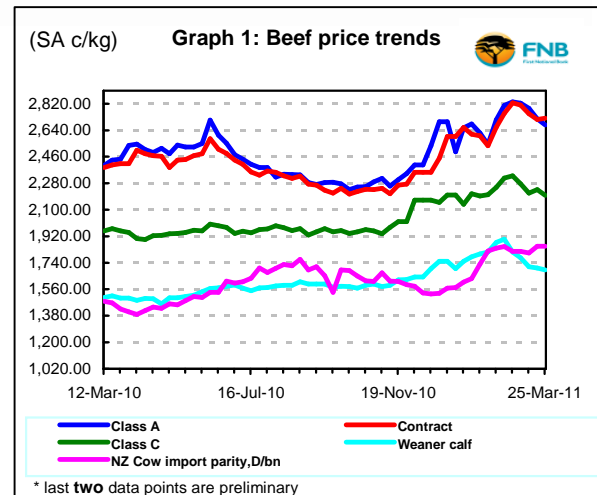


## Beef market trends (Graph 1)

- International:** US domestic manufacturing beef prices ended firm to higher on moderate demand and supplies. Boxed beef cutout values, an indicator of beef prices at wholesale level, strengthened supported by good demand and moderate supplies. Market activity on imported beef remained slow, but prices continued to trend higher due to tight import supplies. In Australia, cattle prices continued to strengthen despite increased supplies across most markets. The Eastern Young Cattle Indicator (EYCI) closed up 1.9% higher w/w at a record 409 cents, which is 17% higher y/y.
- Domestic:** Beef prices continued to weaken due to limited demand across most markets. Weekly Class A, Class C and Class A contract beef prices closed at R27.89/kg, R22.13/kg, and R27.54/kg, which is 1.3%, 2.7% and 2.1% lower respectively compared to the previous week. Weaner calf prices drifted lower due to limited uptake and improved supplies. Weekly weaner calf prices closed the week at R17.12/kg live weight, down 3.5% w/w but still 14% higher y/y.

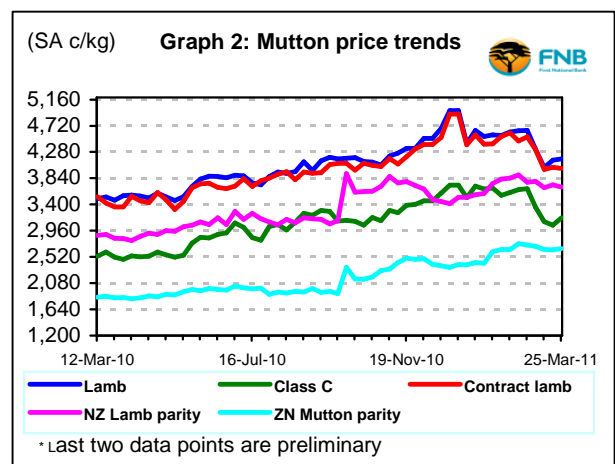


## OUTLOOK

Prices are expected to continue to weaken in the short term, but will firm slightly in the medium term closer to the Easter holidays.

## Mutton market trends (Graph 2)

- International:** US domestic slaughter lambs and ewes ended were mostly firm to higher on good demand. Lamb cutout values (Choice & Prime) ended modestly higher by 3.5% w/w and 49% y/y. Slaughter ewes on the other hand eased lower. Weekly sheep slaughter numbers came in at 37,000, down 2.6% w/w and 27% y/y. The Australian mutton prices ended firmer on reduced supplies, which dropped 25% on the week. Lamb numbers were reported up 14%, exerting downward pressure on the market.
- Domestic:** Lamb and mutton prices trended lower on weak demand across most markets. Weekly Class A lamb, Class Cs and Contract Class A lamb closed at R40.17/kg, R31.14/kg and R39.84/kg, down 7.1%, 7.2% and 7.8% w/w respectively. Feeder lamb prices continued to weaken as a result of limited uptake on markets. Weekly weaner lamb prices closed 4.7% lower at R20.17/kg live weight. This is however is still 28% higher y/y.

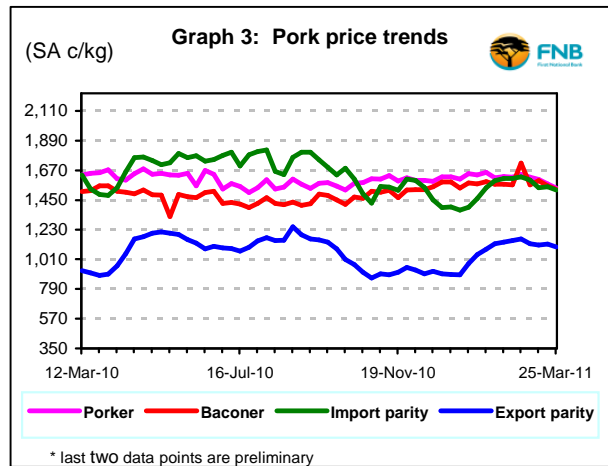


## OUTLOOK

The market is expected to recover somewhat in the medium term as demand peaks during Easter.

**Pork market trends (Graph 3)**

- **International:** US pork prices were steady to higher across most categories, on improved uptake. The weekly pork carcass cutout values eased marginally lower by 0.3% w/w but almost 23% higher y/y. The estimated number of pigs slaughtered increased by 0.7% w/w and 0.9% y/y at 2.15m. Meanwhile, rising maize prices are expected to exert downward pressure on producer margins due to their effect on feed prices..
- **Domestic:** Domestic porker prices continued to soften as a result of limited uptake on markets. Weekly porker prices finished the week at R16.02/kg, down 1.1% w/w and 2% y/y. Baconers were a bit firmer, closing up 1.9% w/w and 5% y/y at R15.93/kg. Weekly import parity prices decreased by 4% w/w and 6% y/y, under pressure due to a stronger Rand/US dollar exchange rate. Meanwhile, pork imports for Feb-2011 came in modestly lower by 6% m/m at 2,406 tons. Total year to date imports increased to 4,964 tons.

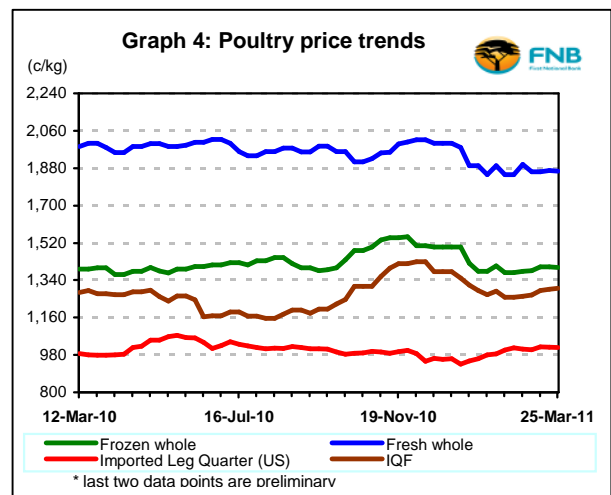


**OUTLOOK**

Domestic porker and baconer prices are expected to move sideways to lower as demand slips towards mid-month.

**Poultry market trends (Graph 4)**

- **International:** US domestic prices maintained a firmer trend across most categories on moderate demand and limited supplies. Demand at retail and food service was reported mostly light to good and moderate to good throughout the week. Meanwhile, the US broiler egg sets for the week ended 5-Mar-11 were reported up 1% w/w while chick placements were slightly lower y/y. The expected number available for marketing during the week ending 16-April-2011 was projected at 155.1m head, up 0.4% w/w but down 1.3% y/y.
- **Domestic:** Poultry prices ended steady to higher, with frozen and IQF category continuing to trend a bit higher. Weekly frozen whole birds and IQF closed a bit firmer at R14.05/kg and R12.91/kg, up 1.4% and 1.8% w/w respectively. Fresh whole birds remained steady, closing at R18.63/kg, down 6% y/y. Weekly import parity prices bottomed out and increased on the back of better international prices.



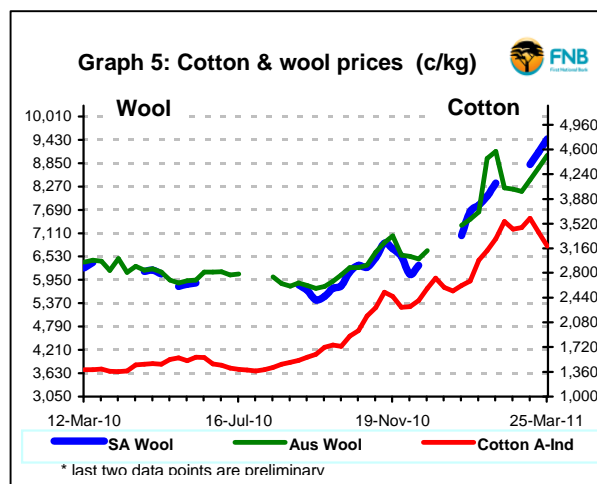
**OUTLOOK**

Domestic poultry prices are expected to trend sideways with some upward potential towards Easter.

Producer prices for selected livestock commodities 11 March 2011	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	27.89	40.17	16.02	18.63
Open market: Class C / Baconer / Frozen whole birds(R/kg)	22.13	31.14	15.82	14.05
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	27.54	39.84	15.93	12.91
Import parity price (R/kg)	18.07	26.44	15.41	10.18
Weaner Calves / Feeder Lambs (R/kg)	17.12	20.17		

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

- International:** Cotton prices continued to trend higher, closing at a record high of 237.17 US c/lb. This is up 4.6% w/w and 178% higher y/y. The recent rally was underpinned by strong Chinese demand and tight supplies. At this level, farmers will be stimulated to plant more cotton. Meanwhile, the ICAC (International Cotton Advisory Committee) projected an 11% increase in production to 27.6m tons in the year ahead. Cotton ICE futures however eased lower for near term contracts: Cotton for May-11 delivery was down 3.6% w/w at 204.94c/lb, Jul-11 down 4.8% w/w at 193.25c/lb, Oct-11 down 0.5% w/w at 153.57c/lb, Dec-11 up 4.1% w/w at 128.32c/lb. Wool market: In Australia, the wool market advanced further on strong demand. This saw the weekly market indicator EMI at a 20 year record of A\$13.48/kg, up 3.1% w/w and 47% y/y.
- Domestic:** The wool market resumed on a negative note, closing modestly lower. The weekly market indicator Cape Wools Merino closed at R81.97/kg, down 4.6% compared to the previous sale two weeks ago. Sales reached 86% of the 10,520 bales offered. It is however expected that the market will recover in the longer term given the tight global supplies and improving global demand.

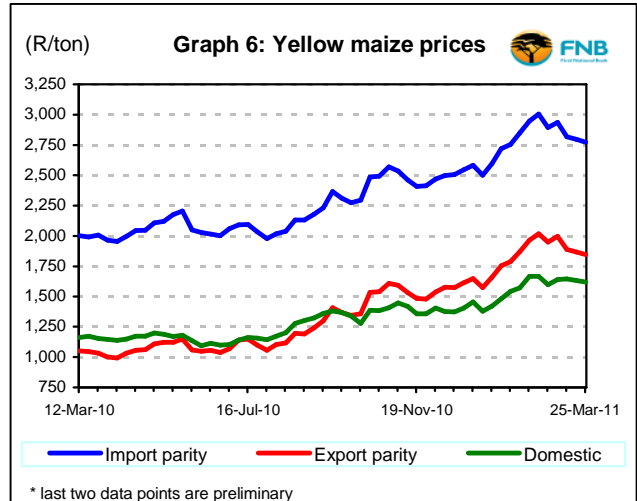


Fibre market prices 11 March 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Jul-11 (AU\$/kg)	Australian futures Sep-11 (AU\$/kg)
Wool market indicator (R/kg)	88.17	84.37		
19µ long length wool (R/kg)	118.78	116.02	14.75	14.38
21µ long length wool (R/kg)	90.16	85.31	10.65	10.45
23µ long length wool (R/kg)	-	80.36	9.48	9.23
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Jul-11 (US\$/kg)	New York future Oct-11 (US\$/kg)
Cotton Prices (R/kg)	36.00	5.22	4.25	3.38



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices posted modest losses under pressure due to continued concerns over global economic growth coupled with fears of slower commodity imports to Japan following the devastating earthquake. Meanwhile, the USDA report was negative as it raised global ending stocks to 123.14m tons, up 0.5% compared to the February estimate but still down 15% y/y. Production for Brazil was revised higher by 3.9% to 53m tons. US ending stocks estimate was pegged at 17m tons, unchanged m/m. Weekly yellow maize prices were down 4.6% w/w and closed at \$294.08/ton, but still 86% higher y/y.
- **Domestic:** Yellow maize prices ended firmer despite a stronger Rand. Weekly yellow maize prices closed 0.3% higher w/w and 41% y/y at R1,644/ton. Yellow maize import parity was down 4% w/w, but still up 41% y/y. Weekly export sales for the week ended 04-Mar-2011 came in at 3,267 tons, which brings cumulative sales for the season to 657,807 tons. Weekly yellow maize futures on Safex: May-11 was down 6.1% w/w (-R102/t), Jul-11 down 6.5% w/w (-R110/t), Sep-11 down 6.4% w/w (-R110/t), Dec-11 down 5.5% w/w (-R97/t).



**OUTLOOK**

Uncertainty regarding the direction of world economy will continue to keep the commodity markets under downward pressure.

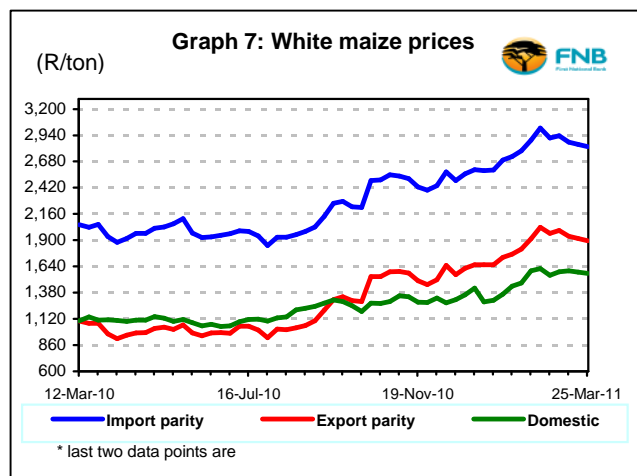
Yellow Maize Futures 11 March 2011	May-11	Jul-11	Sep-11	Dec-11	Mar-12
CBOT (\$/t)	261.69	264.22	245.30	227.57	231.36
SAFEX (R/t)	1,595	1,570	1,592	1,620	-
CHICAGO CORN (R/t)	-	1,886	1,755	1,648	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-11			Jul-11			Sep-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,620	103	53	1,640	132	84	1,660	175	135
1,580	80	70	1,600	109	101	1,620	152	152
1,540	60	90	1,560	89	121	1,580	131	171

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

- **International:** US white maize prices ended slightly lower on spill over weakness from outside markets. Weekly prices ended down 2.2% w/w to close at \$282/ton, which is almost 83% higher y/y.
- **Domestic:** White maize prices posted marginal gains despite a stronger Rand. Weekly white maize prices closed 0.6% higher w/w at R1,595/ton, up 45% y/y. White maize import parity prices ended down 2.2% w/w, but almost 40% higher y/y. Weekly export sales for the week ended 4-Mar-11 came in at 10,278 tons, down 7.6% w/w and bringing total white maize sales for the season-to-date



to 657,807 tons. Total country maize sales (YM+WM) reached 1.56m tons. White maize (WM) futures on Safex: White maize for May-11 delivery was down 6% w/w (-R98/t), Jul-11 down 6.4% w/w (-R106/t), Sep-11 down 6.3% w/w (-R105/t), Dec-11 down 6.3% w/w (-R108/t), Mar-12 down 0.2% w/w (-R3/t), Jul-12 down 1.2% w/w (-R21/t).

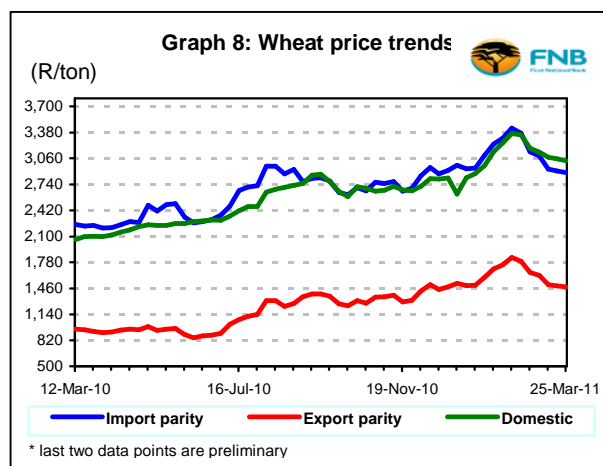
• **OUTLOOK**

Uncertainty regarding the direction of world economy will continue to keep the commodity markets under downward pressure.

White Maize Futures 11 March 2011	May-11	Jul-11	Sep-11	Dec-11	Mar-12			
SAFEX (R/t) WM <sub>1</sub>	1,527	1,543	1,574	1,619	-			
<b>Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
May-11			Jul-11			Sep-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,560	85	52	1,580	127	90	1,620	174	128
1,520	63	70	1,540	105	108	1,580	151	145
1,480	44	91	1,500	85	128	1,540	130	164

**Wheat market trends (Graph 8)**

- International: Wheat prices drifted lower, reversing past few weeks strong gains. Prices declined under pressure from outside markets and a bearish USDA report. USDA pegged world ending stocks at 181.9m tons, up 2.3% last month but still down 7.9% y/y. US stocks came in 3% lower at 23m tons. Production estimate for Argentina and Australia came in higher. Wheat futures on KCBT: Wheat for May-11 delivery was down 11.4% w/w, Jul-11 down 11% w/w, Sep-11 down 9.9% w/w. Wheat futures on CBOT: May-11 dropped by 13.7% w/w, Jul-11 down 12.7% w/w, Sep-11 down 11.1% w/w.
- Domestic: Domestic wheat prices continued to soften under pressure due to a stronger Rand and spill over weakness from Chicago. Wheat prices on SAFEX eased 2.1% lower to close at R3,074/ton, but still 44% higher y/y. Weekly export sales for the week ended 4-Mar-11 dropped by 17% w/w at 2,511 tons, and bringing cumulative sales for the season to 67,404 tons. Imports came in at 40,623 tons and 701,069 tons for the year. Wheat futures on SAFEX were down across the board: wheat for May-11 delivery closed down 5.5% w/w (-R173/t), Jul-11 down 6% w/w (-R192/t), Sep-11 down 6% w/w (-R193/t), Dec-11 down 8.2% w/w (-R250/t).



• **OUTLOOK**

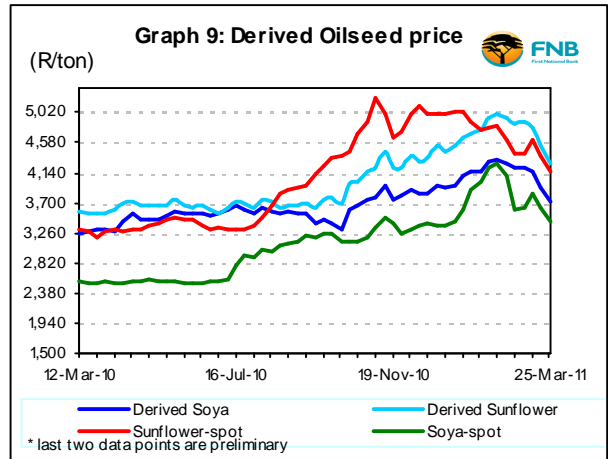
Prices are expected to ease lower in the short term due to spill over weakness in commodity markets.

Wheat Futures 11 March 2011	May-11	Jul-11	Sep-11	Dec-11	Mar-12			
KCBT (\$/t)	302.40	306.35	311.86	318.48	-			
SAFEX (R/t)	2,992	3,001	3,015	2,800	-			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
May-11			Jul-11			Sep-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,040	126	78	3,040	165	126	3,060	183	138
3,000	103	95	3,000	143	144	3,020	161	156
2,960	83	115	2,960	123	164	2,980	140	175



**Oilseed market trends (Graph 9)**

- International:** US soybean prices retreated on harvest pressure in South America and uncertainty surrounding world economic growth. Higher production forecasts for Brazil and Argentina eased supply concerns. USDA raised world ending stocks to 58.3m tons, up 0.2% m/m but still down 1.2% y/y. Production forecast for Brazil was increased by 2.2% to 70m tons. US ending stocks were pegged at 3.8m tons, unchanged m/m. Soy product futures weakened with soybeans. Soybean futures for May-11 delivery closed down 5.6% w/w at \$490/t. Soymeal for May delivery fell 5.6% to \$350/ ton, while soyoil for May delivery was down 6% w/w at 56.90c/lb.
- Domestic** Oilseed prices traded on SAFEX posted modest gains despite a stronger Rand. Weekly sunflower prices closed up 4.3% w/w and 40% y/y at R4,621/ton. Soybean prices rose 5.2% w/w and 49.4% y/y to close at R3,821/ton. Soybean futures on SAFEX: May-11 was down 1.7% w/w (-60/t), Jul-11 down 1.7% w/w (-R60/t), Sep-11 down 1.1% w/w (-R41/t), Dec-11 up 1.1% w/w (+R39/t). Sunflower futures on Safex: May-11 was down 1.2% w/w (-R50/t), Jul-11 down 1.2% w/w (-R50/t).



**OUTLOOK**

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

Oilseeds Futures 11 March 2011	May-11	Jul-11	Sep-11	Dec-11	Mar-12
CBOT Soybeans (US \$/t)	490.31	493.25	484.65	-	477.67
CBOT Soya oil (US c/lb)	55.90	56.47	56.71	56.72	56.57
CBOT Soya cake meal (US \$/t)	350.00	353.30	348.20	338.50	338.10
SAFEX Sunflower seed (R/t)	4,170	4,250	-	-	-
SAFEX Soybean seed (R/t)	3,439	3,489	3,539	3,629	-

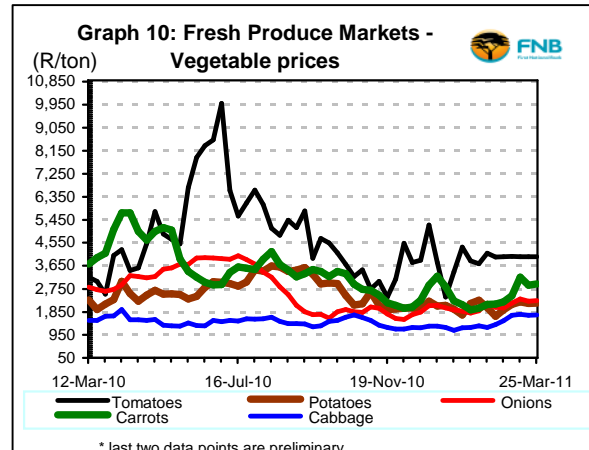
**Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)**

May-11			Jul-11			Sep-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,220	140	90	4,300	348	298			
4,180	118	108	4,260	326	316			
4,140	98	128	4,220	305	335			



**Vegetable market trends (Graph 10)**

- Tomatoes**  
 Tomato prices increased slightly due to limited supplies on markets. Prices increased by 0.1% w/w and 25.1% y/y, closing at R4,007/ton. Volumes traded reached 3,305tons, down 25.9% w/w and 16.4% y/y. Prices are however expected to weaken slightly in the short term due to moderation in demand.
- Potatoes**  
 Potato prices increased slightly due to limited supplies on markets. Prices were up 4.4% w/w but down 3.2% y/y, closing at R2,243/ton. Volumes traded were down 26.5% w/w but still 4.0% higher y/y at 12,019tons. Prices are however expected to maintain the current momentum with further upside potential due to limited supplies.
- Onions**  
 Onion prices increased slightly due to limited supplies on markets. Prices increased to R2,3574/ton, up 7.5% w/w but down 16.3% y/y. Volumes traded were down 32.4% w/w but up 10% y/y at 4,601 tons. Prices are however expected to move sideways in the short term with limited upside potential as supplies recover.
- Carrots**  
 Carrot prices increased sharply due to limited supplies on markets. Prices were up 29.2% w/w but down 13.8% y/y closing at R3, 201/ton. Volumes traded reached 1,338tons, down 14.5% w/w but still up 15.1% y/y. Prices are expected to ease slightly in the short term as volumes improve.
- Cabbages**  
 Cabbage prices increased slightly due to limited supplies on markets. Prices were up 2.1% w/w and 15.4% y/y closing at R1,756/ton. Volumes traded reached 1,247tons, down 9.8% w/w but still up 3.1% y/y. Prices are expected to trend firmer in the short term on improved uptake across markets.



<b>Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
<b>Week ending 11 March 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	4,007	-0.1%	25.1%	3305	-25.9%	-16.4%
Potato	2,243	4.4%	-3.2%	12019	-26.5%	4.0%
Onion	2,357	7.5%	-16.3%	4601	-32.4%	10.0%
Carrot	3,201	29.2%	-13.8%	1338	-14.5%	15.1%
Cabbage	1,756	2.1%	15.4%	1247	-9.8%	-3.1%

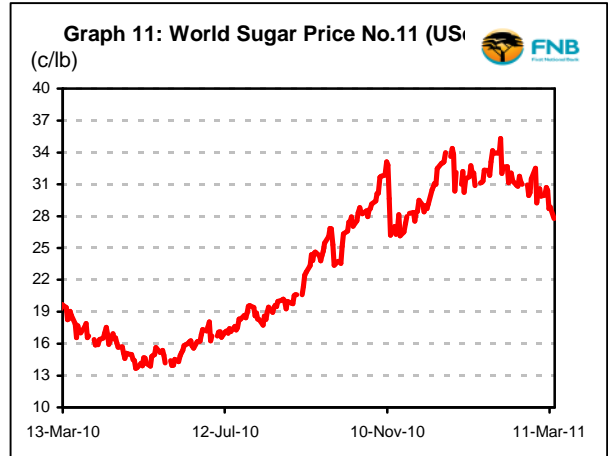
\* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

**Sugar market trends (Graph 11)**

- International:** World sugar prices continued to weaken, reversing recent gains due to the general weakness in commodities. Average weekly prices closed 2.6% lower w/w at 29.74 US c/lb, but still 48% higher y/y. Weekly US ICE sugar futures (USc/lb) were down across the board: Raw sugar for May delivery closed down 3.4% w/w at 28.86c/lb, Jul-11 down 3.7% w/w at 26.44c/lb, Oct-11 down 3.2% w/w at 25.08c/lb. Meanwhile, sugar production is reportedly on the increase out China and India with the latter's projection up 30% y/y at 24.5m tons. In the case of China, the Guangxi Zhuang region which accounts for 70% of total production is expected to raise production to 8.5m tons and area planted under sugar to 1.07m hectares.
- Domestic:** On the domestic market, 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 R2,550.20/ton during January 2011, down 0.2% ( R4.35/t) compared to December. The weaker trend is attributable to lower sugar production, which dropped by 1,800 tons, the lower sugar: RV ratio (93.02% versus 93.14%) and the lower weighted average world market price.



ICE Sugar Futures 11 March 2011	May-11	Jul-11	Oct-11	Mar-12	May-12
Sugar No.11 (US c/lb)	28.86	26.44	25.08	24.44	23.41
% Change w/w	-3.4%	-3.7%	-3.2%	-2.7%	-1.6%

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