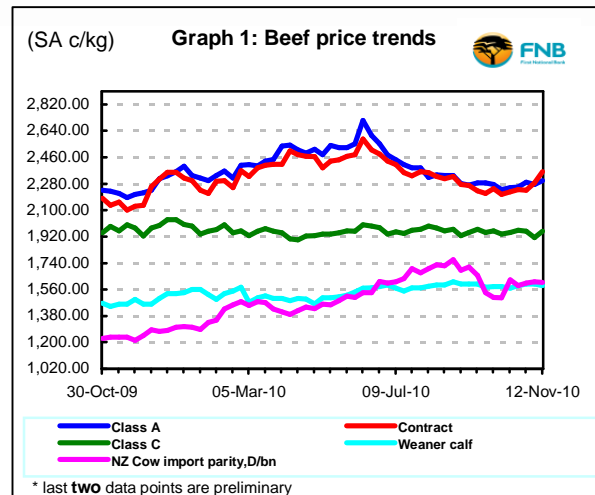


Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices ended firm to higher on moderate to good demand. Market activity on imported beef was reportedly slow with prices mostly weak as buyers preferred the much cheaper domestic product. Boxed beef cut-out prices, an indicator of domestic beef at wholesale level, moved sideways on light to moderate supplies. In Australia, cattle prices eased lower due to increased supplies.
- Domestic:** Beef prices ended slightly firmer on improved demand during month end. Weekly Class A, Class C and Contract Class A beef closed at R22.89/kg, R19.56/kg and R22.36/kg respectively. Weekly weaner calf prices ended marginally higher, closing up 0.6% w/w at R15.95/kg live weight. Meanwhile, devastating fires have destroyed valuable grazing in some areas of the Free State; which coupled with lack of rain will put producers under pressure to reduce stock. Some areas of the Northern Cape are still very dry and in need of rain.



OUTLOOK

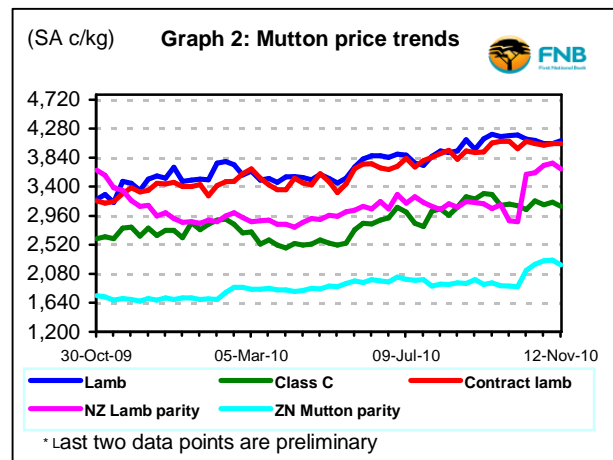
Beef prices are expected to move sideways with further upward potential in the medium due to the seasonal increase in demand.

Mutton market trends (Graph 2)

- International:** US domestic slaughter lambs were steady to firm. Weekly ewes and feeder lamb prices moved sideways for the week. In Australia, prices for lamb and mutton declined due to increased supplies especially for lambs. Wet and cold conditions affected lamb supplies during the previous week.
- Domestic:** Weekly Class A lamb, Class C and Class A contract lamb prices were down to R40.61/kg, R31.26/kg and R40.33/kg respectively. Feeder lamb prices continued to soften, closing down 3.4% w/w at R19.17/kg, which is still up 23% y/y.

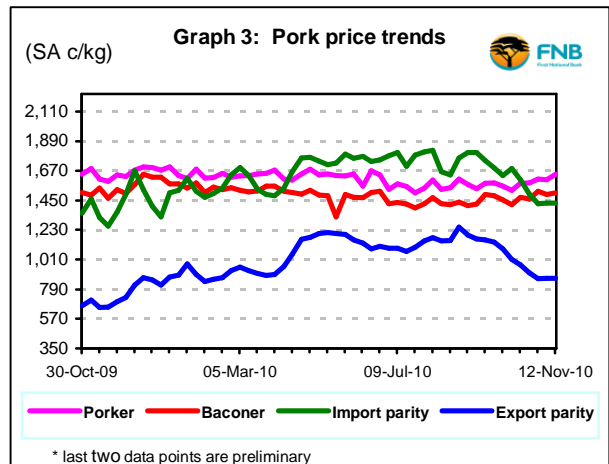
OUTLOOK

Lamb and mutton prices are still at their best levels and will retain upward potential well into the festive season.



Pork market trends (Graph 3)

- International: US pork prices posted modest losses across most categories with the exception of spareribs, which ended slightly firmer w/w. Weak demand and abundance of product sent prices lower w/w. The biggest drop was in hams which were down 7% w/w but 20% higher y/y. Weekly loin, carcass and ham prices were both down 4% w/w but 30% and 40% y/y higher respectively.
- Domestic: Local porker and baconer prices ended firmer for the week. Weekly prices closed at R16.08/kg and R15.15/kg respectively. Import parity prices continued to weaken on the back of lower international prices, dropping 5% w/w but still up 5% y/y. Meanwhile, pork imports surged 17.5% m/m in September to 1,589 tons which is the highest since June. This is however down 10.5% compared to the same month last year. Imports have risen steadily since June, bringing the total for the year-to-September to 18,510 tons which is 5.6% higher compared to the same period last year. The major suppliers were Germany (48.8%), Canada (31.6%), France (8.7%), Belgium (3.2%), Denmark (3.1%), Spain (1.6%), and others (3%).

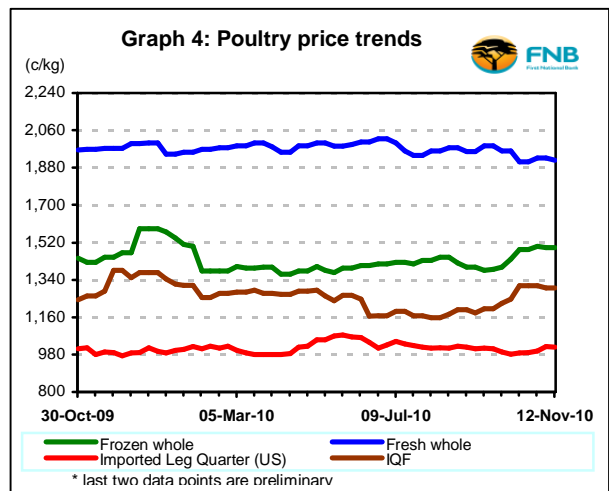


OUTLOOK

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 down across the board on moderate to heavy volumes. Retail and food service demand was reportedly light to moderate ahead of the month end weekend. Movement in portion prices was light to moderate for late week trading. Weekly broiler egg sets and chick placements for the week ended 23 October were reported up 5% and 7% y/y respectively. The estimated number available for marketing during the week ending December 4 came in at 152.3m head, unchanged w/w.
- Domestic: Weekly prices steady to firmer supported by tight supplies on markets. Weekly fresh, frozen whole birds and IQF traded at R19.26/kg, R15.00/kg and R13.10/kg respectively. Import parity prices ended marginally higher on the back of a weaker Rand/US dollar exchange rate.



OUTLOOK

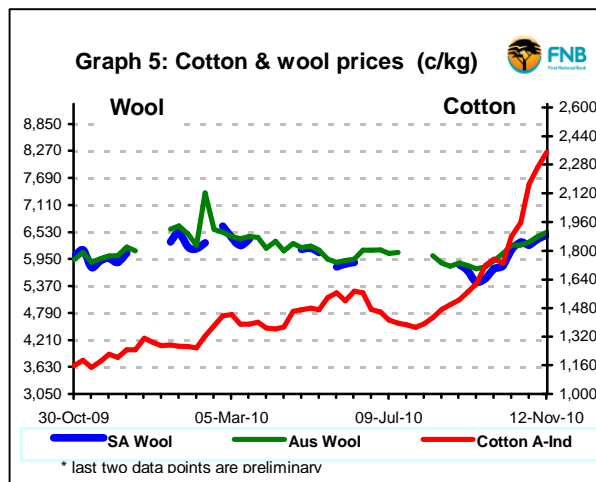
Domestic prices are expected to firm slightly in the medium term due to the seasonal increase in demand.



Producer prices for selected livestock commodities 29 October 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	22.89	40.61	16.08	19.26
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.56	31.26	14.70	15.00
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.36	40.33	15.15	13.10
Import parity price (R/kg)	16.06	22.79	14.27	9.98
Weaner Calves / Feeder Lambs (R/kg)	15.95	19.17		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices continued to trend higher, reaching a record high on tight supplies and strong demand. Prices were up 10.1% w/w and 106% y/y at 141.60c/lb. USDA raised its estimate of global demand with usage projected to reach 120.8m bales, up 0.2% from last month's estimate. Cotton futures continued to trend higher: Mar-11 was up 5.4% w/w at 120.45c/lb, May-11 up 4.5% w/w at 117.09c/lb, Jul-11 up 3.9% w/w at 114c/lb, Oct-11 up 5.6% at 98.91c/lb. Wool: In Australia, the wool market continued to strengthen across most micron categories. The weekly market indicator (EMI) closed at AU\$9.49/kg clean wool, up 2.3% w/w and almost 11% higher y/y.
- Domestic:** Wool prices eased marginally lower after posting strong gains over the past few weeks. Weekly market indicator (Cape Wools Merino) was down 0.8% w/w at R62.56/kg clean wool, but still up 6.9% compared to the current season's average. Sales reached 96% of the 8 538 bales offered. Major buyers were Standard Wool SA with 3,043 bales (35.6%), G Modiano SA with 1,540 bales (18%), Lempriere SA with 1,509 bales (17.7%), Stucken & Co with 1,333 bales (15.6%), Segard Masurel SA with 701 bales (8.2%), New England Wool SA with 57 bales (0.7%).

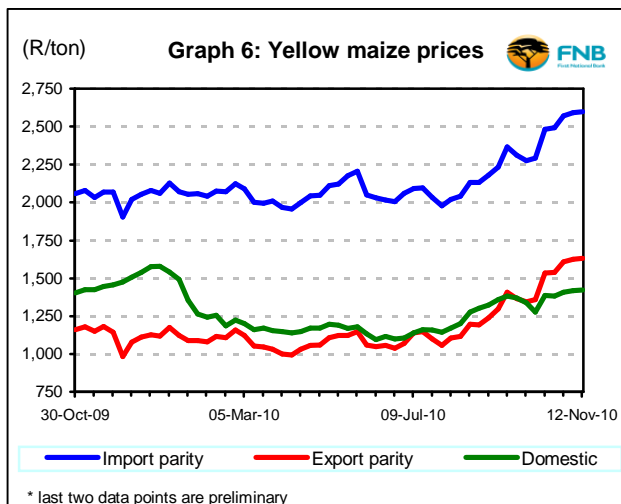


Fibre market prices 29 October 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Apr-11 (AU\$/kg)	Australian futures Jun-11 (AU\$/kg)
Wool market indicator (R/kg)	62.56	63.13		
19µ long length wool (R/kg)	75.22	78.86	10.95	10.90
21µ long length wool (R/kg)	63.20	64.59	9.15	9.10
23µ long length wool (R/kg)	-	59.48	8.15	8.10
	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)	21.73	3.12	2.65	2.58



Yellow maize market (Graph 6)

- **International:** US yellow maize prices ended higher on the back of a weaker US dollar and spill over support from the equity markets. Harvest progress surpassed the 80% completion mark at 83% complete and way ahead of the 5-year average of 49%. Weekly export sales were below expectations at 550,800 tons.
- **Domestic:** Yellow maize prices ended slightly firmer on Rand weakness and slightly higher international prices. Weekly yellow maize prices closed at R1,408/ton, up 1.9% w/w and 0.4% y/y. Yellow maize import parity price ended higher on the back of a slightly weaker Rand and better international prices. Weekly yellow maize deliveries increased slightly, coming in at 4.3m tons. Weekly export sales came in at 62,964 tons and pegging total exports for the season at 447,840 tons. Weekly yellow maize Safex futures: Mar-11 was up 3.4% w/w (+R48/t), May-11 up 1.5% w/w (+R22/t), Jul-11 up 3% w/w (+R43/t).



OUTLOOK

Prices are expected to firm slightly in the short term but with further upward potential on the back of rising international prices.

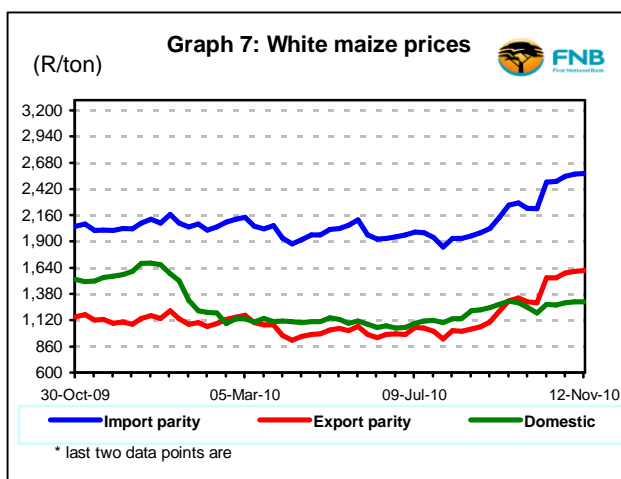
Yellow Maize Futures 29 October 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11
CBOT (\$/t)	229.31	234.43	236.79	237.82	221.43
SAFEX (R/t)	1,449	1,469	1,467	1,489	-
CHICAGO CORN (R/t)	1,594	1,650	-	1,703	-

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
1,480	71	40	1,500	127	96	1,500	160	127
1,440	49	58	1,460	105	114	1,460	138	145
1,400	32	81	1,420	85	134	1,420	117	164

White maize market trends (Graph 7)

- **International:** As with yellow maize, US white maize prices ended higher on the back of a weaker dollar and spill over support from the equity markets. Harvest progress surpassed the 80% completion mark at 83% complete and way ahead of the 5-year average of 49%. Weekly prices were up 2% w/w and 47.4% y/y.
- **Domestic:** White maize prices posted slight gains due to a weaker Rand and renewed strength on the international market. Weekly white maize prices were up 1.4% w/w and closed at R1,290/ton. This is however down 15% y/y. White maize import parity prices ended slightly firmer on Rand weakness and better international prices. Weekly white maize deliveries to the country's silos increased marginally to 7.3m tons. Total maize deliveries reached 11.53m tons.



Export sales were sharply higher w/w at 15,009 tons, raising total white maize sales for the season to 322,703 tons. White maize (WM) futures on Safex: Dec-10 was up 4% w/w (+R51/t), Mar-11 up 3.8% w/w (+R50/t), May-11 up 3.3% w/w (+R44/t), Jul-11 up 4.1% w/w (+R55/t).

OUTLOOK

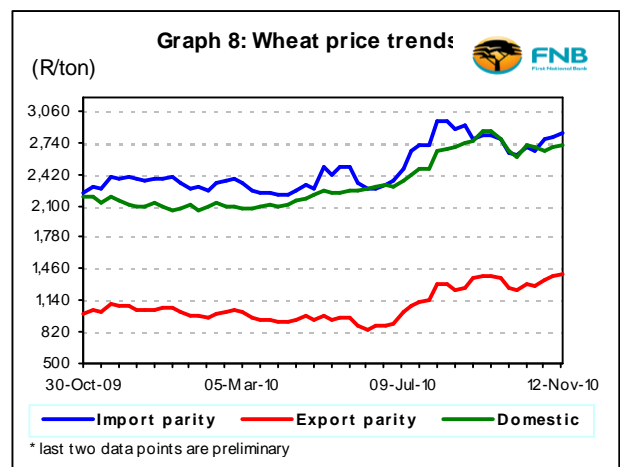
Prices are expected firm slightly in the short term but with further upward potential on the back of rising international prices.

White Maize Futures 29 October 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11
SAFEX (R/t) WM ₁	1,328	1,360	1,385	1,414	-

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
1,360	65	33	1,400	137	97	1,420	156	121
1,320	43	51	1,360	114	114	1,380	134	139
1,280	26	74	1,320	93	133	1,340	113	158

Wheat market trends (Graph 8)

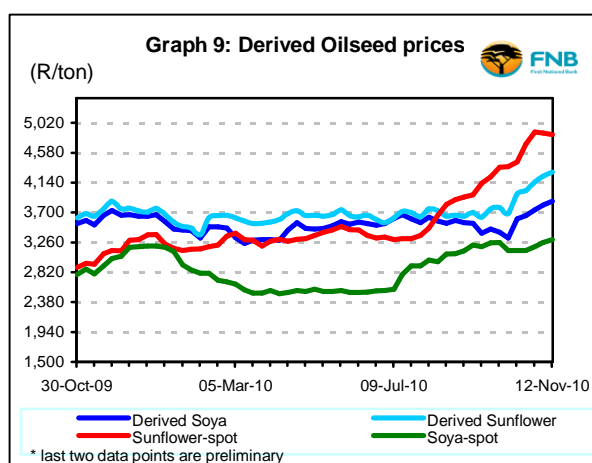
- International:** Wheat prices posted modest gains on weather concerns due to dryness in the growing areas of the US. A weaker US dollar added to the firmer tone, due to improved export competitiveness. US wheat export sales were above expectations at 604,400 tons. US Winter wheat areas, crop planted was estimated at 88% planted, on par with the 5-year average of 84%. Crop condition rating was considered the lowest in 40 years at 47% in good to excellent condition. Russian wheat planting is reported 20-25% down on last year indicating a tightening global supply situation should conditions not improve elsewhere.
- Domestic:** Domestic wheat prices extended losses despite a weaker Rand. Weekly wheat prices on Safex closed down 1.4% w/w to close at R2,655/ton, but still up 27% y/y. Wheat import parity prices (Randfontein) rose 4% w/w and 35% y/y, due to a weaker Rand and higher international prices. Wheat futures on Safex: Mar-11 was down 0.5% w/w (-R15/t); May-11 eased marginally lower by 0.1% w/w (-R4/t).
- OUTLOOK**
Domestic prices are expected to trend upwards on the back of renewed strength on the international market.



Wheat Futures 29 October 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
KCBT (\$/t)	289.08	291.65	292.94	294.96	-			
SAFEX (R/t)	2,719	2,755	2,800	2,870	-			
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
2,720	77	38	2,760	169	128	2,800	190	145
2,680	54	55	2,720	147	146	2,760	168	163
2,640	36	77	2,680	126	165	2,720	147	182

Oilseed market trends (Graph 9)

- International:** US soybean prices continued to trend higher supported by the weaker US dollar and higher equity markets. Strong export gains added to the firmer tone with weekly sales reportedly higher than expectations at 2.1m tons. Prices were up across the soybean complex with soybean, soymeal and soyoil up 2.8%, 1% and 3% w/w respectively. US harvest progress was estimated at 91% complete compared to 42% last year and the 5-year average of 72%.
- Domestic:** Oilseed prices traded on Safex posted slight gains supported by higher international prices. Weekly sunflower prices were up 3.9% w/w and 69% y/y at R4,885/ton. In the case of soybeans, prices advanced by 1.6% w/w to close at R3,193/t, which is almost 15% higher y/y. The area under sunflower and soybeans is expected to increase according to the first planting intentions report. Sunflower planting is expected up 29.5% y/y at 515,150 ha. Soybeans up 25.2% y/y at 390,000 ha. The increase is attributable to better prices for the season. Weekly soybean futures on Safex: Dec-10 was up 3.8% w/w (+R120/t), Mar-11 up 2% w/w (+R65/t), May-11 up 3.1% w/w (+R90/t). Sunflower futures on Safex: Dec-10 was up 4.6% w/w (+R221/t), May-11 up 3.8% w/w (+R139/t), May-11 up 3.8% w/w (+R139/t).



OUTLOOK

A weaker US dollar together with strong export interest will continue to support the oilseeds on the international market.

Oilseeds Futures 29 October 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
CBOT Soybeans (US \$/t)	455.62	455.62	457.31	440.92	-			
CBOT Soya oil (US c/lb)	341.00	340.00	341.00	328.70	314.10			
CBOT Soya cake meal (US \$/t)	341.00	340.00	341.00	328.70	314.10			
SAFEX Sunflower seed (R/t)	4,615	3,769	3,820	-	-			
SAFEX Soybean seed (R/t)	3,250	3,000	3,045	-	-			
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
5,040	185	136	4,660	376	331	3,800	360	329
5,000	164	155	4,620	354	349	3,760	338	347
4,960	143	174	4,580	332	367	3,720	317	366



Vegetable market trends (Graph 10)

• **Tomatoes**

Tomato prices posted modest gains on the back of increased uptake across most markets. Prices increased by 8.3% w/w but were down 11.7% y/y, closing at R3,491/ton. Volumes traded reached 5,101 tons, up 1.7% w/w and 4% y/y. Prices are however expected to move sideways in the short term.

• **Potatoes**

Potato prices increased slightly due to improved uptake on markets. Prices were up 2.3% w/w but were down 36.9% y/y, closing at R2,165/ton. Volumes traded increased by 7.8% w/w and 11.0 % y/y reaching 14,942 tons. Prices are however expected to move sideways towards midmonth.

• **Onions**

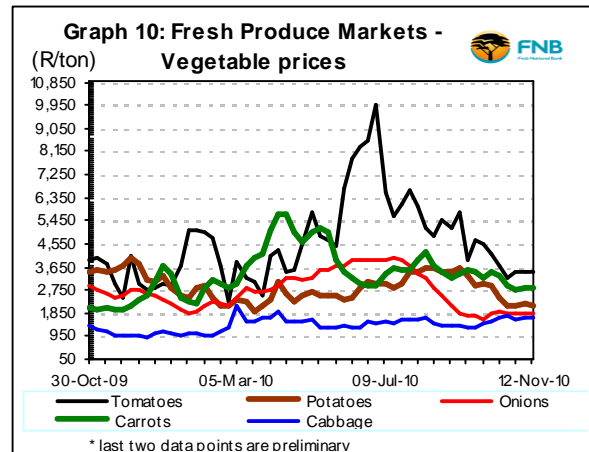
Onion prices decreased slightly under pressure due to limited uptake and higher volumes on markets. Weekly prices decreased to R1,827/ton, down 1.7% w/w and 37.8% y/y. Volumes traded increased by 13.4% w/w and 6.7% y/y, coming in at 4,972 tons. Prices are however expected to ease somewhat in the short term with limited upside potential due to higher volumes.

• **Carrots**

Carrot prices moved modestly lower on limited uptake on markets. Prices decreased by 6.9% w/w but were still up 32.6% y/y closing at R2, 734/ton. Volumes traded were pegged at 1,354 tons, up 4.6% w/w but down 23.4% y/y. Prices are expected to move sideways towards mid-month.

• **Cabbages**

Cabbage prices posted modest losses on improved supplies across most markets. Prices declined by 5.3% w/w but were still up 22.8% y/y closing at R1,636/ton. Volumes traded were pegged at 1,487 tons, up 6.1% w/w but down 9% y/y. Prices are expected to improve somewhat in the short term due to moderation in supplies.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 29 October 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	3,491	8.3%	-11.7%	5101	1.7%	4.0%
Potato	2,165	2.3%	-36.9%	14942	7.8%	11.0%
Onion	1,827	-1.7%	-37.8%	4972	13.4%	6.7%
Carrot	2,734	-6.9%	32.6%	1354	4.6%	-23.4%
Cabbage	1,636	-5.3%	22.8%	1487	6.1%	-9.0%

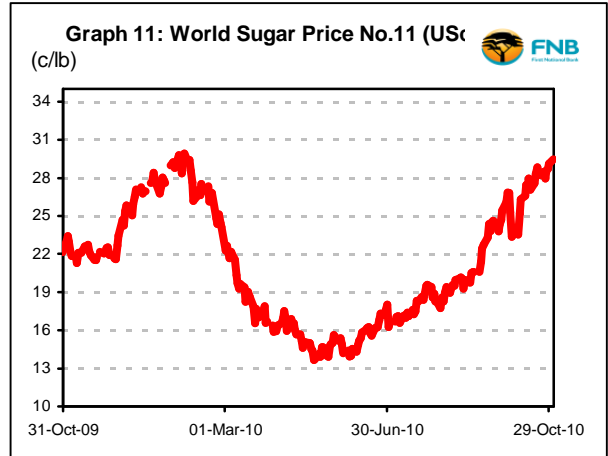
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International: World sugar prices continued to strengthen supported by strong demand and tight global supplies. Uncertainty over the production outlook in Brazil and India continued to support the market. Weekly US ICE sugar futures ended higher across the board: Raw sugar for Mar-11 delivery rose 3.2% w/w at 29.12c/lb, May-11 was up 4.9% w/w at 26.85c/lb, Jul-11 was up 6.5% w/w at 24.57c/lb, May-12 was up 4.5% w/w at 20.33c/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, was unchanged at R2,569.55/ton during September, according to the Cane Growers report. A drop of 34,439 tons in sugar production, the lower weighted average world market prices (US19.89c/lb vs. US20.31c/lb) and the firmer weighted average Rand/ US\$ exchange rate (R7.44 vs. R7.53/US\$) and the lower sugar: RV ratio (93.94% vs 94.19%) impacted of the price.



ICE Sugar Futures 29 October 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	29.12	26.85	24.57	23.02	22.03
% Change w/w	3.2%	4.9%	6.5%	5.6%	5.7%

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?