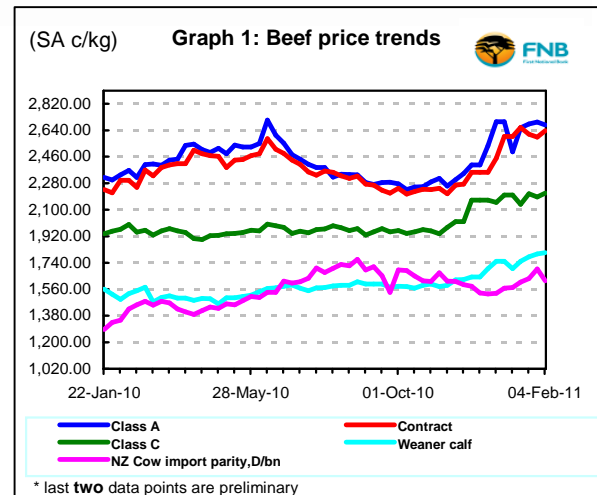


Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices ended higher on tight supplies and good demand on markets. Market activity on imported beef was moderate with prices mostly higher on the back of tight supplies. Speculation that South Korea will increase its meat imports after culling some of its herd to control the spread of foot-and-mouth disease added to the firmer tone. Meanwhile US feedlot cattle were reported to have risen to a 3 year high of 11.6m head due to expansions in the industry. However, higher maize prices will put pressure on producer margins due to the increase in feeding costs. In the futures market, CME cattle feeder index rose 1.5% w/w and 31.5% y/y. US cattle slaughter increased by 0.3% w/w, but still down 6% y/y. In Australia, prices were up due to tight supplies which saw the Eastern Young Cattle Indicator (EYCI) closing up 34% y/y.
- Domestic:** The beef market posted modest gains across the board as supplies dried up due to improved production conditions. Weekly Class A, Class C and Class A contract beef prices closed at R26.84/kg, R22.07/kg and R26.14/kg respectively. Weaner calf prices trended higher due to tight supplies, closing at R17.80/kg live weight, up 1.7% w/w and 14% 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.

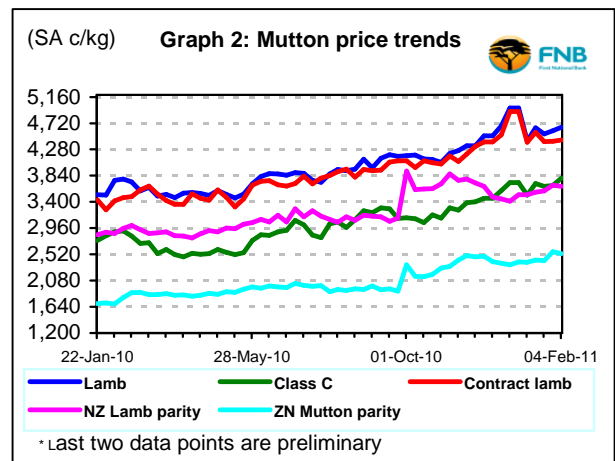


OUTLOOK

Beef prices are expected to remain stable to strong in the short term. 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:** US domestic slaughter lambs and ewes finished the week firm to higher. Feeder lambs were sharply higher. The number of sheep slaughtered was unchanged compared to the previous week, but down 16% y/y at 36,000. In Australia, lamb prices continued to trend firmer. Lamb supplies were reported up 6% despite heavy rains and flooding in parts of the Eastern states. In the case of mutton, supplies were mostly lower across most markets.
- Domestic:** Lamb and mutton prices softened slightly due to subdued demand during mid-month. They however remain at best levels y/y. Weekly Class A lamb, Class C and Class A contract lamb closed at R45.37/kg, R36.60/kg and R44.13/kg respectively. Feeder lamb prices were unchanged at R20.83/kg, which is 29% higher y/y. Supplies are expected to remain relatively tight due to the combination of lower lambing and diseases.

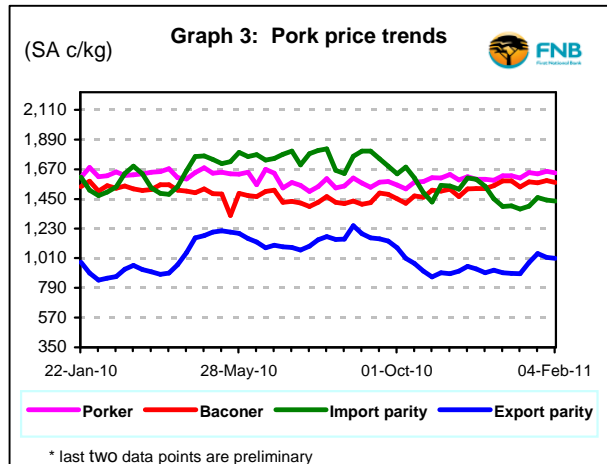


OUTLOOK

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 on tight supplies associated with poor weather conditions. Weekly carcass, loin and rib prices closed up 4%, 4% and 3% w/w respectively. Ribs were the biggest gainers, up 5% w/w on good demand. High feeding costs, and shrinking herd numbers and prospects of increased export demand from countries affected by foot-and-mouth disease continued to support the market. Weekly slaughter numbers were up 1.5% w/w, but down 0.5% y/y; estimated pork production reached 450m pounds, up 1.8% w/w and 1.5% y/y.
- **Domestic:** Local porker and baconer prices softened slightly during mid-month. Weekly porker and baconer prices closed at R16.36/kg and R15.70/kg respectively. Import parity prices closed firmer due to a weaker Rand and higher US prices. Meanwhile, pork imports for December came in modestly lower by 7% m/m at 2,652 tons. This is however 39% higher compared to December 2009. Total pork imports for 2010 reached 26,256 tons, which is still 3.5% lower y/y.

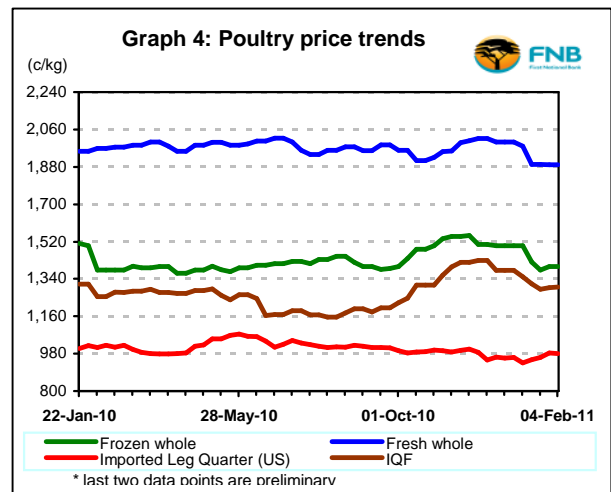


OUTLOOK

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 moved sideways on light supplies and light to moderate demand. Market activity was reportedly slow to moderate ahead of the weekend. Meanwhile, USDA projected the 2011 poultry production to increase by 0.8% y/y to 19.43m tons, with exports rising by 2% to 3.3m tons.
- **Domestic:** The domestic market remained under pressure and weakened as demand tailed off after the festive period. Prices ended modestly lower across all product categories with the exception of fresh whole birds. Weekly fresh whole bird prices were unchanged at R18.92/kg, but still down 3% y/y. In the case of frozen whole birds and IQF, prices dropped further by 2.8% and 2% w/w to close at R13.82/kg and R12.90/ kg respectively. Unlike beef and mutton, chicken came under pressure and declined. Chicken remains the cheapest source of protein compared to other meat types. Import parity prices ended slightly higher, due to a weaker Rand.



OUTLOOK

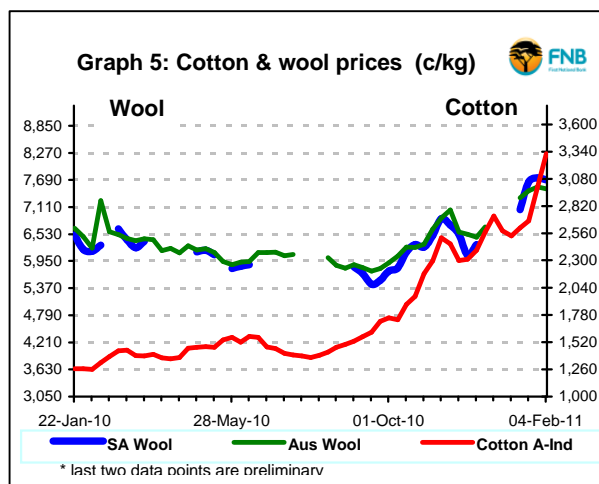
Prices are expected to remain under pressure in the short to medium term due to tighter consumer budgets and increased competition from cheaper imports.

Producer prices for selected livestock commodities 21 January 2011	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	26.84	45.37	16.36	18.92
Open market: Class C / Baconer / Frozen whole birds(R/kg)	22.07	36.60	15.60	13.82
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	26.14	44.13	15.70	12.90
Import parity price (R/kg)	16.34	24.11	14.61	9.62
Weaner Calves / Feeder Lambs (R/kg)	17.80	20.83		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices maintained a firmer trend, on the back of tight global supplies. Weekly prices closed at 174.74 US cents per pound, up 0.7% w/w and 127% higher y/y. Meanwhile India projected an increase in output to 32.9m tons, which could see relaxation on export quota from the current 5.5m bales. Cotton ICE futures ended mixed: Cotton for Mar-11 delivery closed up 11% w/w at 156.94c/lb, May-11 up 10.9% w/w at 151.27c/lb, Jul-11 up 11.1% w/w at 144.36c/lb, Oct-11 up 9.7% w/w at 122.78c/lb.

Wool: In Australia, the wool market posted strong gains with the weekly market indicator (EMI) advancing to its best level of A\$11.91/kg, up 3.4% w/w and 26.4% higher y/y.
- Domestic:** The wool market rose sharply supported by Rand weakness, good demand and the spill over support from the Australian market. The weekly market indicator, Cape Wools merino closed up 8.4% w/w at R76.50/kg. This is up 17.5% from the opening sale of the current the season and almost 23% above the current season's average. Major buyers were Standard Wool SA wit 4,316 bales (31.7%), G Modiano SA with 4,230 bales (31.1%), Lempriere SA with 2,151 bales (15.8%), Stucken & Co with 1,856 bales (13.6%), Segard Masurel SA with 706 bales (5.2%) and New England Wool SA with 76 bales (0.6%). Sales reached 98% of the 13,614 bales offered.

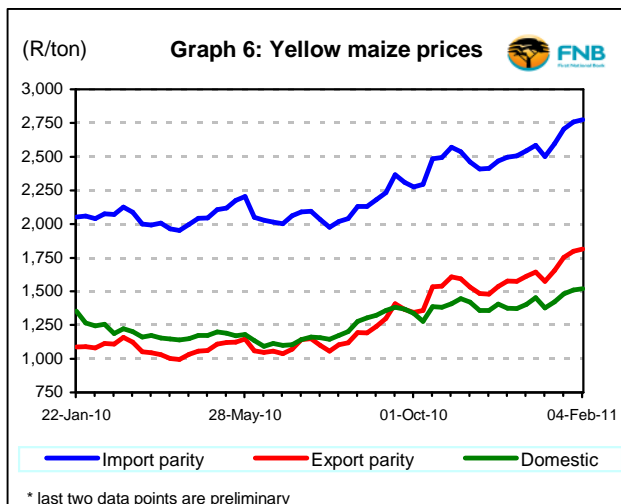


Fibre market prices 21 January 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Mar-11 (AU\$/kg)	Australian futures Jul-11 (AU\$/kg)
Wool market indicator (R/kg)	76.50	74.60		
19µ long length wool (R/kg)	106.90	106.57	13.86	13.58
21µ long length wool (R/kg)	75.99	75.86	9.83	9.63
23µ long length wool (R/kg)	69.80	69.69	8.93	8.73
	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)	26.80	3.84	3.45	3.18



Yellow maize market (Graph 6)

- **International:** US yellow maize prices ended higher on improved export interest and reduced production estimates out of Argentina. Argentina's crop was estimated 19.5m tons, down by almost 4m tons which signals a tightening world ending stocks. Earlier USDA stocks report lowered US and global production, projecting US maize production down to 316m tons.
- **Domestic:** Yellow maize prices ended modestly higher on the back of better CBOT prices and renewed Rand weakness. Weekly yellow maize prices closed at R1,481/ton, up 4.2% w/w and 9.4% y/y. Yellow maize import parity advanced by 4.3% w/w and 32% y/y. Yellow maize deliveries for the season were pegged at 4.33m tons. Weekly yellow maize export sales came in at 2,367 tons, up 23% w/w and bringing total sales for the season to date at 720,995 tons. Weekly yellow maize on Safex futures posted modest gains across the board: Yellow maize for Mar-11 delivery rose 5.7% w/w (+R83/t), May-11 closed up 5.3% w/w (+R78/t), Jul-11 was up 6.3% w/w (+R92/t), Sep-11 was up 5.6% w/w (+R84/t).



OUTLOOK

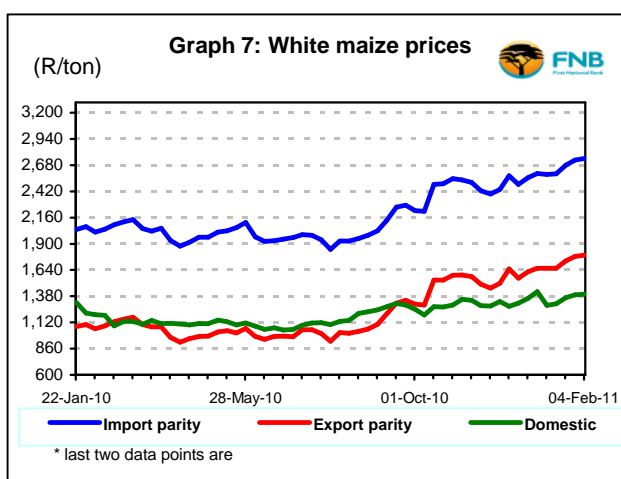
Domestic prices are expected to remain on the uptrend on the back of a supportive Rand.

Yellow Maize Futures 21 January 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11
CBOT (\$/t)	258.94	262.80	264.45	245.30	231.36
SAFEX (R/t)	1,545	1,543	1,562	1,591	1,638
CHICAGO CORN (R/t)	1,843	-	1,914	1,774	1,681

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	34	99	1,500	86	129	1,520	113	155
1,440	22	127	1,460	68	151	1,480	94	176
1,400	13	158	1,420	53	176	1,440	78	200

White maize market trends (Graph 7)

- **International:** US white maize prices finished the week slightly higher. Weekly prices advanced by 2.3% w/w to close at \$245/ton, which is 66% higher y/y.
- **Domestic:** White maize prices posted strong gains supported by a weaker Rand and better CBOT prices. Weekly white maize prices rose by 4.8% w/w and 3.7% y/y and closed at R1,365/ton. White maize import parity closed up 3.2% w/w, due to a weaker Rand and higher international prices. Weekly deliveries of white maize to the country's silos advanced slightly to reach 7.403m tons for the current production season. Total maize delivered (WM+YM) so far was pegged at 11.73m tons.



Weekly white maize export sales as of 14th January increased to 9,315 tons, up 22% w/w and reached 464,242 tons for the season. Cumulative maize sales for the season to date to (WM + YM) were pegged at 1.19m tons. White maize (WM) futures on Safex: White maize for Mar-11 delivery finished up 6.8% w/w (+R91/t), May-11 was up 7.2% w/w (+R98/t), Jul-11 up 7.7% w/w (+R106/t), Sep-11 up 6.9% w/w (+R97/t).

OUTLOOK

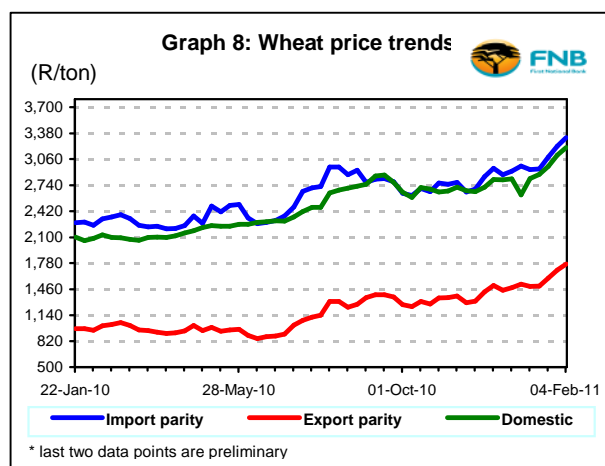
Domestic prices are expected to remain on the uptrend on the back of a supportive Rand.

White Maize Futures 21 January 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11
SAFEX (R/t) WM ₁	1,425	1,453	1,480	1,508	1,561

Calculated White 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
1,400	43	68	1,440	94	107	1,440	107	147
1,360	28	93	1,400	75	128	1,400	88	168
1,320	17	122	1,360	58	151	1,360	72	192

Wheat market trends (Graph 8)

- International:** Wheat prices bottomed out and increased due to concerns over tightening supplies and continuing poor wheat conditions out of Australia. Strong weekly US export sales added to the bullish tone. Meanwhile, the private analytical firm Informa Economics projected total area under wheat in the US to increase by 1.6m hectares in the year ahead. The International Grains Council sees world wheat production increasing by 23m tons.
- Domestic:** Domestic wheat prices continued to trend higher on the back of a weaker Rand and the rally in international prices. Weekly wheat prices on SAFEX have for the first time since 2008 reached a high of R3,070/t late in the week. Weekly average price closed at R2,973/ton, up 3.5% w/w and 42% higher y/y.. Wheat import parity prices rose 4.9% w/w and 30% y/y, due to a weaker Rand and higher international prices. Weekly export sales were a bit modest, coming in at 2,771 tons, up 30% w/w and bring total export sales for the season to 46,484 tons. Imports rose 16% w/w at 32,731 tons, with total season to date pegged 446,400 tons. Wheat futures on SAFEX posted modest gains across the board: Mar-11 closed up 5.4% w/w (+R158/t), May-11 was up 5.7% w/w (+R168/t), Jul-11 was up 6.4% w/w (+R29/t).



OUTLOOK

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

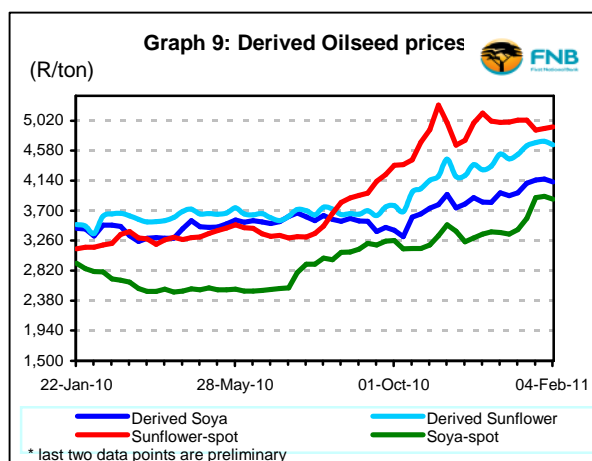


How can we help you?

Wheat Futures 21 January 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
KCBT (\$/t)	330.69	334.37	336.11	339.14	342.64			
SAFEX (R/t)	3,089	3,127	3,175	3,160	3,045			
Calculated Wheat Option 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
2,840	6	255	2,880	53	300	2,900	72	347
2,800	4	293	2,840	43	330	2,860	61	376
2,760	2	331	2,800	34	361	2,820	51	406

Oilseed market trends (Graph 9)

- International:** US soybean prices maintained a firmer trend on strong export sales. However prices came under pressure towards the weekend due to improved weather outlook in Argentina alleviating earlier crop concerns. Meanwhile the Buenos Aires Grain Exchange projected the soybean crop unchanged at 47m tons. Weekly soybean prices were up 0.9% w/w and up 44% y/y. In the product category, soymeal and soyoil prices ended down 0.5% and 0.9% w/w respectively.
- Domestic:** Oilseed prices traded on SAFEX ended mixed with soybeans posting sharp gains, supported by spill over strength in US markets. Soybeans were up 4.8% w/w and 15% y/y, closing at R3,587/ton. Weekly sunflower prices however continued to soften, closing down 1.9% w/w at R5,028/ton. This is however still 57% higher y/y. Soybean futures on SAFEX posted strong gains across the board: Soybean for Mar-11 delivery advanced by 4.7% w/w (+R170/t), May-11 was up 4.7% w/w (+R162/t), Jul-11 was up 4.7% w/w (+R164/t), Sep-11 was up 5% w/w (+R174/t). However in the case of the sunflower market, futures on Safex ended mixed: Sunflower for Mar-11 delivery dropped 3% w/w (-R145/t), May-11 was up 1.2% w/w (+R49/t), Jul-11 up 0.8% w/w (+R36/t).



OUTLOOK

Prices are expected to continue trending upwards on the back of renewed strength on international commodity markets.

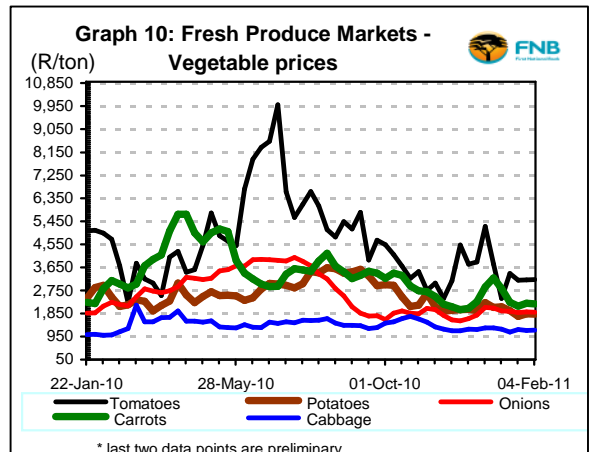
Oilseeds Futures 21 January 2011	Mar-11	May-11	Jul-11	Sep-11	Dec-11
CBOT Soybeans (US \$/t)	518.89	522.72	525.43	505.37	-
CBOT Soya oil (US c/lb)	57.56	58.00	58.41	58.59	58.65
CBOT Soya cake meal (US \$/t)	379.60	382.50	383.30	363.30	348.30
SAFEX Sunflower seed (R/t)	4,675	4,300	4,370	-	-
SAFEX Soybean seed (R/t)	3,795	3,582	3,628	3,663	3,463

Calculated Wheat Option 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
5,040	427	62	4,100	187	387	4,160	294	504
5,000	396	71	4,060	171	411	4,120	276	526
4,960	366	81	4,020	156	436	4,080	259	549



Vegetable market trends (Graph 10)

- Tomatoes**
 Tomato prices decreased sharply due to weak uptake on markets. Prices declined by 7.7% w/w and 37.8% y/y, closing at R3,157/ton. Volumes traded reached 3,009 tons, down 14.3% w/w and 5.7% y/y. Prices are however expected to move sideways with limited upward potential.
- Potatoes**
 Potato prices decreased slightly due to weak uptake on markets. Prices were down 11.9% w/w and 28.9% y/y, closing at R1,730/ton. Volumes traded decreased by 7.4% w/w but were up 7.9 % y/y reaching 12,954 tons. Prices are however expected to move sideways with some upside potential due to limited supplies.
- Onions**
 Onion prices decreased slightly due to weak uptake on markets. Prices decreased to R1,882/ton, down 2.4% w/w and 1.4% y/y. Volumes traded were down 8. 2% w/w and 3.4% y/y, reaching 4,256 tons. Prices are however expected to ease somewhat in the short to medium term with limited upside potential as supplies recover.
- Carrots**
 Carrot prices decreased sharply due to increased supplies on markets. Prices were down 6.7% w/w and 6.4% y/y closing at R2, 135/ton. Volumes traded reached 1,302 tons, up 10.6% w/w but still down 6.3% y/y. Prices are expected to remain firm due to limited supplies on markets.
- Cabbages**
 Cabbage prices posted modest gains due to limited supplies on markets. Prices were up 8.8% w/w and 18.9% y/y closing at R1,218/ton. Volumes traded reached 1,337 tons; down 3.9% w/w and 8.0% y/y. Prices are expected to move sideways in the short term but with limited upward potential in the medium due to higher volumes.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 21 January 2011	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	3,157	-7.7%	-37.8%	3009	-14.3%	-5.7%
Potato	1,730	-11.9%	-28.9%	12954	-7.4%	7.9%
Onion	1,882	-2.4%	1.4%	4256	-8.2%	-3.4%
Carrot	2,135	-6.7%	-6.4%	1302	10.6%	-6.3%
Cabbage	1,218	8.8%	18.9%	1337	-3.9%	-8.0%

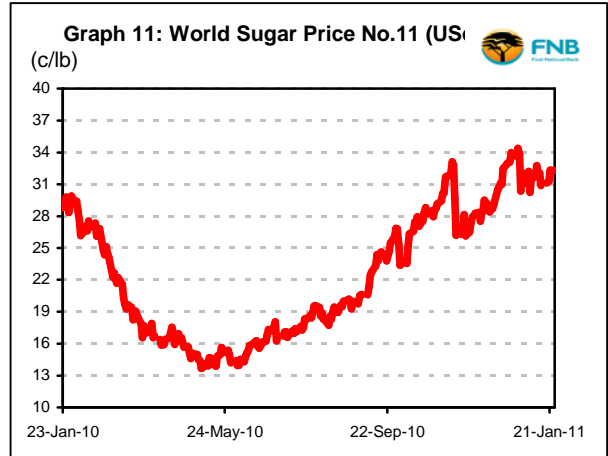
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International:** World sugar prices moved slightly lower for the week. Prices however consolidated late in the week on concerns regarding reduced output in Brazil and flooding in Australia, the world's third largest sugar exporter, whose output may drop drastically due to loss of sugarcane. Weekly sugar prices were up 1.3% w/w, closing at 31.49 c/lb. Weekly US ICE sugar futures: Raw sugar for Mar-11 delivery continued to soften, closing down 0.2% w/w at 26.15 c/lb, May-11 was down 0.8% w/w 23.71 c/lb, Jul-11 was up 0.8% w/w 21.29 c/lb, May-12 up 2.6% w/w at 18.29 c/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 21 January 2011	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	26.15	23.71	21.29	19.91	19.21
% Change w/w	-0.2%	-0.8%	0.8%	1.3%	2.0%

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How can we help you?