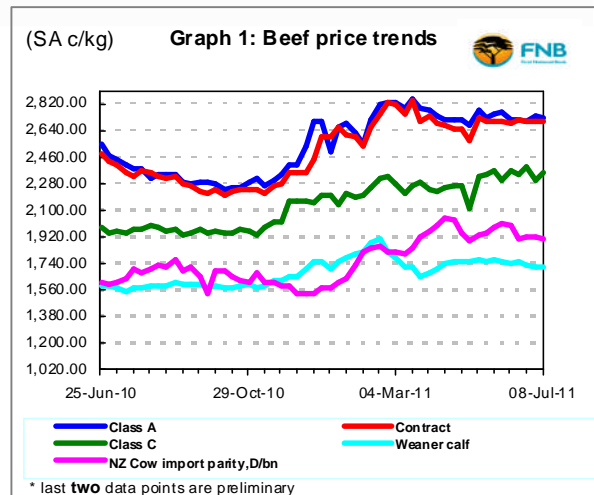


Beef market trends (Graph 1)

- International:** US lean boneless processing beef prices continued to weaken on moderate demand and heavy supplies. Market activity on imported beef was reportedly moderate with prices mostly firm. Boxed beef cutout values finished higher on moderate demand and light supplies. In the cattle market, CME Feeder Cattle Index increased by 4.4% w/w and 16.8% y/y at \$130.08/cwt. In Australia, the EYCI continued to weaken and closed the week at AU\$3.73/kg, down 3% w/w but still 6.0% higher y/y.
- Domestic:** Beef prices softened slightly with the exception of Class C beef. Weekly Class C beef prices closed 0.7% lower at R24.00/kg, but still 5.8% higher y/y. Contract Class A beef prices closed at R26.98/kg, down 0.4% w/w but 8.7% higher y/y. Weekly Class A beef prices was softer at R26.99/kg, down 0.7% w/w but 5.8% higher y/y.

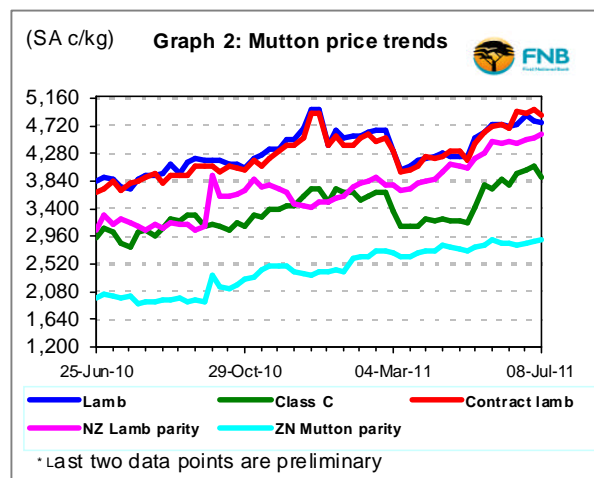


OUTLOOK

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 activity was reportedly slow to moderate with light demand. Supplies remained tight due to seasonal decrease in number of marketable lambs during this period. Lamb Carcass Cutout values continued to soften, ending 0.8% lower at \$371.31/cwt, but still 32.2% higher y/y. Weekly slaughter numbers came in at 37,000 head, down 2.6% w/w and 11.9% y/y. In Australia, lamb prices continued to weaken due to improved supplies. Mutton prices on the other hand remained firm.
- Domestic:** Mutton prices continued to strengthen supported by tight supplies across markets. Weekly mutton prices closed at R40.33/kg, up 1.7% w/w and 34.1% y/y. Weekly Contract Class A lamb prices ended a bit softer at R49.12/kg, down 0.9% w/w and 34.1% y/y. Class A lamb prices finished 3.2% higher w/w at R48.97/kg, up 27.3% 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 8.6% w/w and 49.2% y/y to close at a new record of R27.50/kg live weight.

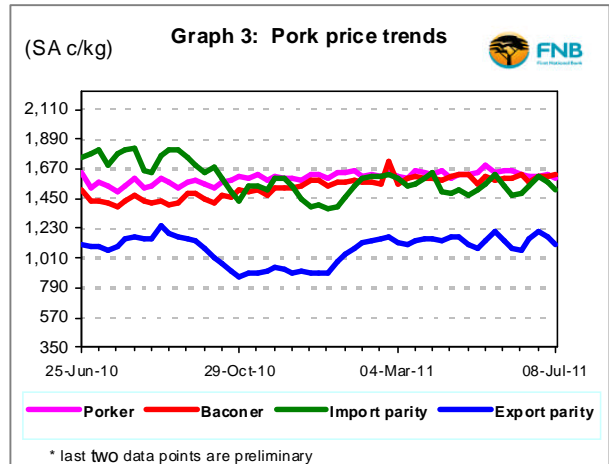


OUTLOOK

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 maintained their upward trend on the back of reduced supplies. Weekly ham prices gained 4.6% w/w to close at \$78.00/ cwt, up 2.4% y/y. Rib prices increased by 3.6% w/w and 24.6% y/y at \$168.47/cwt. Carcasses advanced by 4.6% w/w and 17.2% y/y at \$98.52/cwt. Weekly slaughter number decreased by 1.9% w/w and 0.6% y/y at an estimated 1.94m head.
- Domestic: Prices ended mixed with porkers remaining softer. Weekly porker prices closed at R16.10/kg, down 0.5% w/w, and 2.0% y/y. Baconers rebounded and closed 2.2% higher w/w at R16.12/kg, up 6.0% y/y. Import parity prices advanced further on the back of better international prices and a weaker Rand, closing 4.1% higher w/w but still down 8.0% 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.

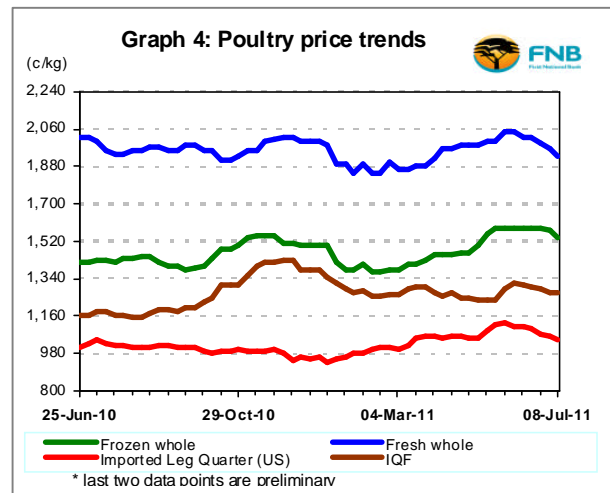


OUTLOOK

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

Poultry market trends (Graph 4)

- International: US domestic prices trended lower across most categories with the exception of wings. Wings increased by 3.2% w/w at US\$1.50c/lb. Weekly leg quarter prices fell by 3.4% w/w but still up 23.6% y/y at US\$47.20c/lb. Whole birds were almost unchanged w/w. Breasts were softer, closing down 0.9% w/w and 16% y/y. The weaker trend is attributable to moderate to heavy supplies. Demand at retail and food service was reportedly light to moderate ahead of the weekend. US broiler egg sets and chick placements as of 18-June-2011 were reported down 4.0% and 3.0% y/y respectively. The estimated number available for marketing during the week ending 03-Jul-2011 came in at 157.0m head, down 4.2% y/y.
- Domestic: Poultry prices trended lower across most categories. Weekly fresh whole birds closed 1.5% lower w/w at R19.89/kg, down 1% y/y. IQF prices remained under pressure and declined by 0.6% w/w to close at R12.90/kg, but still 10% higher y/y. Import parity for poultry (LQ) ended modestly lower mainly due to a lower international prices. Weekly import parity prices fell by 2.0% 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.

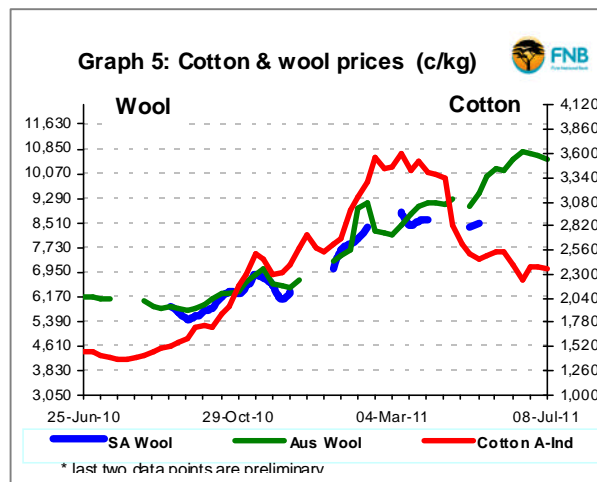


How can we help you?

Producer prices for selected livestock commodities 24 June 2011	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	26.99	48.97	16.10	19.89
Open market: Class C / Baconer / Frozen whole birds(R/kg)	24.00	40.33	15.40	15.88
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	26.98	49.12	16.12	12.90
Import parity price (R/kg)	19.16	28.57	16.09	10.75
Weaner Calves / Feeder Lambs (R/kg)	17.25	27.50		

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..
- **Cotton ICE futures:** Cotton for Jul-11 delivery increased by 13.8% w/w at 165.22c/lb; Oct-11 was down 2.1% w/w at 126.92c/lb; Dec-11 was down 1.5% w/w at 121.92c/lb; Mar-12 was down 3.3% w/w at 113.82c/lb.
- **Wool:** In Australia, the wool market retained upward momentum which saw the weekly market indicator EMI closing at A\$14.36/kg, up 0.3% w/w and 60.4% 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.



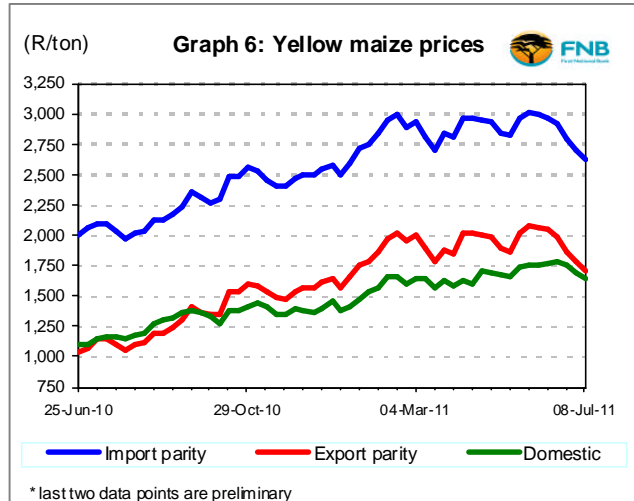
Fibre market prices 24 June 2011	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Nov-11 (AU\$/kg)	Australian futures Jan-12 (AU\$/kg)
Wool market indicator (R/kg)	97.29	107.13		
19µ long length wool (R/kg)	127.81	124.63	15.25	14.88
21µ long length wool (R/kg)	101.35	109.46	12.90	12.58
23µ long length wool (R/kg)	-	95.48	10.90	10.58
	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)	23.85	3.5	2.79	2.68

South Africa: Closing figures for the season



Yellow maize market (Graph 6)

- **International:** US yellow maize prices posted modest losses, hitting limit down under pressure due to improved production conditions, lower crude oil prices and a stronger US dollar. Flooding concerns and rumors of Chinese buying helped to limit losses. Weekly Maize futures on Chicago: Maize for Jul-11 closed 4.3% lower at \$264/t; Sep-11 closed 4.4% lower at \$259/t; Dec-11 closed 4.2% lower at \$249/t; Mar-12 closed 4.1% lower at \$254/t.
- **Domestic:** Weekly yellow maize prices finished the week slightly lower due to the spillover weakness from CBOT prices. Yellow maize prices closed down 1.8% w/w at R1,748/t, which is 59.1% higher y/y. Yellow maize import parity price dropped by 4.2% w/w but still 39.5% higher y/y. In the monthly estimate report, the expected yellow maize crop was increased by 0.2% m/m at 4.63m tons. Weekly export sales for the week ended 17 June 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 (+R4/t); Dec-11 was up 0.3% w/w (+R6/t).



OUTLOOK

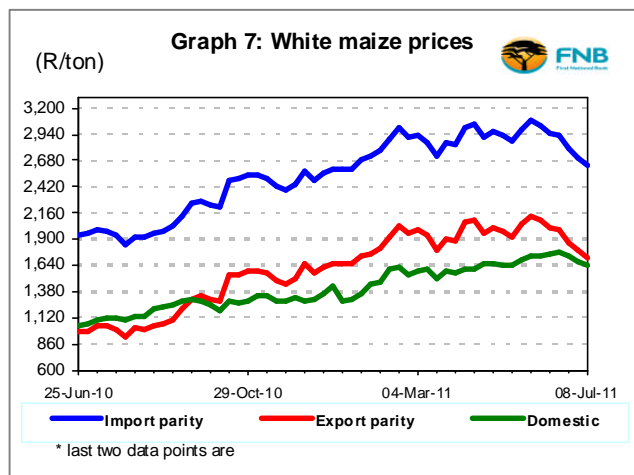
Prices are expected come under pressure in the short term due to the spillover weakness from international markets.

Yellow Maize Futures 24 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT (\$/t)	263.98	258.86	249.01	253.81	256.89
SAFEX (R/t)	1,745	1,778	1,828	1,850	-
CHICAGO CORN (R/t)	1,881	1,858	1,812	1,868	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-11			Dec-11			Mar-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,820	125	83	1,860	182	150	1,900	218	168
1,780	102	100	1,820	160	168	1,860	195	185
1,740	82	120	1,780	139	187	1,820	173	203

White maize market trends (Graph 7)

- **International:** US white maize prices posted modest losses as crude oil prices weakened and the US dollar strengthened, making exports uncompetitive. Weekly prices closed 6.8% lower w/w at close at \$275/ton, but still 101.3% higher y/y.
- **Domestic:** Weekly white maize prices reversed last week's gains and weakened due to the spillover pressure from CBOT prices. Weekly white maize prices decreased by 1.8% w/w and closed at R1,735/ton, which is still 66.3% higher y/y. White maize import parity prices closed 5.0% lower w/w but still 43.4% higher y/y. Meanwhile, the production estimate came out bearish despite



concerns over the impact of wet conditions and delayed harvesting on the crop. The expected commercial maize crop came in at 10.998m tons, marginally higher than the previous estimate. Area under maize was pegged at 2.4m hectares. The expected white maize crop came in at 6.4m tons, down 0.03% from the previous estimate. White maize (WM) futures on Safex: White maize for Jul-11 delivery increased by 0.6% w/w (+R10/t); Sep-11 was up 0.4% w/w (+R7/t); Dec-11 was up 0.6% w/w (+R11/t); Mar-12 was up 0.8% w/w (+R15/t); Jul-12 was up 1.1% w/w (+R20/t).

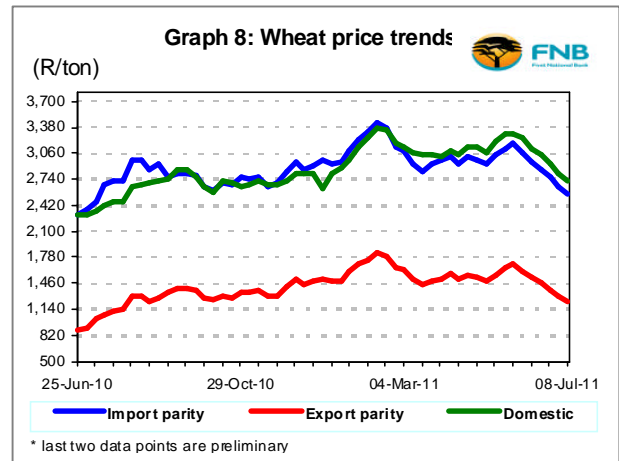
OUTLOOK

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

White Maize Futures 24 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
SAFEX (R/t) WM ₁	1,740	1,770	1,827	1,855	-			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-11			Dec-11			Mar-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,820	114	64	1,860	164	131	1,900	227	182
1,780	90	80	1,820	142	149	1,860	204	199
1,740	70	100	1,780	121	168	1,820	183	218

Wheat market trends (Graph 8)

- International:** US Wheat prices continued to weaken on spill over pressure from the Black Seas region due to expectations that Russia will be entering the export market from July 1st. Harvest pressure and expectations of a larger than expected hard red wheat crop added to the weaker tone. Wheat futures on Kansas: Wheat for Jul-11 delivery declined by 5.5% w/w at \$279/t; Sep-11 was down 5.4% w/w at \$286/t; Dec-11 was down 5.1% w/w at \$295/t; Mar-12 was down 5.2% w/w at \$300/t. Wheat futures on Chicago: Wheat for Jul-11 delivery declined by 5.4% w/w at \$234/t; Sep-11 was down 6.6% w/w at \$243/t; Dec-11 was down 6.3% w/w at \$259/t; Mar-12 was down 6.7% w/w at \$271/t.
- Domestic:** Wheat prices continued to weaken despite a weaker Rand due to lower CBOT prices. Weekly prices decreased by 4.1% w/w to close at R2,926/t, but were 29.5% higher y/y. Wheat import parity prices dropped by 2.0% w/w but still up 12.2% y/y. The lower CBOT prices continued to exert downward pressure on import parity prices. Weekly import sales for the week ended 17 June 2011 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 declined by 3.2% w/w (-R96/t); Sep-11 was down 4.2% w/w (-R126/t); Dec-11 was down 4.8% w/w (-R141/t).



OUTLOOK

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



Wheat Futures 24 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12			
KCBT (\$/t)	279.25	285.96	295.05	299.64	301.85			
SAFEX (R/t)	2,888	2,848	2,803	2,860	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-11			Dec-11			Mar-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,880	124	92	2,840	179	142	2,900	231	191
2,840	103	111	2,800	157	160	2,860	209	209
2,800	84	132	2,760	137	180	2,820	188	228

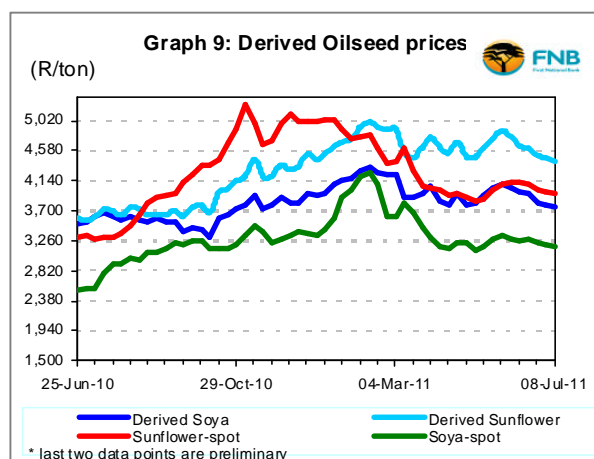
Oilseed market trends (Graph 9)

- International:** US soybean prices continued to trend lower on selling pressure in the grains market. Prices were down across the soybean complex with meal the biggest losers. Increase in US biodiesel production helped limit losses in soybean oil. Lack of weather threat added to the weaker tone as outlook improved. Soybean complex on Chicago: For the week, soybean for Jul-11 delivery closed 1.0% lower at \$485/t; Nov-11 closed 1.8% lower at 81/t. Soybean meal for Jul-11 delivery closed 2.6% lower at \$340/t; Sep-11 closed 2.4% lower at \$339/t. Soybean oil for Jul-11 delivery closed 1.4% lower at 55.15c/lb; Sep-11 closed 1.5% lower at 55.62c/lb; Dec-11 closed 1.5% lower at 56.38c/lb.

- Domestic:** Oilseed prices traded on SAFEX ended lower across the board. Weekly sunflower prices decreased by 1.6% w/w but still up 20.9% y/y at R4,017/t. Soybean prices closed at R3,217/t, down 2.0% w/w but still 29.7% higher y/y. Production estimate for sunflower seed came in at 780,470 tons, down 3.6% compared to the previous estimate. Area under sunflower came in at 642,700 ha. In the case of soybeans, the expected crop was pegged at 699,250 tons which is 3.3% higher than the previous month. About 418,000 ha have been planted to soybeans. Weekly Sunflower futures on Safex: Sunflower for July delivery closed 0.5% lower w/w (-R21/t); Sep-11 closed 0.6% lower (-R25/t). Weekly Soybean futures on SAFEX: Soybean for Jul-11 closed 1.1% lower (-R35/t); Sep-11 closed 0.7% lower (-R22/t); Dec-11 closed 0.1% lower (-R3/t).

OUTLOOK

Prices are expected to drift lower in the short term. However the medium to longer term outlook remains bullish due to tightening world supplies.



Oilseeds Futures 24 June 2011	Jul-11	Sep-11	Dec-11	Mar-12	May-12
CBOT Soybeans (US \$/t)	485.09	481.56	-	487.22	487.00
CBOT Soya oil (US c/lb)	55.15	55.62	56.38	57.01	57.16
CBOT Soya cake meal (US \$/t)	339.90	339.40	336.90	341.30	341.30
SAFEX Sunflower seed (R/t)	4,035	4,125	4,240	-	4,100
SAFEX Soybean seed (R/t)	3,220	3,278	3,350	3,416	3,286

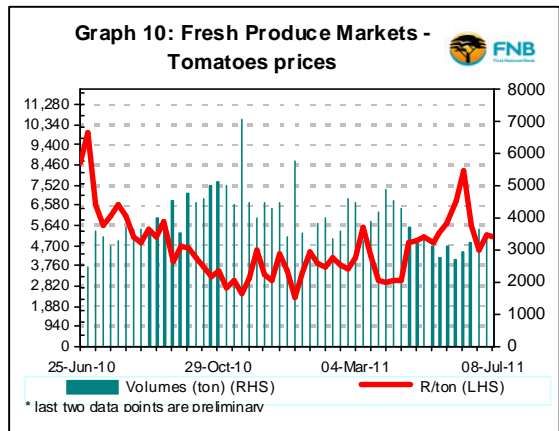
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Sep-11			Dec-11			Mar-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,320	156	114	3,400	282	232	3,460	327	283
3,280	135	133	3,360	259	249	3,420	305	301
3,240	115	153	3,320	238	268	3,380	283	319

Vegetable Market Trends (Graphs 10 to 14)

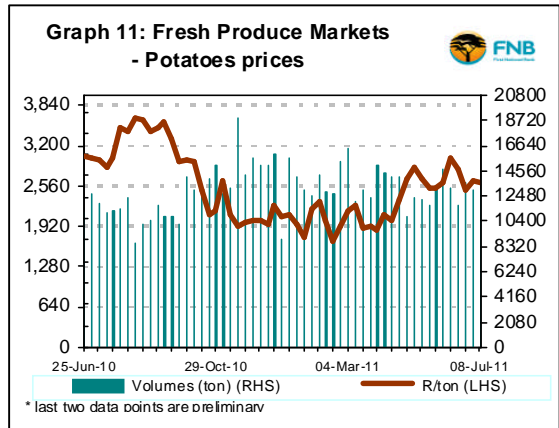
• **Tomatoes**

Tomato prices continued to trend lower influenced by a combination of weak uptake and increased supplies on markets. Prices were down 19.5% w/w and 47.1% y/y, closing at R4,535/ton. Volumes traded reached 3,654 tons, up 12.9% w/w and 43.9% y/y. Prices are however expected to bottom out and improve slightly in the short term.



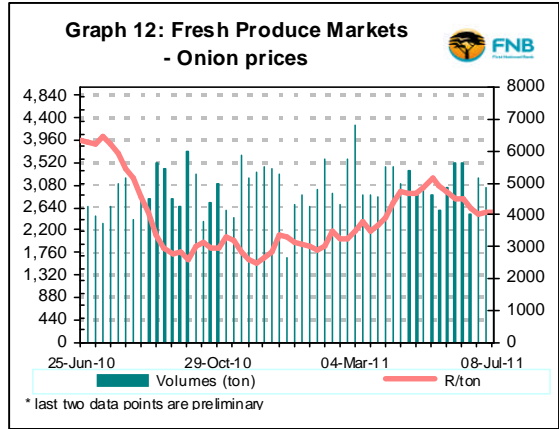
• **Potatoes**

Potato prices maintained their downward trend under pressure to higher volumes across most markets. Prices decreased by 12.2% w/w and 18.3% y/y, closing the week at R2,480/ton. Volumes traded were up 16.7% w/w and 23.1% y/y, coming in at 13,596 tons. Prices are expected to improve slightly during month end and thereafter weaken due to increased supplies.



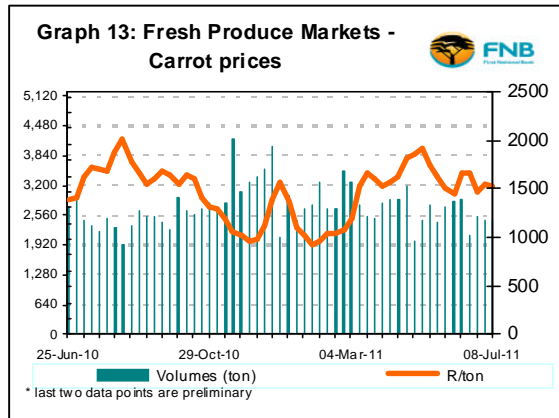
Onions

Onion prices continued with their downward trend on the back of higher volumes on markets. Prices decreased to R2,498/ton, down 4.6% w/w and 36.8% y/y. Volumes traded were up 28.3% w/w and 28.7% y/y, closing the week at 5,158 tons. Prices are expected to move sideways with limited upside potential due to improved supplies.



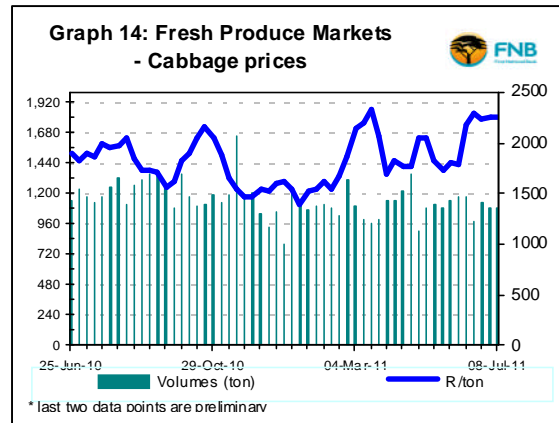
Carrots

Carrot prices declined sharply as a result of increased supplies on markets. Prices finished the week down 11.1% w/w but still up 5.5% y/y, closing the week at R3,070/ton. Volumes traded reached 1,213 tons, up 18.2% w/w but down 7.4% y/y. Prices are expected to move sideways with some upward potential during the month end period.



Cabbages

Cabbage prices reversed last week's gains on the back of increased supplies on markets. Prices were down 2.3% w/w but still up 18.7% y/y closing at R1,796/ton. Volumes traded reached 1,405 tons, up 15.3% w/w but still down 1.8% y/y. Prices are expected to improve somewhat in the short term.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 24 June 2011	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	4,535	-19.5%	-47.1%	3654	12.9%	43.9%
Potato	2,480	-12.2%	-18.3%	13596	16.7%	23.1%
Onion	2,498	-4.6%	-36.8%	5158	28.3%	28.7%
Carrot	3,070	-11.1%	5.5%	1213	18.2%	-7.4%
Cabbage	1,796	-2.3%	18.7%	1405	15.3%	-1.8%

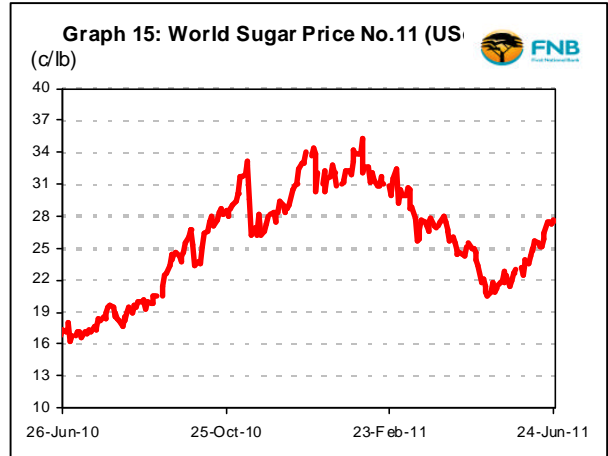
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- **International:** World sugar prices continued to post strong gains. Prices have recovered following a sharp sell-off in the past few months. Weekly sugar prices averaged US27.46c/lb, up 7.2% w/w and 65.9% y/y. Weekly US ICE sugar futures (US c/lb): Raw sugar for Jul-11 delivery closed 4.4% higher w/w at 27.54c/lb; Oct-11 closed 2.4% higher at 26.00c/lb; Mar-12 closed 1.3% higher at 25.37c/lb; Oct-12 closed 1.4% higher at 23.88c/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 24 June 2011	Jul-11	Oct-11	Mar-12	May-12	July-12
Sugar No.11 (US c/lb)	27.54	26.00	25.37	24.72	24.32
% Change w/w	4.4%	2.4%	1.3%	1.2%	1.4%

Disclaimer:

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