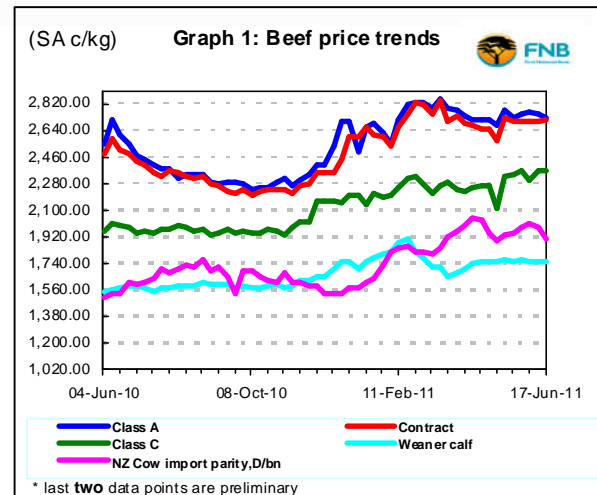


## Beef market trends (Graph 1)

- International:** US lean boneless processing beef prices were mostly lower under pressure due to heavy supplies. Market activity on imported beef was reportedly slow with prices continuing to trend lower due to weak seasonal demand. Boxed beef cutout values eased marginally lower on both Choice and Select beef categories. In the cattle market, CME Feeder Cattle Index closed 0.5% lower at w/w but still 115.1% higher at \$124.33/cwt. In Australia, the EYCI, drifted lower and finished the week at AU\$3.88/kg, down 2.2% w/w but still 10.9% higher y/y. Weakness in export markets added further pressure.
- Domestic:** Beef prices ended mixed with slight gains in Class A beef. Weekly Class A beef prices traded marginally higher at R27.60/kg, up 0.3% w/w and 8.2% y/y. Contract Class A beef prices was a bit softer at R27.01/kg, but still 8.9% higher y/y. Weekly Class C beef prices decreased by 2.5% w/w and traded at R23.06/kg, but still 17.9% higher y/y. Weaner calf prices eased marginally lower under pressure due to weaning. The price of weaner calves finished the week at R17.55/kg, down 0.4% w/w but still up 13.8% y/y.

### OUTLOOK

Prices are expected to soften somewhat in the medium term due to subdued demand during the winter period.

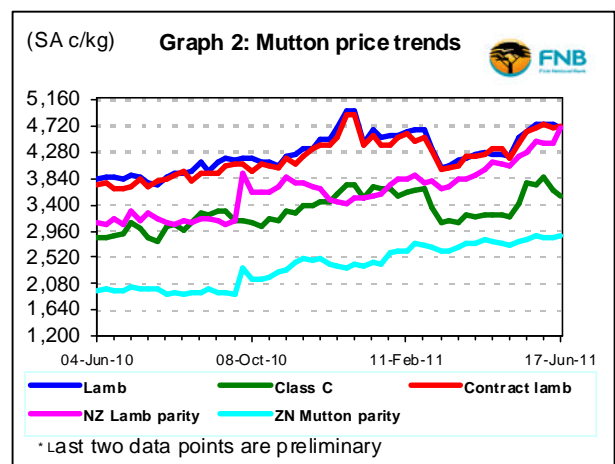


## Mutton market trends (Graph 2)

- International:** US domestic slaughter lambs finished steady to lower for the week. Feeder lambs were mostly steady. Trading activity on lamb cuts and carcass was reportedly slow to moderate on moderate demand. Lamb Carcass Cutout values were down 0.1% w/w at \$372.29/cwt, but up 30.8% y/y. In Australia, lamb price indicators lost ground on improved volumes across most markets which saw trade lambs down to Au\$5.53/kg cwt.
- Domestic:** Prices maintained a firmer trend supported by tight supplies on markets. Weekly Contract Class A lamb prices closed at R47.38/kg, up 0.9% w/w and 26.5% y/y. Class Cs closed at R38.63/kg, up 3.7% w/w and 35.5% y/y. Class A lamb prices were however the exception, coming in a bit softer at R47.37/kg, but still 23.8% higher y/y. Weaner lambs continued to post sharp gains due to tight supplies and strong demand across most markets. Weekly weaner lamb prices closed the week up 2.2% w/w and 30.1% y/y at R23.17/kg live weight.

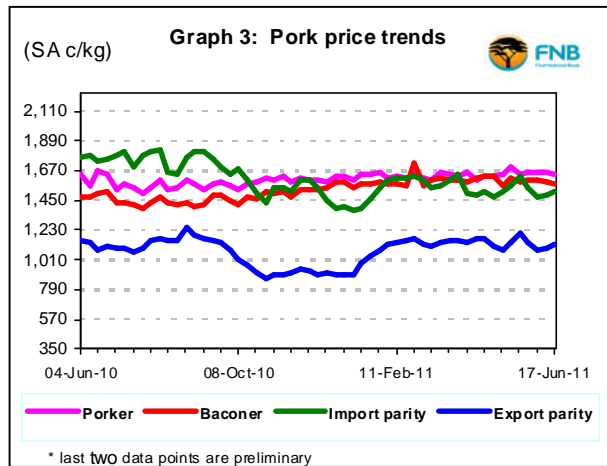
### OUTLOOK

The market is expected to maintain the uptrend in the medium term due to moderation in supplies. Meanwhile, supplies will tighten further in the medium to longer term due to the weak lambing rate for the season.



**Pork market trends (Graph 3)**

- International: US pork prices continued to weaken despite a short trading week as supplies outweighed demand. Pork cutout values fell by 2.7% w/w at \$89.26/ cwt, but still 3.8% higher y/y. Weekly slaughter number came in sharply lower at an estimated 1.75m head, down 14.0% w/w and 2.4% y/y. Demand at retail was reportedly weak, adding further pressure on prices.
- Domestic: Prices regained some ground on improved demand. Weekly porker prices closed at R16.59/kg, up 0.3% w/w. Baconers moved marginally higher at R15.97/kg, up 8.0% y/y. Import parity prices continued to weaken due to lower international prices and a stronger Rand/US dollar exchange rate. Weekly import parity prices dropped by 4.2% w/w and 16.0% y/y.

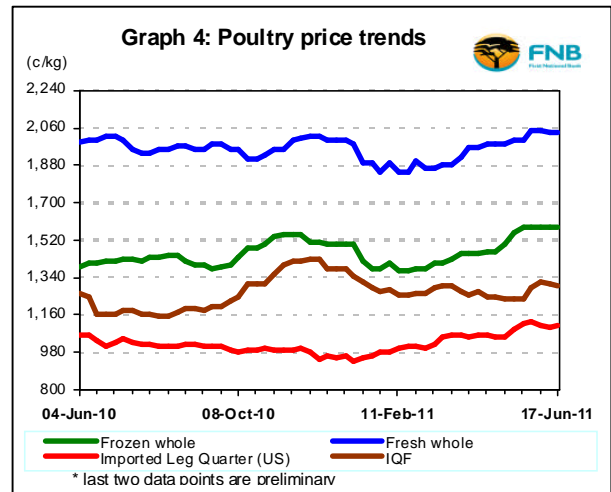


**OUTLOOK**

Domestic porker and baconer prices are expected to soften somewhat towards midmonth.

**Poultry market trends (Graph 4)**

- International: US domestic prices were steady to lower across most categories. Market activity was reportedly slow to moderate. Volumes were light to moderate across the board. Whole bird prices were the exception ending the week firmer. Leg quarters fell 0.2% w/w. Demand at retail and food service was reportedly light to moderately good. US broiler egg sets and chick placements as of 28-May-2011 were reported down 2.0% and 1.0% y/y respectively. The estimated number available for marketing during the week ending 09-Jul-2011 came in at 159.7m head, compared to 161.0m the same period last year.
- Domestic: Poultry prices ended steady to higher on improved uptake. Weekly frozen whole birds were steady at R15.88/kg, still 14.0% higher y/y. Weekly fresh whole birds remained firm at R20.45/kg, up 3.0% y/y. In the case of IQF, prices regained ground on renewed interest, coming in at R13.19/kg, and 4.0% higher y/y. Import parity for poultry (LQ) fell by 1.4% w/w but up 4.0% y/y due to lower international prices and a stronger Rand.



**OUTLOOK**

It is however expected that poultry prices will trend sideways with limited upward potential in the medium term due to subdued demand during the winter months.

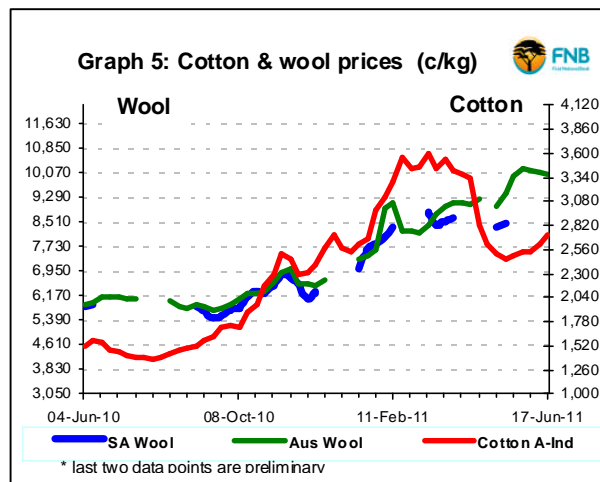


How can we help you?

Producer prices for selected livestock commodities 03 June 2011	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	27.60	47.37	16.59	20.45
Open market: Class C / Baconer / Frozen whole birds(R/kg)	23.06	38.63	15.35	15.88
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	27.01	47.38	15.97	13.19
Import parity price (R/kg)	20.06	28.43	14.77	11.11
Weaner Calves / Feeder Lambs (R/kg)	17.55	23.17		

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

- International:** Cotton prices continued to recover, posting modest gains. Weekly Cotton prices advanced by 2.7% w/w and 88.4% y/y to close at US169.38c/lb. Cotton ICE futures: Cotton for Jul-11 delivery rose by 5.9% w/w at 161.63c/lb, Oct-11 was up 4.0% w/w at 147.60c/lb, Dec-11 was up 7.1% w/w at 138.70c/lb, Mar-12 was up 7.1% w/w at 128.99c/lb. Wool: In Australia, the wool market retained upward momentum across most micron categories. The weekly market indicator EMI settled at A\$13.98/kg, up 1.0% w/w and 57.3% higher y/y.
- Domestic:** There was no sale for the week. The last sale two weeks ago saw sharp gains in prices due to the combined influence of a weaker Rand, strong demand and concerns over the tightening supply outlook. The weekly Cape Wools Merino indicator was stronger at R95.57/kg, which is 34.0% and 65.0% higher compared to the current season's average and the opening sale respectively. Major buyers were Standard Wool SA with 3,618 bales (41.8%), G Modiano SA with 1,792 bales (20.7%) and Stucken & Co with 1,484 bales (17.2%). Sales reached 95% of the 8,649 bales offered.



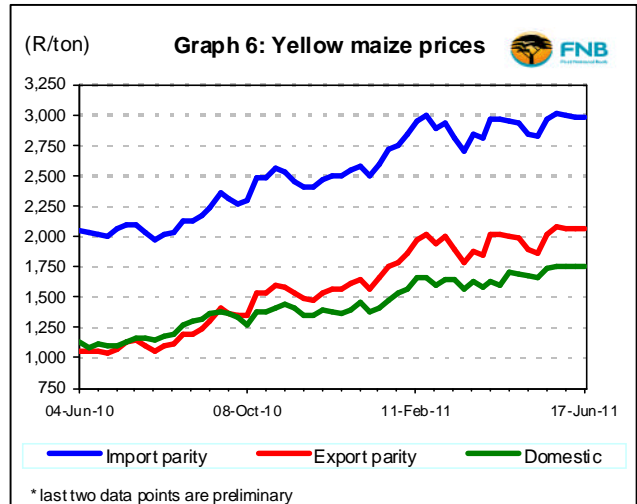
Fibre market prices 03 June 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Oct-11 (AU\$/kg)	Australian futures Dec-11 (AU\$/kg)
Wool market indicator (R/kg)	95.57	101.44		
19µ long length wool (R/kg)	125.18	125.32	15.50	15.25
21µ long length wool (R/kg)	101.31	103.50	12.85	12.55
23µ long length wool (R/kg)	-	90.94	11.10	10.80
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Oct-11 (US\$/kg)	New York future Dec-11 (US\$/kg)
Cotton Prices (R/kg)	25.45	3.73	3.25	3.05

- South Africa – previous sale



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices continued to find strength on flooding concerns along the Missouri River and the impact it would have on the already tight stocks situation. Nonetheless, the gains were limited by good planting progress in the Eastern Maize Belt. Planting progress showed that US maize planting as of May 29 was at 86%, below but closer to the 5 year average of 95% due to flooded fields. Maize futures on Chicago: Maize for Jul-11 delivery fell by 0.6% w/w at \$297/t, Sep-11 was up 0.4% w/w at \$288/t, Dec-11 was up 0.3% w/w at \$270/t, Mar-12 was up 0.3% w/w at \$275/t.
- **Domestic:** Yellow maize prices continued to increase influenced by strength on CBOT. Weekly yellow maize prices ended 1.5% higher w/w at R1,759/ton, up 49.1% y/y. Yellow maize import parity rose by 1.6% w/w and 36.6% y/y. Weekly export sales for the week were pegged 3,067 tons, with total sales for the new marketing season increasing to 63,543 tons. Weekly yellow maize futures on Safex were relatively firmer: Yellow maize for Jul-11 delivery advanced marginally by 0.1% w/w (+R1/t), Sep-11 was up 0.6% w/w (+R10/t), Dec-11 was up 0.2% w/w (+R4/t).S



**OUTLOOK**

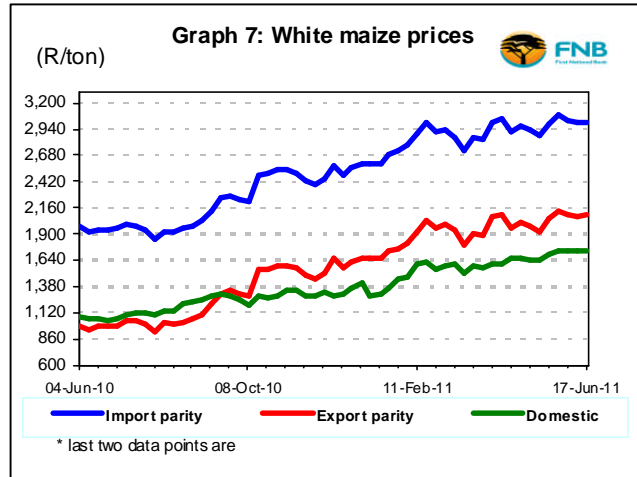
The market is poised for modest gains in the short term supported by the bullish trend on international markets. However, the strengthening Rand may limit further gains.

Yellow Maize Futures 03 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
CBOT (\$/t)	288.41	280.29	262.80	267.13	269.97			
SAFEX (R/t)	1,788	1,825	1,872	1,885	-			
CHICAGO CORN (R/t)	2,040	1,991	1,890	1,890	-			
<b>Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
<b>Jul-11</b>			<b>Sep-11</b>			<b>Dec-11</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>
1,820	67	35	1,860	140	105	1,900	195	167
1,780	44	52	1,820	118	123	1,860	173	185
1,740	28	76	1,780	98	143	1,820	152	204



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

- **International:** US white maize prices continued to increase due to the spillover strength on commodity markets and the weaker US dollar. Weekly prices advanced by 3.2% w/w to close at \$305/t, which is 114% higher y/y.
- **Domestic:** White maize prices continued to increase supported by strength on Chicago. Weekly white maize prices advanced by 1.7% w/w and closed at R1,731/ton, which is 55.4% higher y/y. White maize import parity prices increased by 2.8% w/w and 45.4% y/y. Weekly white maize export sales for the week were pegged at 35,881 tons and 243,026 tons for the new marketing season. Total maize sales (Yellow and white) came 306,569 tons. White maize (WM) futures on Safex: White maize for Jul-11 moved marginally higher by 0.2% w/w (+R4/t), Sep-11 was up 0.2% w/w (+R3/t), Dec-11 was up 0.3% w/w (+R5/t), Mar-12 was up 0.2% w/w (+R4/t).



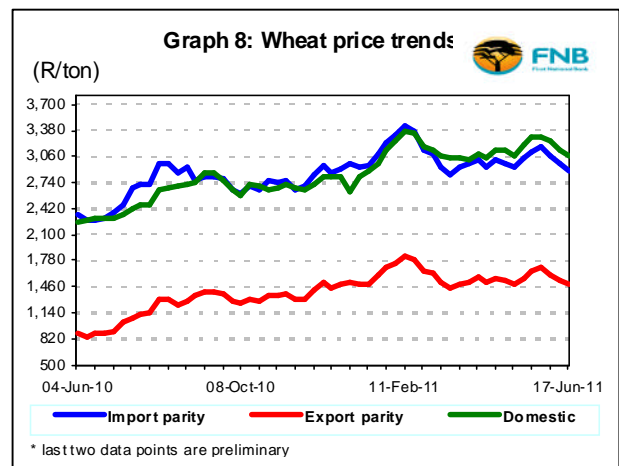
**OUTLOOK**

The market is poised for modest gains in the short term supported by the bullish trend on international markets.

White Maize Futures 03 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
SAFEX (R/t) WM <sub>1</sub>	1,770	1,806	1,855	1,880	-			
<b>Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,800	64	34	1,840	128	94	1,900	191	146
1,760	42	52	1,800	106	112	1,860	168	163
1,720	26	76	1,760	86	132	1,820	147	182

**Wheat market trends (Graph 8)**

- **International:** US Wheat prices continued to post losses influenced by bearish supply conditions. Notably, the anticipated record high output in China and Russia's announcement to end its export ban as of 1st July 2011. The bearish supply outlook and the less worrisome stock situation put pressure on global prices. Despite support from the weaker US dollar and strength from other commodities, wheat prices ended the week softer. However on the futures market, prices were up across the board. Wheat futures on Kansas: Wheat for Jul-11 delivery increased by 1% w/w at \$346/t, Sep-11 was up 1.2% w/w at \$353/t, Dec-11 was up 1.7% w/w at \$362/t, Mar-12 was up 2.1% w/w at \$367/t. Wheat futures on Chicago: Wheat for Jul-11 delivery increased by 1.6% w/w at \$301/t, Sep-11 was up 2.2% w/w at \$319/t, Dec-11 was up 1.8% w/w at \$334/t, Mar-12 was up 1.8% w/w at \$344/t.



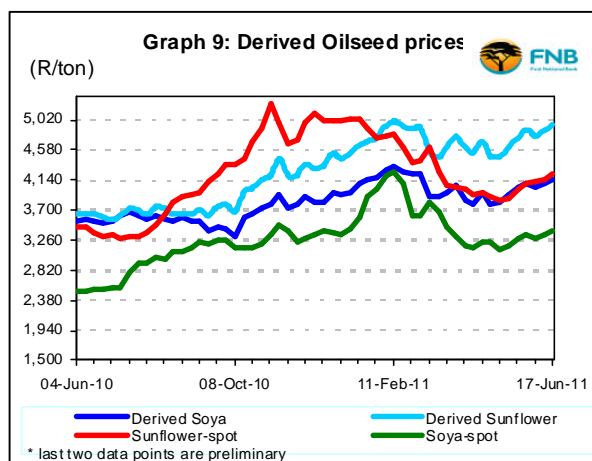
- **Domestic:** Wheat prices moved slightly lower under pressure from a stronger Rand and lower CBOT prices. Weekly prices decreased by 1.6% w/w to close at R3,247/t, but were 44.7% higher y/y. Wheat import parity prices dropped by 4.1% w/w but still up 23.0% y/y. The stronger Rand/US\$ exchange rate and lower international prices placed downward pressure on import parity prices. Weekly import sales for the week came in at 32,945 tons and 1.1m tons for the 2011/12 season. Export sales were pegged at 1,977 tons and 105,049 tons for the season to date. Wheat futures on SAFEX: Wheat for Jul-11 delivery fell by 4.9% w/w (-R164/t), Sep-11 was down 4.8% w/w (-R160/t), Dec-11 was down 3.6% w/w (-R111/t).
- **OUTLOOK**

Prices are expected to soften under pressure due to the strengthening Rand/US\$ exchange rate. Easing supply concerns out of the Black Sea region and prospects of higher global output will keep prices on the downside in the short to medium term.

Wheat Futures 03 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
KCBT (\$/t)	335.93	343.00	351.09	356.05	356.51			
SAFEX (R/t)	3,201	3,185	3,008	-	-			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,400	211	12	3,380	243	48	3,160	272	120
3,360	177	18	3,340	213	58	3,120	246	134
3,320	145	26	3,300	186	71	3,080	222	150

**Oilseed market trends (Graph 9)**

- **International:** US soybean prices continued to trend higher on weather concerns, higher crude oil prices and the US dollar weakness. Prices were up in the soybean complex with soybean oil being the biggest gainer. Planting has been delayed due to flooded fields which may reduce yields. Only 51% of the crop was planted by May 29, well behind the 5 year average of 71.0%. Soybean complex on Chicago: Soybean for Jul-11 delivery rose by 2.5% w/w to close at \$519.70/t, Sep-11 was up 2.1% w/w at \$514.93/t. Soybean meal for July delivery advanced by 3.6% w/w at \$368/t, Sep-11 was up 2.8% w/w at \$365/t. Soybean oil for Jul-11 delivery was 0.2% higher at 58.73c/lb, Sep-11 was up 0.2% w/w at 59.28c/lb.
- **Domestic** Oilseed prices traded on SAFEX ended mixed with marginal gains in sunflower prices. Weekly sunflower prices advanced by 0.4% w/w and 19.0% y/y, closing at R4,108/ton. Soybean prices fell by 1.8% w/w to close at R3,291/ton, but still 30.7% higher y/y. Soybean futures on SAFEX: Soybean for Jul-11 fell by 1.7% w/w (-R56/t), Sep-11 fell by 1.6% w/w (-R54/t), Dec-11 fell by 1.6% w/w (-R55/t). Sunflower futures on Safex: Sunflower for Jul-11 delivery fell by 0.2% w/w (-R7/t), Sep-11 fell by 0.5% w/w (-R21/t), Dec-11 fell by 0.3% w/w (-R15/t).



**OUTLOOK**

Prices are expected to strengthen on the back of the bullish tone on the international front - strong Chinese demand, potential yield losses due to late spring planting in the US and the tight world stock usage ratio at an average of 23.8%.



How can we help you?

Oilseeds Futures 03 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT Soybeans (US \$/t)	519.70	514.93	-	514.78	509.78
CBOT Soya oil (US c/lb)	58.73	59.28	60.04	60.34	60.29
CBOT Soya cake meal (US \$/t)	368.40	365.30	360.40	360.30	355.80
SAFEX Sunflower seed (R/t)	4,198	4,270	4,385	-	-
SAFEX Soybean seed (R/t)	3,327	3,381	3,455	3,510	3,370

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

Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,240	162	120	4,340	228	158	4,440	343	288
4,200	140	138	4,300	206	176	4,400	321	306
4,160	120	158	4,260	184	194	4,360	299	324

**Vegetable market trends (Graph 10)**

• **Tomatoes**

Tomato prices maintained the momentum from the previous week supported by limited supplies on markets. Prices were up 17.9% w/w and 0.6% y/y, closing at R6,751/ton. Volumes traded reached 2,712 tons, down 12.1% w/w and 1.9% y/y. Prices are however expected to ease slightly lower in the short term.

• **Potatoes**

Potato prices posted positive gains from previous week's decline. Prices increased by 4.4% w/w and 11.2% y/y, closing the week at R2,626/ton. The increase in prices was influenced by good uptake on markets. Volumes traded were up 11.7% w/w and 6.5% y/y closing at 14,716tons. Prices are expected to trend sideways with limited upward potential in the medium term.

• **Onions**

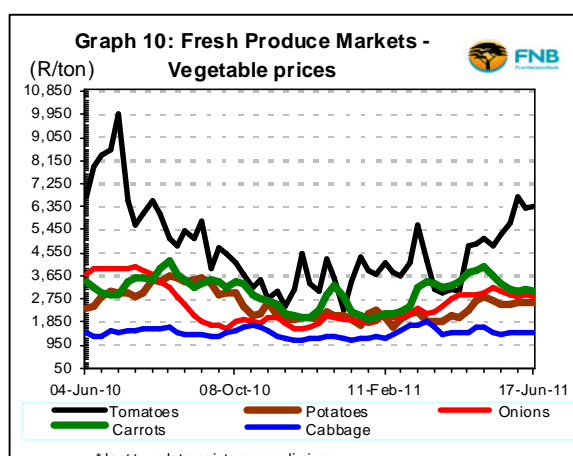
Onion prices continued with their downward trend influenced by increased supplies on markets. Prices decreased to R2,812/ton, down 4.3% w/w and 24.0% y/y. Volumes traded were up 16.3% w/w and 30.6% y/y closing the week at 5,631tons. Prices are expected to soften somewhat in the short to medium term on improved supplies.

• **Carrots**

Carrot prices continued with their downward trend witnessed last week, influenced by a combination of weak uptake and increased supplies on markets. Prices were down 3.2% w/w and 11.7% y/y closing at R3,034/ton. Volumes traded reached 1,371 tons, up 4.9% w/w and 7.5% y/y. Prices are expected to ease somewhat in the short term due to limited demand.

• **Cabbages**

Cabbage prices posted minor losses influenced by a combination of weak uptake and increased supplies on markets. Prices were down 0.5% w/w and 1.8% y/y closing at R1,430/ton. Volumes traded reached 1,478 tons, up 2.9% w/w but still down 0.4% y/y. Prices are expected to remain flat in the short to medium term.



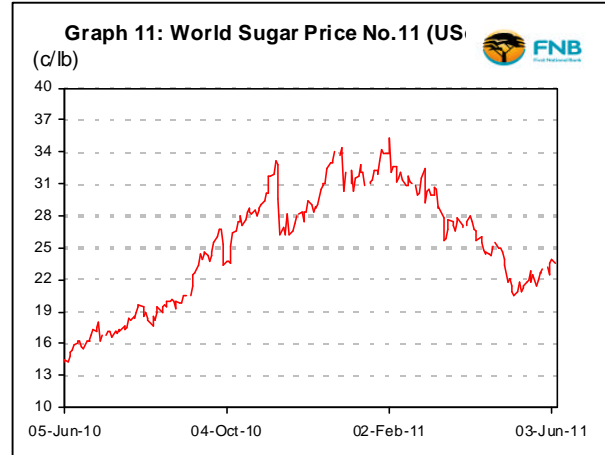
**Vegetable prices: Fresh Produce Markets.**  
**(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

Week ending 03 June 2011	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	6,751	17.9%	0.6%	2712	-12.1%	-1.9%
Potato	2,626	4.4%	11.2%	14716	11.7%	6.5%
Onion	2,812	-4.3%	-24.0%	5631	16.3%	30.6%
Carrot	3,034	-3.2%	-11.7%	1371	4.9%	7.5%
Cabbage	1,430	-0.5%	1.8%	1478	2.9%	-0.4%

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

**Sugar market trends (Graph 11)**

- International:** World sugar prices continued to post modest gains on spillover strength from commodity markets. Weekly sugar prices closed at 23.28 US c/lb, up 4.2% w/w and 63.8% y/y. Meanwhile, Europe is expected to end the season with record tighter stock levels according to the USDA. This will be exacerbated by the prevailing drought conditions in France and Germany which may result in a significant reduction in output. Weekly US ICE sugar futures (US c/lb): Raw sugar for Jul-11 delivery settled at 4.2% higher w/w at 23.95c/lb, Oct-11 was up 3.3% w/w at 23.61c/lb, Mar-12 was up 3.3% w/w at 23.77c/lb, Oct-12 was up 2.3% w/w at 22.83c/lb.
- Domestic:** Locally, the monthly 2011/12 RV (Recoverable Value) price, a measure of the value of sugar and molasses that will be recovered from the sugarcane delivered by the individual grower, came in lower at R2,817.05/ton during April 2011. This was mainly attributable to the declining world price. Nonetheless, the higher sugar: RV ratio (94.85% vs. 94.79%), the 9,922 ton drop in sugar production (1.92m tons vs. 1.93m tons) and the weaker average R/\$ exchange rate (6.81 vs. 6.77) helped limit the further drop in the RV price. Drought conditions have reduced sugar production significantly this season.



ICE Sugar Futures 03 June 2011	Jul-11	Oct-11	Mar-12	May-12	Jul-12
Sugar No.11 (US c/lb)	23.95	23.61	23.77	23.41	23.15
% Change w/w	4.2%	3.3%	3.3%	3.4%	3.0%

**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?