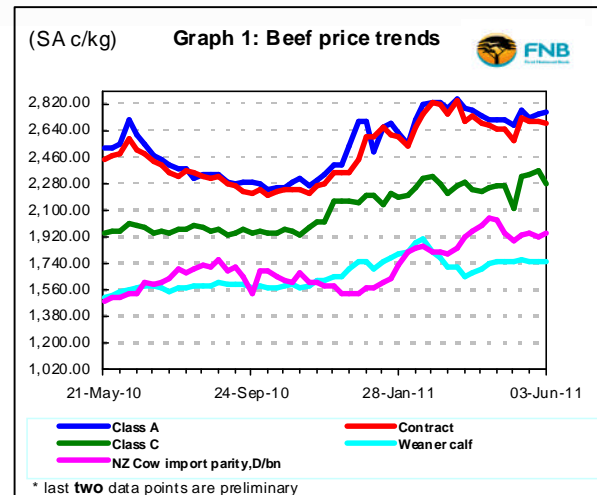


Beef market trends (Graph 1)

- International:** US boxed beef cutout values bottomed out on moderate demand and supplies. Choice beef was up 0.2% w/w and 5.1% y/y at \$176.83/cwt. CME Feeder Cattle Index was down 1% w/w but 15.3% higher y/y at \$128.02/cwt. Market activity on imported beef was reportedly slow with prices mostly lower under pressure due to limited demand and lower domestic prices. In Australia, the EYCI, a barometer for the performance of young cattle, finished the week firmer at AU\$3.89/kg, up 0.6% w/w and 14% higher y/y.
- Domestic:** Beef prices were down across most categories with the exception of Class C beef. Weekly Class A beef prices traded at R27.27/kg, down 1.7% w/w but 8% higher y/y. Contract Class A beef prices closed at R26.96/kg, down 0.6% w/w but 10% higher y/y. Class C beef prices advanced by 0.1% w/w to close at R23.38/kg. Weaner calf prices traded marginally lower at R17.50/kg live weight, but still 16% higher y/y.

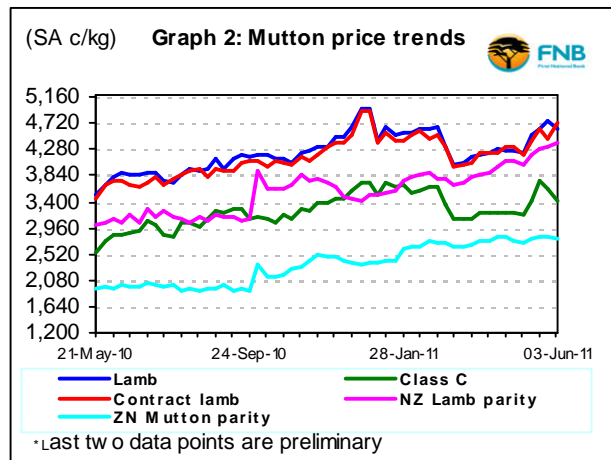


OUTLOOK

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 and ewes were steady to lower for the week. Feeder lambs maintained upward trend and closed higher. US weekly sheep slaughter numbers came in at 37,000 head, down 5.1% w/w and 12% y/y. Lamb production was estimated at 1.18m tons, down 3.7% w/w and 10% y/y. In Australia, lamb price indicators were firmer supported by tight supply and strong demand on markets.
- Domestic:** Lamb and mutton prices ended firmer across the board. Weekly Class C prices rose sharply by 9.9% w/w to close at R37.68/kg, which is 48% higher y/y. Class A closed at 46.20/kg, up 2% w/w and 30% y/y. Contract Class A lamb closed at R46.27/kg, up 4.3% w/w and 34% y/y. Weaner lambs ended slightly higher on the back of higher carcass prices. Weekly weaner lamb prices closed up 2.6% w/w and 25% y/y at R20.75/kg live weight.

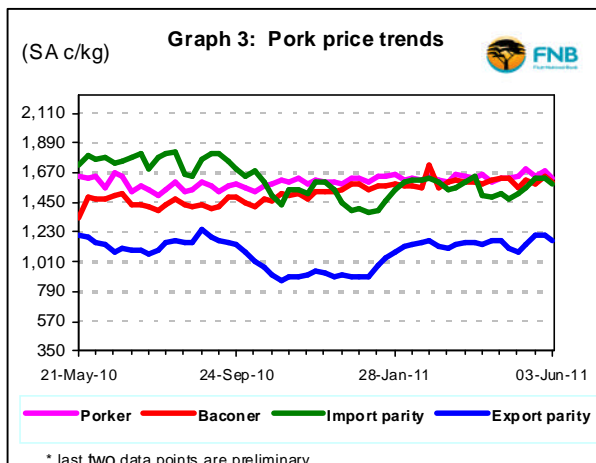


OUTLOOK

The market is expected to strengthen in the medium term due to moderation in supplies.

Pork market trends (Graph 3)

- **International:** US pork prices continued to post strong gains on limited supplies. However, prices weakened late in the week as demand slipped. Weekly ham prices advanced by 3% w/w, closing at US\$77.58/cwt. Carcass prices rose by 4.2% w/w, closing at US\$97.01/cwt. Loins closed up 7.4% w/w at US\$116/cwt. Ribs closed at US\$159/cwt, up 7.3% w/w and 22% y/y.
- **Domestic:** Domestic prices eased lower as demand slipped during mid-month. Weekly porker prices closed at R16.43/kg, down 3% w/w. Baconers were softer at R15.80/kg, down 1.7% w/w but still 19% higher y/y. Import parity prices increased by 4% w/w, due to the combined influence of higher international prices and a weaker Rand. This is however still 6% lower y/y.

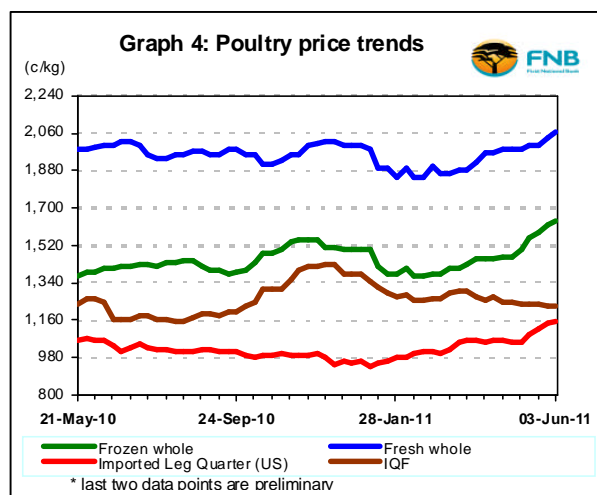


OUTLOOK

Domestic porker and baconer prices are expected to trend a bit firmer in the short to medium term.

Poultry market trends (Graph 4)

- **International:** US domestic prices ended mixed with gains in whole birds and leg quarters. Breast cuts were weak to lower due to increased supplies. Weekly breast cuts were down 1.5% w/w and 13% y/y. Whole bird prices ended marginally higher by 0.1% w/w. Leg Quarters extended gains, closing up 1.4% w/w and 21% y/y. Demand at retail and food service was reportedly light to moderate. US broiler egg sets as of 14-May-2011 were reported down 2% y/y and chick placements were up 1% y/y. The estimated number available for marketing during the week ending 25-Jun-2011 came in at 159.8m head, compared to 161.5m head a year ago.
- **Domestic:** Poultry prices ended mixed with gains in the frozen category. IQF remained under pressure on higher volumes and subdued demand during mid-month. Movement remained slow on IQF, which saw prices trading sideways at R12.34/kg. The medium fresh whole birds remained steady at R19.98/kg. Medium frozen whole birds were up 3.5% w/w and 12% y/y at R15.52/kg. Import parity for poultry (LQ) increased by 2.3% w/w and 15% y/y.



OUTLOOK

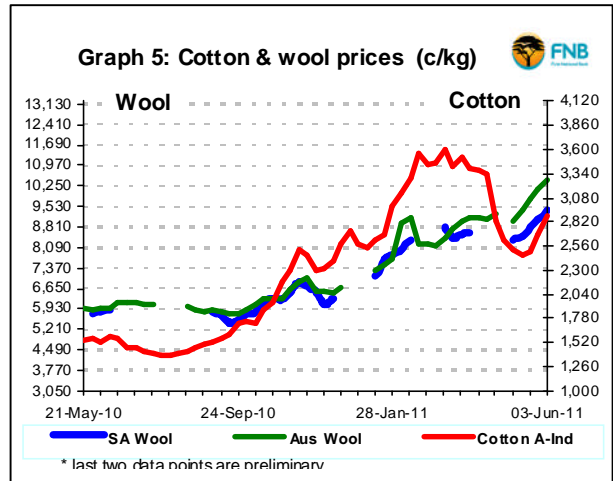
Domestic poultry prices are expected to trend sideways with limited upward potential in the short to medium term due to subdued demand during the winter months.

Producer prices for selected livestock commodities 20 May 2011	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	27.27	46.20	16.43	19.98
Open market: Class C / Baconer / Frozen whole birds(R/kg)	23.38	37.68	15.70	15.84
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	26.96	46.27	15.80	12.34
Import parity price (R/kg)	19.42	28.08	16.28	11.18
Weaner Calves / Feeder Lambs (R/kg)	17.50	20.75		



Wool and cotton market trends (Graph 5)

- **International:** Cotton prices moved marginally higher on the spillover support from the grain markets. This ended losses seen over the past few weeks. Weekly Cotton prices settled at US164.10c/lb, up 0.1% w/w and 81% y/y. Cotton ICE futures: Cotton for Jul-11 delivery ended the week 7.2% higher w/w at 155.61c/lb, Oct-11 advanced by 5.1% w/w at 134.11c/lb, Dec-11 up 3.6% w/w at 119.76c/lb, Mar-12 up 2.1% w/w at 111.77c/lb. Wool: In Australia, the wool market saw gains across most micron categories. The weekly market indicator EMI settled at A\$13.64/kg, up 3.1% w/w and almost 57% higher y/y.
- **Domestic:** There was no sale for the week. The domestic wool market has performed very well during the season. The Cape Wools' Merino indicator closed at the best level of R84.71/kg clean wool during the last sale a week ago. This is 20.3% and 47% higher when compared to the current season's average and opening sale respectively. It is expected that this trend will continue until the end of the current wool season.

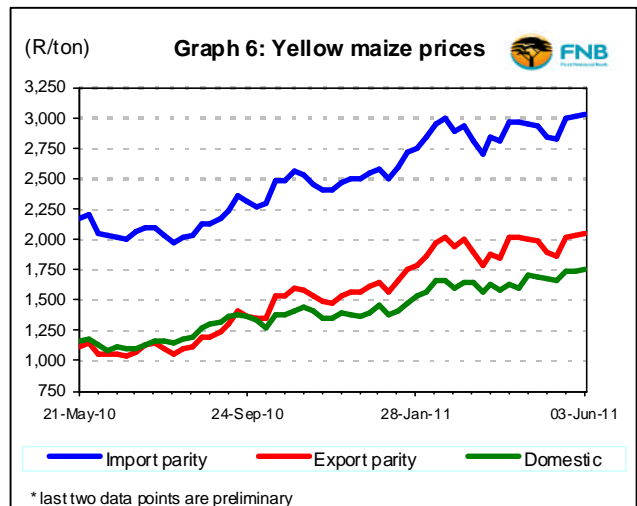


Fibre market prices 20 May 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Aug-11 (AU\$/kg)	Australian futures Oct-11 (AU\$/kg)
Wool market indicator (R/kg)	84.71	99.84		
19µ long length wool (R/kg)	-	126.87	14.88	14.63
21µ long length wool (R/kg)	82.90	102.45	12.25	11.95
23µ long length wool (R/kg)	-	91.00	11.20	10.95
	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)	25.03	3.61	2.95	2.63

• South Africa – Previous sale

Yellow maize market (Graph 6)

- **International:** US yellow maize prices reversed last week's losses, ending sharply higher on wet weather outlook for the Eastern maize areas. Meanwhile, export sales came in above expectations at 1.2m tons. US planting progress was reported at 63% planted compared to 40% the week prior but still below the five year average of 75%. Maize futures on Chicago: Maize for Jul-11 delivery rose sharply by 11.3% w/w at \$299/t, Sep-11 up 9.8% w/w at \$283/t, Dec-11 was up 6.3% w/w at \$263/t.
- **Domestic:** On the domestic market, yellow maize prices posted modest gains supported by a weaker Rand and better prices on CBOT. Weekly yellow maize prices rebounded to close 4% higher w/w at R1,733/ton. Compared to last year, this is 48% higher y/y. Yellow maize import parity rose by 6.3% w/w and 38% y/y. Weekly export sales for the week ended 13-May-11 were pegged 12,463 tons, with total sales for the new season at 55,282 tons. Weekly yellow maize futures on Safex: Yellow maize for Jul-11 delivery advanced by 3.8% w/w (+R64/t), Sep-11 was up 3.7% w/w (+R64/t), Dec-11 was up 3.6% w/w (+R64/t).



OUTLOOK

The market is poised for modest gains in the short term as the Rand continues to weaken.

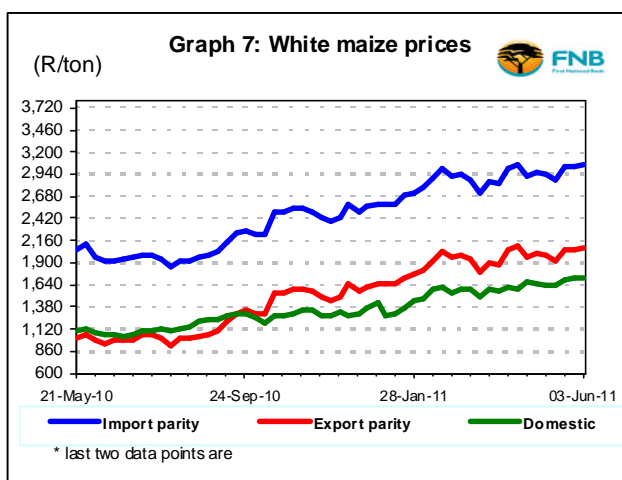
Yellow Maize Futures 20 May 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT (\$/t)	299.20	282.66	262.56	266.58	269.34
SAFEX (R/t)	1,769	1,803	1,851	1,869	-
CHICAGO CORN (R/t)	2,063	1,973	1,858	1,918	-

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
1,800	83	52	1,840	150	113	1,890	207	168
1,760	61	70	1,800	127	130	1,850	184	185
1,720	43	92	1,760	107	150	1,810	163	204

White maize market trends (Graph 7)

- **International:** US white maize prices rebounded in line with strength on commodity markets and the weaker US dollar. Weekly prices advanced by 4% w/w to close at \$295/t, which is 114% higher y/y.
- **Domestic:** White maize prices continued to increase supported by a weaker Rand and spill over strength from Chicago. Weekly white maize prices advanced by 3.8% w/w and closed at R1,701/ton, which is 55% higher y/y. White maize import parity prices increased by 5% w/w and 56% y/y. Weekly white maize export sales for the week ended 13 May-11 were pegged at 47,578 tons and 85,176 tons for the new season. White maize (WM) futures on Safex: White maize for Jul-11 advanced by 3.2% w/w (+R54/t), Sep-11 was up 3.5% w/w (+R60/t), Dec-11 was up 3.3% w/w (+R57/t), Mar-12 was up 3.9% w/w (+R69/t).



• **OUTLOOK**

The market is poised for modest gains in the short term as the Rand continues to weaken.

White Maize Futures 20 May 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
SAFEX (R/t) WM ₁	1,726	1,765	1,810	-	1,989

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

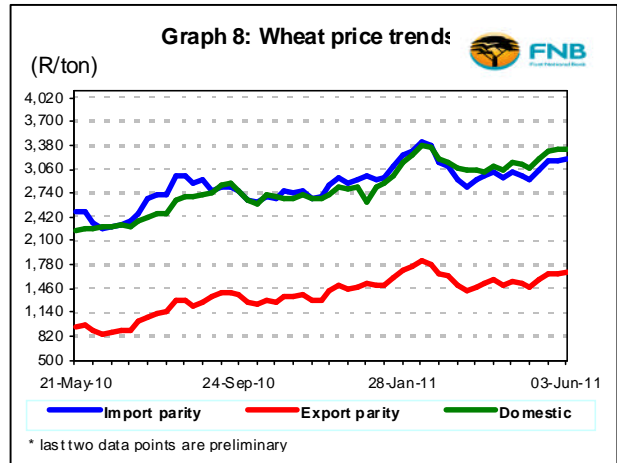
Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,760	82	48	1,800	146	111	1,840	187	157
1,720	60	66	1,760	124	129	1,800	165	175
1,680	42	88	1,720	103	148	1,760	144	194



Wheat market trends (Graph 8)

- International:** US Wheat prices continued to post modest gains on improved demand and concerns over crop conditions in the hard red wheat areas. USDA Winter Wheat crop progress was reported at 32% in good to excellent condition compared to 33% the week prior. Spring wheat planting progress came in at 36% planted compared to the 5-year average of 76%. The stressful crop conditions will impact negatively on yields and production. In Europe, dry conditions were reported for Germany and France which added to the firmer tone. Wheat futures on Kansas: Wheat for Jul-11 delivery rose 6.8% w/w at \$343/t, Sep-11 up 6.4% w/w at \$349/t, Dec-11 was up 5.7% w/w at \$356/t. Wheat futures on Chicago: Wheat for Jul-11 delivery rebounded and settled 6.2% higher at \$296/t, Sep-11 was 5.8% higher at \$312/t, Dec-11 was 5.1% higher at \$328/t.
- Domestic:** Wheat prices continued to advance on the back of a weakening Rand and better international prices. Weekly prices rose by 3% w/w and closed at R3,300/t, which is 51% higher y/y. Wheat import parity prices increased by 3.7% w/w and 37% y/y, due to the combined influence of a weaker Rand and better international prices. Weekly import sales came in at 14,783 tons and 964,340 tons for the season. Export sales were at 3,940 tons and 100,393 tons for the season. Wheat futures on SAFEX: Wheat for Jul-11 delivery advanced by 3.7% w/w (+R118/t), Sep-11 was up 4.4% w/w (+R139/t), Dec-11 up 2.6% w/w (+R79/t)
- OUTLOOK**

Domestic wheat prices are expected to continue to trend higher on the back of renewed Rand weakness and spill over strength from the international wheat market.

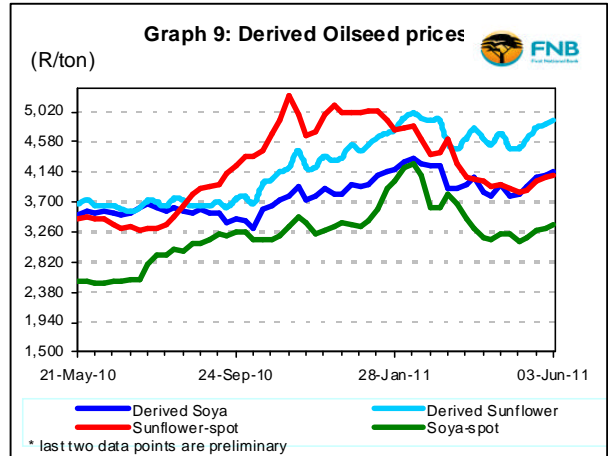


Wheat Futures 20 May 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
KCBT (\$/t)	342.91	348.97	355.59	359.08	357.79			
SAFEX (R/t)	3,289	3,291	3,086	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,320	113	82	3,340	158	109	3,120	203	169
3,280	92	101	3,300	136	127	3,080	182	188
3,240	73	122	3,260	116	147	3,040	161	207



Oilseed market trends (Graph 9)

- International:** US soybean prices ended higher on weather concerns. Planting was slow with progress reported at 22% planted compared with the 5-year average of 31%. Weekly US soybean export sales for old crop came in at 166,100 tons. Soybean complex on Chicago: Soybean for Jul-11 delivery closed up 4.1% w/w at \$507/t, Sep-11 was up 3.8% w/w at \$500/t. Soybean meal for July delivery was up 4.4% w/w at \$361/t, Sep-11 was up 3.7% w/w at \$357/t. Soybean oil for Jul-11 delivery closed up 2.4% w/w at 57.46c/lb, Sep-11 was up 2.3% w/w at 57.94c/lb.
- Domestic:** Oilseed prices traded on SAFEX maintained a firmer trend on renewed Rand weakness and concerns over poor harvest conditions. Weekly sunflower prices advanced by 3.4% w/w and 17% y/y, closing at R4,013/ton. Soybean prices advanced by 3.7% w/w and 30% y/y, closing at R3,296/ton. Soybean futures on SAFEX: Soybean for Jul-11 delivery closed up 5.1% w/w (+R160/t), Sep-11 was up 4.9% w/w (+R156/t), Dec-11 was up 5.1% w/w (+R165/t). Sunflower futures on Safex: Sunflower for Jul-11 delivery closed up 3.9% w/w (+R150/t), Sep-11 was up 3.4% w/w (+R136/t), Dec-11 was up 3.7% w/w (+R151/t).



OUTLOOK

Prices are expected to strengthen on renewed Rand weakness and potential production losses as a result of delays in harvesting the crop.

Oilseeds Futures 20 May 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT Soybeans (US \$/t)	507.14	499.79	-	500.08	497.88
CBOT Soya oil (US c/lb)	57.46	57.94	58.46	58.74	58.74
CBOT Soya cake meal (US \$/t)	360.60	357.10	350.30	354.00	352.00
SAFEX Sunflower seed (R/t)	4,030	4,115	4,191	-	-
SAFEX Soybean seed (R/t)	3,270	3,320	3,385	3,350	3,255

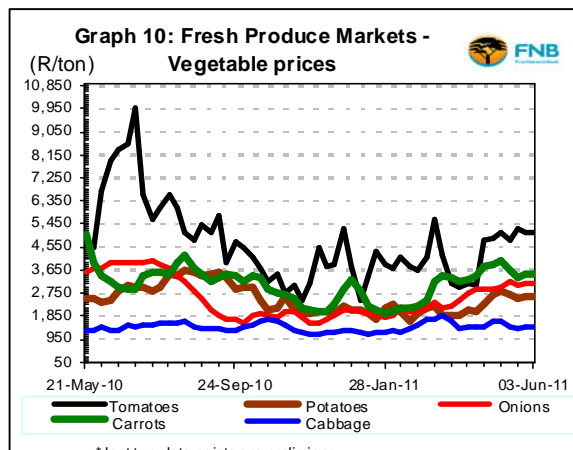
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Jul-11			Sep-11			Dec-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,140	204	154	4,220	226	179	4,300	389	344
4,100	182	172	4,180	204	197	4,260	367	362
4,060	161	191	4,140	184	217	4,220	345	380



Vegetable market trends (Graph 10)

- Tomatoes**
 Tomato prices rebounded from previous week's losses due to limited supplies on markets. Prices were up 10.3% w/w and 13.1% y/y, closing at R5, 286/ton. Volumes traded reached 2,749 tons, down 12.5% w/w and 28.2% y/y. Prices are however expected to weaken slightly in the short term.
- Potatoes**
 Potato prices declined by 5.9% w/w and 1.4% y/y, closing the week at R2,518/ton. Prices weakened due to poor uptake on markets. Volumes traded were down 3.8% w/w and 0.5% y/y closing at 11, 694 tons. Prices are however expected to move sideways with some upside potential due to moderation in supplies.
- Onions**
 Onion prices reversed the previous week's gains and decreased due to weak uptake on markets. Prices decreased to R3,070/ton, down 3.9% w/w and 14% y/y. Volumes traded were down 9.8% w/w but up 10.7% y/y closing the week at 4, 135tons. Prices are however expected to ease somewhat in the short term with limited upside potential.
- Carrots**
 Carrot prices continued drift lower due to limited uptake on markets. Prices were down 7.1% w/w and 33% y/y closing at R3,381/ton. Volumes traded reached 1, 153 tons, down 13.8% w/w but still up 19% y/y. Prices are expected to firm slightly due to reduced volumes on markets.
- Cabbages**
 Cabbage prices continued weaken due to poor uptake on markets. Prices were down 5.0% w/w but still up 7% y/y closing at R1,388/ton. Volumes traded reached 1,350 tons, down 3.5% w/w and 8.6% y/y. Prices are expected to increase slightly in the short term.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 20 May 2011	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	5,286	10.3%	13.1%	2749	-12.5%	-28.2%
Potato	2,518	-5.9%	-1.4%	11691	-3.8%	-0.5%
Onion	3,070	-3.9%	-14.0%	4135	-9.8%	10.7%
Carrot	3,381	-7.1%	-33.0%	1153	-13.8%	19.0%
Cabbage	1,388	-5.0%	7.0%	1350	-3.5%	-8.6%

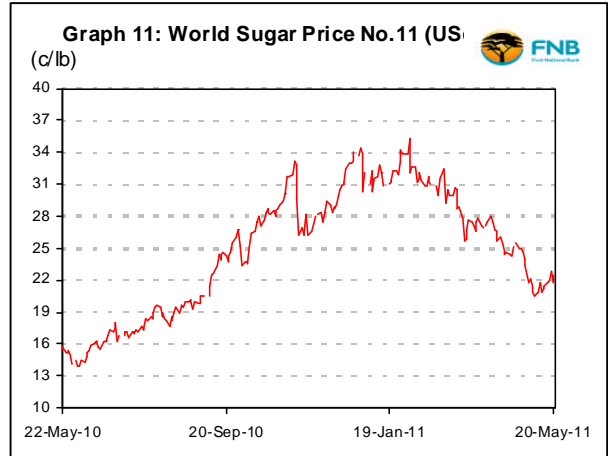
* Daily prices also available at <https://www.fnbagricoms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- **International:** World sugar prices posted modest gains on spillover strength from commodity markets. Weekly sugar prices closed at 22.16 US c/lb, up 4% w/w and 49% y/y. Weekly US ICE sugar futures rebounded and ended firmer across the board (US c/lb): Raw sugar for Jul-11 delivery increased by 4.8% w/w and closed at 21.45c/lb, Oct-11 was up 3% w/w at 21.44c/lb, Mar-12 was up 2.2% w/w at 21.86c/lb, Oct-12 was up 2.7% w/w at 21.85c/lb.
- **Domestic:** Locally, the monthly 2011/12 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, 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.



ICE Sugar Futures 20 May 2011	Jul-11	Oct-11	Mar-12	May-12	Jul-12
Sugar No.11 (US c/lb)	22.41	22.07	22.34	22.20	22.07
% Change w/w	4.5%	2.9%	2.2%	1.8%	1.1%

Disclaimer:

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