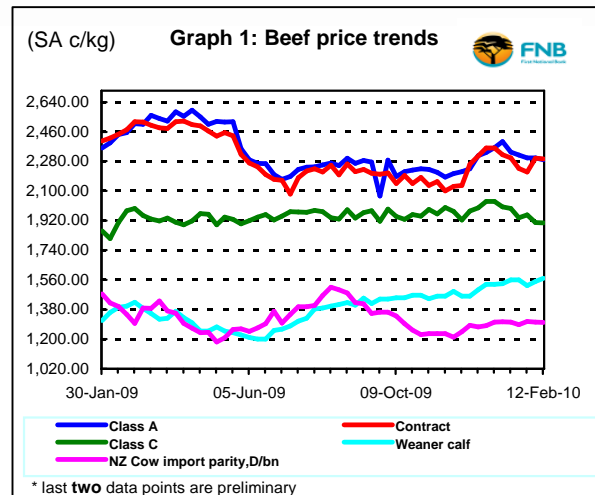


## Beef market trends (Graph 1)

- International:** US domestic beef prices were under pressure due to heavy offerings and weak demand. Market activity on imported beef was slow to moderate with prices slightly softer under pressure due to weakness in the domestic market. The weaker Rand/US dollar exchange rate continued to place upward pressure on beef import parity prices. The currency traded weakened by 1.5% week on week against the US dollar.
- Domestic:** The beef prices were a bit softer across most cuts due to limited demand. Good rains have fallen in production areas, affording farmers an opportunity to retain their cattle on farms. The heavy rains in some areas limited cattle movement, reducing volumes on markets. As a result, slaughter numbers dropped sharply by 28% during the week which ended 22-Jan-10 compared to the week earlier. Weekly class A, Contract Class A and Class C beef closed at R23.01/kg, R22.15/kg and R19.55/kg respectively. Weaner calf prices eased marginally due to limited demand. Weekly weaner calf prices were down 2.2% week on week at R15.26/kg live weight. Nonetheless, this is still 16% higher compared to the same time last year.

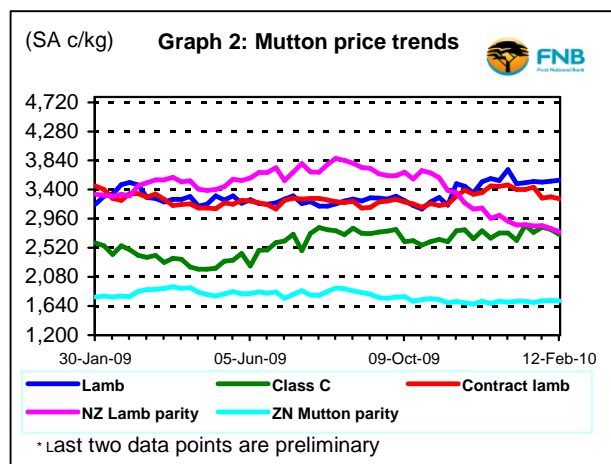


## OUTLOOK

Beef prices are expected to trade firm to higher in the medium term as demand peaks in the build-up towards the Easter Holidays and the World Cup. Supplies of weaner calves will tighten up in the short to medium term as producers hold on to their stock

## Mutton market trends (Graph 2)

- International:** New Zealand export prices continued to strengthen supported by tight supplies. Flock numbers are down in Australia and New Zealand due to drought conditions. Lamb and mutton import parity remained poised to an upward trend on the back of higher international prices and a weaker Rand/US dollar exchange rate.
- Domestic:** Mutton prices ended softer due to subdued demand. Weekly prices for Class A, Class C and Class A contract closed at R35.12/kg, R28.31/kg and R32.66/kg, respectively. Feeder lamb prices closed at R15.90/kg live weight, down 1.2% compared to last week but still 5% higher on year on year basis. Slaughter numbers for the week ended 22-Jan-10 came in modestly higher by 5% compared to the week earlier at 9,124 sheep, but remains 45% lower than the same time last year.

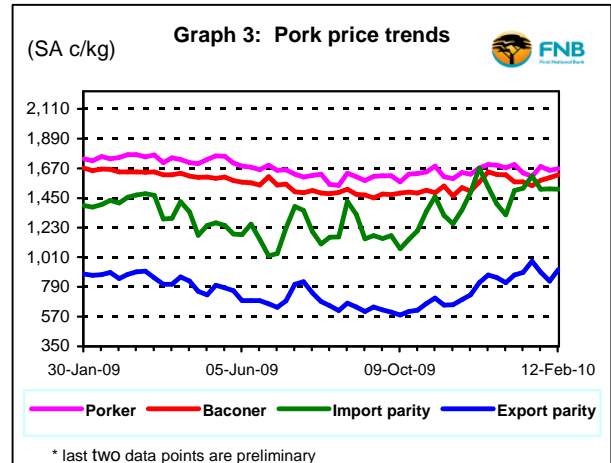


## OUTLOOK

Lamb and mutton prices are expected to continue to soften in the short term due to subdued demand. However, prices are expected to improve somewhat in the medium term as supplies tighten due to improved production conditions.

**Pork market trends (Graph 3)**

- **International:** US pork prices lost ground across all categories due to weak demand. Weekly carcass, loin, rib and ham prices were down 7%, 10%, 1%, 9% and 6% respectively; compared to the previous week. The higher volumes traded were mainly due to weak export demand which saw the domestic market coming under pressure. Import parity prices for pork eased modestly due to the lower international prices despite a weaker Rand.
- **Domestic:** Weekly porker and baconer prices bottomed out and increased supported by improved uptake on markets. The week closed with prices at R16.83/kg and R15.81/kg for porkers and baconers respectively. Nonetheless, the current prices are lower by 3% and 5% respectively year on year. Weekly number of pigs slaughtered for the week ended on 22-Jan-10 dropped by 16% compared to the week earlier at 13,203 tons, but still 12% higher than was slaughtered the same time last year. Meanwhile, pork imports for Dec-09 were below expectations at 1,911 tons, down 20.2% month on month but still 56% higher than Dec-08. Total imports for 2009 were 27,214 tons which is 44% higher than 2008. It is expected that pork imports will increase even further in 2010 owing to the surge in demand during the World Cup.

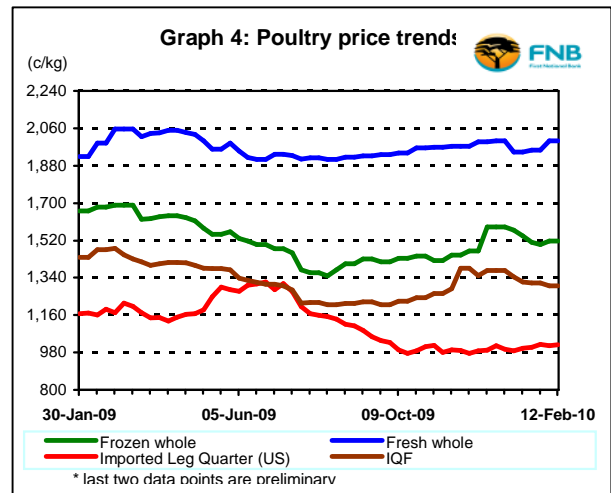


**OUTLOOK**

Prices are expected to move sideways in the short term with further upward potential towards Easter and beyond. Meanwhile, producer margins are expected to improve somewhat due lower feeding costs as a result of lower maize prices.

**Poultry market trends (Graph 4)**

- **International:** US broiler prices traded steady to firmer across most portions. Weekly leg quarter prices increased marginally by 0.4% week on week and were almost 12% compared to the same time last year. Retail and food services sector demand was light to moderate across markets throughout the week, with adequate supplies to satisfy market requirements. Weekly US broiler egg sets for the week ending 23-Jan-10 were reported up 1% while chick placements were down 1% compared to the same time last year. The expected number available for marketing during the week ending 03-Mar-10 is estimated to be 2% lower compared to a week earlier at 153.4m heads. Import parity prices ended slightly firmer, attributable to a weaker Rand/US dollar exchange rate.
- **Domestic:** The broiler market remained under pressure due to weak demand. Prices traded steady for IQF and the fresh category, while frozen whole birds ended softer. On the feeding side, prices have declined modestly in the recent past with yellow maize, a major ingredient in livestock feed, trading far below R1,400/ ton.



**OUTLOOK**

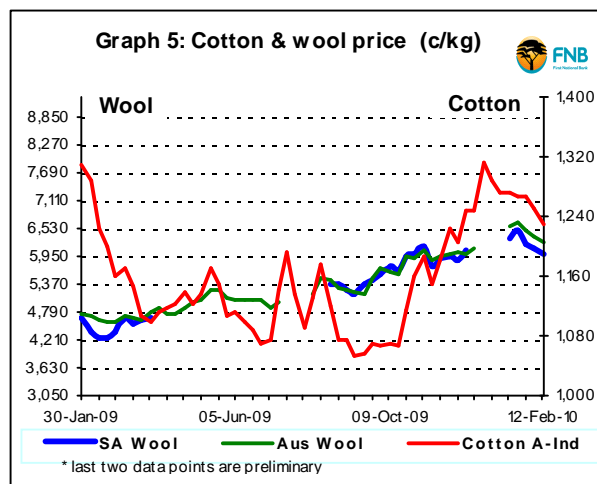
Prices are expected to remain in a downward trend in the short to medium term. However, red meat prices still remain relatively high and this bodes well for poultry demand as consumers are likely to switch to poultry since it is a relatively cheaper source of protein.



Producer prices for selected livestock commodities 29 January 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	23.01	35.12	16.83	19.55
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.55	28.31	15.13	15.00
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.15	32.66	15.81	13.14
Import parity price (R/kg)	13.07	17.15	15.15	10.19
Weaner Calves / Feeder Lambs (R/kg)	15.26	15.90		

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

- International:** US cotton prices continued to weaken, with a stronger dollar placing pressure on the demand for commodities. Weekly prices were down 1.6% compared to last week but still 28% higher when compared to the same week last year. Weekly spot transactions were reported at 14,609 bales, up 96% compared to last week but 58% down compared to the same time last year. Total spot transactions for the season were pegged at 582,704 bales, down 2% compared to the corresponding week last year. Derived cotton lint prices ended down 0.1% week on week and 3% year on year, mainly due to lower international prices despite a weaker Rand. Weekly cotton futures on ICE (US) futures were down across the board: Mar-10 closed 2.9% lower w/w at 69.03USc/lb; May-10 was down 2.3% w/w at 70.63USc/lb; Jul-10 was down 2.6% w/w at 71.47USc/lb; Oct-10 was down 3% w/w at 70.55USc/lb.
- Domestic:** The wool market ended softer following a strong rally during the past two sales. The softer Australian market added to the weaker tone. This is in spite of a weaker Rand, which was down 1.7% and 0.9% against the US dollar and the Euro respectively. The weekly market indicator Cape Wools' Merino closed 4.7% lower compared to the previous sale at R62.05/kg clean wool. This is however 7% higher than the current season's average. Volumes traded were 47% lower compared to last week. Sales reached 96% of the 8,400 bales offered.

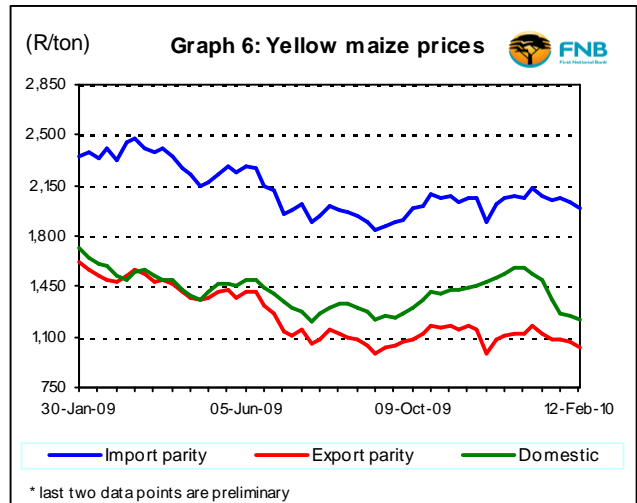


Fibre market prices 29 January 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Apr-10 (AU\$/kg)	Australian futures Jun-10 (AU\$/kg)
Wool market indicator (R/kg)	62.05	64.82		
19µ long length wool (R/kg)	-	73.39	10.35	10.23
21µ long length wool (R/kg)	64.64	65.72	9.15	9.03
23µ long length wool (R/kg)	-	61.98	8.35	8.23
	<b>SA derived Cotton (R/kg)</b>	<b>New York A-Index (US\$/kg)</b>	<b>New York future Mar-10 (US\$/kg)</b>	<b>New York future May-10 (US\$/kg)</b>
Cotton Prices (R/kg)	12.66	1.67	1.52	1.55



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices continued to weaken due to a combination of bearish influences - huge supplies, higher expected planting area for the new season and a firm US dollar. However, higher crude oil prices early in the week provided some support. Weekly prices were down 1.4% week on week and almost 7% year on year. Import parity prices for yellow maize (Randfontein) closed a bit firmer supported by the Rand, but down 12% year on year.
- **Domestic:** Yellow maize prices continued to weaken on improved production conditions and spill over weakness from the international market. Weekly prices were down 6.6% week on week and almost 26% year on year, closing at R1,264/ ton. Weekly yellow maize export sales for the week ended 22-Jan-10 came in sharply higher by 20% compare to the week earlier. This brings cumulative sales for the current marketing year to date to 171,505 tons. Weekly yellow maize Safex futures were down across the board: Mar-10 was down 6% w/w (-R80/t); May-10 was down 7% w/w (-R90/t); Jul-10 was down 6.4% w/w (-R84/t); Sep-10 was down 5.8% w/w (-R78/t). Chicago Corn on Safex: Mar-10 was down 1% w/w (-R14/t); Jul-10 was almost unchanged compared to last week.



**OUTLOOK**

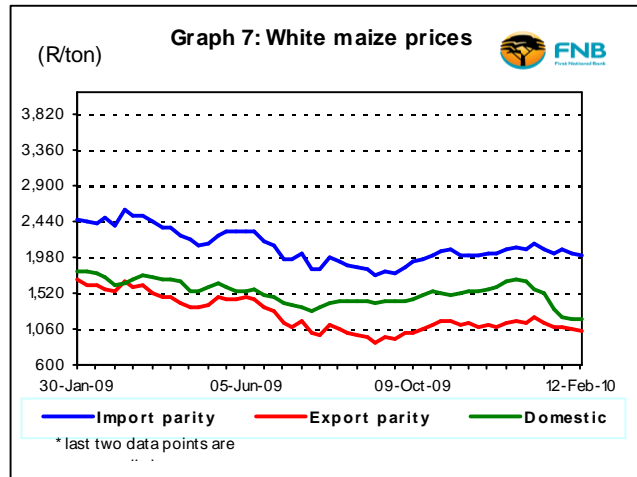
Prices are expected to continue trading sideways to lower in the short to medium term due to favourable weather conditions which improve crop prospects. Good rains have fallen in most areas but crops in some areas will soon require more sunshine.

<b>Yellow Maize Futures 29 January 2010</b>	<b>Mar-10</b>	<b>May-10</b>	<b>July-10</b>	<b>Sep-10</b>	<b>Dec-10</b>			
CBOT (\$/t)	141.45	145.86	149.80	152.64	155.39			
SAFEX (R/t)	1,235	1,240	1,236	1,277	1,331			
CHICAGO CORN (R/t)	1,087	-	1,166	-	1,238			
<b>Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
<b>Mar-10</b>			<b>May-10</b>			<b>Jul-10</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>
1,280	67	22	1,280	94	54	1,280	126	82
1,240	43	38	1,240	71	71	1,240	103	99
1,200	25	60	1,200	52	92	1,200	82	118



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

- **International:** Unlike yellow maize, US white maize traded slightly firmer for the week. Weekly white maize prices were marginally higher by 0.1% week on week, but still 11% down on last year. White maize import parity prices (Randfontein) closed 1.3% higher week on week on the back of a weaker Rand, but 16% lower year on year.
- **Domestic:** The price erosion continued on the White maize market due to good production conditions and spill over weakness from the international market. The higher than expected planted area estimate coupled with favourable growing conditions continued to put pressure on the market. The area under white maize is estimated at 1.7m hectares, up 11% compared to the 2008/09 season. White maize exports for the week ended 22-Jan-10 dropped by 77% compared to the week earlier, coming in at 11,499 tons. Total maize exports for the current marketing year reached 1.27m tons. White maize (WM) futures on Safex: Sep-10 was down 7.1% w/w (-R94/t); Jul-10 was down 7.4% w/w (-R95/t); May-10 was down 7.8% w/w (-R100/t); Mar-10 was down 7.4% w/w (-R94/t).



**OUTLOOK**

The good rains received across the country have bolstered prospects for higher yields, but may have a negative effect should the heavy downpours persist. Prices are poised to remain on the downside in the short to medium term.

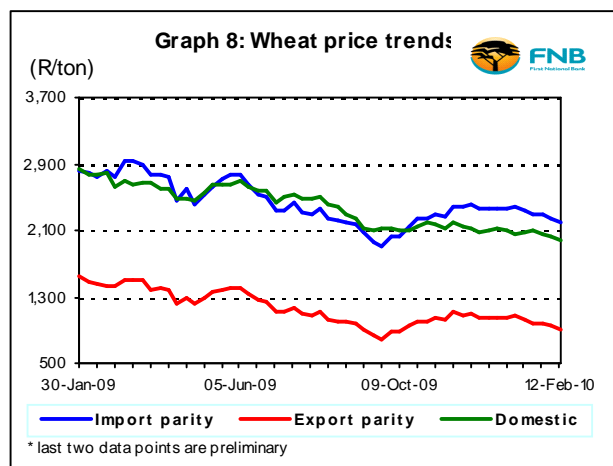
White Maize Futures 29 January 2010	Mar-10	May-10	July-10	Sep-10	Dec-10
SAFEX (R/t) WM <sub>1</sub>	1,173	1,184	1,189	1,226	1,285

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-10			May-10			Jul-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,220	78	31	1,220	94	58	1,220	121	90
1,180	54	47	1,180	71	75	1,180	98	107
1,140	35	68	1,140	52	96	1,140	78	127

**Wheat market trends (Graph 8)**

- **International:** US wheat prices continued to weaken due to abundant supplies along with a strengthening US dollar. The currency was supported by strong GDP data which saw grains, crude oil and the weakening of precious metal prices. Weekly wheat prices were down 2% week on week and 17% year on year. Wheat import parity (Randfontein) was a bit firmer due to Rand weakness, despite lower international prices.
- **Domestic:** Locally, the wheat market lost ground and declined despite a weaker Rand, due to lower international prices. Weekly wheat prices closed 2% higher week on week at R2,060/ton, but still 22% lower when compared to the corresponding week last year. Weekly wheat futures on Safex remained on the downside: Mar-10 was down 0.9% w/w (-



R19/t); May-10 was down 0.9% w/w (-R19/t); Jul-10 was down 1% w/w (-R21/t); Sep-10 was down 1.4% w/w (-R31/t). Crop estimate: The wheat crop estimate was revised downwards by 2% (32,950t) from the previous estimate to 1.95m tons with an average yield of 3t/ha. The area planted to wheat was also reduced by 2% (10,000ha) to 647,500ha.

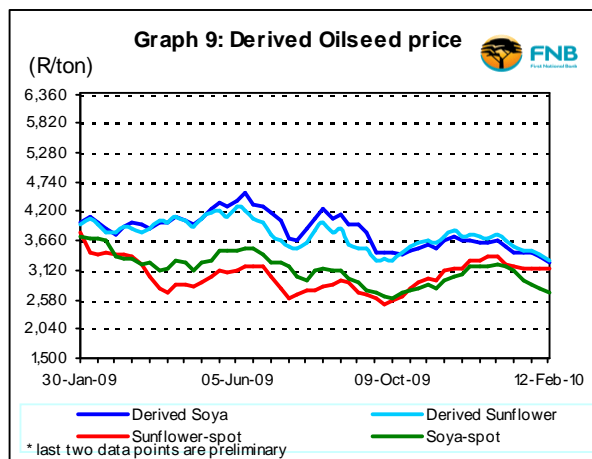
**OUTLOOK**

It is expected that prices trade sideways with limited upward potential due to the bearish influence from the international grain markets.

Wheat Futures 29 January 2010	Mar-10	May-10	July-10	Sep-10	Dec-10			
KCBT (\$/t)	178.94	183.35	187.48	191.80	197.96			
SAFEX (R/t)	2,090	2,120	2,160	2,190	2,231			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
<b>Mar-10</b>			<b>May-10</b>			<b>Jul-10</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>
2,140	82	32	2,160	140	100	2,200	161	121
2,100	58	48	2,120	118	118	2,160	138	138
2,060	39	69	2,080	98	138	2,120	118	158

**Oilseed market trends (Graph 9)**

- International: US soybean prices remained under pressure. Prices declined due to a stronger US dollar and general weakness in demand for commodities. Expectations of a big crop out of South America added to the weaker prices. Brazil soybean harvest is forecasted at a record 65.2m tons. Prices were down across the soybean complex with soybean, soymeal and soyoil prices closing down 2.2%, 1.8% and 2.5% respectively week on week. Derived soybean and sunflower prices were down by 0.3% and 6% respectively week on week, attributable to lower international prices despite a slightly weaker Rand.
- Domestic: Weekly prices ended mixed across the oilseed complex traded on Safex. Soybeans remained under pressure and declined by 2.7% week on week to at R2,848/t, which is almost 24% down compared to the same time last year. In the case of sunflower, prices ended a bit firmer at R3, 161/t, up 0.7% week on week, but still 17% lower year on year. Soybean futures on Safex were down across the board: Mar-10 was down 2.6% w/w (-R75/t); May-10 was down 0.8% w/w (-R20/t); Jul-10 was down 1.2% w/w (-R31/t). Sunflower futures on Safex were down across the board: Mar-10 was down 2.4% w/w (-R78/t); May-10 was down 1.2% (-R38/t); Jul-10 was down 0.6% w/w (-R21/t).



**OUTLOOK**

Domestic soybean and sunflower prices will remain under pressure due to bearish fundamentals in the global market.



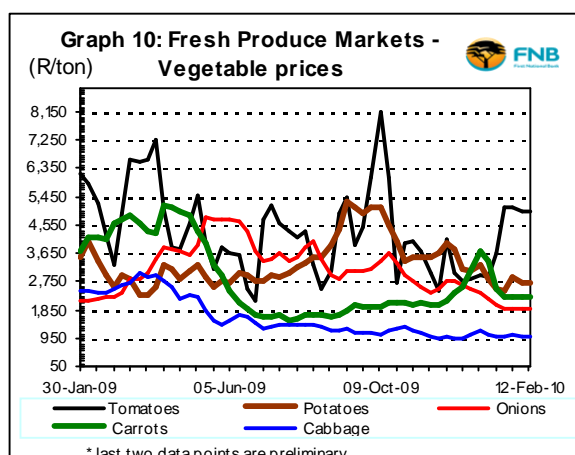
Oilseeds Futures 29 January 2010	Mar-10	May-10	July-10	Sep-10	Dec-10
CBOT Soybeans (US \$/t)	334.22	338.26	341.20	335.69	-
CBOT Soya oil (US c/lb)	36.19	36.65	37.08	37.37	37.74
CBOT Soya cake meal (US \$/t)	271.80	266.90	265.90	261.80	257.80
SAFEX Sunflower seed (R/t)	3,160	3,165	3,250	-	-
SAFEX Soybean seed (R/t)	2,800	2,760	2,535	-	-

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

Mar-10			May-10			Jul-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,200	116	76	3,200	207	172	3,300	297	247
3,160	94	94	3,160	185	190	3,260	275	265
3,120	74	114	3,120	165	210	3,220	253	283

**Vegetable market trends (Graph 10)**

- Potatoes**  
 Potato prices bottomed out and increased due to reduced volumes. Weekly prices closed at R2,864/ton, up 17.7% week on week, but still 18.6% higher year on year. Volumes of potatoes traded dropped by 4.8% week on week, at 11,426 tons. This is however 7.7% higher when compared to the same week last year. Prices are expected to remain under pressure and move sideways to lower in the short term.
- Cabbage**  
 Cabbage prices continued to trade firmer due to improved uptake on markets. Weekly cabbage prices were up 0.5% week on week, closing at R1,030 /ton. The current price is however 58% lower when compared to the corresponding week last year. Weekly volumes of cabbages traded were pegged at 1,568 tons, up 7.8% week on week and 39.4% year on year. Prices are expected to move sideways in the short term with limited upward potential in the medium term.
- Carrots**  
 Carrot prices continued to weaken due to poor uptake across most markets. Weekly carrot prices were down 2.1% week on week and almost 40% year on year, closing at R2,233/ton. Volumes of carrots traded were almost unchanged compared to last week at 1,391 tons, which is still 21% higher when compared to the corresponding week last year. Prices are expected to improve somewhat in the week head and thereafter weaken towards mid-February.
- Onions**  
 Onion prices recovered somewhat supported by improved uptake across most markets. Weekly onion prices closed at R1,872/ton, up 0.8% week on week but still 12% down on last year. Weekly volumes traded rose sharply by 12.4% week on week, coming in at 4,953 tons which is almost 14% higher than last year. Prices are expected to move sideways with limited upward potential in the week ahead.



- **Tomatoes**

Tomato prices traded firmer due to improved uptake across most markets. Weekly prices closed at R5,103/t, up 0.5% week on week but still 17.7% down on last year. Volumes of tomatoes traded increased by 6.8% week on week and 8.5% year on year, coming in at 3,408 tons. It is expected that prices will ease somewhat towards midmonth.

<b>Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
<b>Week ending 29 January 2010</b>	<b>Average Price (R/t)</b>	<i>w/w</i>	<i>y/y</i>	<b>Total Volume (t)</b>	<i>w/w</i>	<i>y/y</i>
Tomato	5,103	0.5%	-17.7%	3408	6.8%	8.5%
Potato	2,864	17.7%	-18.6%	11426	-4.8%	7.7%
Onion	1,872	0.8%	-12.2%	4953	12.4%	13.7%
Carrot	2,233	-2.1%	-40.1%	1391	0.1%	20.9%
Cabbage	1,030	0.5%	-58.0%	1568	7.8%	39.4%

**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.

