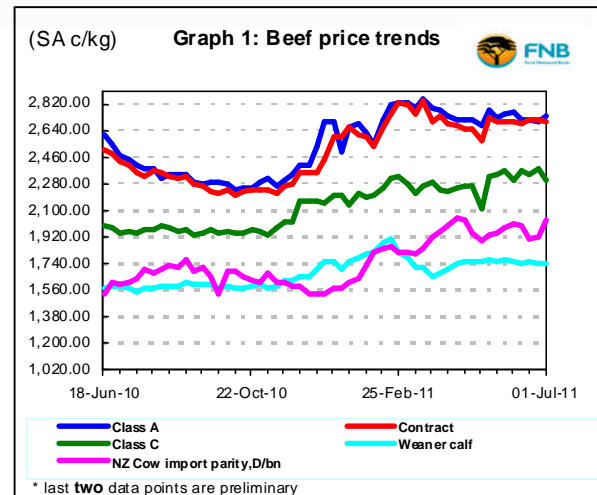


Beef market trends (Graph 1)

- International:** US lean boneless processing beef prices ended sharply lower on moderate demand and heavy supplies. Market activity on imported beef was reportedly slow with prices mostly lower. Boxed beef cutout values were steady to firm on moderate to good demand. In the cattle market, CME Feeder Cattle Index eased marginally lower at \$124.58/cwt, down 0.2% w/w but still 15.0% higher y/y. In Australia, the EYCI continued to weaken and closed the week at AU\$3.83/kg, down 0.5% w/w but still 9.1% higher y/y. A combination of Weak export demand, renewed concerns over the global economy and a stronger AU\$ continued to put pressure on the market.
- Domestic:** Beef prices ended mixed during midmonth. Weekly Class C beef prices traded eased slightly lower at R23.40/kg, down 1.0% w/w but still 17.5% y/y. Contract Class A beef prices ended firmer at R27.08/kg, up 0.6% w/w and 7.9% y/y. Weekly Class A beef prices was firmer at R27.20/kg, up 0.4% w/w and 11.2% y/y.

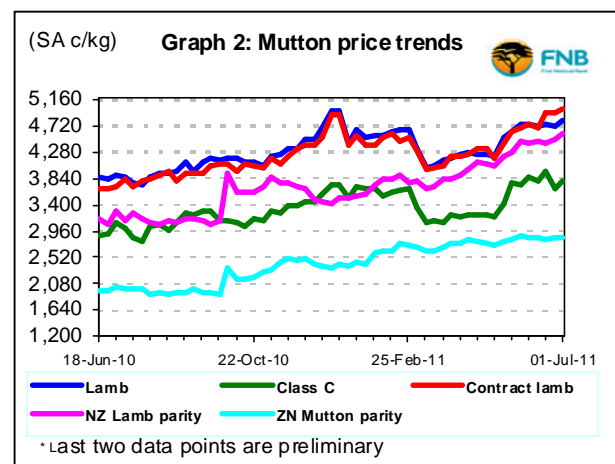


OUTLOOK

Prices are expected to soften somewhat in the medium term due to subdued demand during the winter period. In the case of weaner calves, prices will come under pressure due to increased seasonal supplies as a result of weaning.

Mutton market trends (Graph 2)

- International:** US lamb cuts and carcass trade was reportedly slow on moderate demand. Supplies remained tight due to seasonal decrease in number of marketable lambs during this period. Lamb Carcass Cutout values lost their ground and ended 0.7% lower at \$374.22/cwt, but still 33.1% higher y/y. Weekly slaughter numbers came in at 38,000 head, up 5.6% w/w but down 13.6% y/y. In Australia, lamb prices continued to trend lower due to improved supplies. Mutton prices on the other hand finished stronger on the back of reduced numbers.
- Domestic:** Prices strengthened supported by tight supplies across markets. The shortage of marketable lambs continues and will support the upward trend in prices over the medium term. Weekly Contract Class A lamb prices closed at R49.56/kg, up 5.8% w/w and 34.4% y/y. Class C beef closed at R39.66/kg, up 4.8% w/w and 37.0% y/y. Class A lamb prices came in marginally higher by 0.5% w/w at R47.43/kg, but still 22.6% higher y/y. Weaner lambs continued to post sharp gains due to tight supplies and strong demand across most markets. Weekly weaner lamb prices advanced by 5.4% w/w and 32.2% y/y to close at a record R25.33/kg live weight.

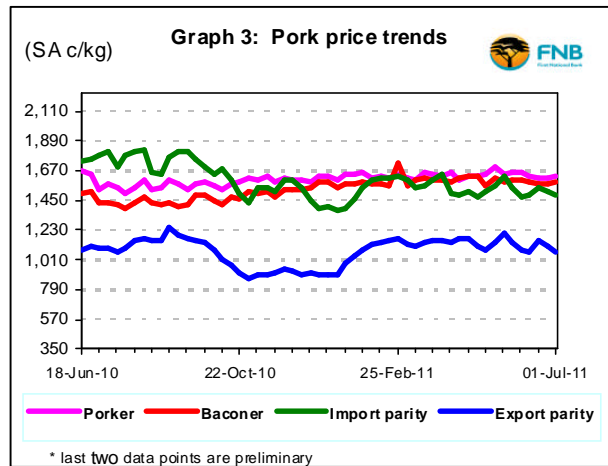


OUTLOOK

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

Pork market trends (Graph 3)

- International: US pork prices finished the week stronger across the board. Good demand and lower volumes lend support. Weekly ham prices gained 3.7% w/w to close at \$74.59/ cwt, but still 0.7% lower y/y. Rib prices rose sharply by 13.0% w/w and 29.5% y/y at \$162.63/cwt. Carcasses advanced by 5.6% w/w and 13.9% y/y at \$94.16/cwt. Weekly slaughter number decreased by 1.4% w/w and 1.5% y/y at an estimated 1.97m head.
- Domestic: Prices continued to weaken due to subdued demand. Weekly porker prices closed at R16.19/kg, down 0.4% w/w, and 3.0% y/y. Baconers eased marginally lower by 0.7% w/w and closed at R15.78/kg, but still 5.0% higher y/y. Import parity prices advanced further on the back of better international prices and a weaker Rand, closing 3.9% higher w/w but still down 11.0% y/y. Meanwhile imports dropped sharply by 39.2% m/m during May 2011, coming in at 1589 tons which is 20.4% lower y/y. Year to date imports were up 4.4% compared to the corresponding period last year at 12,677 tons.

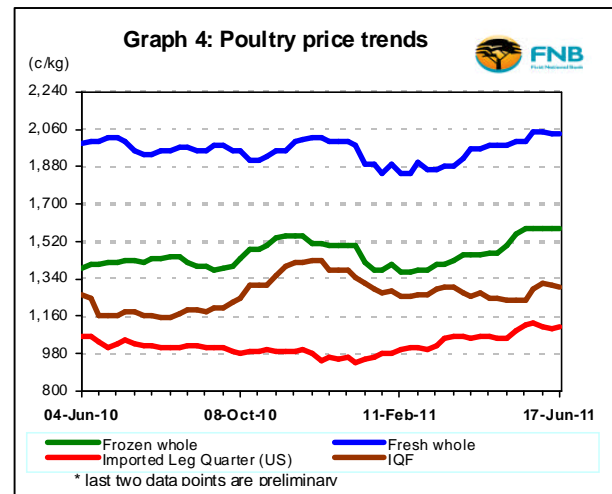


OUTLOOK

Domestic porker and baconer prices are expected to soften somewhat in the short term due to limited demand.

Poultry market trends (Graph 4)

- International: US domestic prices were steady to firm across most categories with the exception of wings. Weekly leg quarter prices fell by 2.4% w/w but still up 32.2% y/y at US48.80c/lb. Wings fell by 2.0% w/w at US79.0c/lb, but still 5.9% higher y/y. Demand at retail and food service was reportedly light to moderate. US broiler egg sets and chick placements as of 11-June-2011 were reported down 3.0% and 2.0% y/y respectively. The estimated number available for marketing during the week ending 23-Jul-2011 came in at 158.0m head, down 3% y/y.
- Domestic: Poultry prices were steady to lower for the week. Weekly frozen whole birds traded at R15.87/kg, up 0.2% w/w and 13.0% y/y. Weekly fresh whole birds were steady at R20.20/kg, but still up 1% y/y. In the case of IQF, prices continued to weaken due to higher volumes. Weekly IQF prices dropped to R12.98/kg, down 0.8% w/w but still 12% higher y/y. Import parity for poultry (LQ) eased marginally lower mainly due to a stronger Rand. Weekly prices fell by 0.8% w/w but up 6.0% y/y.



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.

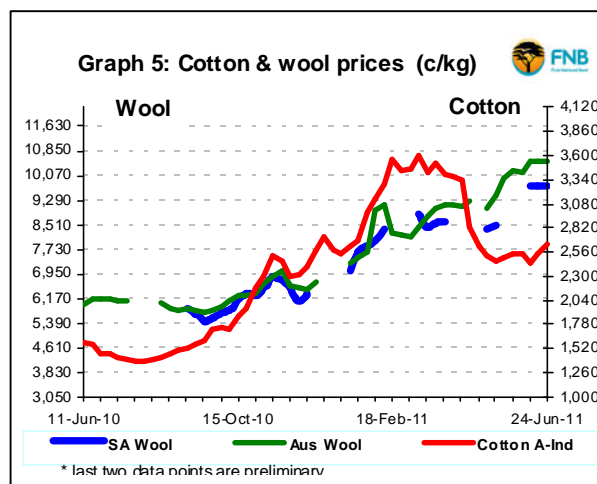


How can we help you?

Producer prices for selected livestock commodities 17 June 2011	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	27.20	47.43	16.19	20.20
Open market: Class C / Baconer / Frozen whole birds(R/kg)	23.40	39.66	15.20	15.87
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	27.08	49.56	15.78	12.98
Import parity price (R/kg)	19.01	28.20	15.46	10.97
Weaner Calves / Feeder Lambs (R/kg)	17.46	25.33		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices reversed gains seen last week and weakened. Weekly Cotton prices fell by 3.0% w/w and closed at US 164.35c/lb, but still 78.4% higher y/y. USDA projected the global cotton area at 35.7m hectares, up 7% y/y. India and China are projected to increase area to 12m and 5.5m hectares respectively. Global cotton production in 2011/12 is projected at a new record of 123.8m bales, up 8.3% y/y. Cotton ICE futures: Cotton for Jul-11 delivery fell by 0.9% w/w at 148.73c/lb, Oct-11 was down 7.4% w/w at 129.29c/lb, Dec-11 was down 7.2% w/w at 124.07c/lb, Mar-12 was down 7.0% w/w at 117.94c/lb. Wool: In Australia, the wool market retained upward momentum which saw the weekly market indicator EMI closing at A\$14.31/kg, up 1.1% w/w and 59.2% higher y/y.
- Domestic:** The wool market is currently on recess. The 2010/11 wool season was the best on record. The wool market indicator Cape Wools Merino finished the season at record R97.29/kg clean wool, which is 35.0% and 68.0% higher compared to the current season's average and the opening sale respectively. Growing conditions were unfavourable early in the season with some areas experiencing drought conditions. Nonetheless the situation changed as the season progressed due to good summer rains in most areas. On the global stage, tight supply situation and strong demand in China, India, Europe and East Asia helped maintain the strong price trend. The new wool season reopens in August with the first sale scheduled for 17 August 2011.



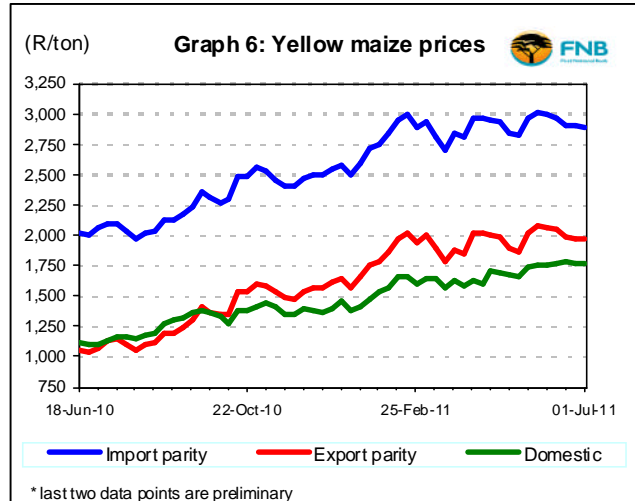
Fibre market prices 17 June 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Oct-11 (AU\$/kg)	Australian futures Dec-11 (AU\$/kg)
Wool market indicator (R/kg)	97.29	107.56		
19µ long length wool (R/kg)	127.81	127.01	15.80	15.50
21µ long length wool (R/kg)	101.35	109.89	13.35	12.95
23µ long length wool (R/kg)	-	95.27	11.60	11.20
	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)	24.39	3.62	2.85	2.72

South Africa: Closing figures for the season



Yellow maize market (Graph 6)

- **International:** US yellow maize prices came under pressure during the week on the back of a stronger US dollar due to fears that Greece's debt default could spark a wide sell-off in the equities and energy markets. However, losses were limited by concerns over flooding and tight supplies. Improved crop weather in the Midwest added to the bearish sentiment and crop progress was rated at 69% in good to excellent condition. Maize futures on Chicago: Maize for Jul-11 delivery dropped sharply by 11.0% w/w and closed at \$275.88/t, Sep-11 was down 9.1% w/w at \$271/t, Dec-11 was down 7.4% w/w at \$260/t, Mar-12 was down 7.1% w/w \$265/t.
- **Domestic:** Weekly yellow maize prices ended marginally higher at R1,781/ton, up 0.6% w/w supported by a slightly weaker Rand. Yellow maize import parity price was down by 2.2% w/w but still 44.4% higher y/y. Weekly export sales for the week came in at 2,188 tons, with total sales for the new marketing season increasing to 67,462 tons. Weekly yellow maize futures on Safex: Yellow maize for July delivery increased 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).



OUTLOOK

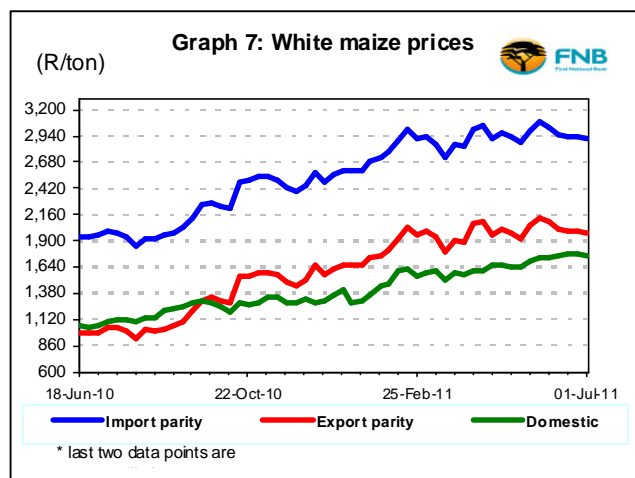
Prices are expected come under pressure in the short term due to the spill over weakness from international markets.

Yellow Maize Futures 17 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT (\$/t)	275.88	270.68	260.04	264.61	267.60
SAFEX (R/t)	1,741	1,774	1,822	1,845	-
CHICAGO CORN (R/t)	1,912	1,876	1,813	1,813	-

Calculated Yellow Maize Options 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
1,780	49	10	1,820	133	87	1,860	189	151
1,740	24	25	1,780	110	104	1,820	166	168
1,700	9	50	1,740	90	124	1,780	145	187

White maize market trends (Graph 7)

- **International:** US white maize prices eased slightly lower for the week. US white maize prices started the week strong but ended up weaker due to sell-off activity and a stronger US dollar. Weekly prices were down 1.7% to close at \$295/ton.
- **Domestic:** Weekly white maize prices advanced by 0.4% w/w and 66.1% higher y/y to close at R1,768/ton, supported by a slightly weaker Rand. White maize import parity prices were down 0.6% w/w due to a stronger Rand but still up 51.6% y/y. Weekly white maize export sales for the week ended June 3,2011 were pegged at 35,881 tons



and 243,026 tons for the new marketing season. Weekly white maize export sales for the week were pegged at 40,010 tons and 318,901 tons for the new marketing season. Total maize sales (Yellow and White) came 386,363 tons. White maize (WM) futures on Safex: White maize for Jul-11 advanced by 0.3% w/w (+R7/t), Sep-11 was up 0.4% w/w (+R7/t), Dec-11 was up 0.4% w/w (+R8/t), and Mar-12 was up 0.5% w/w (+ R10/t).

OUTLOOK

Prices are expected come under pressure in the short term due to the spill over weakness from international markets.

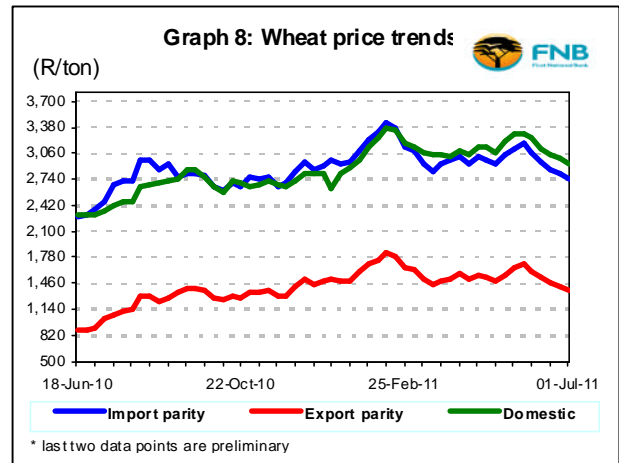
White Maize Futures 17 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
SAFEX (R/t) WM ₁	1,724	1,763	1,816	1,840	-			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,760	48	12	1,800	107	70	1,840	168	144
1,720	24	28	1,760	85	88	1,800	147	163
1,680	9	53	1,720	66	109	1,760	126	182

Wheat market trends (Graph 8)

- International:** US Wheat prices came under pressure this week. Lower prices were influenced by a combination of improving growing conditions in the EU and Russia, the bearish spill over effect from maize markets, the strength in the US dollar and high sell-off activity in most wheat exchanges. Weekly Hard Red wheat fell by 5.2% w/w at \$330/t, but up 85.7% y/y. Soft Red Wheat was down 5.5% w/w at \$284/t, but still 50.6% higher y/y. Wheat futures on Kansas: Wheat for Jul-11 delivery fell by 7.3% w/w at \$296/t, Sep-11 was down 7.2% w/w at \$302/t, Dec-11 was down 6.9% w/w at \$311/t, Mar-12 was down 6.7% w/w at \$316/t. Wheat futures on Chicago: Wheat for Jul-11 delivery fell by 11.5% w/w at \$247/t, Sep-11 was down 9.9% w/w at \$260/t, Dec-11 was down 8.8% w/w at \$277/t, Mar-12 was down 8.5% w/w at \$290/t.
- Domestic:** Wheat prices continued to weaken under pressure from lower CBOT prices. Weekly prices decreased by 2.3% w/w to close at R3,052/t, but were 39.6% higher y/y. Wheat import parity prices dropped by 3.5% w/w but still up 14.8% y/y. The lower CBOT prices continued to exert downward pressure on import parity prices. Weekly import sales for the week came in at 45,307 tons and 1.2m tons for the 2011/12 season. Export sales were pegged at 1,969 tons and 110,133 tons for the season to date. Wheat futures on SAFEX: Wheat for Jul-11 delivery fell by 4.5% w/w (-R141/t), Sep-11 was down 4.6% w/w (-R142/t), Dec-11 was down 2.1% w/w (-R64/t).

OUTLOOK

Prices are expected to continue trending lower due to renewed weakness on international markets.



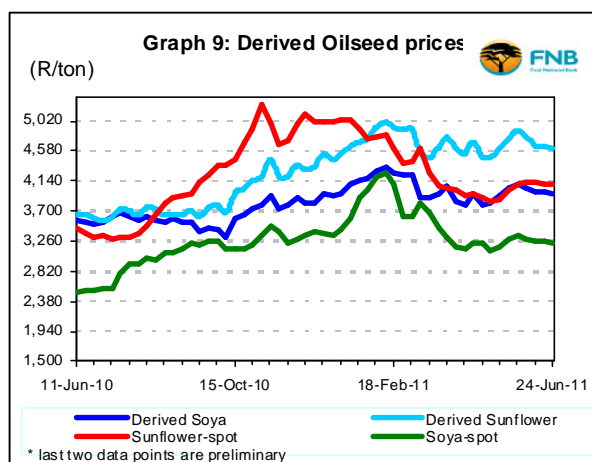
Wheat Futures 17 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
KCBT (\$/t)	318.94	325.55	333.91	338.69	339.70			
SAFEX (R/t)	3,125	3,116	3,008	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,020	56	20	3,020	125	79	2,980	190	154
2,980	33	37	2,980	103	97	2,940	168	172
2,940	17	61	2,940	83	117	2,900	148	192

Oilseed market trends (Graph 9)

- International:** US soybean prices continued to soften on spillover weakness in commodity markets. Planting is almost complete and the focus now turns to the weather which will dictate direction. The last USDA report raised ending stocks for both 2010/11 and 2011/12 by 0.3m tons at 4.50m and 5.20m tons respectively. World ending stocks for the 2010/11 season were revised higher to 64.53m compared to 63.81m last month. For 2011/2012, world ending stocks came in at 61.59m tons. Meanwhile, US soybean plantings earlier in the week came in at 68% planted compared to 83% last year. Soybean complex on Chicago: Soybean for Jul-11 delivery fell by 3.9% w/w at \$490/t, Sep-11 was down 3.4% w/w at \$489.65/t. Soybean meal for July delivery dropped by 6.5% w/w at \$349/t, Sep-11 was down 4.9% w/w at \$348/t. Soybean oil for Jul-11 delivery fell by 3.2% w/w at 56.85c/lb, Sep-11 fell by 1.6% w/w at \$55.92c/lb, Sep-11 was down 1.7% w/w at 56.45c/lb.
- Domestic:** Oilseed prices traded on SAFEX ended mixed with sunflower posting marginal losses. Weekly sunflower prices decreased by 0.9% w/w but still up 21.6% y/y at R4,083/t. Soybean prices ended a bit stronger at R3,283/t, up 0.4% w/w and 29.7% y/y. Sunflower futures on Safex: Sunflower for July delivery fell by 1.9% w/w (-R77/t), Sep-11 was down 1.8% w/w (-R76/t), Dec-11 was down 1.8% w/w (-R79/t). Soybean futures on SAFEX: Soybean for Jul-11 fell by 1.2% w/w (-R40/t), Sep-11 was down 1.5% w/w (-R50/t), Dec-11 was down 2.2% w/w (-R74/t).

OUTLOOK

Prices are expected to move sideways with further upward potential in the medium to longer term due to tighter world supplies.



Oilseeds Futures 17 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT Soybeans (US \$/t)	489.79	489.65	-	494.64	493.61
CBOT Soya oil (US c/lb)	55.92	56.45	57.26	57.83	57.95
CBOT Soya cake meal (US \$/t)	344.20	348.50	344.90	347.10	348.50
SAFEX Sunflower seed (R/t)	4,056	4,108	4,150	-	-
SAFEX Soybean seed (R/t)	3,255	3,300	3,300	3,353	3,485

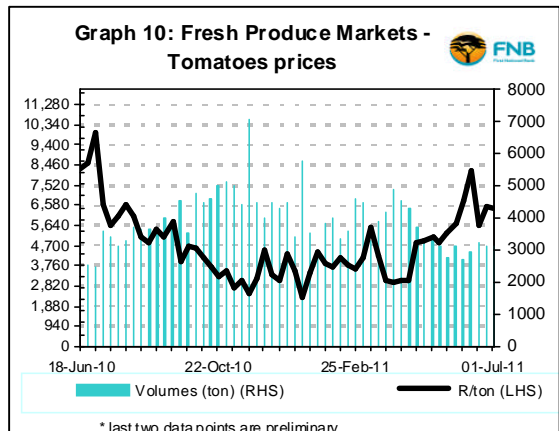
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,100	98	54	4,200	195	145	4,300	316	271
4,060	76	72	4,160	173	163	4,260	294	289
4,020	57	93	4,120	153	183	4,220	273	308

Vegetable Market Trends (Graphs 10 to 14)

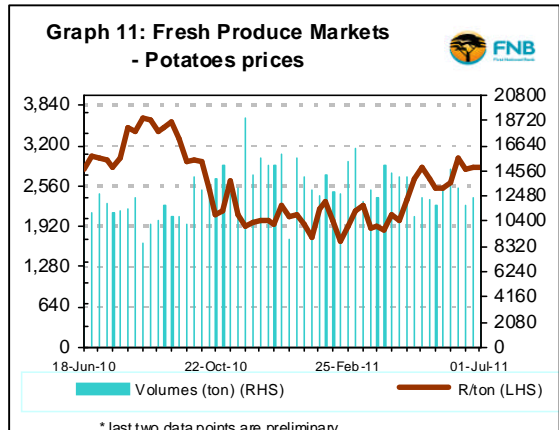
• **Tomatoes**

Tomato prices suffered major losses influenced by weak uptake and increased supplies on markets. Prices were down 31.6% w/w and 32.5% y/y, closing at R5, 635/ton. Volumes traded reached 3,237 tons, up 9.6% w/w and 28.9% y/y. Prices are however expected to bottom out and strengthen in the short term on improved demand.



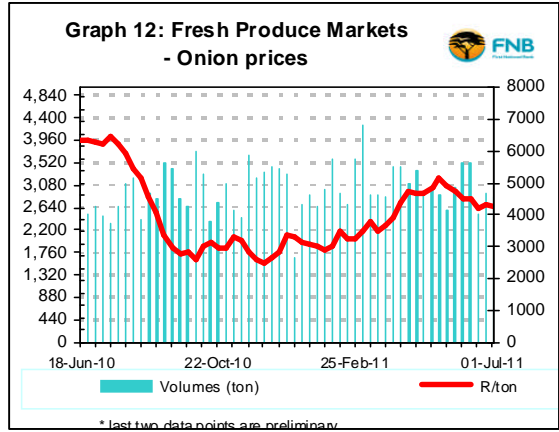
• **Potatoes**

Potato prices lost their momentum from the previous week influenced by limited uptake on markets. Prices decreased by 6.2% w/w but were up a modest 0.5% y/y; closing the week at R2,826/ton. Volumes traded were down 11.3% w/w but still up 17.0% y/y closing at 11,652tons. Prices are however expected to move sideways with some upside potential due to limited supplies.



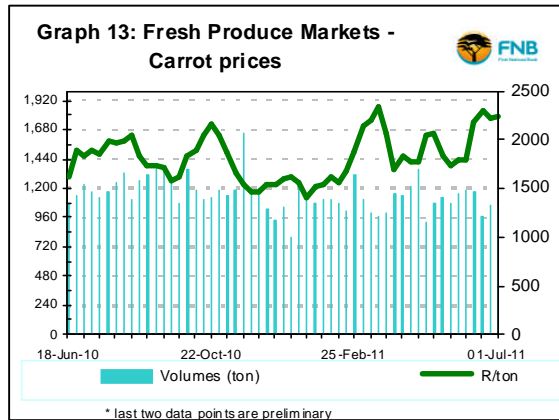
Onions

Onion prices continued with their downward trend influenced by weak uptake on markets. Prices decreased to R2,619/ton, down 6.2% w/w and 33.9% y/y. Volumes traded were down 28.5% w/w but still up 24.0% y/y closing the week at 4,021tons. Prices are however expected to ease somewhat in the short term with limited upside potential as supplies recover.



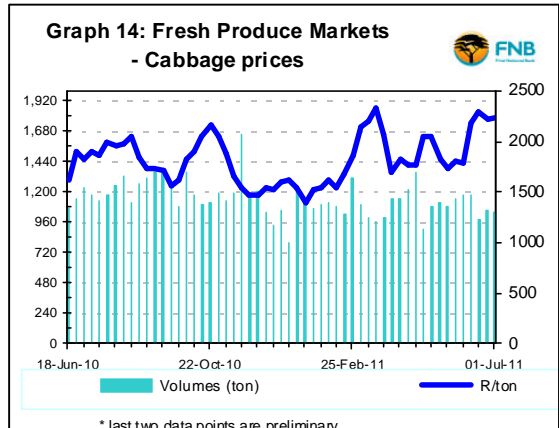
Carrots

Carrot prices moved sideways due to limited uptake on markets. Nonetheless, prices were up 14.9% y/y closing the week at R3,454/ton. Volumes traded reached 1,026 tons, down 26.2 % w/w and 12.5% y/y. Prices are expected to ease lower during in the week ahead but thereafter bottom out and strengthen due to improved demand towards month end.



Cabbages

Cabbage prices sustained the gains from previous week influenced by a combination of good uptake and limited supplies on markets. Prices were up 5.6% w/w and 42.0% y/y closing at R1,839/ton. Volumes traded reached 1,218 tons down 16.8% w/w and 9.1% y/y. Prices are expected to ease somewhat in the short term and thereafter strengthen due to improved demand.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 17 June 2011	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	5,635	-31.6%	-32.5%	3237	9.6%	28.9%
Potato	2,826	-6.2%	0.5%	11652	-11.3%	17.0%
Onion	2,619	-6.2%	-33.9%	4021	-28.5%	24.0%
Carrot	3,454	0.0%	14.9%	1025	-26.2%	-12.5%
Cabbage	1,839	5.6%	42.0%	1218	-16.8%	-9.1%

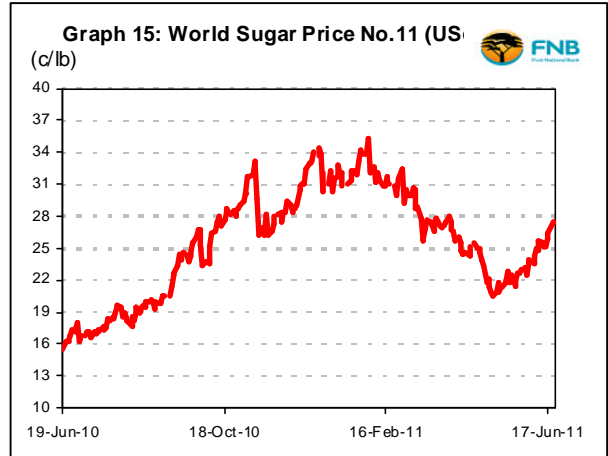
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International:** World sugar prices continued to post modest gains. Demand has been up in Middle Eastern countries ahead of Ramadan. Reports of potential harvest and port delays in Brazil added to the firmer tone. Weekly sugar prices averaged US25.62c/lb, up 3.8% w/w and 60.4% y/y. Weekly US ICE sugar futures (US c/lb): Raw sugar for Jul-11 delivery increased by 2.8% w/w at 26.37c/lb, Oct-11 was up 3.4% w/w at 25.38c/lb, Mar-12 was up 2.9% w/w at 25.05c/lb, Oct-12 was up 1.6% w/w at 23.56c/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, increased by R27.18/t m/m to R2,844.23/t. According to the Cane Growers Association, the main contributor to the increase was the higher world market price (23.84c/lb vs.20.94 c/lb) that was used to value the 87% of estimated export availability. The higher world sugar price significantly reduced the negative impact of higher sugar production and the lower sugar: RV ratio (94.84% vs. 94.85%) on the domestic price.



ICE Sugar Futures 17 June 2011	Jul-11	Oct-11	Mar-12	May-12	Jul-12
Sugar No.11 (US c/lb)	26.37	25.38	25.05	24.43	23.98
% Change w/w	2.8%	3.4%	2.9%	2.2%	1.9%

Disclaimer:

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