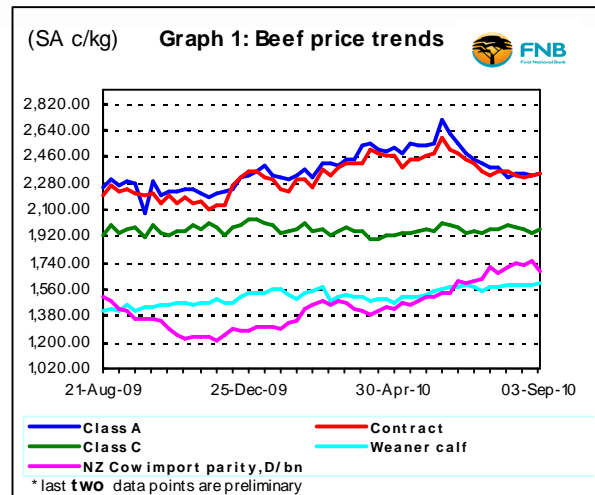


## Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices were modestly higher supported by good demand and light to moderate supplies. The stronger import markets and tight cattle supplies provided added support. Boxed beef cutout prices, an indicator of domestic beef at wholesale level, ended higher on moderate to good demand and light to moderate supplies. Market activity on imported beef was moderate with prices mostly firm to higher. Australian young cattle prices rose modestly on the back of improved production conditions especially in the eastern states of the country. Supplies of supplementary feed are reportedly plenty following a good crop season.
- Domestic:** Beef prices continue to trend lower across most categories due to weak demand and improved supplies on markets. Weekly Class A, Class C and Contract Class A prices closed at R23.38/kg, R19.59/kg and R23.13/kg respectively. Weaner calf prices were steady to higher due to limited supplies across most markets. Weaner quality remains good due to better seasonal production conditions. Weekly weaner calf prices closed at R15.88/kg, up 13% y/y.

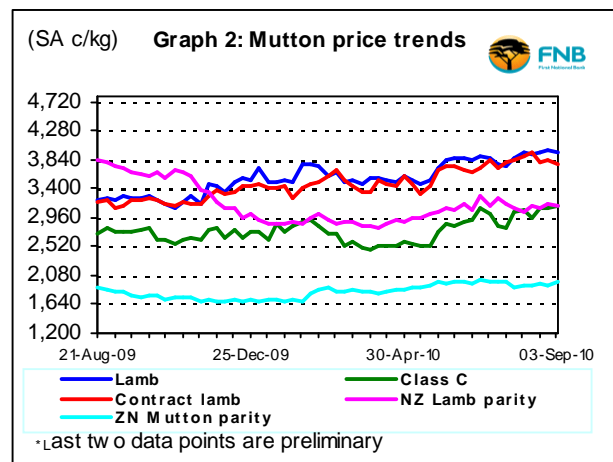


## OUTLOOK

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 weekly slaughter lamb and ewe prices ended steady to modestly higher. Feeder lamb bottomed out and ended sharply higher cross most markets. Australian lamb prices continued to trend higher due to reduce supplies on markets. The supply of lambs was constraint by unfavourable weather, mainly cold and wet conditions. Supplies were reported down 2% below the 5-year average.
- 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 R39.48/kg, R31/kg and R38.12/kg respectively. Feeder lamb prices were mostly steady to higher supported tight supplies on markets. Weekly feeder lamb prices closed at R19.67/kg live weight, up 29% y/y.

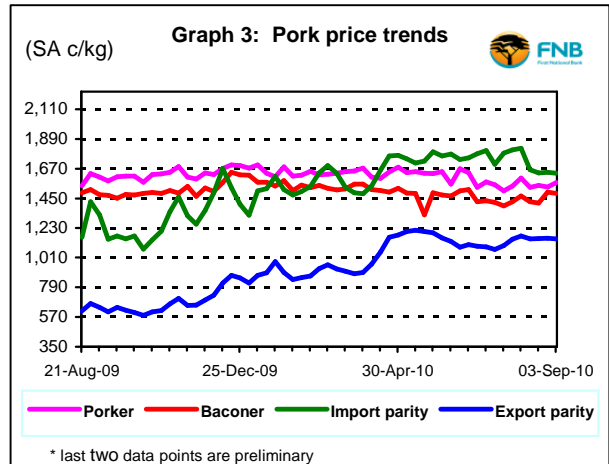


## OUTLOOK

It is expected that prices will firm slightly 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 hams and carcass still under downward pressure. Weekly ham prices were down 2% and while carcasses were almost unchanged w/w. The loin and rib complexes found support from good uptake and limited supplies on markets. Slaughter numbers came in slightly higher.
- **Domestic:** Pork and baconer prices ended steady to lower due to limited demand. Weekly porker and baconer prices closed at R15.45/kg and R14.16/kg respectively. Import parity prices declined by 1% due to lower international prices and 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.

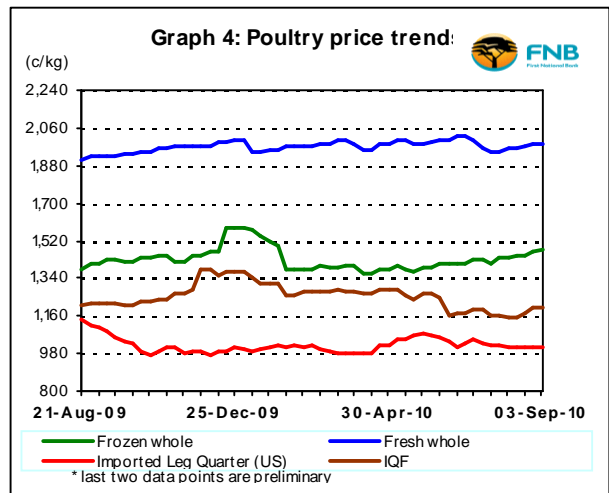


**OUTLOOK**

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 higher across most cuts due to light to moderate supplies. Leg quarters were the exception, closing marginally lower. Retail and food service demand was reportedly light to moderate ahead of the weekend. Bird weights continued trending lighter due to hot weather conditions. Weekly US broiler egg sets and chick placements for the week ending 14-Aug-2010 were reported up 2% and 3% respectively y/y. The estimated number of broilers that will be available for marketing during the week ending 25-Sep-2010 was posted at 158.7m head, up 1.1% w/w.
- **Domestic:** Domestic prices were firm to higher on improved uptake towards month-end. Weekly medium frozen whole birds were unchanged at R14.50/kg; medium fresh whole birds increased marginally by 0.8% w/w and closed at R19.76/kg; IQF increased by 1.7% w/w, closing at R11.76/kg. Weekly import parity prices (LQ) moved sideways under pressure due to a stronger Rand. Weekly import parity prices were down by 0.2% w/w and 11% y/y. On the feeding side, prices for energy and protein components remained relatively low and will impact positively on producer margins.



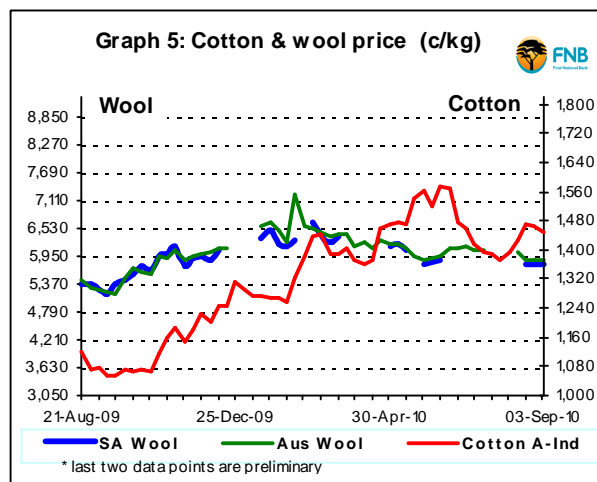
**OUTLOOK**

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

Producer prices for selected livestock commodities 20 August 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	23.38	39.48	15.46	19.76
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.59	31.00	14.41	14.50
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	23.13	38.12	14.17	11.76
Import parity price (R/kg)	17.20	19.42	16.39	10.10
Weaner Calves / Feeder Lambs (R/kg)	15.88	19.67		

**Wool and cotton market trends (Graph 5)**

- International:** US Cotton prices trended higher due to tightening supplies and concerns over inclement weather in some growing areas. Pakistan is facing a reduction in its cotton crop due to devastating floods which have damaged about 6.9m hectares of cotton, rice and sugarcane. This helped ramp up buyer demand for cotton in an effort to replenish stocks. 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 were down across the board: Dec-10 was down 0.7% w/w at 83.55USc/lb; Mar-11 was down 1.1% w/w at 81.62USc/lb; May-11 was down 0.5% w/w at 81.84USc/lb; Jul-11 was down 0.4% w/w at 81.92USc/lb. Wool: Out of Australia, the wool market ended firmer lifted by the weaker exchange rate during the second sale after the recess. The weekly market indicator (EMI) closed at AU\$8.74/kg clean wool, up 0.1% w/w.
- Domestic:** The domestic market opened the 2010/11 wool sale better than expected amid export restrictions and a stronger Rand. China imposed an import restriction on SA greasy wool due to the Rift Valley fever. The currency on the other hand continued to trade at a firmer level of R7.22/US dollar on the day of sale. The weekly market indicator, Cape Wool Merino, closed at R57.77/kg clean wool, which is 1.6% lower than the previous season's close. Sales reached 94% of the wool offered. Major buyers were Standard Wool SA with 3,927 bales (31.5%), G Modiano SA with 3,306 bales (26.5%), Lempriere SA with 1,768 bales (14.2%), Segard Masurel SA with 1,306 bales (10.5%), Stucken & Co with 1,261 bales (10.1%), New England Wool SA with 229 bales (1.8%). Approximately 9,000 bales will be on offer during the next sale schedule for 01-Sep-10.

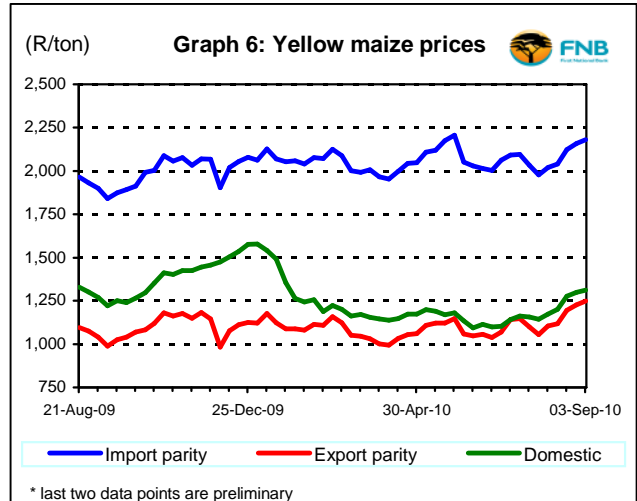


Fibre market prices 20 August 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Dec-10 (AU\$/kg)	Australian futures Apr-11 (AU\$/kg)
Wool market indicator (R/kg)	57.77	58.57		
19µ long length wool (R/kg)	68.63	67.96	9.6	9.4
21µ long length wool (R/kg)	59.42	58.91	8.6	8.4
23µ long length wool (R/kg)	57.29	57.51	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)	14.65	2.02	1.84	1.80



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices continued on a firmer trend on strong export demand and lower yield expectations. Crop conditions came in at 69% good to excellent from 71% a week ago. The drop in world wheat production rules it out as an alternative in animal feeding, thereby boosting the demand for maize. The Pro Farmer group estimated the 2010/11 US maize crop at 337.3m tons compared with the USDA's 339m tons. Weekly US export sales were strong, reaching 2.9m mainly to Japan, Egypt and Mexico. Maize futures in China rose due to cut back on stock pile sales by authorities.
- **Domestic:** Yellow maize prices were again slightly higher on spill over support from the international market. Weekly yellow maize prices closed at R1,277/ton, up 6.4% w/w week but still down 3.8% y/y. Yellow maize import parity increased modestly by 4.1% w/w and 8% y/y, mainly due to higher international prices despite a stronger Rand. Weekly yellow maize Safex futures: Dec-10 was up 3.9% w/w (+R50/t); Mar-11 was up 3.6% w/w (+R48/t); May-11 was up 4.5% w/w (+R60/t); Jul-11 was up 3.6% w/w (+R48/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.

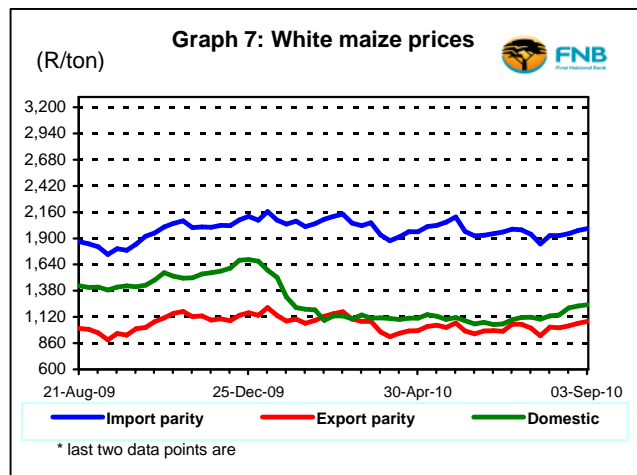
Yellow Maize Futures 20 August 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT (\$/t)	170.44	175.80	178.48	180.85	176.75
SAFEX (R/t)	1,340	1,366	1,387	1,390	-
CHICAGO CORN (R/t)	1,250	1,306	-	1,365	-

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
1,380	113	68	1,400	154	110	1,420	179	141
1,340	90	85	1,360	131	127	1,380	156	158
1,300	69	104	1,320	110	146	1,340	135	177

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

- **International:** As with yellow maize, US white maize prices continued to strengthen on the back of strong export demand and reduced yield prospects in the maize complex. Prices rose by 1.6% w/w and 14.9% 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 increased modestly by 6.1% w/w and closed at R1,210/ ton, but still down 15% y/y. White maize import parity eased lower by 0.4% under pressure due to a stronger Rand. Maize deliveries rose to 10.1m tons last week from



9.841m tons a week earlier, with white maize reaching 6.3m tons. White maize (WM) futures on Safex: Dec-10 was up 4.1% w/w (+R50/t); Mar-11 was up 3.6% w/w (+R4/t); May-11 was up 3.3% w/w (+R43/t); Jul-11 was up 2.4% w/w (+R32/t).

**OUTLOOK**

Weather will continue to be the main price driver on international markets in the short to medium term. Locally, the big crop still remains a downward influence on prices.

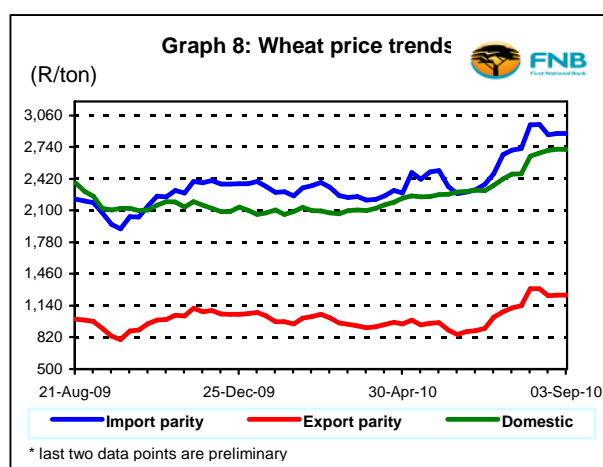
White Maize Futures 20 August 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
SAFEX (R/t) WM <sub>1</sub>	1,283	1,311	1,333	1,354	-

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
1,320	108	63	1,360	161	111	1,360	163	131
1,280	84	79	1,320	137	127	1,320	141	149
1,240	64	99	1,280	116	146	1,280	120	168

**Wheat market trends (Graph 8)**

- International:** Wheat prices pulled back from the record rally in the past few weeks. Prices came under pressure due to larger than expected Canadian wheat crop which could offset production losses in Russia. Projections out of Canada came in at 22.7m tons, up 2.2m from the USDA's August estimate. However lingering production losses due to bad weather concerns in Russia, western Argentine and western Australian wheat growing regions limited further declines.
- Domestic:** Wheat prices traded firmer despite a stronger Rand/US dollar exchange rate. Weekly wheat prices on Safex increased marginally by 0.9% and closed at R2,705/ton, 8.8% y/y. Wheat import parity prices (Randfontein) decreased by 3.5% w/w and but still 25% y/y, due to lower international prices and a stronger Rand/US dollar exchange rate. Weekly wheat futures on Safex were down across the board: Dec-10 was down 0.1% w/w (-R4/t); Mar-11 was down 0.3% w/w (-R9/t); May-11 was unchanged w/w at R2,799/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.

Wheat Futures 20 August 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
KCBT (\$/t)	259.23	264.65	267.95	266.67	258.49
SAFEX (R/t)	2,720	2,695	2,759	2,799	-

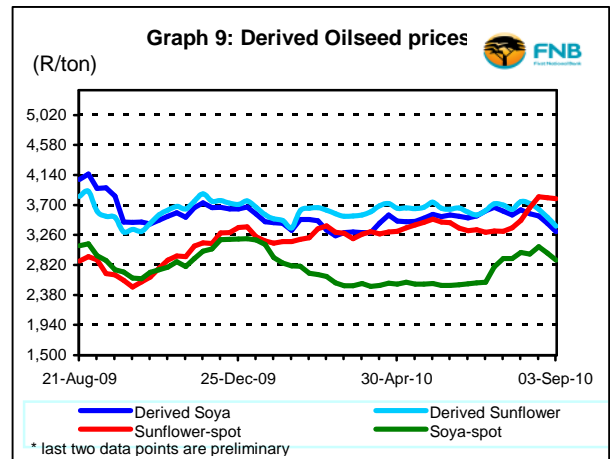
  

Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,760	160	125	2,840	206	156	2,840	241	202
2,720	139	144	2,800	183	173	2,800	219	220
2,680	119	164	2,760	163	193	2,760	198	239



**Oilseed market trends (Graph 9)**

- International:** US soybean prices remained steady under pressure due to higher crop expectations. Prices were mixed in the soybean complex with soybean and soymeal slightly firmer by and soyoil by 0.1% and 0.3% w/w, while soyoil prices dropped by 3.6% w/w due to the spill over weakness in crude oil prices. Meanwhile, Pro Farmer projected the US soybean crop at 95.3m tons, which is 1.8m above the USDA estimate. However the market is still concerned about the sudden death syndrome disease which has affected some soybean areas. 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:** Oilseed crops traded on Safex were up across the board. Weekly soybean prices closed at R3,089/ton, up 3.7% w/w and almost unchanged y/y. Sunflower prices advanced by 4.3% w/w to close at R3,820/ ton, still 33% higher y/y. Weekly soybean futures on Safex : Dec-10 was up 3.9% w/w (+R121/t); Mar-11 was up 0.3% w/w (+R10/t); May-11 was up 1.3% w/w (+R35/t). Sunflower futures on Safex: Dec-10 was up 3.8% w/w (+R144/t); May-11 was up 2% w/w (+R60/t); May-11 was up 2% w/w (+R60/t).



**OUTLOOK**

It is expected that domestic prices will move sideways with limited upward potential due to stronger Rand. US prices will continue trending lower in the short term on improved crop outlooks.

Oilseeds Futures 20 August 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT Soybeans (US \$/t)	-	373.17	373.83	376.62	368.69
CBOT Soya oil (US c/lb)	40.09	40.64	40.88	41.15	41.31
CBOT Soya cake meal (US \$/t)	293.10	291.20	290.50	292.30	285.20
SAFEX Sunflower seed (R/t)	3,950	3,340	3,080	-	-
SAFEX Soybean seed (R/t)	3,205	2,965	2,700	-	-

**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	266	221	3,320	338	298	3,060	353	323
3,900	244	239	3,280	316	316	3,020	330	340
3,860	223	258	3,240	294	334	2,980	308	358



**Vegetable market trends (Graph 10)**

• **Tomatoes**

Tomato prices decreased modestly due to weak uptake on markets. Prices declined by 5.2% w/w but were 92.8% higher y/y, closing at R4,835/ton. Volumes traded came in at reached 3,632 tons, down 0.3% w/w and 32.7% y/y. Prices are however expected to firm slightly in the week ahead due to moderation in supplies.

• **Potatoes**

Potato prices decreased marginally on the back of improved supplies on markets. Weekly potato prices closed down 1% w/w at R3,601/ ton, but still 1.9% higher y/y. Volumes of potatoes traded were pegged at 10,123 tons, up 17.5% w/w but down 8.4% on a y/y basis. For the week ahead, prices are expected to move sideways. Supplies will tighten in the medium term due to bad weather that impacted negatively on the crop.

• **Onions**

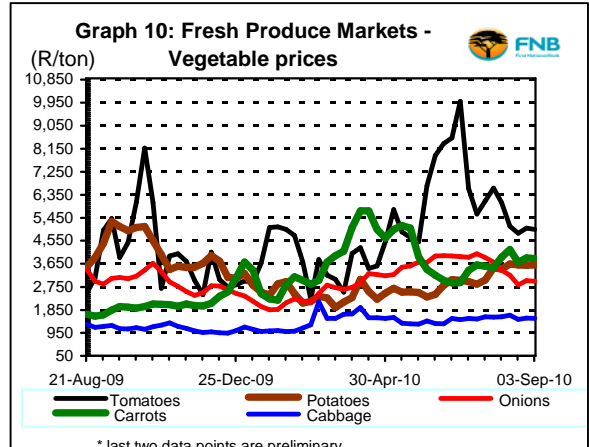
Carrot prices reversed last week's gains and declined due to higher volumes across most markets. Weekly onion prices were down 11.6% w/w and 17.7% y/y, closing at R2,826/ ton. Volumes traded rose by 21.4% w/w at 4,668 tons, up 4.1% on a y/y basis. Prices are expected to remain firm slightly on moderate supplies.

**Carrots**

Carrot prices ended sharply lower due to increased volumes and limited uptake on markets. Prices decreased by 11.8% w/w and closed at R3,707/ ton. This is however 119.6% higher compared to last year this time. Weekly volumes of carrots traded came in at 1,124 tons, up 22.3% y/y but still down on last year by almost the same margin. Prices are expected to move sideways with upside potential during month end.

• **Cabbages**

Cabbage prices posted sharp losses due to increased volumes on markets. Weekly cabbage prices decreased by 10.6% w/w to close at R1,468/ ton, which is still 14.3% higher y/y. Volumes of cabbages traded were pegged at 1,581 tons, up 13.8% w/w but down 8.7% on a y/y basis. Prices are expected to bottom out and firm slightly in the short term supported improved demand.



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

Week ending 20 August 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	4,835	-5.7%	92.9%	3620	-0.3%	-32.7%
Potato	3,601	-1.0%	1.9%	10123	17.5%	-8.4%
Onion	2,826	-11.6%	-17.7%	4668	21.4%	4.1%
Carrot	3,707	-11.8%	119.6%	1124	22.3%	-22.4%
Cabbage	1,468	-10.6%	14.3%	1581	13.8%	-8.7%

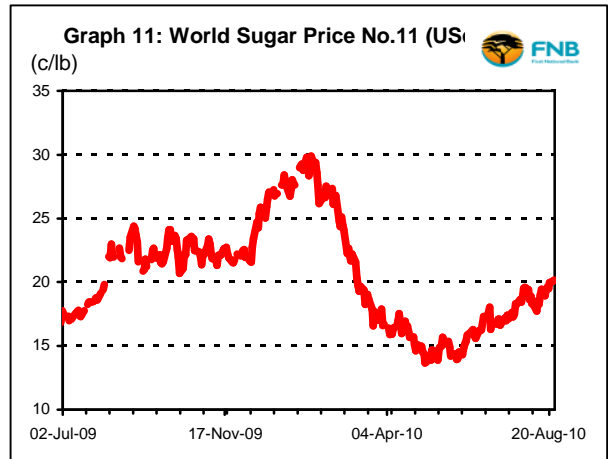
\* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

**Sugar market trends (Graph 11)**

- International:** World sugar prices ended modestly higher on supply concerns. Meanwhile, global sugar demand is projected to outstrip supplies 8.5m tons in the current crop year according to reports. However, supplies will outstrip demand by 2.5m in the following year. World sugar production has been affected by bad weather in a number of producing 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.
- 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 (US\$19.86 c/lb vs. US\$19.23 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 20 August 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	18.79	17.85	16.85	16.48	16.21
% Change w/w	0.4%	0.5%	-0.6%	-0.8%	-0.4%

**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.



How can we help you?