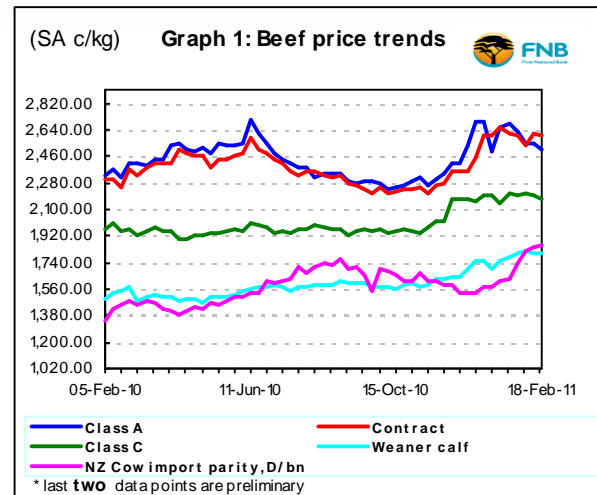


## Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices ended mostly higher supported good uptake and light supplies on markets. Market activity on imported beef was reportedly slow and supplies remained tight. US boxed beef cutout values were steady to weak despite reduced slaughter pace as a result of bad weather. In the futures market, CME cattle feeder index was down 0.2% w/w but up 27.4% y/y. The estimated number of cattle slaughtered in the US was reported down 4% w/w and 2.7% y/y. In Australia, the Eastern Young Cattle Indicator (EYCI) closed up 0.3% w/w and 22% y/y.
- Domestic:** Beef prices eased slightly lower for the week. Weekly Class A, Class C and Class A contract beef prices closed at R25.43/kg, R22.02/kg and R25.34/kg respectively. In the case of weaner calves, the uptrend remains well intact as supplies tightened due to improved production conditions. Weekly weaner calf prices advanced marginally by 0.8% w/w to close at R18.14/kg live weight, up 22% y/y. Grazing conditions improved in most areas due to good rains. Nonetheless the downside risk is the increase in pests and diseases that wet conditions may pose to livestock.

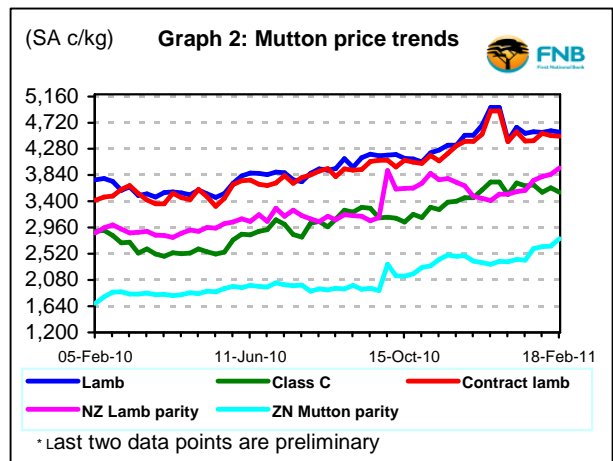


## OUTLOOK

Beef prices are expected to trade at current levels in the short term with additional upside potential towards Easter. Supplies of weaner calves will remain tight as a result of better seasonal production conditions due to good rains.

## Mutton market trends (Graph 2)

- International:** The US sheep market was affected by bad weather due to the snow storm which saw most sales cancelled. US domestic slaughter lambs and ewes were mixed, ending sharply higher in some areas. The estimated number of sheep slaughtered was down 2.7% w/w and 14% y/y at 36,000. In Australia, lamb prices eased lower as supplies improved.
- Domestic:** Lamb and mutton prices were relatively steady during the month end period. Prices however remain at best levels when considered y/y. Weekly Class A lamb, Class C and Class A contract lamb closed at R45.57/kg, R35.50/kg and R45.42/kg respectively. Feeder lamb prices rose to close at R21.33/kg, which is up 2.4% w/w and 34% y/y. Supplies are expected to remain relatively tight due to the combination of lower lambing and diseases. This will sustain the current upward momentum leading to the Easter holidays.

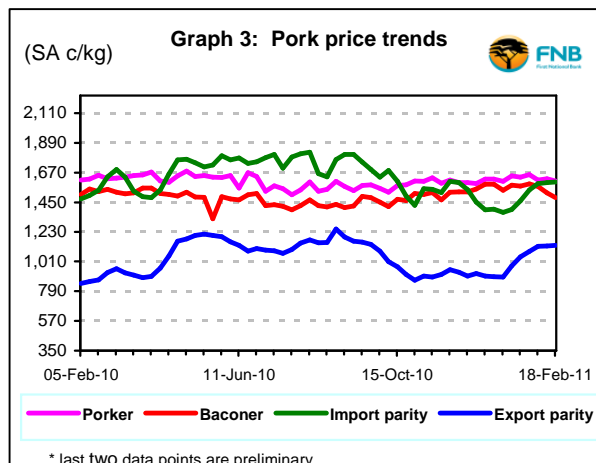


## OUTLOOK

It is expected that lamb and mutton prices will remain at current levels with further upward potential due to tight supplies.

**Pork market trends (Graph 3)**

- International: US pork prices continued to post modest gains across most categories due to limited supplies as a result of severe winter weather which caused factory closures and distribution problems. Loins were however the exception, declining under pressure due to increased supplies and limited demand. Weekly slaughter numbers were down 5.6% w/w and 4.1% y/y; estimated pork production reached 430m pounds, down 5.4% w/w and 0.8% y/y.
- Domestic: Local porker and baconer prices softened slightly for the week. Weekly porker and baconer prices closed at R16.15/kg and R15.66/kg respectively. Import parity prices closed firmer due to a weaker Rand and higher US prices.

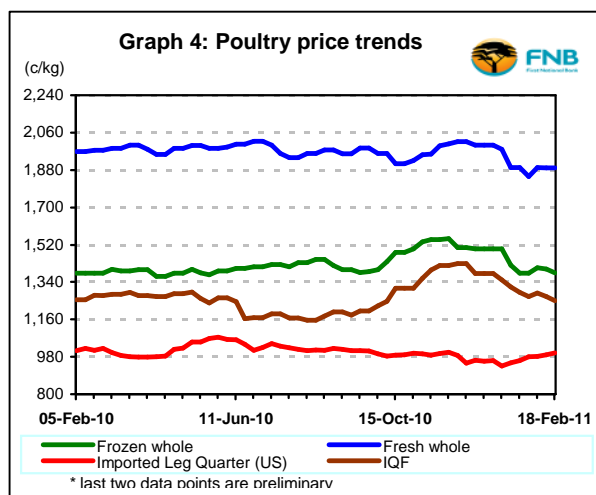


**OUTLOOK**

Domestic porker and baconer prices are expected to move sideways with downward potential in the medium term due to an expected slowdown in demand.

**Poultry market trends (Graph 4)**

- International: US domestic prices were firm to higher on moderate demand and light supplies. Market activity was reportedly slow early in the week due to freezing weather but picked up late in the week as conditions improved. Meanwhile, US broiler egg sets and chick placements for the week ended 22 Jan-2011 were reported up 1% y/y. Estimates of broilers available for marketing during the week ending 12 Mar-2011 were pegged at 154.7m, down 1.5% y/y.
- Domestic: Poultry prices were a bit firmer due to improved uptake during the month end period. Weekly frozen whole bird prices were up 2.1% w/w at R14.10/kg. Fresh whole birds and IQF, prices bottomed out and closed up 2.3% and 1.3% w/w respectively to close at R18.92/kg and R12.8kg. Chicken remains the cheapest source of protein compared to other meat types. Import parity prices continued trending higher, mainly due to a weaker Rand. This will slow down the quantity of imported poultry.



**OUTLOOK**

Prices are expected to ease somewhat towards mid-month due to limited demand.

Producer prices for selected livestock commodities 04 February 2011	Beef	Mutton	Pork	Poultry
Open market: Class A/Porker/Fresh whole birds(R/kg)	25.43	45.57	16.15	18.92
Open market: Class C/Baconer/Frozen whole birds(R/kg)	22.02	35.50	15.50	14.10
Contract: A2/A3*/Baconer/IQF (*includes fifth quarter) (R/kg)	25.34	45.42	15.66	12.87
Import parity price (R/kg)	18.16	26.39	15.90	9.82
Weaner Calves/Feeder Lambs (R/kg)	18.14	21.33		

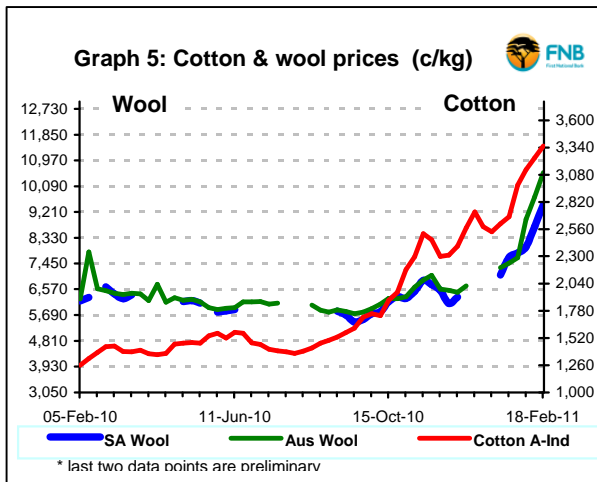


How can we help you?

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

- International:** US Cotton prices maintained a solid uptrend on global supply concerns. Prices reached a record high of 205.50 US c/lb during the week. The weekly average closed at 198.78 US c/lb, up 3.8% w/w and 162% y/y. Cotton ICE futures: Cotton for Mar-11 delivery was up 1.9% w/w at 167.86c/lb, May-11 up 2.7% w/w at 163.82c/lb, Jul-11 up 3.2% w/w at 156.03c/lb, Oct-11 up 3.9% w/w at 131.14c/lb.

Wool: In Australia, the wool market maintained a firmer trend due to reduced volumes and increased demand. The weekly market indicator (EMI) continued to trend higher reaching a record of A\$12.92/kg, up 8.2% w/w and 41% y/y.



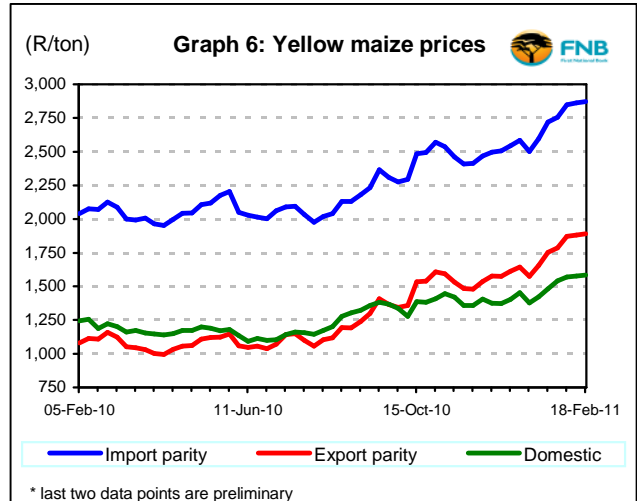
- Domestic:** The domestic wool market continued to post strong gains, which saw the Cape Wools Merino indicator closing at a record R8,029/kg clean wool, which is up 2.8% w/w and 30% y/y. This is 25.4% and 39% compared to the current season's average and the opening sale respectively. Major buyers were Standard Wool SA with 3,132 bales (48%), G Modiano SA with 1,367 bales (21%), and Stucken & Co with 845 bales (13%). Sales reached 96% of the 6,525 bales on offer.

Fibre market prices 04 February 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Mar-11 (AU\$/kg)	Australian futures Jul-11 (AU\$/kg)
Wool market indicator (R/kg)	80.29	89.67		
19µ long length wool (R/kg)	105.13	115.96	14.36	14.08
21µ long length wool (R/kg)	80.91	82.63	10.93	10.73
23µ long length wool (R/kg)	-	75.24	10.03	9.83
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Mar-11 (US\$/kg)	New York future Jul-11 (US\$/kg)
Cotton Prices (R/kg)	31.30	4.37	3.69	3.43



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices moved higher on good export sales and projections for strong Chinese demand. Export sales were slightly higher coming in at 1.2m tons. Weather concerns in Argentina added to the firmer tone. However the stronger US dollar and weakness in energy markets kept the market on the downside by mid-week. Maize futures on CME eased lower across the board: Maize for March delivery, the most-active contract, rose 5% w/w, May-11 up 5% w/w, Jul-11 up 5% w/w, Sep-11 up 5% w/w, Dec-11 up 4% w/w.
- **Domestic:** Yellow maize prices ended firmer supported by a weaker Rand and strong CBOT prices. Weekly yellow maize prices were up 1.9% w/w and 26% y/y, closing at R1,570/ton. Yellow maize import parity rose 3.4% w/w and 40% y/y, due to Rand weakness and higher international prices. Weekly yellow maize export sales slowed, coming in at 45,526 tons which is 10% lower w/w. Cumulative yellow maize export sales for the season to date reached 820,149 tons. Weekly yellow maize on Safex futures: Mar-11 closed up 2% w/w (+R31/t), May-11 was up 3.9% w/w (+R61/t), Jul-11 was up 3.5% w/w (+R55/t), Sep-11 was up 3.4% w/w (+R55/t).



**OUTLOOK**

Domestic prices are expected to remain strong due to currency weakness.

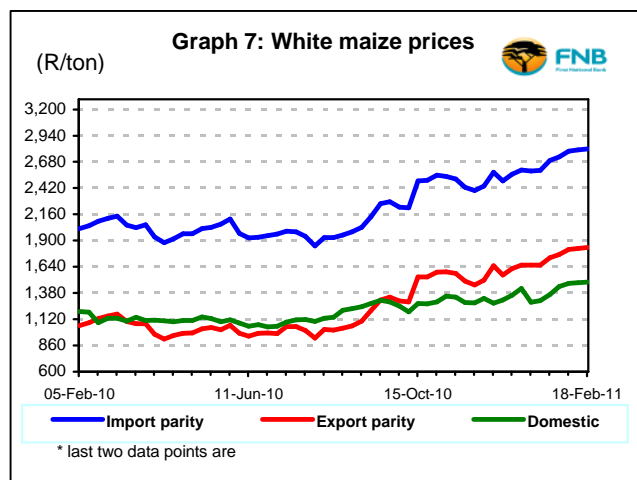
Yellow Maize Futures 04 February 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11
CBOT (\$/t)	267.29	271.54	273.51	253.74	237.03
SAFEX (R/t)	1,645	1,662	1,681	1,714	1,760
CHICAGO CORN (R/t)	1,915	-	1,991	1,863	1,775

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-11			May-11			Jul-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,480	4	169	1,500	40	202	1,520	63	224
1,440	2	207	1,460	30	232	1,480	50	251
1,400	1	246	1,420	21	263	1,440	39	280

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

- **International:** US white maize prices maintained a solid uptrend. Weekly prices advanced by 1.5% w/w to close at \$255/ton, up 68% y/y.
- **Domestic:** White maize prices continued to post strong gains supported by a weaker Rand and firmer international prices. Weekly white maize prices rose by 5.7% w/w and 19% y/y, closing at R1,443/ton. White maize import parity was up 1.5% w/w and 32% y/y, due to a weaker Rand and higher international prices. Weekly export sales for the ended 28th Feb-2011 were pegged at 12,222 tons, up 14% w/w and bringing total white maize sales for



the season-to-date to 493,458 tons. Total maize sales (YM+WM) reached 1.3m tons. White maize (WM) futures on Safex: Mar-11 rose 3% w/w (+R44/t); May-11 was up 3% w/w (+R45/t), Jul-11 was up 2.9% w/w (+R43/t), Sep-11 was up 2.5% w/w (+R38/t).

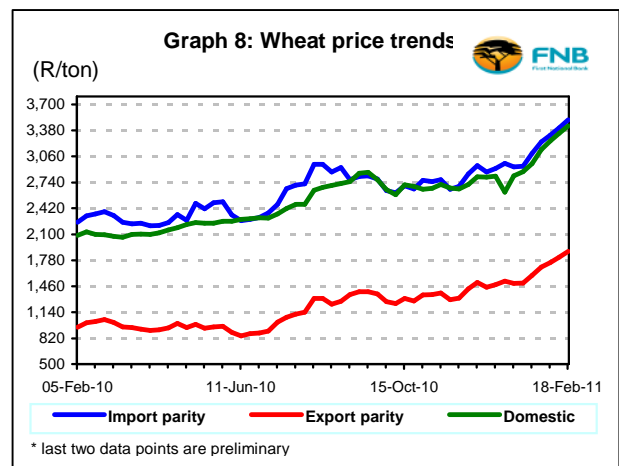
**OUTLOOK**

Domestic prices are expected to remain strong on the back of a weakening Rand.

White Maize Futures 04 February 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
SAFEX (R/t) WM <sub>1</sub>	1,543	1,569	1,594	1,625	1,677			
<b>Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
Mar-11			May-11			Jul-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,400	2	145	1,440	45	174	1,440	54	208
1,360	1	184	1,400	33	202	1,400	42	236
1,320	0	223	1,360	24	233	1,360	32	266

**Wheat market trends (Graph 8)**

- International:** Wheat prices maintained solid gains on concerns over unfavorable growing conditions in the winter wheat region of the US and other countries. Meanwhile, the Kansas winter wheat crops in the US were reported at 27% in good to excellent condition compared to 56% last year. Weekly US Wheat export sales were however bearish coming in at 534,100 tons. Wheat futures: Mar-11 was up 3.4% w/w, Jul-11 up 3.4% w/w, Sep-11 up 3.8% w/w, Dec-11 up 3.9% w/w.
- Domestic:** Domestic wheat prices continued to trend higher on the back of a weaker Rand and the higher CBOT prices. Wheat prices on SAFEX continued to post good gains, closing up 3.4% w/w at R3,249/ton which is 57% higher y/y. Wheat import parity prices advanced by 2.5% w/w and 42% y/y, due to a weaker Rand and higher international prices. Weekly export sales slowed down during the previous week, coming in at 1,813 tons, down 65% w/w. The total export sales for the season reached 53,396 tons. Imports increased to 68,482 tons, bringing the total for the season to date to 510,842 tons. Wheat futures on SAFEX: the wheat futures for Mar-11 delivery closed up 3.7% w/w (+R119/t), May-11 was up 3.4% w/w (+R109/t), Jul-11 was up 3.1% w/w (+R34/t).



**OUTLOOK**

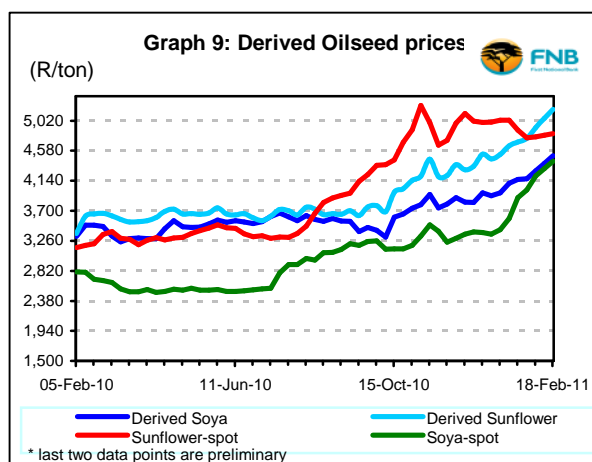
The wheat market will maintain an upward trend due to the global supply constraints in the short to medium term.



Wheat Futures 04 February 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
KCBT (\$/t)	346.40	350.44	353.66	357.88	362.20			
SAFEX (R/t)	3,358	3,380	3,415	3,400	3,151			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
Mar-11			May-11			Jul-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,840	0	518	2,880	11	511	2,900	18	533
2,800	0	558	2,840	8	548	2,860	14	569
2,760	0	598	2,800	6	586	2,820	11	606

**Oilseed market trends (Graph 9)**

- International:** US soybean prices ended firmer supported by prospects of increased feed demand due to freezing conditions and the port strike in Argentina. Soymeal and soyoil closed firmer in unison with soybeans. Nonetheless, prices succumbed to selling pressure late in the week driven by profit taking and strength in the US dollar. Soybean futures on CME: The March soybean future, the most active contract, advanced 3% on the week; the Mar-11 Soymeal futures was up 2% w/w; Soyoil for Mar-11 delivery was up 3% w/w.
- Domestic:** Oilseed prices traded on SAFEX ended firm to modestly higher with soybeans posting the biggest gains. Weekly soybean prices were up 5.1% w/w and 50% y/y, closing at R4,210/ton. Weekly sunflower prices ended a bit firmer, closing up 0.3% w/w at R4,782/ton. This is however still 51% higher y/y. Soybean futures on SAFEX: Soybean for Mar-11 delivery rose 4.6% w/w (+R180/t), May-11 was up 6.8% w/w (+R241/t), Jul-11 was up 6.4% w/w (+R232/t), Sep-11 was up 5.2% w/w (+R192/t). Sunflower futures on Safex: Mar-11 ended firmer, up 0.9% w/w (+R41/t), May-11 was up 5% w/w (+R216/t), Jul-11 was up 5.1% w/w (+R226/t).



**OUTLOOK**

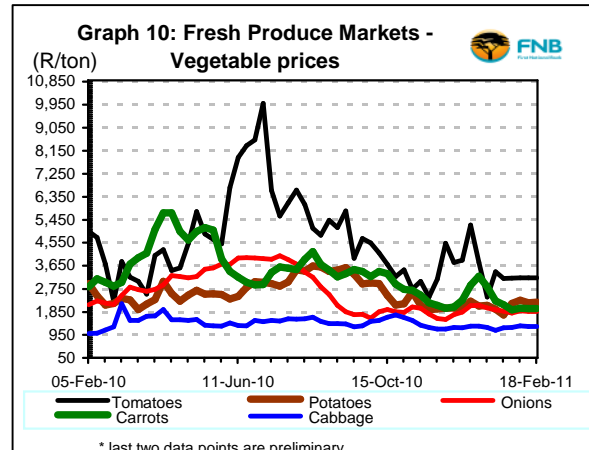
The tight international supply situation coupled with strong demand will continue to support the oilseed market.

Oilseeds Futures 04 February 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
CBOT Soybeans (US \$/t)	526.68	530.58	532.78	511.84	-			
CBOT Soya oil (US c/lb)	58.98	59.51	59.96	60.23	60.36			
CBOT Soya cake meal (US \$/t)	383.20	385.90	386.40	366.90	353.00			
SAFEX Sunflower seed (R/t)	4,870	4,616	4,702	-	-			
SAFEX Soybean seed (R/t)	4,117	3,828	3,876	3,897	3,848			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
Mar-11			May-11			Jul-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,040	246	76	4,100	19	535	4,160	174	716
5,000	219	89	4,060	15	571	4,120	161	743
4,960	193	103	4,020	11	607	4,080	149	771



**Vegetable market trends (Graph 10)**

- Tomatoes**  
 Tomato prices ended marginally higher despite improved volumes on markets. Prices increased by 0.8% w/w but down by 36.2% y/y, closing at R3,187/ton. Volumes traded reached 3,986 tons, up 4.7% w/w and 9.8% y/y. It is expected that prices will move sideways with limited upward potential.
- Potatoes**  
 Potato prices moved modestly higher supported by good uptake on markets. Weekly potato prices gained 5.5% w/w to close at R2,302/ton, but still down 22.1% y/y. Volumes traded increased by 13.7% w/w and 16.8% y/y reaching 14,142 tons. Prices are expected to move sideways with downward potential towards midmonth.
- Onions**  
 Onion prices ended modestly higher despite higher volumes due to good uptake on markets. Prices increased to R1,895/ton, up 4.5% w/w but still down 11.2% y/y. Volumes traded increased sharply by 20% w/w and 12.9% y/y, coming in at 5,726 tons. Prices are however expected to ease somewhat in the short term with limited upside potential as a result of increased supplies.
- Carrots**  
 Carrot prices increased slightly due to good uptake on markets. Prices were up 3.4% w/w but down 29.5% y/y closing at R1,995/ton. Weekly volumes of carrots traded reached 1,565 tons, up 17.6% w/w and 18.8% y/y. Prices are expected to trend sideways in the short term.
- Cabbages**  
 Cabbage prices ended modestly higher due to good uptake and light volumes on markets. Weekly cabbage prices were up 5.3% w/w and 30.4% y/y closing at R1,294/ton. Volumes traded were pegged at 1,390 tons, up 0.5% w/w but down 11.9% y/y. It is expected that prices will trend sideways with limited uptake towards midmonth.



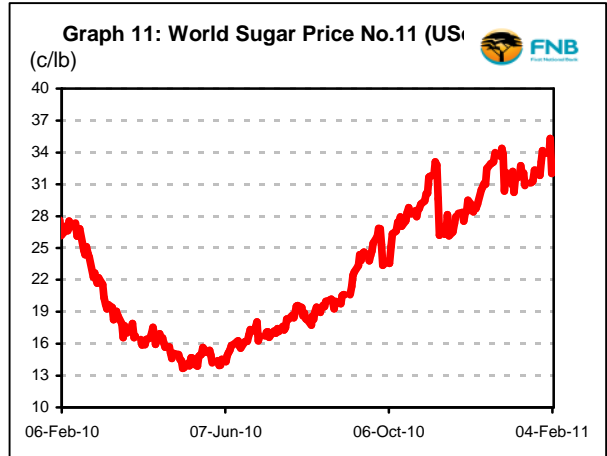
<b>Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
<b>Week ending 04 February 2011</b>	<b>Average Price (R/t)</b>	<b>w/w</b>	<b>y/y</b>	<b>Total Volume (t)</b>	<b>w/w</b>	<b>y/y</b>
Tomato	3,187	0.8%	-36.2%	3986	4.7%	9.8%
Potato	2,302	5.5%	-22.1%	14142	13.7%	16.8%
Onion	1,895	4.5%	-11.2%	5726	20.0%	12.9%
Carrot	1,995	3.4%	-29.5%	1565	17.6%	18.8%
Cabbage	1,294	5.3%	30.4%	1390	0.5%	-11.9%

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



**Sugar market trends (Graph 11)**

- International:** World sugar prices traded firmer for the week. Production concerns due to unfavourable weather conditions in major producing areas along with indications that the European Union is considering raising import quotas in order to address internal shortages continued to have an upward influence on the market. Prices touched a high of 35.31 c/lb by mid-week but dropped sharply late in the week due to the stronger US dollar and sell-off in commodities. Weekly prices settled at 33.58 US c/lb, up 1.5% w/w and 19% y/y. Weekly US ICE sugar futures were however down across the board: Raw sugar for Mar-11 delivery continued to soften, closing down 3.8% w/w at 32.64c/lb, May-11 was down 2.9% w/w at 30.39c/lb, Jul-11 was down 1.8% w/w 27.69c/lb, May-12 was down 2.1% w/w at 23.49c/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 sugarcane delivered by the individual grower, was declared at R2,554.71/ton during December 2010 which is 0.4% lower ( R11.17/t) compared to November, according to the Cane Growers. The weaker trend is attributable to lower sugar production which dropped by 18,793 tons, the lower sugar: RV ratio of 93.14% versus 93.43% previously and the lower weighted average world market price.

ICE Sugar Futures 04 February 2011	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	32.64	30.39	27.69	25.74	24.93
% Change w/w	-3.8%	-2.9%	-1.8%	-2.6%	-3.0%

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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.

