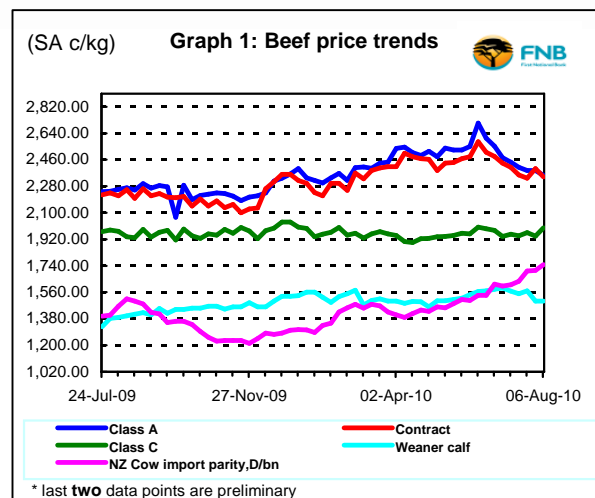


## Beef market trends (Graph 1)

- **International:** US domestic beef prices were mostly higher on good demand and tight supplies. Boneless lean beef ended firmer supported by good demand and tight supplies on markets. Market activity on imported beef was moderate with prices mostly steady to firm supported by tight supplies and strong domestic prices. At wholesale level, boxed beef cuts were higher on moderate demand and supplies.
- **Domestic:** Beef prices maintained a downward trend on reduced demand during mid-month. Weekly Class A, Class C and Contract Class A prices closed at R23.87/kg, R19.65/kg and R23.34/kg respectively. Weaner calf prices increased slightly on the back of improved uptake due to maize farmers entering the market. Weekly weaner calf prices closed up 1.3% compared to last week at R15.70/kg live weight.

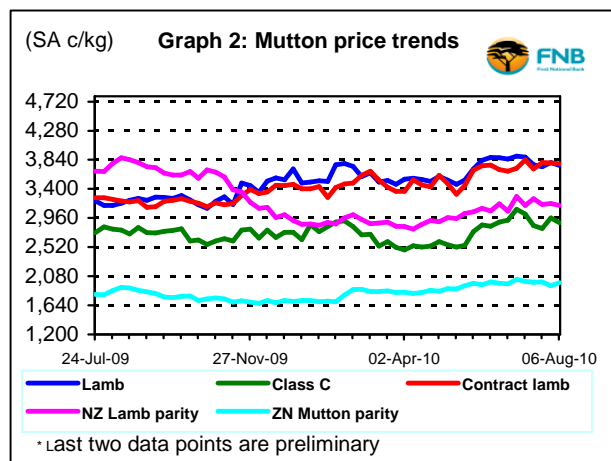


## OUTLOOK

It is expected that prices will improve slightly in the short term due to month end demand.

## Mutton market trends (Graph 2)

- **International:** US domestic slaughter lamb and ewes prices were mostly steady to higher. Feeder lambs were however the exception and trended steady to lower across most markets. In Australia, mutton and processing lamb prices ended lower despite reduced numbers. Meanwhile, sheep liquidation is reported to have slowed down as producers start rebuilding their enterprises.
- **Domestic:** As with beef, domestic lamb and mutton prices eased lower after posting strong gains during the past few weeks. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R37.30/kg R28.00/kg and R37.97/kg respectively. Feeder lamb prices continued to ease lower due to a slowdown in demand. Weekly feeder lamb prices decreased by 4% compared to last week, closing at R17.23/kg live weight, which is still 17% higher compared to the corresponding week last year.

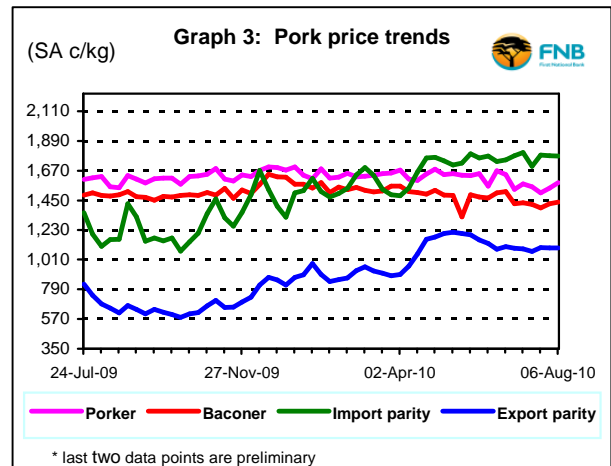


## OUTLOOK

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 mostly higher on reduced slaughtering and improved demand especially for processing. Hams staged a comeback, closing modestly higher by 6% compared to last week. Carcass prices were 3% higher while loins and rib cuts were steady to firmer.
- **Domestic:** The pork and baconer market continued to weaken due to a slowdown in demand across most markets. Weekly porkers and baconer prices finished the week at R15.06/kg and R13.95/kg respectively. Import parity prices ended 5% higher mainly due to the higher international prices despite a stronger Rand/US dollar exchange rate. Meanwhile, weekly slaughter numbers for the week ended 16-Jul-10 came in slightly higher by 13% after a sharp drop of 26% a week earlier, at 15,278 pigs. This brings total numbers for the year to date at 364,468 pigs, down 1% compared to the same period last year.

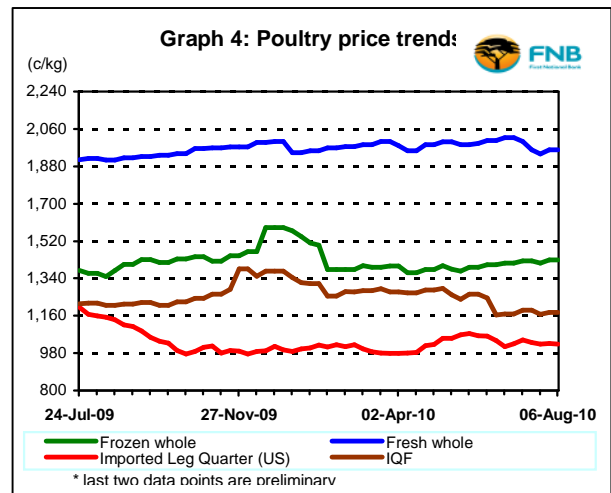


**OUTLOOK**

Prices are expected to improve slightly during month end and thereafter will weaken .

**Poultry market trends (Graph 4)**

- **International:** US domestic prices trended steady to lower on moderate to heavy volumes coupled with limited uptake on markets. Demand at retail and food service was reportedly light to moderate ahead of the weekend. Weather conditions were unfavourable, hampering production in most areas. Weekly US broiler egg sets and chick placements for the week ending 17-Jul-2010 were reported up 2% and 3% respectively compared to last year. The estimated number to be available for marketing during the week ending 28-Aug-2010 was posted at 159.8m head, which is slightly lower than the week earlier.
- **Domestic:** Domestic prices ended lower across the board. Weekly frozen, fresh whole birds and IQF prices closed down 0.7%, 1.0% and 1.7% respectively compared to last week. Weekly import parity prices (LQ) continued to drift lower due to the combined effect of a stronger Rand and lower international prices. On the feeding side, prices for energy and protein component remain confined to a downward trend which bodes well for reduced costs amid steady to lower chicken prices.



**OUTLOOK**

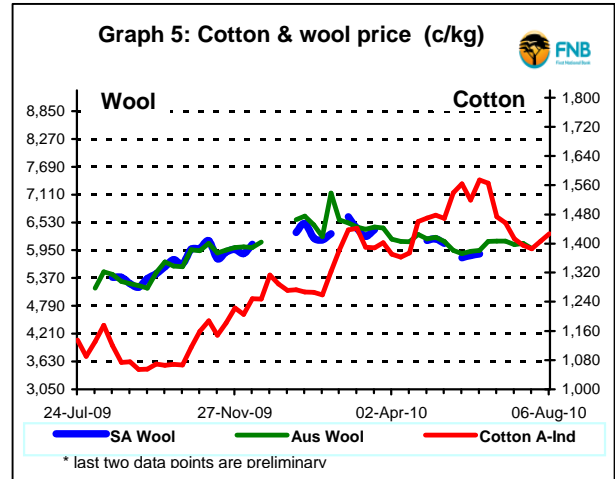
Domestic prices are expected to move sideways to lower in the short to medium term.

Producer prices for selected livestock commodities 23 July 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	23.87	37.30	15.06	19.40
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.65	28.00	14.13	14.15
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	23.34	37.97	13.95	11.66
Import parity price (R/kg)	17.03	19.93	17.85	10.23
Weaner Calves / Feeder Lambs (R/kg)	15.70	17.23		



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

- International:** US Cotton prices continued to weaken due to pressure from a bumper crop, as well as uncertainty about demand prospects. Weather conditions were favourable for the developing crop, whose projected output was 50% higher compared to last year. Prices however rebounded late in the week on concerns of tightening supplies. US ICE futures: Oct-10 was up 0.5% w/w at 80.32USc/lb; Dec-10 increased by 1.9% w/w at 75.34USc/lb; Mar-11 declined marginally by 0.9% w/w 74.14USc/lb. Wool: The Australian wool market is currently on a three week recess with sales resuming during the week beginning 9th of August 2010.
- Domestic:** The wool market is currently on recess and the first sale for the new marketing season is scheduled for 18-Aug-10. It is expected that the market will continue trending higher supported by tight supplies and improving demand.

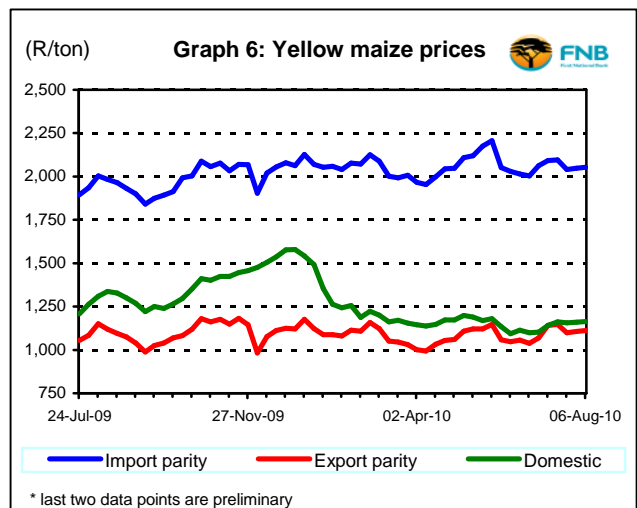


Fibre market prices 23 July 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Sep-10 (AU\$/kg)	Australian futures Jan-11 (AU\$/kg)
Wool market indicator (R/kg)	58.71*	60.95		
19µ long length wool (R/kg)	66.78*	69.05	9.7	9.5
21µ long length wool (R/kg)	60.86*	61.51	8.7	8.5
23µ long length wool (R/kg)	56.50*	59.35	8.0	7.7
	<b>SA derived Cotton (R/kg)</b>	<b>New York A-Index (US\$/kg)</b>	<b>New York future Oct-10 (US\$/kg)</b>	<b>New York future Dec-10 (US\$/kg)</b>
Cotton Prices (R/kg)	13.85	1.83	1.77	1.66

\* Wool: last sale for the domestic wool season; Australia – last sale before the recess

**Yellow maize market (Graph 6)**

- International:** US yellow maize prices eased lower under pressure from selling and the less threatening weather. The US maize crop considered in good to excellent condition was rated at 72%, with 65% at silking stage. Weather still remains a critical factor in providing direction. US weekly export sales were a bit modest coming in at 614,100 tons for current year and 540,900 tons for next year.
- Domestic:** Yellow maize prices eased marginally on the back of a stronger Rand and the spill over weakness from the international market. Weekly yellow maize prices closed at R1,157/ton, down 0.4% compared to last week and 4.2% year on year. Yellow maize import parity ended marginally lower due to a stronger Rand and lower international prices. Weekly producer deliveries for the week ended 16-July-10 were pegged at 298,000 tons, bringing the total deliveries for the season to 3.2m tons. Meanwhile, latest harvest estimates still point to a bumper crop at 13.3m tons. Weekly yellow maize Safex futures were down across the board: Sep-10 was down 3.2% w/w (-R39/t); Dec-10 was down 3.1% w/w (-R39/t); Jul-11 was down 3.2% w/w (-R42/t).



**OUTLOOK**

Prices are still expected to come under downward pressure in the short to medium term due to bearish supply outlook.

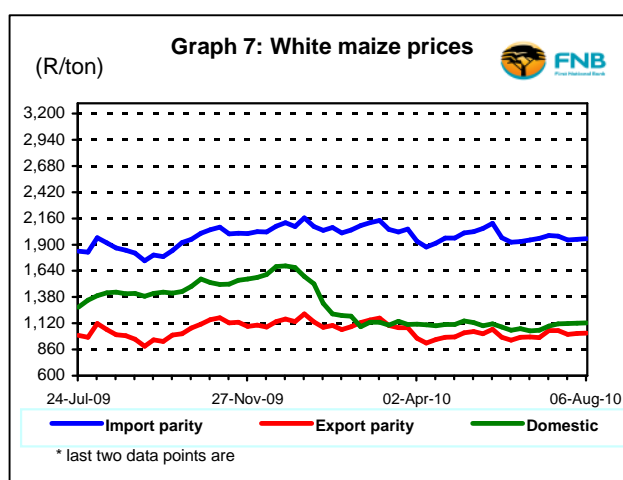
Yellow Maize Futures 23 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
CBOT (\$/t)	1,462.53	1,462.53	1,514.54	1,599.64	1,628.80
SAFEX (R/t)	1,170	1,219	1,251	1,265	1,287
CHICAGO CORN (R/t)	-	1,169	1,228	-	1,296

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
1,220	71	21	1,260	104	63	1,300	156	107
1,180	45	35	1,220	81	80	1,260	132	123
1,140	26	56	1,180	61	100	1,220	111	142

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

- **International:** As with yellow maize, US white maize prices ended softer due to the weakness in the maize complex. Weekly prices closed 2.8% lower compared to last week but were still 6.6% 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 ended the week slightly firmer despite a stronger Rand. Weekly white maize prices increased marginally by 0.4% compared to last week and closed at R1,117/ton, but still 12% down y/y. White maize import parity eased slightly lower due to the stronger Rand and lower international prices. Weekly producer deliveries for the week ended 16-Jul-10 came in at 625,000 tons . This brings the total white maize deliveries for the season to almost 4.7m tons. Total maize harvested and delivered to the country's silos stood at 7.9m tons. White maize (WM) futures on Safex: Sep-10 was down 2.6% w/w (-R30/t); Dec-10 was down 2.5% w/w (-R30/t); Mar-11 was down 2.5% w/w (-R31/t); May-11 was down 2.8% w/w (-R35/t).



**OUTLOOK**

Short to medium term outlook for maize prices remains on the downside due to bearish fundamentals. Globally, weather continues to play a pivotal role in providing direction.

White Maize Futures 23 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
SAFEX (R/t) WM <sub>1</sub>	1,126	1,180	1,209	1,227	1,259

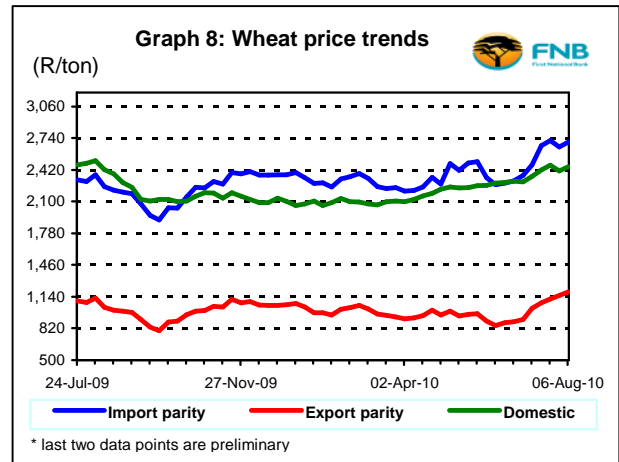
  

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,200	88	14	1,260	129	49	1,280	163	92
1,160	60	26	1,220	103	63	1,240	139	108
1,120	37	43	1,180	81	81	1,200	116	125



**Wheat market trends (Graph 8)**

- **International:** US wheat prices continued to trend higher due to concerns about yield prospects in the EU and Black Sea regions. The Black Sea region experienced drought conditions which have a potential to reduce yields due to poor crop development. The dry conditions are reported to have affected about 9.7m ha in Russia. Weekly US hard red winter and soft red wheat advanced 4.3% and 2.8% respectively week on week.
- **Domestic:** Wheat prices maintained an upward trend supported by higher international prices despite a stronger Rand. Weekly wheat prices closed 2.1% higher w/w, closing at R2,468/ton and edged above last year for the first time since January. Wheat import parity prices (Randfontein) closed 2% higher mainly due to the sharp increase in international prices, coupled with the increased wheat tariff (R260.90/t). Meanwhile, the area estimate for wheat came in at 570,000 hectares which represents a drop of 11.3% compared to last year. In terms of provincial distribution, the biggest decline was in the Western Cape with only 268,000ha planted (-11% y/y), followed by the Free State with 214,000ha (-9% y/y) and Northern Cape with 36,500ha (-17% y/y). Weekly wheat futures on Safex ended steady lower: Sep-10 was down 0.8% w/w (-R19/t); Dec-10 was up 0.2% w/w (+R6/t); Mar-11 was up 0.5% w/w (+R12/t).



**OUTLOOK**

Domestic wheat prices will maintain a firmer trend in the short to medium term given the tighter supply situation going forward.

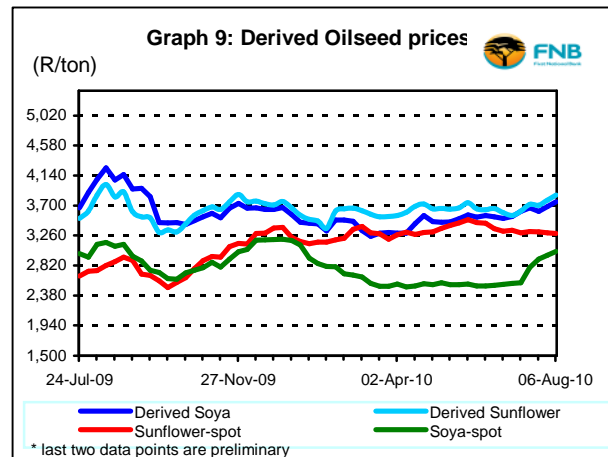
Wheat Futures 23 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
KCBT (\$/t)	222.57	228.91	234.98	237.92	240.67
SAFEX (R/t)	2,465	2,446	2,516	2,548	-

**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
2,500	72	37	2,480	146	112	2,560	197	153
2,460	50	55	2,440	124	130	2,520	174	170
2,420	32	77	2,400	104	150	2,480	154	190

**Oilseed market trends (Graph 9)**

- **International:** US soybean prices ended firmer due to concerns over weather conditions as the crop enters the critical growing period during August. The soybean crop was estimated as 60% blooming and 18% pod setting. In the product category, soybean meal prices eased by 2.5% lower compared to last week while soybean oil ended a bit firmer. Weather remains an important driver in determining price direction given the critical stage of crop development.
- **Domestic:** On the domestic market, oilseed prices traded on Safex ended mixed with soybean posting modest gains while sunflower prices were flat. Weekly sunflower prices eased marginally lower by 0.1% w/w



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and closed R 3,313/ ton, but still 24% higher y/y. Soybeans maintained an uptrend, closing at R2,915/ ton, up 4.5% w/w but still down 2.6% y/y. The production estimate for sunflower seed remained unchanged at 528,765 tons from 397,700ha with a projected yield of 1.33t/ha. In the case of soybeans, the expected crop is pegged at 567,200 tons and area planted at 311,450ha. The expected yield is 1.82t/ha. Weekly soybean futures on Safex : Sep-10 was up 0.4% w/w (+R12/t); Dec-10 was up 0.1% w/w (+R3/t); Mar-11 was up 2.5% w/w (+R70/t). Sunflower futures on Safex: Sep-10 was down 0.1% w/w (-R5/t); Dec-10 was up 0.1% w/w (+R2/t); May-11 was up 0.2% w/w (+R5/t).

**OUTLOOK**

It is expected that prices will move sideways with limited upward potential.

Oilseeds Futures 23 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
CBOT Soybeans (US \$/t)	364.13	-	364.86	365.09	367.80
CBOT Soya oil (US c/lb)	39.14	39.76	40.24	40.48	40.73
CBOT Soya cake meal (US \$/t)	290.40	283.30	283.00	282.30	284.20
SAFEX Sunflower seed (R/t)	3,390	3,502	3,100	2,985	-
SAFEX Soybean seed (R/t)	2,950	3,003	2,870	2,600	-

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
3,440	142	92	3,540	268	230	3,140	343	303
3,400	119	109	3,500	246	248	3,100	320	320
3,360	99	129	3,460	225	267	3,060	299	339

**Vegetable market trends (Graph 10)**

• **Tomatoes**

Tomato prices increased slightly due to limited volumes on markets. Prices increased by 9.1% w/w and 40.1% y/y, closing at R6,112/ton. Volumes traded were pegged at 3,092 tons, down 9.5% w/w and 13.8% y/y. Prices are expected to increase in the medium term due to lower supplies.

• **Potatoes**

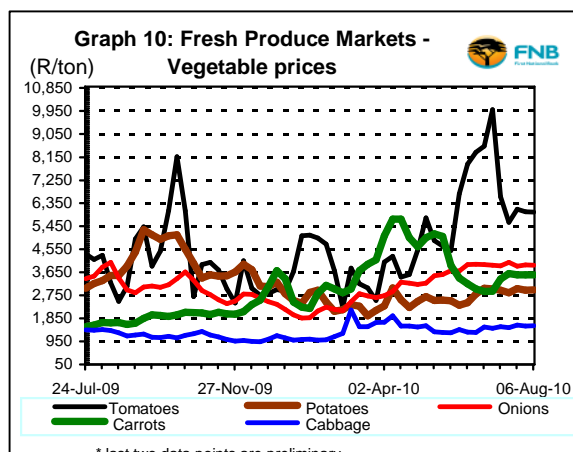
Potato prices increased slightly due to good uptake on markets. Prices were up 5.8% w/w but down 0.5% y/y, closing at R3,015/ton. Volumes traded increased by 1.6% w/w, coming in at 11,215 tons, a y/y increase of 9.5%. Prices are expected to move sideways with further increases in the medium due to limited supplies.

• **Onions**

Onion prices decreased slightly due to increased supplies on markets. Prices decreased to R3,894/ton, down 3.5% w/w but up 14.2% y/y. Volumes traded increased by 13.6% w/w coming in at 4,229 tons, down 3.4% y/y. Prices are expected to trend sideways in the short term.

• **Carrots**

Carrot prices decreased slightly due to weak uptake on markets. Prices declined by 1.4% w/w closing at R3,555/ton up 132.4% y/y. Volumes traded came in at 1,053 tons, down 6.5% w/w and 34% y/y. Prices are expected to move sideways with some upward potential due to limited supplies on markets.



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**Cabbage**

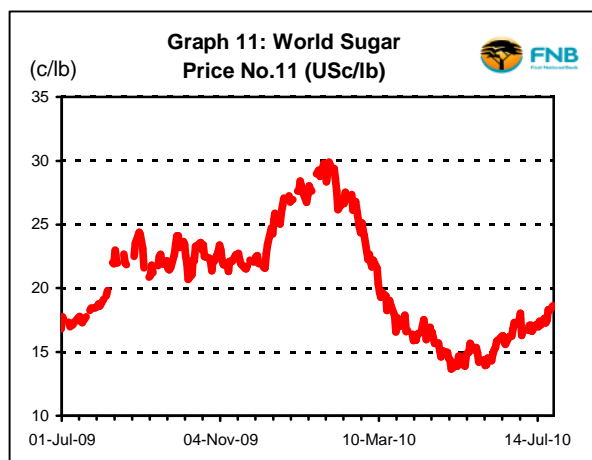
Cabbage prices increased modestly due to good uptake on markets. Prices increased by 7.1% w/w and 13.3% y/y closing at R1,588/ton. Volumes traded were pegged at 1,468 tons, up 4.5% w/w but down 2.5% y/y. Prices are expected to drift upwards in the short to medium term due to moderation in supplies.

<b>Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
<b>Week ending 23 July 2010</b>	<b>Average Price (R/t)</b>	<b>w/w</b>	<b>y/y</b>	<b>Total Volume (t)</b>	<b>w/w</b>	<b>y/y</b>
Tomato	6,112	9.1%	40.1%	3092	-9.5%	-13.8%
Potato	3,015	5.8%	-0.5%	11215	1.6%	9.5%
Onion	3,894	-3.5%	14.2%	4229	13.6%	-3.4%
Carrot	3,555	-1.4%	134.2%	1053	-6.5%	-34.0%
Cabbage	1,588	7.1%	13.3%	1468	4.5%	-2.5%

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

**Sugar market trends (Graph 11)**

- International:** World sugar prices remained on an uptrend, closing 3.7% higher compared to last week at 17.78USc/lb. Export delays out of Brazil was the major feature supporting the market. The country is expecting a bumper crop of about 34m tons of crushed sugarcane.
- 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 currency was unchanged at R7.62/US\$ and had no impact on the RV price.



<b>ICE Sugar Futures 16 July 2010</b>	<b>Mar-11</b>	<b>May-11</b>	<b>Jul-11</b>	<b>Oct-11</b>	<b>Mar-12</b>
Sugar No.11 (US c/lb)	18.05	17.28	16.79	16.60	16.49
% Change w/w	3%	2%	2%	1%	1%

**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.



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