality of weaners and improved weights. Weekly weaner calf prices closed at R15.88/kg, up 0.7% w/w and 14% higher year on year.

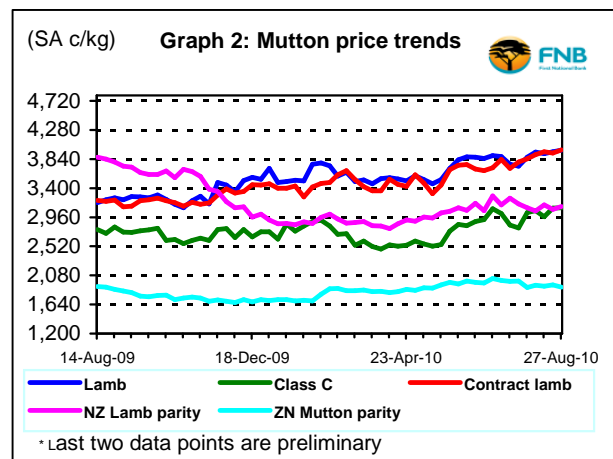


OUTLOOK

It is expected that beef prices will move sideways to lower in the short term while weaner calves will continue to trend higher due to supply shortages.

Mutton market trends (Graph 2)

- International:** US domestic slaughter lamb prices ended steady to higher while ewes eased lower for the week. Feeder lambs reversed last week's gains and ended lower cross most markets. Meanwhile, the US sheep and lamb flock numbers were reported at 6.9m head by 01-Jul-10, down 2% y/y according to the USDA. The USDA further expects sheep and lamb production volumes in the third and fourth quarter of 2010 to drop by 7% and 6% respectively y/y. Lamb production is expected to drop by 2% y/y at 3.6m head. This is a further indication of tightening supplies in the year ahead..
- Domestic:** Domestic lamb and mutton prices continued to post strong gains due to tight supplies on markets. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R39.22/kg, R29.69/kg and R39.51/kg respectively. Feeder lamb prices rose sharply due to tight supplies on markets. Weekly feeder lamb prices were up 10.8% w/w and almost 30% y/y, closing at R19.67/kg live weight.

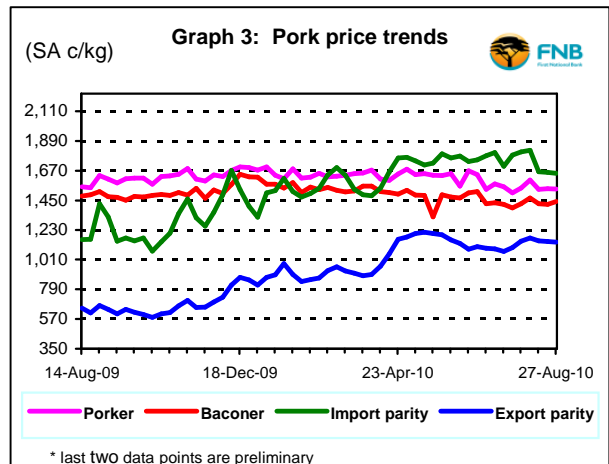


OUTLOOK

It is expected that prices will move sideways in the short term but will soften slightly in the medium term due to moderation in demand.

Pork market trends (Graph 3)

- **International:** US pork prices ended mixed, with increases in loins and rib cuts but sharp losses in hams and carcass prices. Weekly ham and carcass prices were down 10% and 2% respectively w/w. The loin and rib complexes found support from limited supplies on markets. Slaughter numbers were up, placing downward pressure on prices of other cuts.
- **Domestic:** Pork and baconer prices softened slightly due to subdued demand during midmonth. Weekly porker and baconer prices closed at R15.31/kg and R14.26/kg respectively, which is down 1% and 4% y/y. Import parity prices declined by 10% due to lower international prices despite a stronger Rand/US dollar exchange rate. Meanwhile, weekly slaughter numbers for the week ended 30-Jul-10 dropped by 4% w/w, at 11,697 pigs. The cumulative number for the year to date came in at 404,496 pigs, down 1% y/y.

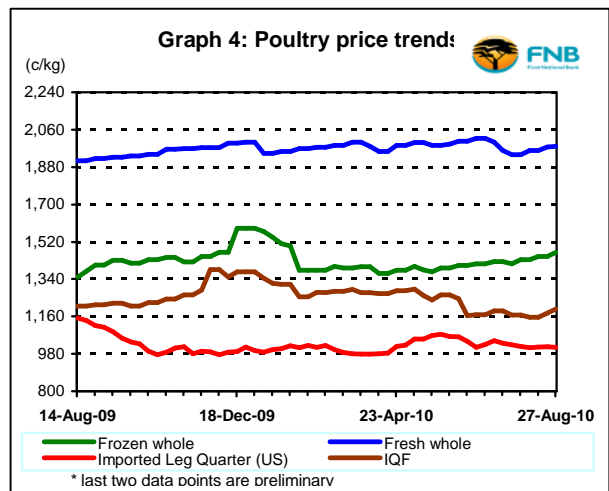


OUTLOOK

Prices are expected to move sideways in the short term and will improve somewhat towards month end.

Poultry market trends (Graph 4)

- **International:** US domestic prices were steady to higher across the board on light to moderate supplies. Demand at retail and food service was reportedly light to moderate. Bird weights continued to be adversely affected by the hot weather conditions. Market activity was reportedly slow to active throughout the week. Weekly US broiler egg sets and chick placements for the week ending 07-Aug-2010 were reported up 3% and 2% respectively y/y. The estimated number of broilers to be available for marketing during the week ending 18-Sep-2010 was posted at 157m head, which is 0.4% higher w/w.
- **Domestic:** Domestic prices were steady to higher across most categories. Weekly prices closed at R14.50/kg, R19.60/kg and R11.56/kg for frozen, fresh whole birds and IQF respectively. Weekly import parity prices (LQ) improved marginally on the back of better international prices despite a stronger Rand. Weekly import parity prices were up 0.3% w/w, but still lower 12% y/y. The stronger exchange rate is expected to stimulate the import market, further placing downward pressure on local prices. On the feeding side, prices for energy and protein components remained relatively low which bodes well for reduced costs.



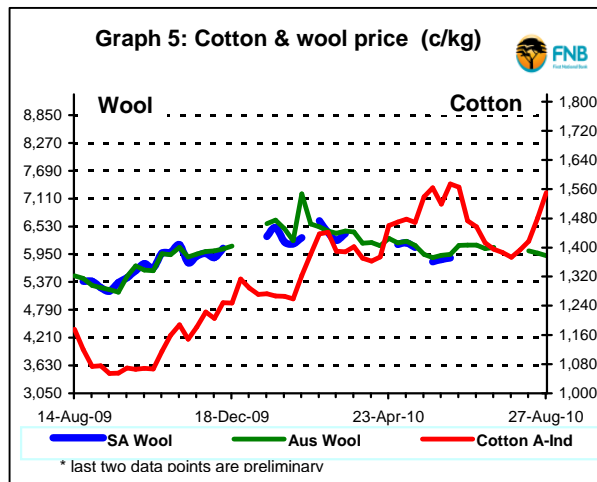
OUTLOOK

Domestic prices are expected to move sideways to lower in the short to medium term. Prices will however bottom out and strengthen slightly as the braai months return.

Producer prices for selected livestock commodities 13 August 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	23.40	39.22	15.31	19.60
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.77	29.69	14.28	14.50
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	23.31	39.51	14.26	11.56
Import parity price (R/kg)	17.29	19.16	16.62	10.13
Weaner Calves / Feeder Lambs (R/kg)	15.88	19.67		

Wool and cotton market trends (Graph 5)

- International:** US Cotton prices continued their upward trend due to tightening supplies and concerns over inclement weather in some of the growing areas. Pakistan is facing a reduction in its cotton crop due to devastating floods which has damaged about 6.9m hectares of cotton, rice and sugarcane. USDA lowered world stocks by 4.3m bales to 45.6m. Chinese import demand was raised to 850,000 cotton bales. China is the largest cotton producer and importer. Weekly Cotton ICE futures: Dec-10 cotton was up 4.9% w/w at 84.18USc/lb; Mar-11 was up 4.7% at 82.55USc/lb; May-11 was up 4.1% w/w at 82.29USc/lb; Jul-11 was up 4.2% w/w at 82.25USc/lb. Wool: In Australia, the wool market resumed on a softer note due to increased volatility on the markets and the stronger AU\$ placing downward pressure. The market indicator (EMI) closed at AU\$8.73/kg clean wool, down 0.3% compared to the closing sale before the recess.
- Domestic:** In the case of local cotton, the 7th estimate for the 2009/10 production year came in at 38,716 lint bales, 14% down from the previous season. About 35,206 lint bales are estimated to be produced from RSA produced seed cotton, 16% down from the previous season. The balance of 3 510 lint bales relates to Swaziland produced cotton to be ginned by the Swaziland ginnery according to CottonSA.



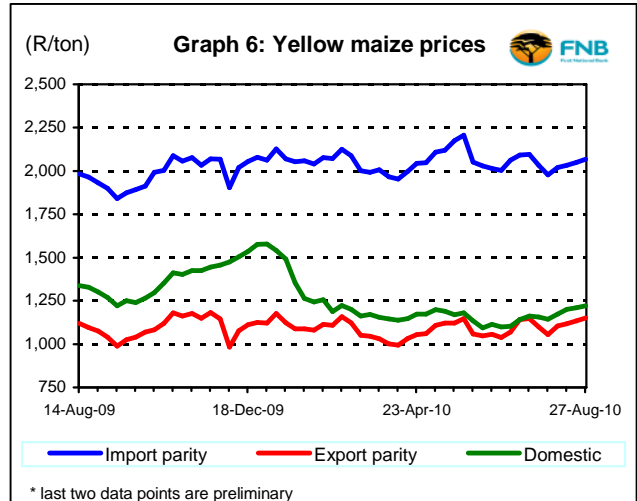
Fibre market prices 13 August 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Sep-10 (AU\$/kg)	Australian futures Jan-11 (AU\$/kg)
Wool market indicator (R/kg)	58.71	60.24		
19µ long length wool (R/kg)	66.78	68.62	9.7	9.4
21µ long length wool (R/kg)	60.86	60.39	8.7	8.4
23µ long length wool (R/kg)	56.50	59.00	7.9	7.7
	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)	14.18	1.95	1.77	1.73

* Wool: last sale for the 2009/10 domestic wool season,



Yellow maize market (Graph 6)

- **International:** US yellow maize prices continued on a firmer trend on improved demand prospects. The drop in world wheat production rules it out as an alternative in animal feeding, thereby boosting the demand for maize. As a result, the USDA raised its US export estimate by 5% from the previous month to 52m tons and reduced the 2010/11 carry over stock by 1.6m o 33.3m tons. US production was pegged at 339.2m tons.
- **Domestic:** Yellow maize prices were again slightly higher on spill over support from the international market. Weekly yellow maize prices closed at R1,200/ton, up 2.3% compared to last week but still down 10% y/y. Yellow maize import parity was marginally higher by 0.7% w/w, mainly due to higher international prices despite a stronger Rand. Weekly yellow maize Safex futures: Sep-10 was up 2.7% w/w (+R33/t); Dec-10 was up 2.9% w/w (+R36/t); Jul-11 was up 2% w/w (+R26/t).



OUTLOOK

Weather concerns will continue to have a positive influence on US prices. Domestic prices will continue to obtain direction from the international market.

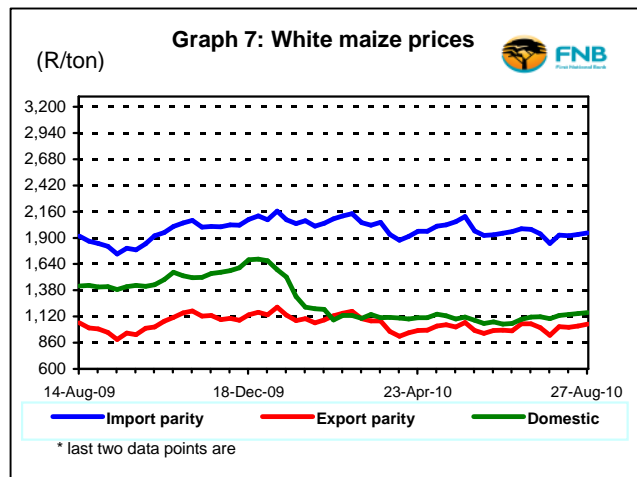
Yellow Maize Futures 13 August 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
CBOT (\$/t)	162.17	162.17	168.32	176.20	178.72
SAFEX (R/t)	1,240	1,290	1,318	1,327	1,342
CHICAGO CORN (R/t)	-	1,240	1,292	-	1,357

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

Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,280	50	10	1,340	106	56	1,360	152	110
1,240	25	25	1,300	83	73	1,320	129	127
1,200	10	50	1,260	62	92	1,280	108	146

White maize market trends (Graph 7)

- **International:** As with yellow maize, US white maize prices rose sharply due to the spill over support from the wheat market. Prices closed 9.6% higher w/w and 1.7% higher y/y. Weather developments in other grain producing areas, especially in Europe and Russia will continue to influence direction in the short to medium term.
- **Domestic:** White maize prices maintained firmer trend on bullishness on international markets. Weekly white maize prices increase marginally by 0.8% w/w and closed at R1,140/ ton, which is still down 20% y/y. White maize import parity eased lower by 0.4% under pressure due to a stronger Rand. White maize (WM) futures on Safex: Sep-10 was up 1.6% w/w (+R18/t); Dec-10 was up 1.8% w/w (+R22/t); Mar-11 was up 1.6% w/w (+R20/t); May-11 was up 2% w/w (+R25/t).



How can we help you?

OUTLOOK

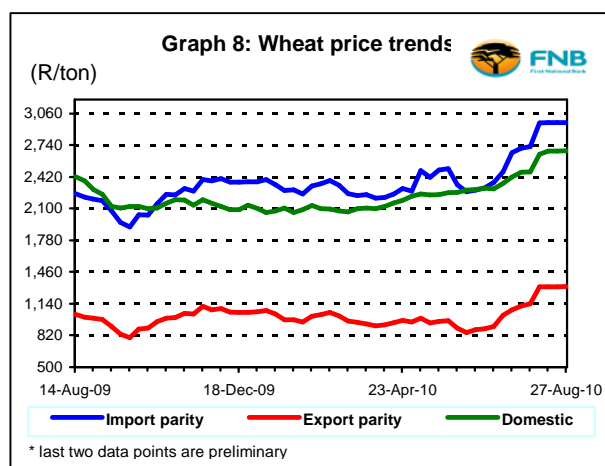
Weather will continue to be the main driver in price direction in the short term.

White Maize Futures 13 August 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
SAFEX (R/t) WM ₁	1,176	1,233	1,265	1,290	1,322

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,220	53	9	1,280	110	63	1,300	150	115
1,180	27	23	1,240	87	80	1,260	127	132
1,140	10	46	1,200	67	100	1,220	106	151

Wheat market trends (Graph 8)

- International:** Wheat prices ended steady to lower, retreating from the record rally in the past few weeks. High temperatures and lack of rain in Russia's grain areas followed by an export ban were the main factors driving the market during the past few weeks. Prices have since softened after assurances from the Russian authorities that wheat already committed for export is not affected by the restriction. Meanwhile, the USDA raised US wheat production estimate above trade expectations at 61.64m tons. World production numbers were however negative at 645.7m tons from 661.1 last month, reflecting downward revision for Russia with 45m ton (-19m ton y/y), Kazakhstan down to 11.5m, Ukraine at 17m (-3m ton m/m) and the EU down to 137.5m (-4m ton m/m). Earlier, the IGC cut its estimate of world wheat production for 2010 by 13m tons to 651m. World ending stocks were down 12.4m tons to 174.7m ton, with a stocks-to-usage of 26.3% as compared with 29.8% last year.
- Domestic:** Wheat prices continued to trend higher supported by higher international prices. Weekly wheat prices on Safex rose by 1.3% w/w to close at R2680/ton, up 8.4% y/y. Wheat import parity prices (Randfontein) advanced by 0.1% w/w and by almost 28% y/y, mainly due to higher international prices despite a stronger Rand/US dollar exchange rate. Meanwhile, the current price recovery came too to influence planting for the current winter season. The country will therefore remain a net importer of wheat as local supplies continue to tighten. Weekly wheat futures on Safex: Sep-10 was down 1.8% w/w (-R49/t); Dec-10 was down 2.1% w/w (-R58/t); Mar-11 was down 2.1% w/w (-R59/t).



OUTLOOK

It is expected that wheat prices will continue trending upwards in the short to medium term given the tighter supply situation going forward.



How can we help you?

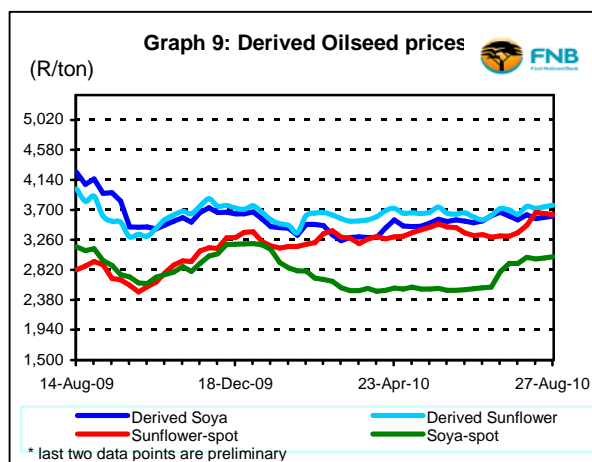
Wheat Futures 13 August 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
KCBT (\$/t)	265.84	271.17	275.03	271.81	263.73
SAFEX (R/t)	2,735	2,699	2,768	2,799	-

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

Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,280	50	10	1,340	106	56	1,360	152	110
1,240	25	25	1,300	83	73	1,320	129	127
1,200	10	50	1,260	62	92	1,280	108	146

Oilseed market trends (Graph 9)

- International:** US soybean prices eased slightly lower on US dollar strength and weakness in crude prices. Prices were down across the soybean complex with soybean, soymeal and soyoil decreasing by 1.1%, 2.7% and 0.3% w/w respectively. USDA monthly production estimate pegged the soybean crop at 93.4m tons. Export sales were above expectations at 2.6m tons for soybeans and 136,300 tons for soymeal. In the case of sunflower, prices have also been rising due to the Russian drought. Delays in sunflower plantings were reported in northern Argentina also due to dry weather conditions.
- Domestic:** On the domestic market, oilseed crops traded on Safex ended mixed with marginal losses in soybeans and modest increase in sunflower. Weekly soybean prices closed at R2,978/ton, down 0.9% w/w and 5.8% y/y. Sunflower prices advanced by 5.5% w/w to close at R3,662/ ton, which is still 30% higher y/y. Weekly soybean futures on Safex :Sep-10 was up 0.7% w/w (+R20/t); Dec-10 was up 0.4% w/w (+R11/t); Mar-11 was unchanged w/w. Sunflower futures on Safex: Sep-10 was up 3.5% w/w (+R125/t); Dec-10 was up 3.7% w/w (+R136/t); May-11 was unchanged w/w.



OUTLOOK

It is expected that prices will move sideways with some upward potential due to the spill over strength from the international grain markets.

Oilseeds Futures 13 August 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
CBOT Soybeans (US \$/t)	383.38	-	386.40	385.44	387.35
CBOT Soya oil (US c/lb)	42.52	43.14	43.60	43.76	43.98
CBOT Soya cake meal (US \$/t)	302.70	296.70	294.10	292.20	292.80
SAFEX Sunflower seed (R/t)	3,705	3,806	3,180	3,020	-
SAFEX Soybean seed (R/t)	3,010	3,084	2,955	2,665	-

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

Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,740	92	57	3,840	263	229	3,220	334	294
3,700	71	76	3,800	241	247	3,180	312	312
3,660	52	97	3,760	221	267	3,140	290	330



Vegetable market trends (Graph 10)

• **Tomatoes**

Tomato prices decreased slightly due to weak uptake on markets. Prices declined by 15.2% w/w but were up 58.0% y/y, closing at R5,127/ton. Volumes traded were reached 3,632 tons, down 1.8% w/w and 20.8% y/y. Prices are however expected to firm slightly in the week ahead due to tightening supplies.

• **Potatoes**

Potato prices posted modest gains due to decreased supply shortages on markets. Prices were up 5.8% w/w and 3.2% y/y, closing at R3,636/ton. Volumes traded decreased sharply by 29.7% w/w to 8,614 tons, a y/y decline of 10.8%. Prices are expected to maintain an upside trend due to moderation in supplies.

• **Onions**

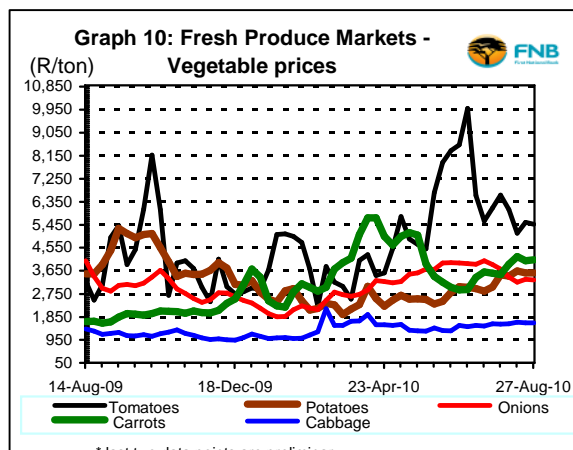
Onion prices decreased modestly due weak uptake on markets. Prices decreased to R3,199/ton, down 6.0% w/w and 20.9% y/y. Volumes traded declined by 24.7% w/w to 3,847 tons, but still up 4.0% y/y. Prices are expected to move sideways with some upside potential.

• **Carrots**

Carrot prices rose sharply as a result of a drop in volumes across most markets. Prices increased by 7.5% w/w and 151.6% y/y to R4,201/ton. Volumes traded dropped by a whopping 17.1% w/w, coming in at 919tons, and down 39.1% y/y. Prices are expected to remain firm due to limited supplies on markets.

• **Cabbages**

In the case of cabbages, prices moved slightly higher due to reduced volumes on markets. Prices increased by 3.5% w/w and 19.2% y/y closing at R1,642/ton. Volumes traded were pegged at 1,390 tons, down 16.1% w/w and 11.9% y/y. Prices are expected to maintain a firmer trend in the short term.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 13 August 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	5,127	-15.2%	58.0%	3632	-1.8%	-20.8%
Potato	3,636	5.8%	3.2%	8614	-29.7%	-10.8%
Onion	3,199	-6.0%	-20.9%	3847	-24.7%	4.0%
Carrot	4,201	7.5%	151.6%	919	-17.1%	-39.1%
Cabbage	1,642	3.5%	19.2%	1390	-16.1%	-11.9%

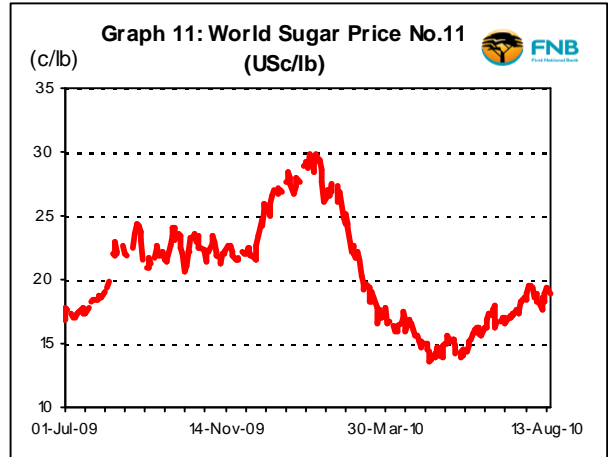
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International:** World sugar prices eased marginally lower by 0.5% w/w. Prices however rallied towards the end of the week on global crop concerns. Hot and dry weather conditions as well as floods have damaged crops in various areas. Floods in Pakistan and dry weather conditions in Ukraine affected the cane and beet crops. Dry weather conditions were also reported in Brazil, the top sugarcane producer. Slow exports out of Brazil continue to influence sugar futures due to availability on international markets.
- Domestic:** The 2010/11 RV (Recoverable Value) price, which is a measure of the value of the sugar and molasses that will be recovered from the sugar cane delivered by the individual grower, was declared at R2,535.58/ton in June-10, which is up 2.8% compared to May. The increase is attributable to a number of factors including the drop of 34,643 ton in production which reduced the industry's exposure to the lower world market at the time; the 14,136 ton increase in the LMDE and the higher weighted average No.11 price (US19.23 c/lb vs. US18.35 c/lb) according to the SA Cane growers. The exchange rate was unchanged at R7.62/US dollar and had no impact on the RV price. However the exchange rate has since strengthened significantly over the past few weeks (from R7.60 to R7.22/US\$) and may have a downward influence on the RV price.



ICE Sugar Futures 13 August 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	18.71	17.77	16.95	16.61	16.27
% Change w/w	4.2%	3.4%	3.0%	2.2%	0.7%

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How can we help you?